



# Economic Activity Report

*April 2019*





**Commerce City Quarterly Report**  
*Quarterly Economic Summary*

*April 2019*

<p><b>Employment</b></p>	<p><b>31,416</b> Up 4.7% from 3Q 2017</p>	
<p><b>Average Weekly Wage</b></p>	<p><b>\$1,059</b> Up 2.0% from 3Q 2017</p>	
<p><b>Labor Force Growth Rate</b></p>	<p><b>2.4%</b> Down 1.1 percentage points from 4Q 2017</p>	
<p><b>Unemployment Rate</b></p>	<p><b>3.6%</b> Up 0.6 percentage points from 4Q 2017</p>	
<p><b>Existing Home Sales</b></p>	<p><b>221</b> Down 24.6 percent from 4Q 2017</p>	
<p><b>Single-Family Detached Average Price</b> <b>Single-Family Attached Average Price</b></p>	<p><b>\$349,109</b> Up 4.9% from 4Q 2017 <b>\$275,970</b> Up 8.1% from 4Q 2017</p>	
<p><b>Apartment Vacancy Rate</b> <b>Apartment Average Lease Rate</b></p>	<p><b>3.7%</b> Up 0.4 percentage points from 4Q 2017 <b>\$1,405</b> Down 0.5% from 4Q 2017</p>	
<p><b>Office Vacancy</b> <b>Retail Vacancy</b> <b>Warehouse Vacancy</b> <b>All Other Industrial Vacancy</b></p>	<p><b>0.3%</b> <b>2.9%</b> <b>3.8%</b> <b>2.7%</b></p>	

## Commerce City Economic Headlines

- ◆ **NexMetro Communities** is launching Avilla Buffalo Run in Commerce City, a 123-unit, single-level rental home community located on 12.5 acres. The homes will come to market in the first quarter, with monthly lease rates for one-bedroom homes starting at \$1,400 and three-bedroom homes in the low \$2,000s. The developer is also launching communities in Brighton and Thornton soon.
- ◆ Brookings Institution used recently released migration data from the U.S. Census Bureau to identify major metros that attracted the most 25- to 34-year-olds for the period of 2012 through 2017. Denver ranked second, after Houston and before Dallas. At a state level, Colorado ranked third, with Texas and Washington capturing the top two spots.
- ◆ Colorado ranked No. 4 on *24/7 Wall Street's* 2019 list of “Best States to Live In.” Colorado earned the high ranking based on criteria including employment, poverty rate, and life expectancy. The study found Colorado’s 10-year population increase of 15.3 percent was the fifth-highest in the nation and its annual unemployment rate was 2.8 percent, fourth-lowest. The study also noted Colorado’s 80.2-year life expectancy at birth was eighth-highest of all the states. In addition, 44.2 percent of its population has at least a bachelor’s degree and the state has the lowest obesity rate in the nation.
- ◆ *Wallethub* ranked Colorado the fifth most-educated state in the country, applying 20 metrics to all 50 states to come up with the rankings. Colorado was first in percentage of associate degree holders or college-experienced adults and second in percentage of bachelor’s degree holders. The four states ranked ahead of Colorado as most educated were Connecticut, Vermont, Maryland, and Massachusetts.

## Employment

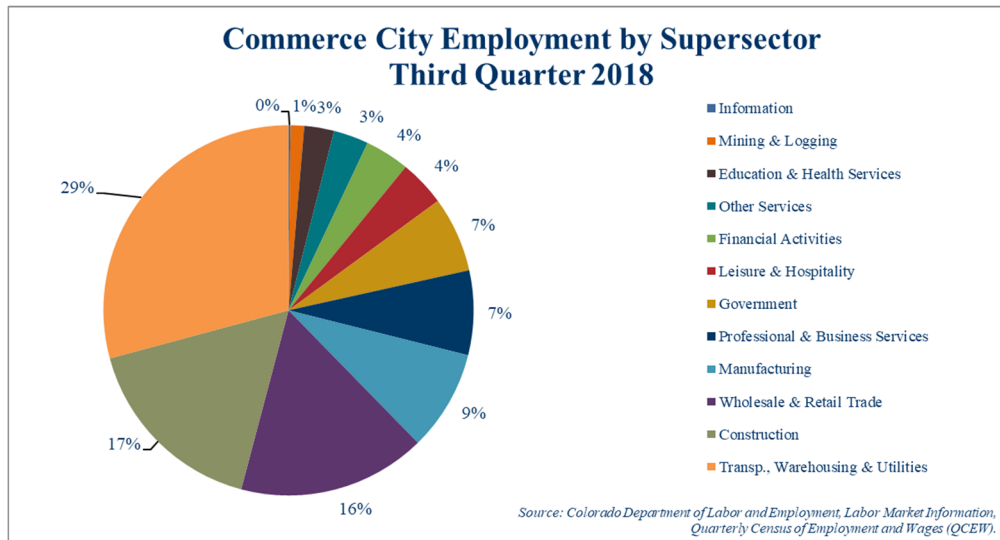
The number of businesses throughout Commerce City rose 3 percent between the third quarters of 2017 and 2018, a net gain of 43 businesses. Seven of the 12 supersectors reported over-the-year increases in the business count. The government supersector (+9.1 percent) reported the largest percentage increase in businesses, followed by financial activities (+7.2 percent), construction (+5.9 percent), and transportation, warehousing, and utilities (+5.6 percent). Mining and logging, information, and education and health services reported no change over-the-year, holding steady at their current business counts. The leisure and hospitality supersector and manufacturing supersector reported decreases between the third quarter of 2017 and the third quarter of 2018, falling 3.6 percent and 2 percent, respectively.

**Business and Employment Indicators by Supersector**

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	3Q 2018	3Q 2017	3Q 2018	3Q 2017	3Q 2018	3Q 2017	3Q 2018	3Q 2017
<b>Total All Industries</b>	<b>1,461</b>	<b>1,418</b>	<b>\$1,059</b>	<b>\$1,038</b>	<b>31,416</b>	<b>29,996</b>	<b>1,664,530</b>	<b>1,623,092</b>
<b>Private Sector</b>								
Mining & Logging	22	22	\$2,208	\$1,913	376	428	14,630	13,802
Construction	217	205	\$1,176	\$1,137	5,245	4,983	104,327	98,950
Manufacturing	99	101	\$1,317	\$1,214	2,761	2,697	88,850	87,535
Wholesale & Retail Trade	290	282	\$1,093	\$1,074	5,163	5,016	235,643	233,239
Transp., Warehousing & Utilities	171	162	\$1,014	\$1,039	9,168	8,328	60,320	56,096
Information	14	14	\$892	\$1,115	52	56	58,738	55,346
Financial Activities	119	111	\$944	\$907	1,220	1,191	114,501	112,384
Professional & Business Services	234	227	\$1,054	\$1,039	2,317	2,307	311,175	301,102
Education & Health Services	74	74	\$832	\$810	815	864	210,717	206,033
Leisure & Hospitality	80	83	\$509	\$463	1,267	1,292	190,577	187,590
Other Services	129	126	\$896	\$827	963	916	51,553	50,086
<b>Government</b>	<b>12</b>	<b>11</b>	<b>\$905</b>	<b>\$909</b>	<b>2,069</b>	<b>1,918</b>	<b>223,425</b>	<b>220,884</b>

*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 2018 was \$1,059, and increased 2 percent compared with the prior year’s level. The highest weekly wage during the period was in the mining and logging supersector at \$2,208 per week, also reporting the highest percentage increase of 15.5 percent over-the-year. The leisure and hospitality supersector reported a significant increase, rising 10.1 percent to \$509 per week. Three industries reported decreases, information (-20 percent), transportation, warehousing, and utilities (-2.4 percent), and government (-0.4 percent).



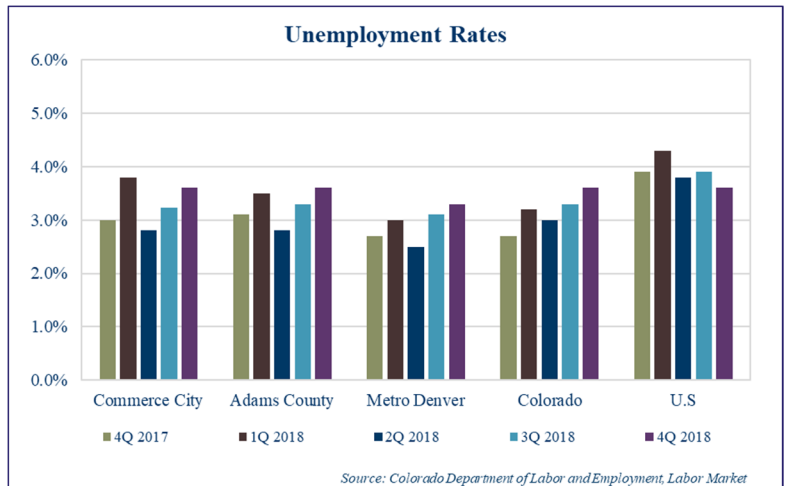
Commerce City employment rose 4.7 percent in the third quarter of 2018 compared with the prior year, creating an additional 1,420 jobs. Eight of the 12 supersectors reported employment growth over-the-year. Transportation, warehousing, and utilities, government, and construction reported the largest increases, rising 10.1 percent, 7.8 percent, and 5.3 percent, respectively. Transportation, warehousing, and utilities added the most jobs over-the-year, rising by 840 workers between the third quarter of 2017 and the third quarter of 2018. Mining and logging,

information, and education and health services reported the largest decreases in employment, falling 12.3 percent, 6 percent, and 5.6 percent, respectively.

Metro Denver also recorded solid employment growth in the third quarter of 2018, but at a slower pace than Commerce City. Employment in Metro Denver rose 2.6 percent between the third quarters of 2017 and 2018, or an additional 41,438 jobs. All 12 supersectors recorded employment growth during the period, led by strong increases in the transportation, warehousing, and utilities (+7.5 percent) and the information (+6.1 percent) supersectors. Professional and business services represented the largest employment supersector in Metro Denver with 311,175 workers and increased 3.3 percent during the period.

**Labor Force and Unemployment**

The unemployment rate in Commerce City remains near record lows this quarter, though increased to 3.6 percent. The increase was 0.4 percentage points higher than the previous quarter and 0.6 percentage points higher than the previous year. The area’s labor force included 28,723 individuals in the fourth quarter of 2018, an increase of 2.4 percent over-the-year. Adams County followed a similar trend, reporting an increase in the unemployment rate between the fourth quarters of 2017 and 2018, rising 0.5 percentage points to 3.6 percent. The labor force in Adams County grew 2.4 percent over-the-year, rising by 6,474 additional people either employed or looking for work. Of the seven Metro Denver counties, Adams County recorded the highest unemployment rate during the fourth quarter, though it remains near record lows. Metro Denver reported a 0.6 percentage point increase in the unemployment rate and a 2.5 percent increase in the labor force over-the-year.



	Labor Force			Unemployment Rate	
	4Q 2018	4Q 2017	Yr/Yr % Change	4Q 2018	4Q 2017
Commerce City	28,723	28,037	2.4%	3.6%	3.0%
Adams County	271,148	264,675	2.4%	3.6%	3.1%
Metro Denver	1,809,230	1,764,739	2.5%	3.3%	2.7%
Colorado	3,135,139	3,026,963	3.6%	3.6%	2.7%
U.S. (000s)	162,633	160,270	1.5%	3.6%	3.9%

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

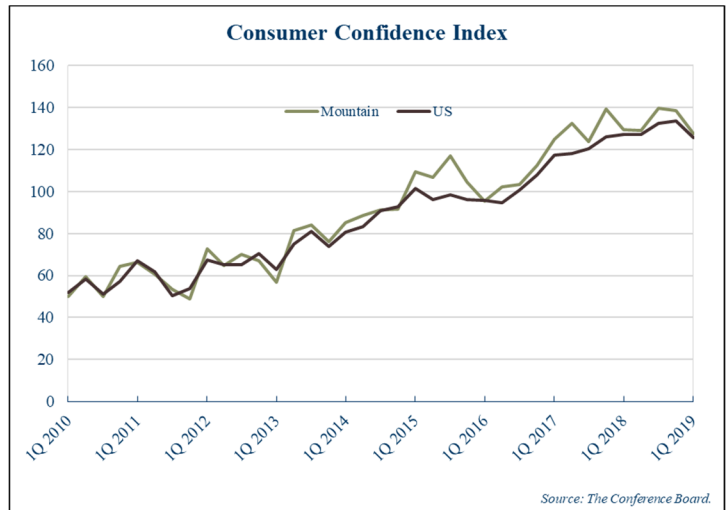
Colorado reported a 3.6 percent increase in the labor force between the fourth quarters of 2017 and 2018 and the unemployment rate rose 0.9 percentage points to 3.6 percent. The United States recorded a 0.3 percentage point decrease in the unemployment rate over-the-year, with a 1.5 percent increase in the labor force.

## Consumer Activity

### Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased during the first quarter of 2019, falling 1.1 percent over-the-year to 125.7 for the U.S. index. In addition, the index fell 5.9 percent between the fourth quarter of 2018 and the first quarter of 2019. According to analysts, confidence has been somewhat volatile over the past few months, as consumers have had to weather volatility in the financial markets, a partial government shutdown, and a very weak February jobs report.

Colorado is included in the Mountain Region Index and the area reported a 1.4 percent decrease between the first quarter of 2018 and the first quarter of 2019. The Mountain Index also recorded a 7.9 percent decrease over-the-quarter.



## Residential Real Estate

### Home Sales

Single-family detached home sales in Commerce City slowed between the fourth quarters of 2017 and 2018, decreasing 23.6 percent or 59 fewer homes sold. All seven counties in Metro Denver recorded a decrease in the number of single-family detached homes sold over-the-year. Boulder County reported the largest decrease, falling 17.1 percent over-the-year to 827 homes sold, followed by Jefferson County (-15 percent) and Douglas County (-14.9 percent). Denver and Jefferson Counties recorded the largest absolute declines in single-family detached homes sold, falling by 308 homes and 305 homes, respectively. Metro Denver reported a decrease of 12.2 percent, as home sales fell to 9,038 in the fourth quarter of 2018.

Single-family detached prices appreciated in Commerce City, rising 4.9 percent or an additional \$16,270 between the fourth quarters of 2017 and 2018. The average sales price rose across all seven counties over-the-year, with Boulder County and Arapahoe County reporting the largest increases of 9.8 percent and 8.7 percent, respectively. Adams County recorded an increase of 4 percent or an additional \$13,966.

Sales of single-family attached homes decreased throughout Commerce City between the fourth quarters of 2017 and 2018. Sales fell by 30.2 percent to 30 condominiums and townhomes sold during the fourth quarter. Six of the seven counties in Metro Denver also recorded a decrease in the number of single-family attached homes sold, with the largest percentage declines in Boulder County (-29.5 percent) and Denver County (-26 percent). The largest absolute declines over-the-year were recorded in Denver County (-265 homes) and Jefferson County (-143 homes). The City and County of Broomfield reported the only increase in sales over-the-year, rising 52.9 percent or nine additional homes sold. Single-family attached homes in Metro Denver fell 19.9 percent over-the-year to 2,951 homes sold.

The average price for single-family attached homes rose in Commerce City and across the Metro Denver area. Commerce City recorded an 8.1 percent increase between the fourth quarters of 2017 and 2018, with the average price rising \$20,691 to \$275,970. Single-family attached prices increased across all seven counties in Metro Denver, averaging \$301,811 in the fourth quarter of 2018. Adams County recorded the largest percentage

increase, rising 13.4 percent over-the-year to \$272,067, followed by Arapahoe County (+7.5 percent), and Boulder County (+5.5 percent).

**Existing Home Sales**

	Commerce City	Metro Denver County Markets							Metro Denver Total
		Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
<b>Home Sales</b>									
<i>Single-Family Detached</i>									
4Q 2018	191	1,450	1,859	827	204	1,788	1,186	1,724	9,038
4Q 2017	250	1,626	1,921	997	231	2,096	1,394	2,029	10,294
<i>Single-Family Attached</i>									
4Q 2018	30	354	905	165	26	754	216	531	2,951
4Q 2017	43	446	1,015	234	17	1,019	277	674	3,682
<b>Average Sold Price</b>									
<i>Single-Family Detached</i>									
4Q 2018	\$349,109	\$362,206	\$454,244	\$675,948	\$467,515	\$542,920	\$541,401	\$481,779	\$494,296
4Q 2017	\$332,839	\$348,239	\$418,008	\$615,641	\$462,624	\$523,532	\$514,130	\$460,051	\$469,920
<i>Single-Family Attached</i>									
4Q 2018	\$275,970	\$272,067	\$265,593	\$396,343	\$327,404	\$346,994	\$335,457	\$274,893	\$301,811
4Q 2017	\$255,279	\$240,017	\$246,988	\$375,674	\$325,041	\$339,046	\$325,225	\$264,554	\$289,261

Source: Colorado Comps LLC.

**Apartment Market**

The Commerce City/Brighton apartment rental market reported an increase in the vacancy rate and a decrease in the average rental rate between the fourth quarter of 2017 and the fourth quarter of 2018. The vacancy rate for the rental market rose 0.4 percentage points over-the-year to 3.7 percent vacancy. The rate also rose 0.9 percentage points between the third and the fourth quarters of 2018. The average rental rate fell between the fourth quarter of 2018 and the previous year, decreasing 0.5 percent to \$1,405 per month. However, between the third and fourth quarters, the rate rose 0.9 percent. The fourth quarter average rental rate for the Commerce City/Brighton area was 1.5 percent higher than the Adams County level, but was 3.5 percent below the Metro Denver level.

**Average Apartment Rents and Vacancy  
Fourth Quarter 2018**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	5.0%	\$1,146	\$1,211	\$1,338	\$1,562	\$1,836	-	\$1,384
Commerce City/Brighton	3.7%	-	\$1,207	\$1,337	\$1,597	\$1,807	-	\$1,405
<b>Metro Denver</b>	<b>5.8%</b>	<b>\$1,262</b>	<b>\$1,303</b>	<b>\$1,367</b>	<b>\$1,686</b>	<b>\$1,928</b>	<b>\$1,478</b>	<b>\$1,456</b>

Source: Denver Metro Apartment Vacancy and Rent Survey.

The Metro Denver apartment rental market reported a decrease in the vacancy rate, falling by 0.6 percentage points to 5.8 percent over-the-year. However, the vacancy rate increased 0.3 percentage points over-the-quarter. The average rental rate for Adams County was \$1,384 in the fourth quarter, down 0.2 percent from the previous quarter but 6 percent higher over-the-year. The average rental rate for the Metro Denver area also increased from the previous year by 4.3 percent to \$1,456. The rate fell by \$9 per month over-the-quarter, decreasing 0.6 percent.

**Foreclosures**

Foreclosure filings decreased across Metro Denver between the fourth quarter of 2017 and the fourth quarter of 2018. Metro Denver foreclosures fell 7.1 percent over-the-year, decreasing to 678 filings. Four of the seven counties in Metro Denver reported decreases, with the largest decrease in Boulder County (-32.5 percent) and Denver County (-24.3 percent). Broomfield County reported the largest increase in foreclosure activity, rising by 42.9 percent or three additional filings. Adams County rose 8.9 percent over-the-year to 172 total foreclosure filings in the fourth quarter of 2018.

**Residential Construction**

The number of residential units permitted in Commerce City decreased 7.8 percent between the first quarters of 2018 and 2019, falling from 141 permits to 130 total permits. Single-family detached permits fell 25.5 percent over-the-year, decreasing by 36 units. Single-family attached units reported an increase during the same period, rising from zero permits in the first quarter of 2018 to 25 permits in the first quarter of 2019. No multi-family permits were issued during the first quarter of 2018 or the first quarter of 2019. The average valuation per single-family detached unit increased 2.8 percent over-the-year to \$302,151. The average valuation for single-family attached units was \$168,971.

**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 2019	105	\$302,151	25	\$168,971	0	0	\$0	130
1Q 2018	141	\$293,820	0	\$0	0	0	\$0	141
<b>Yr/Yr % Change</b>	<b>-25.5%</b>	<b>2.8%</b>	-	-	-	-	-	<b>-7.8%</b>

*Source: Commerce City Development Center, Building Permits and Fees.*

According to the U.S. Census Bureau, Metro Denver residential building permits rose 36.7 percent during the fourth quarter of 2018 compared with the prior year, totaling 6,684 permitted units. Multifamily units and single-family attached units reported increases over-the-year, rising 92.2 percent and 70 percent, respectively. Single-family detached (-3.3 percent) reported a decrease between the fourth quarter of 2017 and the fourth quarter of 2018, falling by 93 units. Adams County recorded 649 permits during the fourth quarter of 2018, falling 5.1 percent over-the-year. Single-family detached permits rose 17.4 percent during the period, increasing from 470 permits in the fourth quarter of 2017 to 552 permits in the fourth quarter of 2018. Single-family attached permits rose from two permits the previous year to 13 permits in the fourth quarter of 2018. Multifamily permits reported the only decrease, falling 60.4 percent or by 128 fewer units.

**Commercial Real Estate**

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

**Office Market**

Commerce City’s office market reported mixed results between the first quarters of 2018 and 2019 with falling vacancy rates and average lease rates. The office vacancy rate fell from 14.4 percent to 0.3 percent, as one of the largest vacant office buildings was purchased for redevelopment, located at 7190 Colorado Blvd. and named South Platte Crossing. The average lease rate for the office market decreased 17.1 percent over-the-year to \$18.57 per square foot, falling \$3.84 per square foot. Rentable space in the office market remained unchanged between the first quarters of 2018 and 2019, totaling 534,090 square feet.



The Metro Denver office market reported a decrease in the vacancy rate and an increase in the average lease rate over-the-year through the first quarter of 2019. The vacancy rate fell 1.1 percentage points over-the-year to 8.7 percent. The average lease rate rose 0.7 percent to \$26.78 per square foot between the first quarters of 2018 and 2019. The Metro Denver office market added over 2.8 million square feet of rentable space to the market over-the-year.

### ***Retail Market***

The Commerce City retail market added 7,910 square feet of rentable space between the first quarters of 2018 and 2019. Retail vacancy in Commerce City rose 0.1 percentage point to 2.9 percent in the first quarter. The average lease rate for retail space rose 6.3 percent over-the-year to \$17.29 per square foot.

The Metro Denver retail market added almost 1.5 million square feet of rentable space over-the-year. The vacancy rate in the retail market remained flat between the first quarter of 2018 and the first quarter of 2019, holding steady at 4.2 percent. During the same period, the average lease rate for retail space rose 3.7 percent, adding \$0.68 per square foot.

### ***Flex Market***

The Commerce City flex market had 267,910 square feet of rentable space during the first quarter of 2019, which was unchanged from the first quarter of 2018. The flex market vacancy rate fell 2.6 percentage points between the first quarters of 2018 and 2019 to zero vacancy.

The Metro Denver flex market recorded falling vacancy rates and falling average lease rates through the first quarter of the year. The vacancy rate for flex space fell 0.2 percentage points to 5.6 percent between the first quarters of 2018 and 2019. The average lease rate fell 0.5 percent over-the-year to \$12.03 per square foot. The flex market added 617,480 square feet of rentable space over-the-year.

### ***Industrial Market***

Warehouse distribution represents 77.6 percent of Commerce City's industrial rentable space, totaling 8.3 million square feet. The warehouse distribution vacancy rate rose 1.5 percentage points between the first quarters of 2018 and 2019 to 3.8 percent. The average lease rate fell 16 percent to \$9.04 per square foot during the period, decreasing \$1.72 per square foot. All other industrial space in Commerce City reported a 0.2 percentage point increase in the vacancy rate over-the-year to 2.7 percent. The average lease rate for all other industrial space fell 10.6 percent to \$9.85 per square foot during the period.

Warehouse distribution also represents a significant portion of Metro Denver's industrial market, with 76.1 percent of the rentable industrial space in the market. Metro Denver added almost 4.3 million square feet of rentable warehouse distribution space over-the-year, totaling 167.1 million square feet. The vacancy rate for the warehouse distribution market rose to 4.5 percent, an increase of 0.8 percentage points between the first quarters of 2018 and 2019. The average lease rate rose 3.9 percent to \$8.03 per square foot during the first quarter of 2019, compared with the prior year. The vacancy rate for all other industrial space fell 0.2 percentage points to 3.1 percent over-the-year. The average lease rate increased 8.8 percent compared with the previous year's level to \$8.82 per square foot.

**Commercial Vacancy and Lease Rates by Property Type**

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018
<i>Office</i>	<b>Commerce City</b>	534,093	534,093	0.3%	14.4%	\$18.57	\$22.41
	<b>Metro Denver</b>	193,178,273	190,351,143	8.7%	9.8%	\$26.78	\$26.60
<i>Retail</i>	<b>Commerce City</b>	1,564,348	1,556,442	2.9%	2.8%	\$17.29	\$16.26
	<b>Metro Denver</b>	169,179,721	167,722,994	4.2%	4.2%	\$18.98	\$18.30
<i>Flex</i>	<b>Commerce City</b>	267,906	267,906	0.0%	2.6%	-	-
	<b>Metro Denver</b>	46,328,552	45,711,073	5.6%	5.8%	\$12.03	\$12.09
<i>Industrial</i>	<b>Commerce City</b>						
	Warehouse Distribution	8,304,539	7,751,108	3.8%	2.3%	\$9.04	\$10.76
	All Other Industrial	2,396,002	2,396,002	2.7%	2.5%	\$9.85	\$11.02
	<b>Metro Denver</b>						
Warehouse Distribution	167,134,166	162,873,549	4.5%	3.7%	\$8.03	\$7.73	
All Other Industrial	52,511,534	52,469,095	3.1%	3.3%	\$8.82	\$8.11	

*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**

Nonresidential building permits for 27,260 square feet of space were issued in Commerce City during the first quarter of 2019. The nonresidential building permits issued during the period were valued at over \$2.3 million. The highest valued building permitted was a new commercial warehouse and office building located at 10338 Joliet Street.

Commerce City Commercial Building Permits Issued, 1Q 2019		
Project Description	Valuation	Total Square Feet
BKFine Warehouse Addition	\$200,000	1,920
Waste Management Warehouse Addition	\$300,000	4,400
New Commercial Warehouse & Office	\$1,824,329	20,938

*Source: Commerce City Development Center, Building Permits and Fees.*

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