



Economic Activity Report

April 2016



The Commerce City economy continued to report positive trends across many indicators through the first quarter of 2016, with growth in employment and the residential real estate market. The employment situation improved, with overall employment rising 6.4 percent between the third quarters of 2014 and 2015, representing the addition of 1,780 new jobs. The unemployment rate was 3.9 percent in the fourth quarter of 2015, a decline of 0.8 percentage points from the prior year's level. The unemployment rate was also the lowest fourth quarter unemployment rate since the data started being collected in the fourth quarter of 2000 when the rate was 4 percent.

Consumer activity in Commerce City declined in the second quarter of 2015, with total retail sales falling 29.1 percent compared with the prior year. Commerce City businesses collected \$616 million less in retail sales during the period. Following several quarters of strong over-the-year growth in consumer confidence, the Mountain Region index for consumer confidence decreased 13.3 percent between the first quarters of 2015 and 2016.

Home sales activity was strong in the single-family detached market between the fourth quarters of 2014 and 2015, with sales of single-family detached homes in Commerce City rising 32.3 percent and the average sales price increasing 10.8 percent. The apartment rental market loosened further during the fourth quarter of 2015 in Commerce City, with the vacancy rate rising 2.8 percentage points over-the-quarter to 6.2 percent. Two of the five commercial property types tracked in this report recorded increasing vacancy rates and three property types recorded increases in average lease rates.

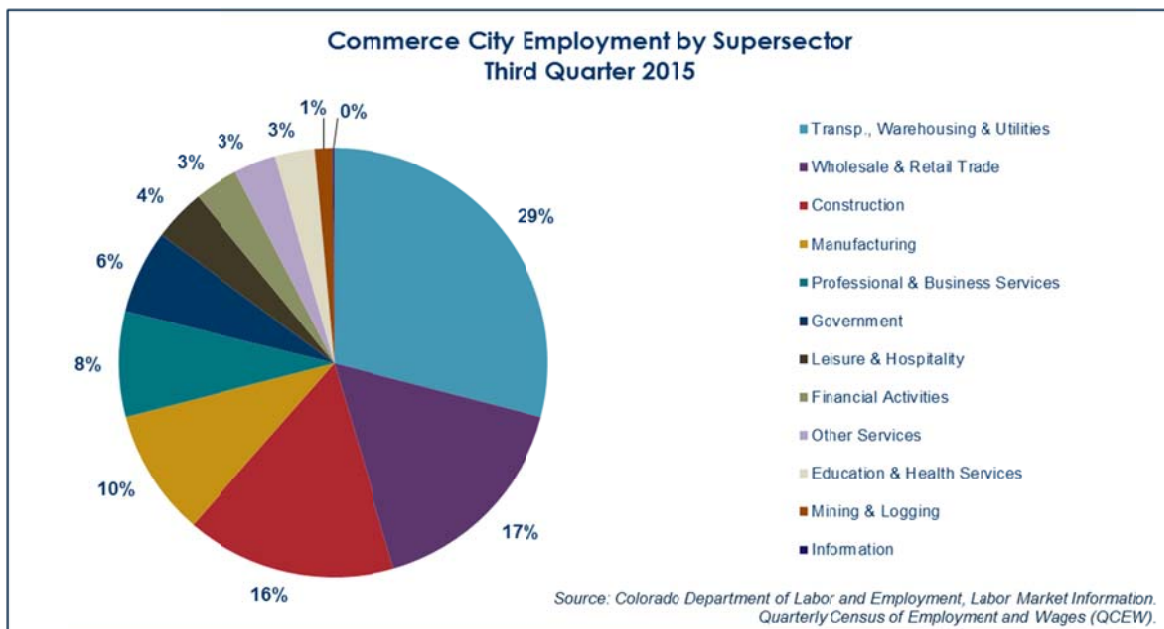
Commerce City Economic Headlines

- ◆ Suncor Energy announced plans to invest \$70 million into its Commerce City refinery. The company said the investment is for a maintenance turnaround and the upgrade sets up the refinery for five more years of safe, reliable operations. Suncor officials reported that the company purchased materials and equipment locally where it could to support the local economy. The work started in mid-March and should last through the end of April.
- ◆ Commerce City, the Regional Transportation District (RTD), and the Regional Rail Partners celebrated the start of construction on the city's new commuter rail station. The station is part of RTD's North Metro Rail Line that is scheduled to begin service in 2018. The new station will be located at E. 72nd Avenue and Colorado Boulevard. In conjunction with the rail station, the city has developed a Station Area Master Plan (STAMP) to revitalize the surrounding neighborhoods through commercial development, diversified housing, infrastructure improvements, and neighborhood amenities.
- ◆ The City of Commerce City celebrated the completed construction of the E. 104th Avenue widening project. The project widened E. 104th Avenue to four lanes between US Highway 85 and E-470. The most recent phase included bridgework, a pedestrian underpass, and new utilities.
- ◆ UPS announced plans to invest \$13.5 million into its Commerce City operations and add 20 full-time employees.
- ◆ Midwest Trucks, Parts and Service announced plans to relocate its operations to Commerce City, bringing \$3.87 million in new capital investment and 37 new jobs paying well above the county average.
- ◆ Intsel Steel announced plans to build a 234,000 square foot industrial facility in Commerce City, adding 92 jobs and \$14.5 million in new capital investment.
- ◆ Adams County commissioners ended a six-week moratorium on applications for new oil-and-gas drilling permits. Instead, they chose to increase application fees and enhance the site-specific review process for these requests. They also decided to increase the administrative review process for any company operators who share a memorandum of understanding with the county. Drilling companies will have to pay new application fees for administrative use by special review applications and a task force will provide recommendations to commissioners regarding potential traffic impact fees.

- ◆ *U.S. News and World Report* ranked Denver the best place to live in the country. The report stated that Denver is the best place to live in part because of its healthy job market, cost of living, and perception as a desirable place to live. The company ranked cities based on criteria including unemployment rates, median salary, median annual household income, annual cost of living, quality of education, and availability of healthcare. The company stated that Denver’s location at the base of the Rocky Mountains provides a gateway to a slew of outdoor pursuits.
- ◆ According to CompTIA’s *Cyberstates 2016*, Colorado had 187,242 technology employees in 2015 and ranked ninth for the average technology wage (\$106,350). The state ranked third for technology worker employment concentration. The tech sector added 3,100 jobs between 2014 and 2015 and there were 14,847 tech company establishments. Colorado’s leading tech industry sectors by employment were computer systems design, engineering services, telecommunications, R&D and testing labs, and software publishing.
- ◆ WalletHub ranked the Denver-Aurora-Lakewood metropolitan statistical area (MSA) as the fourth best market for science, technology, engineering, and mathematics (STEM) professionals. The company ranked the 100 largest metropolitan areas in the country based on criteria including STEM-employment growth, research and development spending, tech startup density, and housing affordability. The San Jose-Sunnyvale-Santa Clara, Calif. MSA ranked first followed by the Austin-Round Rock, Texas MSA and the Seattle-Tacoma-Bellevue, Wash. MSA.
- ◆ Zillow ranked Denver the hottest housing market of 2016. The company stated Denver has a healthy mix of home price appreciation, low unemployment, and a tech industry focus. The company ranked cities based on criteria including home price appreciation, jobless rate, and income growth. Seattle, Wash. was ranked second followed by Dallas-Fort Worth, Texas, Richmond, Va. and Boise, Idaho.

Employment

The number of businesses throughout Commerce City rose 6.5 percent between the third quarters of 2014 and 2015, a net gain of 79 businesses. Nine of the 12 supersectors reported over-the-year increases in business counts, with the information sector recording the largest increase (+28.6 percent) during the period. The construction sector and the professional and business services supersector also recorded significant establishment growth over-the-year, rising 12 percent and 9.1 percent, respectively. The wholesale and retail trade supersector (+1.9 percent) recorded the smallest over-the-year increases in businesses, while the manufacturing and mining and logging sectors reported no change in business counts over-the-year. The government sector (-9.1 percent) reported the only decline in businesses between the third quarters of 2014 and 2015, losing one establishment.



Business and Employment Indicators by Supersector

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014
Total All Industries	1,294	1,215	\$998	\$985	29,558	27,781	1,551,489	1,497,388
Private Sector								
Mining & Logging	19	19	\$1,625	\$1,787	395	581	14,379	15,220
Construction	177	158	\$1,109	\$1,006	4,712	4,673	88,730	84,838
Manufacturing	96	96	\$1,261	\$1,220	2,825	2,592	86,184	83,263
Wholesale & Retail Trade	272	267	\$1,036	\$1,037	4,843	4,573	228,178	221,448
Transp., Warehousing & Utilities	169	156	\$966	\$990	8,585	7,815	51,506	50,085
Information	9	7	\$1,109	\$794	39	39	53,956	53,237
Financial Activities	98	91	\$863	\$935	983	900	106,855	102,196
Professional & Business Services	191	175	\$947	\$909	2,348	2,034	288,101	279,545
Education & Health Services	58	55	\$789	\$639	873	699	197,037	187,519
Leisure & Hospitality	79	73	\$383	\$339	1,159	1,169	175,781	167,975
Other Services	113	105	\$770	\$830	934	876	47,461	46,346
Government	10	11	\$956	\$918	1,854	1,828	213,047	205,446

Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.

Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

The average weekly wage for all industries in Commerce City during the third quarter of 2015 was \$998, an increase of 1.3 percent compared with the prior year's level. The highest weekly wage during the period was in the mining and logging supersector at \$1,625 per week, although this represented a 9.1 percent decrease over-the-year. The information sector reported the largest increase in the average weekly wage over-the-year, rising 39.7 percent to \$1,109 per week. Workers in the leisure and hospitality supersector earned the lowest wage at \$383 per week, but this was 13 percent higher than the previous year. The financial activities supersector (-7.7 percent), the other services sector (-7.2 percent), the transportation, warehousing, and utilities supersector (-2.4 percent), and the wholesale and retail trade supersector (-0.2 percent) all recorded declining average weekly wages between the third quarters of 2014 and 2015.

Commerce City employment rose 6.4 percent in the third quarter of 2015 compared with the prior year, creating an additional 1,780 jobs. The supersector that reported the largest increase in employment was education and health services, recording a 24.8 percent increase in employment or 170 positions. The professional and business services supersector and the manufacturing sector also recorded significant employment growth during the period, rising 15.4 percent and 9 percent, respectively. The largest supersector by employment is transportation, warehousing, and utilities, representing 29 percent of the area's total employment. The supersector recorded a 9.9 percent increase in employment between the third quarters of 2014 and 2015. The leisure and hospitality (-0.8 percent) and the mining and logging (-32.1 percent) sectors reported over-the-year declines in employment.

Metro Denver also reported strong employment growth in the third quarter of 2015, but at a slower pace than Commerce City. Overall employment in Metro Denver rose 3.6 percent compared with the prior year's level. Eleven of the 12 sectors recorded employment growth during the period. Like Commerce City, the education and health services supersector grew at a fast pace, increasing 5.1 percent. The construction, financial activities, and leisure and hospitality sectors also reported large increases in employment, with all three sectors growing 4.6 percent. The professional and business services supersector was the largest by overall employment with 288,100 workers and increased 3.1 percent during the period. The information sector (+1.4 percent) recorded the smallest growth in employment over-the-year, while the mining and logging sector (-5.5 percent) recorded the only decline in employment.

Labor Force and Unemployment

Unemployment in Commerce City was 3.9 percent during the fourth quarter of 2015, 0.8 percentage points below the prior year and 0.5 percentage points below the prior quarter. This fourth quarter unemployment rate is the lowest fourth quarter unemployment rate since the data started being collected in the fourth quarter of 2000 when the rate was 4 percent. The area’s labor force was over 25,050 individuals in the fourth quarter 2015, a decrease of 0.4 percent over-the-year. Adams County reported a 1 percentage point decline in the unemployment rate between the fourth quarters of 2014 and 2015, falling to 3.7 percent. The size of the Adams County labor force increased 0.3 percent, with 635 people entering the labor force. Of the seven Metro

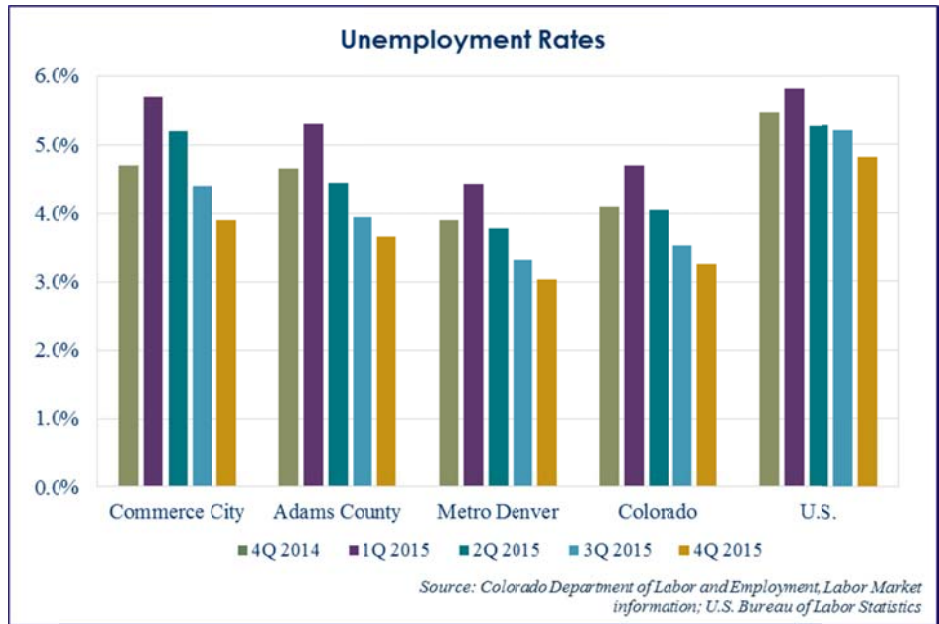
Denver counties, Adams County recorded the highest unemployment rate during the fourth quarter, but tied with Arapahoe County for the largest over-the-year decline in the unemployment rate. Metro Denver reported a 0.2 percent increase in the labor force and a 0.9 percentage point decline in the unemployment rate over-the-year.

Colorado reported a 0.3 percent increase in the labor force between the fourth quarters of 2014 and 2015 and the unemployment rate declined 0.8 percentage points to 3.3 percent. The United States recorded a 0.7 percentage point decrease in the unemployment rate over-the-year, with a 0.7 percent increase in the labor force.

Consumer Activity

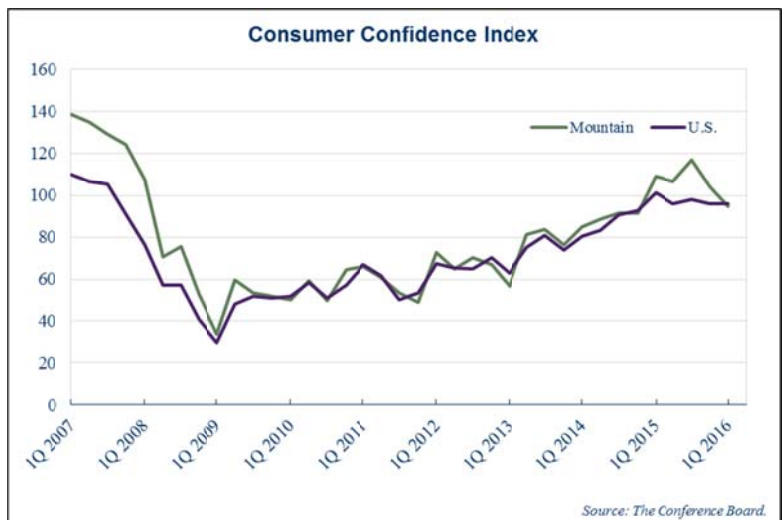
Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased during the first quarter of 2016, falling 5.3 percent over-the-



	Labor Force			Unemployment Rate	
	4Q 2015	4Q 2014	Yr/Yr % Change	4Q 2015	4Q 2014
Commerce City	25,052	25,148	-0.4%	3.9%	4.7%
Adams County	247,308	246,673	0.3%	3.7%	4.7%
Metro Denver	1,649,826	1,646,924	0.2%	3.0%	3.9%
Colorado	2,829,329	2,822,260	0.3%	3.3%	4.1%
U.S. (000s)	157,299	156,145	0.7%	4.8%	5.5%

Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.



year to 96 for the U.S. index. However, consumer confidence for the U.S. index was unchanged between the fourth quarter of 2015 and the first quarter of 2016. The decline in the national index for the first quarter 2016 level marked the first over-the-year decline in consumer confidence since the first quarter of 2013.

The Mountain Region index, which includes Colorado, also decreased during the first quarter of 2016. The Mountain Region index fell to 94.8, an over-the-year decrease of 13.3 percent. The Mountain Region Index also reported an over-the-quarter decrease of 9.1 percent. Consumer confidence for the Mountain Region index recorded over-the-quarter declines in three of the past four quarters.

Retail Sales

Commerce City retail sales decreased 29.1 percent between the second quarters of 2014 and 2015, representing \$616 million fewer in sales over-the-year. However, the city reported a 15.6 percent increase over-the-quarter. During the second quarter of 2015, Commerce City retail sales represented 28.3 percent of Adams County total retail sales. Adams County reported over \$5.3 billion in total retail sales during the second quarter of 2015, a decrease of 8.4 percent compared with the same period the prior year. Retail sales for Adams County rose 11 percent over-the-quarter.

Total retail sales in the seven-county Metro Denver area increased 3.1 percent between the second quarters of 2014 and 2015. Metro Denver also reported an 8.8 percent increase in retail sales over-the-quarter. Six of the seven counties in Metro Denver reported growth in retail sales between the second quarters of 2014 and 2015, with Adams County recording the only decline in sales. The City and County of Denver recorded the largest value of total retail sales, generating nearly \$6.9 billion in total sales. Douglas County reported the largest increase in total value of retail sales, generating an additional \$434 million during the period. Boulder County recorded the smallest percentage increase in retail sales over-the-year, rising 1.2 percent and generating nearly \$30 million more than the previous year.

Total Retail Sales (\$000's)

	2Q 2015	1Q 2015	2Q 2014	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,502,316	\$1,299,925	\$2,118,196	-29.1%	15.6%
Adams County	\$5,317,658	\$4,791,426	\$5,806,959	-8.4%	11.0%
Metro Denver	\$27,400,451	\$25,177,608	\$26,565,224	3.1%	8.8%

Source: Colorado Department of Revenue.

Residential Real Estate

Home Sales

Commerce City existing home sales continued to increase in the single-family detached market, while the single-family attached market held steady. The single-family attached market recorded 29 total sales during the fourth quarter of 2015, unchanged from the previous year’s level. The single-family detached market reported a 32.3 percent increase in home sales, or 74 additional homes sold during the period. The average sales price of homes in both markets increased over-the-year. The single-family detached average home price of \$276,040 was 10.8 percent higher than the previous year’s level. The single-family attached average home price of \$201,630 was 9.6 percent above the prior year’s level.

The single-family detached market in Metro Denver improved through the fourth quarter of 2015, with sales rising 2.3 percent over-the-year. Four of the seven counties reported over-the-year increases in home sales and three reported decreases. The average sales price throughout Metro Denver of \$393,010 reflected an 8.9 percent increase compared with the prior year. Boulder County reported the highest average sales price (\$528,540) and

Adams County reported the lowest average sales price (\$289,960). Average prices increased in all seven counties between the fourth quarters of 2014 and 2015, with Boulder County (+14.7 percent) recording the largest over-the-year increase.

Sales of single-family attached homes in Metro Denver increased 2.2 percent between the fourth quarters of 2014 and 2015, representing the sale of 81 additional homes. Four of the seven counties recorded over-the-year decreases in sales, ranging from -29.4 percent in the City and County of Broomfield to -1.7 percent in Jefferson County. All seven counties recorded increases in the average sales price during the period, with the average sales price in Metro Denver increasing 11.4 percent to \$230,380. Adams County reported the smallest over-the-year increase in the average sales price, rising 5.4 percent, and the average sales price of \$184,520 was the lowest of the seven counties. The City and County of Broomfield (+24.9 percent) recorded the largest increase in the average sales price.

Existing Home Sales

	Commerce City	Metro Denver County Markets							Metro Denver Total
		Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales									
<i>Single-Family Detached</i>									
4Q 2015	303	1,753	2,100	968	237	2,047	1,500	1,934	10,539
4Q 2014	229	1,619	1,932	973	227	2,240	1,325	1,988	10,304
<i>Single-Family Attached</i>									
4Q 2015	29	457	1,169	199	24	953	337	702	3,841
4Q 2014	29	413	1,018	268	34	999	314	714	3,760
Average Sold Price									
<i>Single-Family Detached</i>									
4Q 2015	\$276,037	\$289,961	\$365,778	\$528,538	\$391,399	\$420,544	\$448,424	\$388,657	\$393,010
4Q 2014	\$249,238	\$257,957	\$330,870	\$460,907	\$373,343	\$386,859	\$425,008	\$355,385	\$361,030
<i>Single-Family Attached</i>									
4Q 2015	\$201,631	\$184,515	\$195,727	\$299,284	\$262,121	\$284,965	\$290,307	\$211,992	\$230,382
4Q 2014	\$183,959	\$175,090	\$166,379	\$278,421	\$209,944	\$254,545	\$252,053	\$173,483	\$206,891

Source: Colorado Comps LLC.

Apartment Market

The Commerce City/Brighton apartment rental market reported an increase in the vacancy rate and a decline in the rental rate between the third and fourth quarters of 2015. The vacancy rate increased to 6.2 percent in the fourth quarter, rising 2.8 percentage points from the prior quarter's level of 3.4 percent. The vacancy rate was also 2.2 percentage points higher than the same time last year. The average rental rate for the Commerce City/Brighton area during the fourth quarter was \$1,201 per month, a decrease of 2.3 percent from the previous quarter. The average rental rate was also 0.4 percent lower than the prior year's level of \$1,206 per month. The fourth quarter average rental rate for the Commerce City/Brighton area was 0.3 percent above than the Adams County level, but 7.1 percent below the Metro Denver level.

The Adams County and Metro Denver apartment rental markets reported increases in vacancy between the fourth quarters of 2014 and 2015. The Adams County vacancy rate was 1.9 percentage points higher than the prior year's level and 1.2 percentage points above the previous quarter's level. The average rental rate for Adams County was \$1,197 in the fourth quarter, 0.8 percent lower over-the-quarter, but 9.2 percent higher over-the-year. Metro Denver reported a vacancy rate of 6.8 percent in the fourth quarter, which was 2.1 percentage points higher than the prior year. The average rental rate in Metro Denver was unchanged over-the-quarter, but was 10.5 percent higher over-the-year.

Average Apartment Rents and Vacancy

Fourth Quarter 2015

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	5.6%	\$757	\$1,041	\$1,187	\$1,384	\$1,730	\$1,391	\$1,197
Commerce City/Brighton	6.2%	-	\$999	\$1,191	\$1,430	\$1,625	-	\$1,201
Metro Denver	6.8%	\$1,061	\$1,148	\$1,218	\$1,508	\$1,808	\$1,461	\$1,292

Source: Denver Metro Apartment Vacancy and Rent Survey.

Foreclosures

Foreclosure activity in the Metro Denver area declined between the fourth quarters of 2014 and 2015. Metro Denver reported a 34.2 percent decline in total foreclosure filings over-the-year to 802 as six of the seven counties reported declines. Jefferson County reported the largest decrease in filings (-41.2 percent) and Douglas County reported the smallest decrease (-25.2 percent). Boulder County (+7.1 percent) reported the only over-the-year increase in foreclosures. Adams County (193 filings) reported the largest number of total filings and reported an over-the-year decline of 31.6 percent. Foreclosure filings for Metro Denver were down 8.7 percent in the fourth quarter 2015 compared with the previous quarter.

Residential Construction

Residential building permits in Commerce City increased during the first quarter of 2016 compared with the prior year's level. Commerce City reported 93 total permits issued during the first quarter, a 14.8 percent increase from the first quarter 2015 level of 81 permits. Commerce City issued 87 single-family detached permits during the first quarter of 2016, an increase of 7.4 percent over-the-year. There were also six condominium and townhome units permitted during the most recent quarter compared with no permits the previous year. The average valuation per single-family detached unit increased 32.1 percent over-the-year, while the average valuation for condominium and townhome units was \$127,200.

According to the U.S. Census Bureau, Metro Denver residential building permits rose 32.7 percent during the fourth quarter of 2015 compared with the prior year. Single-family detached units increased 32.9 percent, representing 569 additional units over-the-year. Single-family attached permits declined 52.7 percent, with 49 fewer permits issued, and multi-family permits rose 36.2 percent, with 772 additional permits issued. Total permits for Adams County were up 43 percent over-the-year and 6 percent over-the-quarter. Adams County recorded 379 permits during the fourth quarter consisting of 309 single-family detached permits, 6 single-family attached permits, and 64 multi-family permits.

Commerce City Residential Building Permits

	Single-Family Detached		Condominiums and Townhomes		Multi-Family			Total Units
	Units	Avg. Valuation Per Unit	Units	Avg. Valuation Per Unit	Permits	Units	Avg. Valuation Per Unit	
1Q 2016	87	\$215,617	6	\$127,203	-	-	-	93
1Q 2015	81	\$163,240	-	-	-	-	-	81
Yr/Yr % Change	7.4%	32.1%	-	-	-	-	-	14.8%

Source: Commerce City Community Development, Building Permits and Fees.

Commercial Real Estate

Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.

Office Market

The Commerce City office market continued to record mixed trends through the first quarter of 2016. There was an additional 10,420 square feet of rentable space added to the market between the first quarters of 2015 and 2016. The office vacancy rate rose to 6.5 percent, an increase of 0.1 percentage points from the prior year's level of 6.4 percent. The average lease rate for the office market rose 6.2 percent over-the-year to \$22.93 per square foot, adding \$1.34 per square foot. This average lease rate was the highest first quarter rate for the market since the first quarter of 2010 when the price was \$25.34 per square foot.

The Metro Denver office market continued to tighten between the first quarters of 2015 and 2016, with falling vacancy rates and rising average lease rates. The Metro Denver office market added an additional 2.3 million square feet of rentable space to the market over-the-year. The office market vacancy rate fell 0.6 percentage points over-the-year to 9.4 percent vacancy during the first quarter of 2016. This vacancy rate was the lowest first quarter level for the market since at least the first quarter of 2000. The average lease rate rose 4.8 percent during the same period to \$24.68 per square foot, adding \$1.12 per square foot.

Retail Market

The Commerce City retail market added 14,300 square feet of rentable retail space to the market during the first quarter of 2016. Retail vacancy in Commerce City increased 0.2 percentage points between the first quarters of 2015 and 2016 to 4.4 percent vacancy. The average lease rate for retail space fell 8.9 percent over-the-year to \$15.90 per square foot, losing \$1.55 per square foot.

The retail market in Metro Denver improved between the first quarters of 2015 and 2016. The Metro Denver retail market added over 1.3 million square feet of rentable space over-the-year. The vacancy rate fell to 4.8 percent during the first quarter, a decline of 0.2 percentage points compared with the previous year. This was the lowest first quarter vacancy rate since the first quarter of 2006. The average lease rate rose \$0.42 per square foot to \$16.21 per square foot, an increase of 2.7 percent over-the-year.

Flex Market

The Commerce City flex market tightened through the first quarter of 2016. The flex market has over 243,100 square feet of rentable space. The flex market vacancy rate decreased 0.5 percentage points between the first quarters of 2015 and 2016 to 3.2 percent. The flex market vacancy rate for Commerce City has been below 6 percent since the third quarter of 2008 when the vacancy rate was 6.9 percent.

The Metro Denver flex market improved through the first quarter of the year. The vacancy rate in the area fell 0.2 percentage points to 7.6 percent between the first quarters of 2015 and 2016, the lowest first quarter rate in Metro Denver since the availability of the data in 1999. The average lease rate increased 6.9 percent during the same period, rising from \$9.98 per square foot to \$10.67 per square foot. The average lease rate was also the highest first quarter rate since availability of the data in 1999.

Industrial Market

Commerce City's industrial market is heavily concentrated in warehouse distribution, representing nearly 74 percent of the rentable space in the market. With over 6.8 million square feet of rentable warehouse distribution space, Commerce City represents 4.7 percent of Metro Denver's total rentable space for warehouse distribution. The warehouse distribution vacancy rate was unchanged at 1.4 percent between the first quarters of 2015 and

2016. The average lease rate rose 63.2 percent to \$10.59 per square foot during the same period, adding \$4.10 per square foot to the average lease rate. All other industrial space in Commerce City reported a 1.5 percentage point decrease in the vacancy rate over-the-year to 1.1 percent. The average lease rate for all other industrial space rose 83 percent to \$10.23 per square foot during the same period.

The Metro Denver industrial market is also heavily concentrated in warehouse distribution, reporting over 145.2 million square feet of rentable space during the first quarter of 2016. The vacancy rate for the warehouse distribution market was 3.3 percent, an increase of 0.2 percentage points between the first quarters of 2015 and 2016. The average lease rate rose 14.3 percent to \$7.18 per square foot during the first quarter of 2016 compared with the prior year. The vacancy rate for all other industrial space fell 0.6 percentage points to 2.2 percent over-the-year. The average lease rate rose 23 percent to \$8.18 per square foot compared with the previous year's level.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015
<i>Office</i>	Commerce City	370,401	359,985	6.5%	6.4%	\$22.93	\$21.59
	Metro Denver	177,564,738	175,291,886	9.4%	10.0%	\$24.68	\$23.56
<i>Retail</i>	Commerce City	1,443,043	1,428,728	4.4%	4.2%	\$15.90	\$17.45
	Metro Denver	162,433,583	161,113,106	4.8%	5.0%	\$16.21	\$15.79
<i>Flex</i>	Commerce City	243,132	243,132	3.2%	3.7%	-	\$16.00
	Metro Denver	42,082,128	41,725,360	7.6%	7.8%	\$10.67	\$9.98
<i>Industrial</i>	Commerce City						
	Warehouse Distribution	6,808,414	6,808,414	1.4%	1.4%	\$10.59	\$6.49
	All Other Industrial	2,417,867	2,417,867	1.1%	2.6%	\$10.23	\$5.59
	Metro Denver						
Warehouse Distribution	145,247,337	144,270,281	3.3%	3.1%	\$7.18	\$6.28	
All Other Industrial	54,456,471	54,352,649	2.2%	2.8%	\$8.18	\$6.65	

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial, flex, and retail lease rates are triple-net; office rates are full-service.

Source: CoStar Realty Information, Inc.

Nonresidential Construction

There was nearly 29,000 square feet of nonresidential building permits issued in Commerce City during the first quarter of 2016. The nonresidential building permits issued during the period were valued at over \$1 million. A permit was issued for a 19,350-square-foot office building for Fiore & Sons, Inc., a full service construction contractor that serves the industrial, commercial, heavy civil, and residential construction markets. The project is valued at \$890,800. There was also a permit issued for a 9,636-square-foot marijuana dispensary valued at \$120,000.

Commerce City Commercial Building Permits Issued, 1Q 2016		
Project Description	Valuation	Total Square Feet
Fiore & Sons New Office/Shop	\$890,800	19,350
Marijuana Dispensary/Grow Facility	\$120,000	9,636

Source: Commerce City Community Development, Building Permits and Fees.

Provided by:
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