



# Economic Activity Report

*January 2016*

The Commerce City economy expanded across many indicators through the fourth quarter of 2015, with growth in employment and the residential real estate market. The employment situation improved, with overall employment rising 5.5 percent between the second quarters of 2014 and 2015, representing the addition of 1,510 new jobs. The unemployment rate was 4.4 percent in the third quarter of 2015, a decline of 0.6 percentage points from the prior year's level. The unemployment rate was also the lowest third quarter unemployment rate since the third quarter of 2000 when the rate was 4.3 percent.

Consumer activity in Commerce City declined in the first quarter of 2015, with total retail sales falling 31.5 percent compared with the prior year. Commerce City businesses collected \$598 million less in retail sales during the period. Despite the decline in retail sales during the first quarter of 2015, consumer confidence in the Mountain Region increased 14 percent between the fourth quarters of 2014 and 2015.

Home sales activity reported increasing trends between the third quarters of 2014 and 2015, with sales of single-family attached homes in Commerce City rising 30.6 percent and sales of single-family detached homes rising 1.3 percent. The average sales price improved in both the single-family attached (+16 percent) and single-family detached markets (+12.5 percent) over-the-year. The apartment rental market continued to loosen during the third quarter of 2015 in Commerce City, with the vacancy rate rising 0.2 percentage points over-the-quarter to 3.4 percent. Three of the five commercial property types tracked in this report record increasing vacancy rates and three property types recorded increases in average lease rates.

## Commerce City Economic Headlines

- ◆ The Northeast Metro Coalition was selected by Great Outdoors Colorado (GOCO) as pilot community for GOCO's \$25 million Inspire Initiative and Commerce City is a part of the Northeast Metro Coalition. The coalition represents 13 agency and nonprofit partners committed to increasing access and opportunities for underserved youth adjacent to the Rocky Mountain Arsenal National Wildlife Refuge. The group will use the \$100,000 planning grant over the next 10 months to engage the community to develop inclusive and innovative plans and programs that will secure \$1-5 million implementation grants from GOCO.
- ◆ Measure 1A was approved by voters in Adams County and Denver, allowing 1,500 acres of new development on DIA property, coordinated marketing efforts and tax sharing agreements.
- ◆ The Colorado Economic Development Commission voted to expand the Enterprise Zone boundary in Adams County, increasing the areas in Commerce City eligible for state income tax credits through the Colorado Enterprise Zone program.
- ◆ *Forbes* ranked Denver as the eighth best city for job seekers, tied with San Diego and Portland, with job growth of 3.1 percent. Nationally, job growth was 2.2 percent during the first three quarters of 2015, up 1.8 percent compared with 2014. San Jose, Calif. was ranked first, with 5.5 percent growth, followed by Orlando, Fla., Riverside, Calif., and Dallas, Texas.
- ◆ The Milken Institute's *2015 Best-Performing Cities Index* was released and the Denver-Aurora metropolitan statistical area (MSA) ranked 16th, down four spots from last year. The index considered nine separate components including job growth and earnings. The Denver-Aurora MSA ranked 19th for the number of highly concentrated high-tech industries and 16th for five-year job growth.
- ◆ *Travel + Leisure* released its "Best Places to Travel in 2016" and ranked Denver 23rd. The company stated that Denver is not just for the skiers and snowboarders that want to visit the snowy peaks of the Rocky Mountains, but also for the arts and culture traveler. The city was recognized for its 165-room Art Hotel that opened next to the Denver Art Museum, The Children's Museum, and the Kirkland Museum of Fine & Decorative Art.
- ◆ The Urban Land Institute released their *2016 Emerging Trends* report and Denver ranked as the sixth-hottest commercial real estate market. The company surveys and interviews participants' feelings about a given city.

Survey respondents stated that Denver's exposure to the technology industry and the public and private investments in infrastructure made them feel comfortable about the city's continued growth. Homebuilding was Denver's highest-ranked category and was third-highest in the country.

- ◆ The Associated General Contractors of America released a report on construction employment across the country. The report showed that the Denver-Aurora MSA area reported an 8 percent increase in construction employment between September 2014 and 2015, an absolute increase of 7,900 jobs. The Denver-Aurora MSA recorded the second largest absolute increase in construction jobs over-the-year, but due to significant percentage growth in other cities, Denver was 41st in job growth.

#### *Commerce City Q4 Business Activity*

- ◆ A Good Shop Inc. leased a 7,200 square-foot building along Highway 2 to expand its automotive body shop business into Commerce City. This project adds 5 new jobs in Commerce City.
- ◆ Dos Hijos, a New Mexican style restaurant, opened for business at 6496 Highway 2.
- ◆ A new Taco Bell opened at the Belle Creek Shops at 104<sup>th</sup> Avenue and Highway 85.
- ◆ UPS expanded its Commerce City operations by adding a 9,000 square-foot Modular Distribution Center and a CNG fleet fueling station upgrade at its package sorting facility. The expansion project added \$8.5 million in new capital investment to the city.

### **Employment**

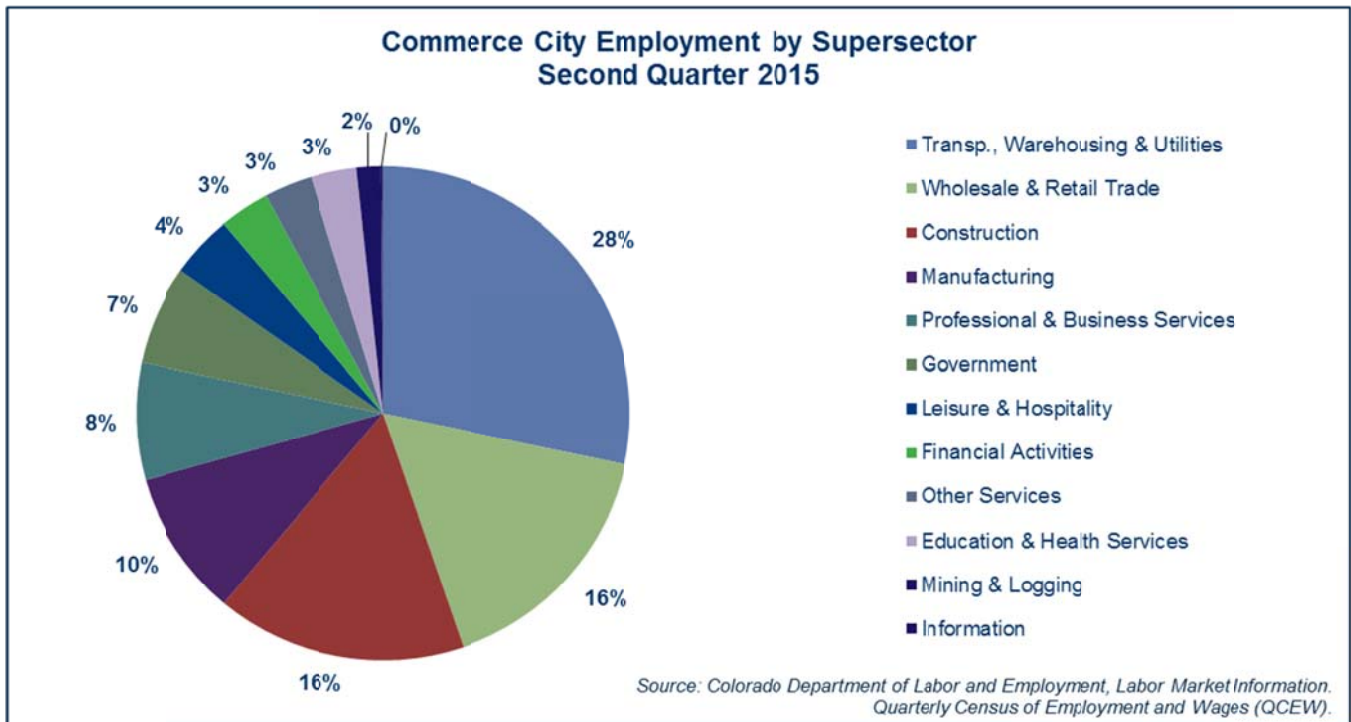
The number of businesses throughout Commerce City rose 5.7 percent between the second quarters of 2014 and 2015, a net gain of 68 businesses. Eleven of the 12 supersectors reported over-the-year increases in business counts, with the information sector recording the largest increase (+28.6 percent) during the period. The construction sector and the professional and business services supersector also recorded significant establishment growth over-the-year, rising 13.5 percent and 10.1 percent, respectively. The wholesale and retail trade supersector (+1.1 percent) and the manufacturing (+1 percent) sector recorded the smallest over-the-year increases in businesses. The government sector (-16.7 percent) reported the only decline in businesses between the second quarters of 2014 and 2015, losing two establishments.

**Business and Employment Indicators by Supersector**

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014
<b>Total All Industries</b>	<b>1,270</b>	<b>1,202</b>	<b>\$952</b>	<b>\$947</b>	<b>29,221</b>	<b>27,709</b>	<b>1,536,290</b>	<b>1,479,559</b>
<b>Private Sector</b>								
Mining & Logging	20	19	\$1,581	\$1,876	459	534	14,998	14,713
Construction	177	156	\$955	\$951	4,762	4,589	86,483	81,201
Manufacturing	98	97	\$1,186	\$1,128	2,795	2,597	85,183	82,102
Wholesale & Retail Trade	270	267	\$989	\$972	4,810	4,549	225,335	218,680
Transp., Warehousing & Utilities	164	154	\$981	\$999	8,271	7,836	50,983	49,709
Information	9	7	\$1,136	\$946	38	37	53,469	52,778
Financial Activities	93	88	\$877	\$792	945	889	104,915	101,007
Professional & Business Services	186	169	\$939	\$900	2,246	1,898	283,880	273,073
Education & Health Services	55	52	\$735	\$676	879	806	196,225	186,465
Leisure & Hospitality	77	72	\$361	\$338	1,195	1,152	170,953	163,334
Other Services	109	107	\$799	\$834	915	883	46,586	45,043
<b>Government</b>	<b>10</b>	<b>12</b>	<b>\$818</b>	<b>\$811</b>	<b>1,901</b>	<b>1,937</b>	<b>217,140</b>	<b>211,174</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.

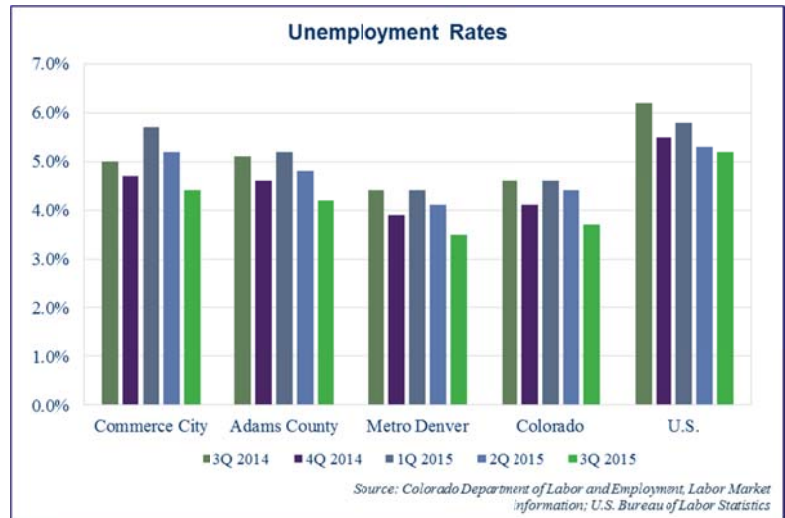
Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).



The average weekly wage for all industries in Commerce City during the second quarter of 2015 was \$952, an increase of 0.5 percent compared with the prior year's level. The highest weekly wage during the period was in the mining and logging supersector at \$1,581 per week, representing a 15.7 percent decrease over-the-year. The information sector reported the largest increase in the average weekly wage over-the-year, rising 20.1 percent to \$1,136 per week. Workers in the leisure and hospitality supersector earned the lowest wage at \$361 per week, but this was 6.8 percent higher than the previous year. The other services sector (-4.2 percent) and the transportation,

warehousing, and utilities supersector (-1.8 percent) recorded declining average weekly wages between the second quarters of 2014 and 2015.

Commerce City employment rose 5.5 percent in the second quarter of 2015 compared with the prior year, creating an additional 1,510 jobs. The supersector that reported the largest increase in employment was professional and business services, recording an 18.4 percent increase in employment or 350 positions. The education and health services supersector and the manufacturing sector also recorded significant employment growth during the period, rising 9 percent and 7.6 percent, respectively. The largest supersector by employment is transportation, warehousing, and utilities, representing 28 percent of the area's total employment. The supersector recorded a 5.6 percent increase in employment between the second quarters of 2014 and 2015. The government (-1.9 percent) and the mining and logging (-14 percent) sectors reported over-the-year declines in employment.



	Labor Force			Unemployment Rate	
	3Q 2015	3Q 2014	Yr/Yr % Change	3Q 2015	3Q 2014
Commerce City	25,204	25,171	0.1%	4.4%	5.0%
Adams County	246,258	246,844	-0.2%	4.2%	5.1%
Metro Denver	1,646,325	1,651,940	-0.3%	3.5%	4.4%
Colorado	2,820,547	2,837,654	-0.6%	3.7%	4.6%
U.S. (000s)	157,508	156,637	0.6%	5.2%	6.2%

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

Metro Denver also reported strong employment growth in the second quarter of 2015, with overall employment rising 3.8 percent compared with the prior year's level. All 12 sectors recorded employment growth during the period. The construction sector reported the largest increase in employment between the second quarters of 2014 and 2015, growing 6.5 percent or 5,280 jobs. The professional and business services supersector was the largest by overall employment with 283,880 workers and increased 4 percent during the period. The information supersector recorded the smallest growth in employment over-the-year, rising 1.3 percent over-the-year or adding 690 jobs.

### ***Labor Force and Unemployment***

Unemployment in Commerce City was 4.4 percent during the third quarter of 2015, 0.6 percentage points below the prior year and 0.8 percentage points below the prior quarter. This current unemployment rate is the lowest third quarter unemployment rate since the third quarter of 2000 when the rate was 4.3 percent. The area's labor force was over 25,200 individuals in the third quarter 2015, an increase of 0.1 percent over-the-year. Adams County reported a 0.9 percentage point decline in the unemployment rate between the third quarters of 2014 and 2015, falling to 4.2 percent. The size of the Adams County labor force decreased 0.2 percent, with 590 people leaving the labor force. Of the seven Metro Denver counties, Adams County recorded the highest unemployment rate during the third quarter, but tied with Arapahoe County for the largest over-the-year decline in the unemployment rate. Metro Denver reported a 0.3 percent decrease in the labor force and a 0.9 percentage point decline in the unemployment rate over-the-year.

Colorado reported a 0.6 percent decrease in the labor force between the third quarters of 2014 and 2015 and the unemployment rate declined 0.9 percentage points to 3.7 percent. The United States recorded a 1 percentage point decrease in the unemployment rate over-the-year, with a 0.6 percent increase in the labor force.

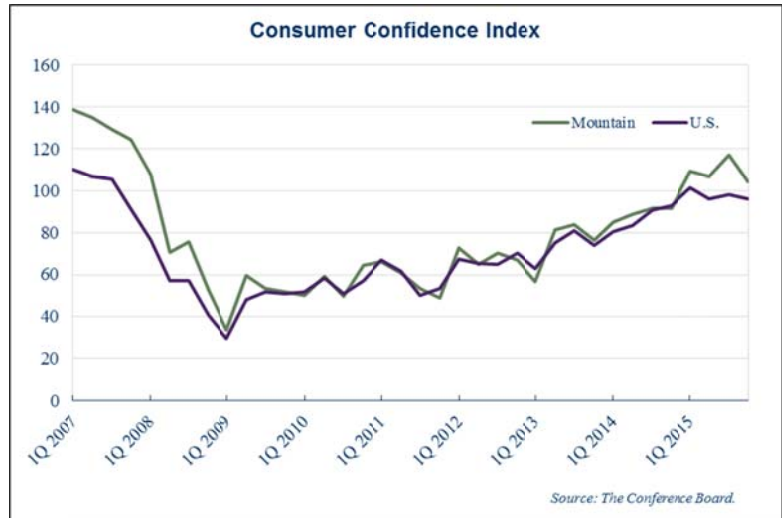


## Consumer Activity

### Consumer Confidence

The Conference Board's National Consumer Confidence Index increased during the fourth quarter of 2015, rising 3.6 percent over-the-year to 96.1 for the U.S. index. However, the U.S. index recorded a 2.3 percent decrease in consumer confidence between the third and fourth quarters of 2015. The fourth quarter 2015 level was among the highest national consumer confidence levels since 2007. Consumer confidence averaged 98 during 2015, which was 11.1 percentage points higher than the 2014 average of 86.9.

The Mountain Region index, which includes Colorado, also increased during the fourth quarter of 2015. The Mountain Region index rose to 104.5, an over-the-year increase of 14 percent. Similar to the national, the Mountain Region Index also reported an over-the-quarter decrease of 10.7 percent. Consumer confidence averaged 109.4 for the Mountain Region index in 2015, which was 20.2 percentage points higher than the 2014 average of 89.2.



### Retail Sales

Commerce City retail sales decreased 31.5 percent between the first quarters of 2014 and 2015, representing \$598 million fewer in sales over-the-year. The city also reported a 20.8 percent decrease over-the-quarter. During the first quarter of 2015, Commerce City retail sales represented 27.1 percent of Adams County total retail sales. Adams County reported nearly \$4.8 billion in total retail sales during the first quarter of 2015, a decrease of 9.1 percent compared with the same period the prior year. Retail sales for Adams County fell 20 percent over-the-quarter.

Total retail sales in the seven-county Metro Denver area increased 3.5 percent between the first quarters of 2014 and 2015. However, Metro Denver reported an 18.3 percent decrease in retail sales over-the-quarter, a typical pattern following the holiday shopping season. Six of the seven counties in Metro Denver reported growth in retail sales between the first quarters of 2014 and 2015. The City and County of Denver recorded the largest value of total retail sales, generating nearly \$6.5 billion in total sales. The City and County of Denver also reported the largest increase in total value of retail sales, generating an additional \$449.3 million during the period. The City and County of Broomfield recorded the smallest percentage increase in retail sales over-the-year, rising 3.7 percent and generated \$19 million more than the previous year.

**Total Retail Sales (\$000's)**

	1Q 2015	4Q 2014	1Q 2014	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,299,925	\$1,641,328	\$1,897,752	-31.5%	-20.8%
Adams County	\$4,791,426	\$5,987,434	\$5,273,570	-9.1%	-20.0%
Metro Denver	\$25,177,608	\$30,801,993	\$24,331,028	3.5%	-18.3%

Source: Colorado Department of Revenue.

## Residential Real Estate

### Home Sales

Commerce City existing home sales continued to increase in both the single-family detached and single-family attached markets. The single-family attached market recorded a 30.6 percent increase in sales between the third quarters of 2014 and 2015, reflecting 11 additional homes sold during the period. The single-family detached market reported a 1.3 percent increase in home sales, or three 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 \$290,970 was 12.5 percent higher than the previous year's level. The single-family attached average home price of \$210,820 was 16 percent above the prior year's level.

The single-family detached market in Metro Denver improved through the third quarter of 2015, with total Metro Denver sales rising 1.3 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 \$409,120 reflected a 10.2 percent increase compared with the prior year. Boulder County reported the highest average sales price (\$484,070) and Adams County reported the lowest average sales price (\$306,230). Average prices increased in six of the seven counties between the third quarters of 2014 and 2015, with Boulder County (-2.7 percent) recording the only over-the-year decline.

Sales of single-family attached homes in Metro Denver were 10.1 percent higher in the third quarter 2015 compared with the third quarter 2014, representing the sale of 444 additional homes. Six of the seven counties recorded over-the-year increases in sales, with the City and County of Broomfield (-24.6 percent) reporting the only decline in sales. The City and County of Denver reported the highest number of home sales (1,620 sales), an increase of 11.6 percent, and the highest average sales price (\$332,690), an increase of 19.4 percent. Douglas County reported the smallest over-the-year increase in the average sales price, rising 7.6 percent, and the average sales price of \$262,160 was the fourth lowest of the seven counties.

#### Existing Home Sales

	Commerce City	Metro Denver County Markets							Metro Denver Total
		Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales									
Single-Family Detached									
3Q 2015	227	1,851	2,456	304	236	2,173	1,905	2,320	11,245
3Q 2014	224	1,782	2,434	316	252	2,123	1,919	2,280	11,106
Single-Family Attached									
3Q 2015	47	543	1,277	98	49	1,620	415	859	4,861
3Q 2014	36	479	1,156	95	65	1,452	356	814	4,417
Average Sold Price									
Single-Family Detached									
3Q 2015	\$290,968	\$306,225	\$393,139	\$484,071	\$407,761	\$448,632	\$477,219	\$405,518	\$409,119
3Q 2014	\$258,739	\$269,153	\$356,487	\$497,601	\$398,183	\$392,552	\$444,869	\$365,287	\$371,407
Single-Family Attached									
3Q 2015	\$210,816	\$194,880	\$199,582	\$308,933	\$277,964	\$332,692	\$262,155	\$215,739	\$254,610
3Q 2014	\$181,765	\$170,137	\$178,877	\$281,712	\$247,908	\$278,632	\$243,655	\$185,274	\$220,349

Source: REcolorado.

### ***Apartment Market***

The Commerce City/Brighton apartment rental market reported increases in vacancy and rental rates between the second and third quarters of 2015. The vacancy rate increased to 3.4 percent in the third quarter, rising 0.2 percentage points from the prior quarter's level of 3.2 percent. However, the vacancy rate was 0.1 percentage points lower than the same time last year. The average rental rate for the Commerce City/Brighton area during the third quarter was \$1,230 per month, an increase of 2 percent from the previous quarter. The average rental rate was also 6.2 percent higher than the prior year's level of \$1,157 per month. The third quarter average rental rate for the Commerce City/Brighton area was 1.9 percent above than the Adams County level, but 4.8 percent below the Metro Denver level.

The Adams County and Metro Denver apartment rental markets reported increases in vacancy between the third quarters of 2014 and 2015. The Adams County vacancy rate was 0.5 percentage points higher than both the prior year's level and the previous quarter's level. The average rental rate for Adams County was \$1,207 in the third quarter, 2.4 percent higher over-the-quarter and 13.2 percent higher over-the-year. Metro Denver reported a vacancy rate of 5 percent in the third quarter, which was 1.1 percentage points higher than the prior year. The average rental rate in Metro Denver increased 2.1 percent over-the-quarter and 12.8 percent over-the-year.

**Average Apartment Rents and Vacancy**  
**Third Quarter 2015**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	4.4%	\$769	\$1,064	\$1,211	\$1,420	\$1,673	\$1,357	\$1,207
Commerce City/Brighton	3.4%	-	\$1,050	\$1,175	\$1,431	\$1,745	-	\$1,230
<b>Metro Denver</b>	5.0%	\$1,033	\$1,149	\$1,217	\$1,516	\$1,758	\$1,315	\$1,292

*Source: Denver Metro Apartment Vacancy and Rent Survey.*

### ***Foreclosures***

Foreclosure activity in the Metro Denver area continued to decline between the third quarters of 2014 and 2015. Metro Denver reported a 19.4 percent decline in total foreclosure filings over-the-year to 878 as six of the seven counties reported declines. The City and County of Denver reported the largest decrease in filings (-28 percent) and Douglas County reported the smallest decrease (-6.5 percent). Boulder County (+7.7 percent) reported the only over-the-year increase in foreclosures. Arapahoe County (217 filings) reported the largest number of total filings and reported an over-the-year decline of 16 percent. Adams County reported 184 total filings, representing an over-the-year decline of 27.8 percent. Foreclosure filings for Metro Denver were down 12.7 percent in the third quarter 2015 compared with the previous quarter.

### ***Residential Construction***

Residential building permits in Commerce City increased during the fourth quarter of 2015 compared with the prior year's level. Commerce City reported 114 total permits issued during the fourth quarter, a 32.6 percent increase from the fourth quarter 2014 level of 86 permits. Commerce City issued 62 single-family detached permits during the fourth quarter of 2015, a decline of 22.5 percent over-the-year. There were 16 condominium and townhomes permits issued and 36 multi-family units permitted during the most recent quarter. There was a 166.7 percent increase in condominium and townhome permits, with 10 additional permits issued over-the-year. The average valuation per single-family detached unit decreased 2.1 percent over-the-year, while the average valuation for condominium and townhome units increased 11.7 percent. The average valuation for multi-family units was \$77,780 during the fourth quarter of 2015.



According to the U.S. Census Bureau, Metro Denver residential building permits rose 6.4 percent during the third quarter of 2015 compared with the prior year. Single-family detached units increased 29.1 percent, representing 585 additional units over-the-year. Single-family attached permits rose 19.8 percent, with 19 additional permits issued, and multi-family permits fell 13.1 percent, with 316 fewer permits issued, between the third quarters of 2014 and 2015. Total permits for Adams County were up 25 percent over-the-year, but were down 27 percent over-the-quarter. Adams County recorded 357 permits during the third quarter consisting entirely of single-family detached 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	
4Q 2015	62	\$172,992	16	\$111,429	1	36	\$77,778	114
4Q 2014	80	\$176,771	6	\$99,746	-	-	-	86
<b>Yr/Yr % Change</b>	<b>-22.5%</b>	<b>-2.1%</b>	<b>166.7%</b>	<b>11.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.6%</b>

*Source: Commerce City Development Center, 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 fourth quarter of 2015. There was an additional 10,420 square feet of rentable space added to the market between the fourth quarters of 2014 and 2015. The office vacancy rate rose to 10.1 percent, an increase of 4.9 percentage points from the prior year's level of 5.2 percent. The average lease rate for the office market rose 10.1 percent over-the-year to \$23.15 per square foot, adding \$2.12 per square foot. This average lease rate was the highest fourth quarter rate for the market since fourth quarter of 2011 when the price was \$23.92 per square foot.

The Metro Denver office market tightened between the fourth quarters of 2014 and 2015, with falling vacancy rates and rising average lease rates. The Metro Denver office market added an additional 2 million square feet of rentable space to the market over-the-year. The office market vacancy rate fell 0.8 percentage points over-the-year to 9.4 percent vacancy during the fourth quarter of 2015. This vacancy rate was the lowest fourth quarter level for the market since the fourth quarter of 2001. The average lease rate rose 5.1 percent during the same period to \$24.42 per square foot, adding \$1.19 per square foot.

### Retail Market

The Commerce City retail market had over 1.4 million square feet of rentable retail space during the fourth quarter of 2015. Retail vacancy in Commerce City increased 0.2 percentage points between the fourth quarters of 2014 and 2015 to 4.8 percent vacancy. The average lease rate for retail space fell 5.6 percent over-the-year to \$16.48 per square foot, losing \$0.97 per square foot.

The retail market in Metro Denver improved between the fourth quarters of 2014 and 2015. The Metro Denver retail market added over 1.1 million square feet of rentable space over-the-year. The vacancy rate fell to 5 percent during the fourth quarter, a decline of 0.2 percentage points compared with the previous year. This was the lowest fourth quarter vacancy rate since the fourth quarter of 2006. The average lease rate rose \$0.26 per square foot to \$16.00 per square foot, an increase of 1.7 percent over-the-year.

### ***Flex Market***

The Commerce City flex market reported improving trends through the fourth quarter of 2015. The flex market has over 243,100 square feet of rentable space. The flex market vacancy rate decreased 0.5 percentage points between the fourth quarters of 2014 and 2015 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 continued to improve through the fourth quarter of the year. The vacancy rate in the area fell 1.5 percentage points to 6.6 percent between the fourth quarters of 2014 and 2015, the lowest rate in Metro Denver since the availability of the data in 1999. The average lease rate increased 8.6 percent during the same period, rising from \$9.78 per square foot to \$10.62 per square foot. The average lease rate was also the highest rate since the fourth quarter of 1999 when the rate was \$12.42 per square foot.

### ***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 fell 0.1 percentage points to 0.8 percent between the fourth quarters of 2014 and 2015. The average lease rate rose 53.1 percent to \$10.23 per square foot during the same period, adding \$3.55 per square foot to the average lease rate. All other industrial space in Commerce City reported a 0.3 percentage point increase in the vacancy rate over-the-year to 1.7 percent. The average lease rate for all other industrial space rose 75 percent to \$9.15 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 fourth quarter of 2015. The vacancy rate for the warehouse distribution market was 3.3 percent, an increase of 0.3 percentage points between the fourth quarters of 2014 and 2015. The average lease rate rose 16.6 percent to \$6.90 per square foot during the fourth quarter of 2015 compared with the prior year. The vacancy rate for all other industrial space fell 0.5 percentage points to 2.7 percent over-the-year. The average lease rate rose 17.2 percent to \$7.24 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.)	
		4Q 2015	4Q 2014	4Q 2015	4Q 2014	4Q 2015	4Q 2014
<b>Office</b>	<b>Commerce City</b>	364,500	354,084	10.1%	5.2%	\$23.15	\$21.03
	<b>Metro Denver</b>	178,054,318	175,976,488	9.4%	10.2%	\$24.42	\$23.23
<b>Retail</b>	<b>Commerce City</b>	1,428,329	1,428,329	4.8%	4.6%	\$16.48	\$17.45
	<b>Metro Denver</b>	161,949,820	160,789,066	5.0%	5.2%	\$16.00	\$15.74
<b>Flex</b>	<b>Commerce City</b>	243,132	243,132	3.2%	3.7%	-	\$16.00
	<b>Metro Denver</b>	42,082,989	41,582,028	6.6%	8.1%	\$10.62	\$9.78
<b>Industrial</b>	<b>Commerce City</b>						
	Warehouse Distribution	6,813,604	6,813,604	0.8%	0.9%	\$10.23	\$6.68
	All Other Industrial	2,417,867	2,417,867	1.7%	1.4%	\$9.15	\$5.23
	<b>Metro Denver</b>						
	Warehouse Distribution	145,230,774	143,960,832	3.3%	3.0%	\$6.90	\$5.92
	All Other Industrial	53,965,455	53,861,633	2.7%	3.2%	\$7.24	\$6.18

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 110,165 square feet of nonresidential building permits issued in Commerce City during the fourth quarter of 2015. The nonresidential building permits issued during the period were valued at over \$7.1 million. The largest permitted project by total square footage was the addition to Precast Concepts Factory, with nearly 85,860 square feet of space valued at nearly \$2.6 million. The city will also have the new South Adams County Fire Protection District Fire Station, permitting nearly 9,400 square feet of space with a total valuation of \$2.48 million.

Commerce City Commercial Building Permits Issued, 4Q 2015		
Project Description	Valuation	Total Square Feet
7-11 Convenience Store	\$450,000	3,010
Wendy's Restaurant	\$650,000	3,000
UPS Modular Distribution Center	\$985,000	8,911
South Adams County Fire Protection District Fire Station	\$2,483,079	9,386
Precast Concepts Factory Addition	\$2,565,000	85,858

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

Provided by:  
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