



Economic Activity Report

October 2016



The current economic activity report for Commerce City economy reported mixed trends across many indicators. The employment situation improved, with overall employment rising 1.5 percent between the first quarters of 2015 and 2016, representing the addition of 430 new jobs. The unemployment rate was 4.1 percent in the second quarter of 2016, a decline of 0.6 percentage points from the prior year's level. The unemployment rate was also the lowest second quarter unemployment rate since the data started being collected in the second quarter of 2000 when the rate was 4.1 percent.

Consumer activity in Commerce City declined in the fourth quarter of 2015, with total retail sales falling 27.1 percent compared with the prior year. Commerce City businesses collected about \$446 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 declined for the third consecutive quarter, falling 10.4 percent between the third quarters of 2015 and 2016.

Home sales activity declined in both the single-family detached and single-family attached markets between the second quarters of 2015 and 2016, with sales of single-family detached homes in Commerce City falling 18.6 percent and the single-family attached sales decreasing 26.8 percent. The apartment rental market loosened during the second quarter of 2016 in Commerce City, with the vacancy rate rising 2.9 percentage points over-the-quarter to 6.9 percent. Three of the five commercial property types tracked in this report recorded increasing vacancy rates and only one property type recorded an increase in the average lease rate.

Commerce City Economic Headlines

- ◆ UPS announced plans to hire 1,600 seasonal and permanent employees in Metro Denver as part of a nationwide push to hire 95,000 workers. Jobs include drivers, driver-helpers, package handlers, and part-time supervisors. UPS currently employs 2,700 in Commerce City and is the city's largest employer.
- ◆ McLane Foodservice Inc. purchased 20 acres for a 216,000 square-foot industrial facility at Nexus at DIA Tech Center (E. 81st Avenue and Tower Rd). The \$30+ million project brings 255 new jobs to the city.
- ◆ St. Louis-based KP Development purchased 40 acres at Nexus at DIA Tech Center (E. 81st Avenue and Tower Rd) for a planned 700,000+ square-foot speculative industrial facility.
- ◆ Con.cept Colorado is an 11-acre arts complex planned at 6601 Colorado Blvd. the project includes a 21,000 square-foot building to house art studios and gallery space for artists.
- ◆ Old Dominion Freight Line is expanding its city footprint with a new 42,530 square-foot maintenance facility at 5601 Holly Street.
- ◆ Packaging Corporation of America, a cardboard box plant in Commerce City, will close its facility and lay off 70 employees. Employees affected by the layoffs include business support staff, sales and customer service representatives, forklift operators, and maintenance workers.
- ◆ CNBC released their top states for business list and Colorado ranked third, up one position from the 2015 list. The company ranked all 50 states on 60 business and economic measures including workforce, cost of doing business, infrastructure, education, and quality of life. The company stated that Colorado boasts the most educated workforce in the nation, but the cost of living is high. The company ranked Utah as the top state for business followed by Texas.
- ◆ Denver ranked as the third-best city to start a tech career by ComputerTrainingSchools.com, falling behind San Francisco and Austin. The company ranked the top 30 cities based on criteria including workers in the high-tech industry, commuting time, unemployment rate, and median earnings for tech employees. The report stated that Denver scored highly in nearly every category related to the technology industry and investors gave more than \$500 million to high-tech businesses in 2015.
- ◆ The Denver-Aurora-Lakewood metropolitan statistical area (MSA) ranked as the ninth best city for young entrepreneurs by MoneyRates.com. The ranking was compiled using criteria including population growth,

young adult affluence, educational attainment, and tax environment. The company reported that Denver not only had a healthy growth rate, but is an attractive market because it ranked in the top 10 for educational attainment and young adult affluence. The highest ranked city was Austin/Round Rock, Texas followed by Raleigh, North Carolina and Midland, Texas.

- ◆ Headlight released analysis of U.S. Bureau of Labor Statistics (BLS) data and reported Denver has the ninth highest average salary in the country at \$59,866, compared with the national average of \$53,000. The company also ranked cities based on growth in the average salary and Denver ranked in the second lowest tier in terms of percentage growth, increasing 2.7 percent. The highest average salary in the country was in San Jose, Calif. (\$112,223), followed by San Francisco, Calif. (\$82,115) and New York City, N.Y. (\$72,738).
- ◆ CoreLogic released analysis showing that the Denver-Aurora-Lakewood MSA has the second lowest percentage of homes with negative equity of major U.S. markets. The Denver-Aurora-Lakewood MSA recorded 1.5 percent of homes with negative equity, representing less than 10,000 homes. The San Francisco MSA was the only metropolitan area with a lower portion of negative equity than Denver with 0.6 percent of homes.

Employment

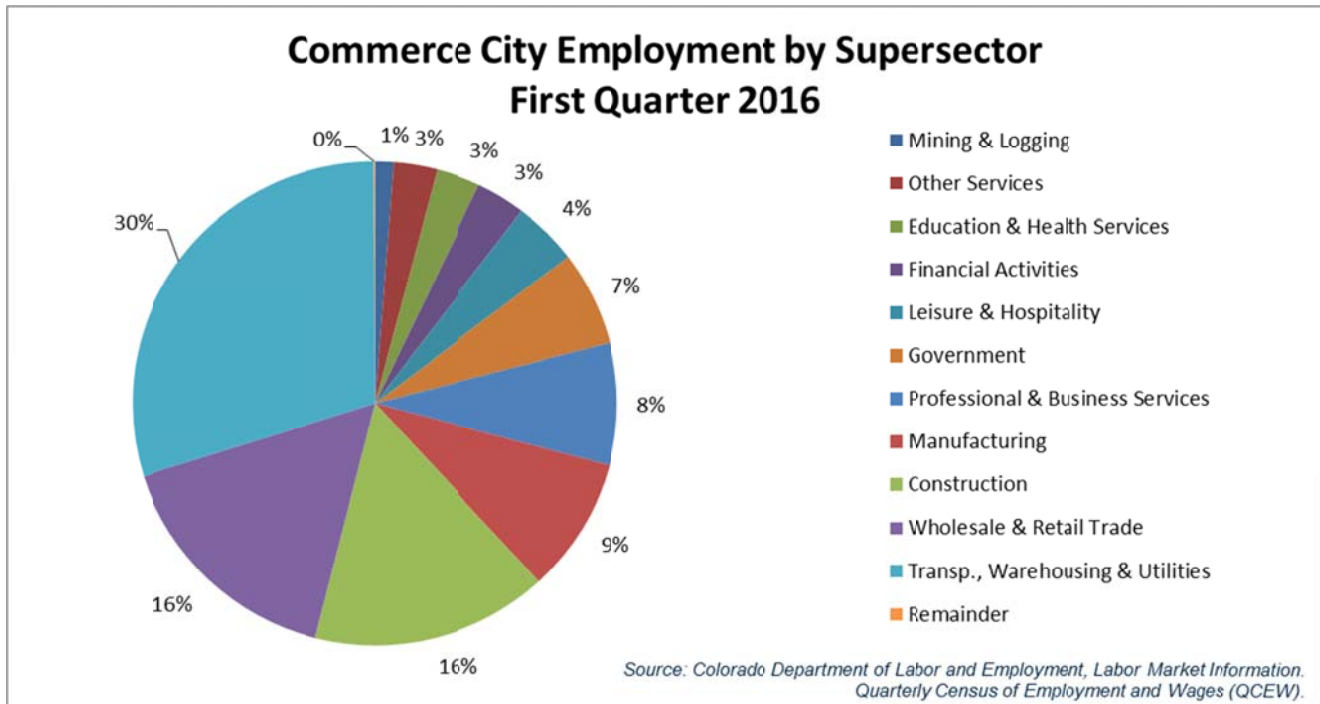
The number of businesses throughout Commerce City rose 4.9 percent between the first quarters of 2015 and 2016, a net gain of 62 businesses. Nine of the 12 supersectors reported over-the-year increases in business counts, with the financial activities supersector recording the largest increase (+10.6 percent) during the period. The professional and business services supersector and leisure and hospitality supersector also recorded significant establishment growth over-the-year, rising 8.3 percent and 7.7 percent, respectively. The other services supersector (+3.7 percent) recorded the smallest over-the-year increases in businesses, while the transportation, warehousing, and utilities (-2.4 percent) and government (-9.1 percent) sectors reported declines in business counts over-the-year.

Business and Employment Indicators by Supersector

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015
Total All Industries	1,322	1,260	\$952	\$985	29,064	28,637	1,543,542	1,499,727
Private Sector								
Mining & Logging	22	21	\$1,549	\$1,696	352	536	12,693	14,796
Construction	178	170	\$935	\$886	4,585	4,269	87,354	82,284
Manufacturing	101	96	\$1,466	\$1,483	2,625	2,696	85,642	83,982
Wholesale & Retail Trade	282	270	\$1,002	\$1,140	4,707	4,687	227,561	222,044
Transp., Warehousing & Utilities	160	164	\$921	\$926	8,651	8,804	52,024	51,601
Information	*	*	*	*	*	*	53,975	52,882
Financial Activities	104	94	\$865	\$874	952	847	107,109	103,131
Professional & Business Services	196	181	\$886	\$959	2,371	2,004	283,673	277,586
Education & Health Services	60	56	\$762	\$657	866	872	200,883	193,606
Leisure & Hospitality	84	78	\$365	\$338	1,248	1,140	168,095	159,745
Other Services	113	109	\$759	\$828	842	910	47,235	45,941
Government	10	11	\$862	\$885	1,837	1,844	216,994	211,963

*Data Suppressed. 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).



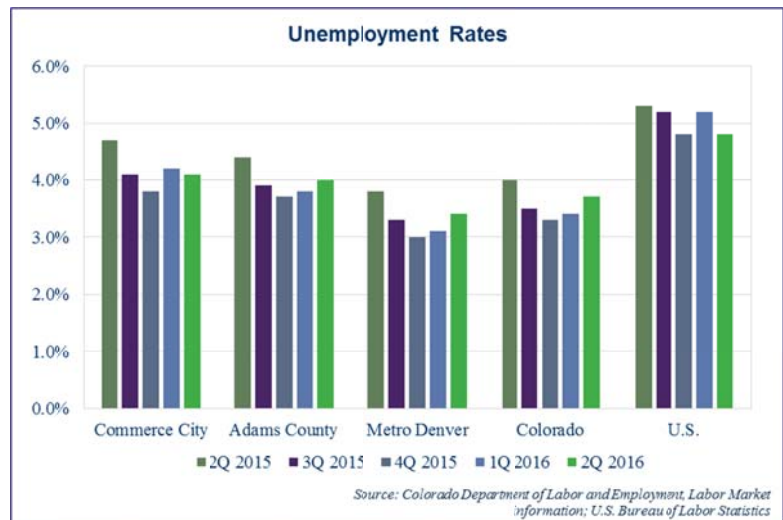
The average weekly wage for all industries in Commerce City during the first quarter of 2016 was \$952, a decrease of 3.4 percent compared with the prior year's level. Three of the 12 sectors recorded increases in the average weekly wage over-the-year. The highest weekly wage during the period was in the mining and logging supersector at \$1,549 per week, although this represented an 8.6 percent decrease over-the-year. The education and health services supersector reported the largest increase in the average weekly wage over-the-year, rising 16 percent to \$762 per week. Workers in the leisure and hospitality supersector earned the lowest wage at \$365 per week, but this was 7.9 percent higher than the previous year. The wholesale and retail trade supersector recorded the largest decline in wages between the first quarters of 2015 and 2016, falling 12.1 percent to \$1,002 per week.

Commerce City employment rose 1.5 percent in the first quarter of 2016 compared with the prior year, creating an additional 430 jobs. The supersector that reported the largest increase in employment was professional and business services, recording an 18.3 percent increase in employment or 370 positions. The financial activities and the leisure and hospitality supersectors also recorded significant employment growth during the period, rising 12.4 percent and 9.5 percent, respectively. The largest supersector by employment is transportation, warehousing, and utilities, representing about 30 percent of the area's total employment. The supersector recorded a 1.7 percent decrease in employment between the first quarters of 2015 and 2016. The mining and logging sector (-34.3 percent) reported the largest over-the-year decline in employment. Many of the layoffs in the oil and gas industry due to the downturn in oil prices continued through the first quarter of 2016.

Metro Denver reported a faster pace of employment growth in the first quarter of 2016 than Commerce City. Overall employment in Metro Denver rose 2.9 percent compared with the prior year's level. Eleven of the 12 sectors recorded employment growth during the period. The leisure and hospitality supersector and the construction sector grew at the fastest pace, increasing 5.2 percent and 6.2 percent, respectively. The education and health services and financial activities supersectors also reported large increases in employment, rising 3.8 percent and 3.9 percent, respectively. The professional and business services supersector was the largest by overall employment with 283,670 workers and increased 2.2 percent during the period. The transportation, warehousing, and utilities supersector (+0.8 percent) recorded the smallest growth in employment over-the-year, while the mining and logging sector (-14.2 percent) recorded the only decline in employment.

Labor Force and Unemployment

Unemployment in Commerce City was 4.1 percent during the second quarter of 2016, 0.6 percentage points below the prior year and 0.1 percentage points below the prior quarter. This second quarter unemployment rate is the lowest second quarter unemployment rate since the data started being collected in the second quarter of 2000 when the rate was also 4.1 percent. The area's labor force included 26,380 individuals in the second quarter of 2016, an increase of 2.5 percent over-the-year. Adams County reported a 0.4 percentage point decline in the unemployment rate between the second quarters of 2015 and 2016, falling to 4 percent. The size of the Adams County labor force increased 2.7 percent, with 6,570 additional people entering the labor force. Of the seven Metro Denver counties, Adams County recorded the highest unemployment rate during the second quarter, but tied for the largest over-the-year decline in the unemployment rate. Metro Denver reported a 2.6 percent increase in the labor force and a 0.4 percentage point decline in the unemployment rate over-the-year to 3.4 percent.



	Labor Force			Unemployment Rate	
	2Q 2016	2Q 2015	Yr/Yr % Change	2Q 2016	2Q 2015
Commerce City	26,381	25,746	2.5%	4.1%	4.7%
Adams County	254,417	247,845	2.7%	4.0%	4.4%
Metro Denver	1,694,228	1,651,760	2.6%	3.4%	3.8%
Colorado	2,894,806	2,830,444	2.3%	3.7%	4.0%
U.S. (000s)	159,141	157,519	1.0%	4.8%	5.3%

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

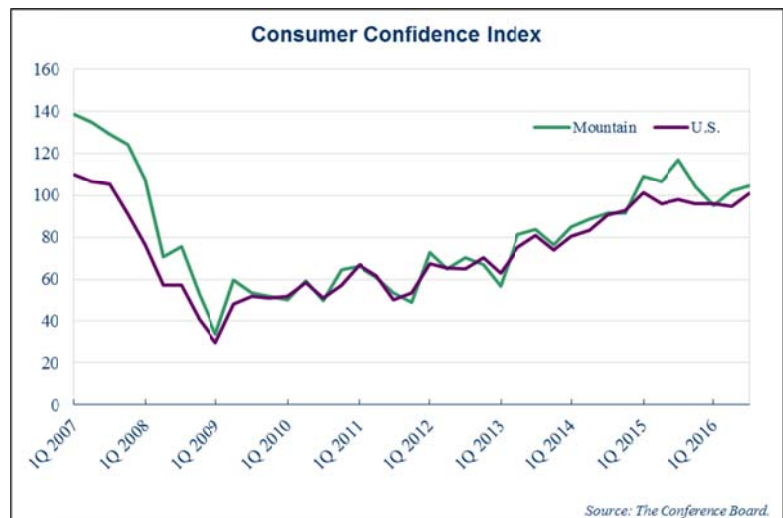
Colorado reported a 2.3 percent increase in the labor force between the second quarters of 2015 and 2016 and the unemployment rate declined 0.3 percentage points to 3.7 percent. The United States recorded a 0.5 percentage point decrease in the unemployment rate over-the-year, with a 1 percent increase in the labor force.

Consumer Activity

Consumer Confidence

The Conference Board's National Consumer Confidence Index increased during the third quarter of 2016, rising 2.6 percent over-the-year to 100.9 for the U.S. index. U.S. consumer confidence also rose 6.4 percent between the second and third quarters of 2016. The national index value of 100.9 marked the first time U.S. consumer confidence rose above 100 since the first quarter of 2015.

The Mountain Region index, which includes Colorado, decreased during the third quarter of 2016. The Mountain Region index fell to



104.8, an over-the-year decrease of 10.4 percent. However, the Mountain Region Index reported an over-the-quarter increase of 2.5 percent. Consumer confidence for the Mountain Region index has reported over-the-year declines for three consecutive quarters.

Retail Sales

Note: New retail figures were not released by the Colorado Department of Revenue. Here is the information from the last quarterly report: Commerce City retail sales decreased 27.1 percent between the fourth quarters of 2014 and 2015, representing \$445.6 million fewer in sales over-the-year. Further, the city reported a 24.4 percent decrease over-the-quarter. During the fourth quarter of 2015, Commerce City retail sales represented 21 percent of Adams County total retail sales. Adams County reported nearly \$5.7 billion in total retail sales during the fourth quarter of 2015, a decrease of 5.5 percent compared with the same period the prior year. Retail sales for Adams County rose 0.6 percent over-the-quarter.

Total retail sales in the seven-county Metro Denver area decreased 2.2 percent between the fourth quarters of 2014 and 2015. However, Metro Denver reported a 7.4 percent increase in retail sales over-the-quarter. Two of the seven counties in Metro Denver reported growth in retail sales between the fourth quarters of 2014 and 2015, consisting of Douglas (+13.6 percent) and Jefferson (+0.3 percent) counties. The City and County of Denver recorded the largest value of total retail sales, generating \$7.7 billion in total sales. Douglas County reported the largest increase in total value of retail sales, generating an additional \$318 million during the period. Adams County recorded the largest over-the-year decline in retail sales, while the City and County of Denver recorded the smallest decline (-3.2 percent).

Total Retail Sales (\$000's)

	4Q 2015	3Q 2015	4Q 2014	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,201,586	\$1,590,027	\$1,647,224	-27.1%	-24.4%
Adams County	\$5,682,668	\$5,646,509	\$6,010,676	-5.5%	0.6%
Metro Denver	\$30,221,480	\$28,129,335	\$30,885,534	-2.2%	7.4%

Source: Colorado Department of Revenue.

Residential Real Estate

Home Sales

Commerce City existing home sales decreased in both the single-family detached and the single-family attached markets. The single-family attached market recorded 41 total sales during the second quarter of 2016, a decrease of 26.8 percent compared with the previous year's level. The single-family detached market reported an 18.6 percent decrease in home sales, or 61 fewer 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 \$300,120 was 8.9 percent higher than the previous year's level. The single-family attached average home price of \$216,850 was 9.6 percent above the prior year's level.

The single-family detached market in Metro Denver declined through the second quarter of 2016, with sales falling 4.3 percent over-the-year. Six of the seven counties reported over-the-year decreases in home sales and one reported an increase. The average sales price throughout Metro Denver of \$440,850 reflected an 8.1 percent increase compared with the prior year. Boulder County reported the highest average sales price (\$607,650) and Adams County reported the lowest average sales price (\$312,360). Average prices increased in all seven counties between the second quarters of 2015 and 2016, with Adams County (+6.9 percent) recording the second smallest over-the-year increase.

Sales of single-family attached homes in Metro Denver decreased 12.6 percent between the second quarters of 2015 and 2016, representing the sale of 609 fewer homes. All seven counties recorded over-the-year decreases in

sales, ranging from a decline of 8.6 percent in Arapahoe County to -26.1 percent in Boulder County. All seven counties recorded increases in the average sales price during the period, with the average sales price in Metro Denver increasing 9.4 percent to \$253,010. The City and County of Denver reported the smallest over-the-year increase in the average sales price, rising 2.9 percent, while Adams County (\$210,180) recorded the lowest average sales price of the seven counties. Boulder County (+22.8 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									
Single-Family Detached									
2Q 2016	267	1,913	2,369	1,281	321	2,617	1,857	2,289	12,647
2Q 2015	328	2,014	2,486	1,379	351	2,611	1,929	2,441	13,211
Single-Family Attached									
2Q 2016	41	492	1,202	297	39	1,125	314	739	4,208
2Q 2015	56	541	1,315	402	49	1,245	405	860	4,817
Average Sold Price									
Single-Family Detached									
2Q 2016	\$300,123	\$312,358	\$403,295	\$607,646	\$440,635	\$467,614	\$486,276	\$426,317	\$440,846
2Q 2015	\$275,529	\$292,217	\$376,535	\$535,910	\$392,095	\$440,194	\$454,152	\$393,929	\$407,859
Single-Family Attached									
2Q 2016	\$216,846	\$210,180	\$212,098	\$370,226	\$267,390	\$288,421	\$289,975	\$230,599	\$253,012
2Q 2015	\$197,938	\$185,602	\$195,112	\$301,582	\$251,676	\$280,412	\$256,759	\$197,958	\$231,243

Source: Colorado Comps LLC.

Apartment Market

The Commerce City/Brighton apartment rental market reported increases in the vacancy rate and in the average rental rate between the second quarters of 2015 and 2016. The vacancy rate increased to 6.9 percent in the second quarter of 2016, rising 3.7 percentage points from the prior year's level of 3.2 percent. The vacancy rate was also 2.9 percentage points higher than the prior quarter. The average rental rate for the Commerce City/Brighton area during the second quarter of 2016 was \$1,238 per month, an increase of 2.8 percent from the previous year's level. The average rental rate was also 0.7 percent higher than the prior quarter's level of \$1,230 per month. The second quarter average rental rate for the Commerce City/Brighton area was 6 percent lower than the Adams County level and 9.7 percent below the Metro Denver level.

The Adams County and Metro Denver apartment rental markets reported increases in vacancy between the second quarters of 2015 and 2016. The Adams County vacancy rate was 2.5 percentage points higher than the prior year's level and 1.7 percentage points above the previous quarter's level. The average rental rate for Adams County was \$1,317 in the second quarter, which was 4.7 percent higher over-the-quarter and 11.6 percent higher over-the-year. Metro Denver reported a vacancy rate of 5.4 percent in the second quarter, which was 0.9 percentage points higher than the prior year. The average rental rate in Metro Denver was 4.2 percent higher over-the-quarter and 8.4 percent higher over-the-year.

Average Apartment Rents and Vacancy**Second Quarter 2016**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	6.4%	\$967	\$1,147	\$1,264	\$1,524	\$1,845	\$1,297	\$1,317
Commerce City/Brighton	6.9%	-	\$1,062	\$1,187	\$1,441	\$1,720	-	\$1,238
Metro Denver	5.4%	\$1,151	\$1,218	\$1,282	\$1,604	\$1,911	\$1,550	\$1,371

Source: Denver Metro Apartment Vacancy and Rent Survey.

Foreclosures

Foreclosure activity in the Metro Denver area decreased between the second quarters of 2015 and 2016. Metro Denver reported a 25 percent decrease in total foreclosure filings over-the-year to 754 as five of the seven counties reported decreases. Boulder County reported the largest decrease in filings (-42 percent) and Adams County reported the smallest decrease (-14.4 percent). The City and County of Broomfield (+40 percent) and Douglas County (+26.6 percent) reported the only over-the-year increases in foreclosures. Adams County (173 filings) reported the second largest number of total filings and reported an over-the-quarter decrease of 18 percent. Foreclosure filings for Metro Denver were down 19.8 percent in the second quarter of 2016 compared with the previous quarter.

Residential Construction

Residential building permits in Commerce City increased during the third quarter of 2016 compared with the prior year's level. Commerce City reported 172 total permits issued during the third quarter, a 309.5 percent increase from the third quarter 2015 level of 42 permits. Commerce City issued 148 single-family detached permits during the third quarter of 2016, an increase of 71.8 percent over-the-year. These permits represented significant new home activity in the Buckley Ranch, Buffalo Run, Linden, Reunion, and Turnberry communities in Commerce City. There were also 24 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 71.8 percent over-the-year to \$266,160. The average valuation for condominium and townhome units was \$132,050.

According to the U.S. Census Bureau, Metro Denver residential building permits rose 22.6 percent during the second quarter of 2016 compared with the prior year. Single-family detached units decreased 4.4 percent, representing 126 fewer units over-the-year. Single-family attached permits rose 47.9 percent, with 45 additional permits issued, and multi-family permits rose 62.8 percent, with 1,162 additional permits issued. Total permits for Adams County were up 2 percent over-the-year, but down 6 percent over-the-quarter. Adams County recorded 498 permits during the second quarter consisting of 431 single-family detached permits, 4 single-family attached permits, and permits for 63 multi-family units.

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	
3Q 2016	148	\$266,160	24	\$132,049	-	-	-	172
3Q 2015	42	\$154,964	-	-	-	-	-	42
Yr/Yr % Change	252.4%	71.8%	-	-	-	-	-	309.5%

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 recorded mixed trends through the third quarter of 2016. There was an additional 10,420 square feet of rentable space added to the market between the third quarters of 2015 and 2016. The office vacancy rate fell to 5.7 percent, a decrease of 4.9 percentage points from the prior year's level of 10.6 percent. The average lease rate for the office market fell 5.1 percent over-the-year to \$22.37 per square foot, losing \$1.19 per square foot. This average lease rate was among the highest third quarter rates for the market.

The Metro Denver office market tightened between the third quarters of 2015 and 2016, with falling vacancy rates and rising average lease rates. The Metro Denver office market added an additional 1.97 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 9.2 percent vacancy during the third quarter of 2016. This vacancy rate was the lowest third quarter level for the market since at least the third quarter of 2001. The average lease rate rose 3.8 percent during the same period to \$24.99 per square foot, adding \$0.91 per square foot.

Retail Market

The Commerce City retail market added 14,320 square feet of rentable retail space between the third quarters of 2015 and 2016. Retail vacancy in Commerce City rose 0.4 percentage points between the third quarters of 2015 and 2016 to 5.2 percent vacancy. The average lease rate for retail space fell 12.9 percent over-the-year to \$13.76 per square foot, losing \$2.03 per square foot.

The retail market in Metro Denver continued to improve between the third quarters of 2015 and 2016. The Metro Denver retail market added over 1.67 million square feet of rentable space over-the-year. The vacancy rate fell to 4.6 percent during the third quarter, a decline of 0.4 percentage points compared with the previous year. This was the lowest third quarter vacancy rate since the third quarter of 2006. The average lease rate rose \$0.60 per square foot to \$16.33 per square foot, an increase of 3.8 percent over-the-year.

Flex Market

The Commerce City flex market was unchanged through the third quarter of 2016. The flex market has over 243,100 square feet of rentable space. The flex market vacancy rate recorded no change between the third quarters of 2015 and 2016 at 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 third quarter of the year. The vacancy rate in the area fell 0.2 percentage points to 7.3 percent between the third quarters of 2015 and 2016, the lowest third quarter rate in Metro Denver since the availability of the data in 1999. The average lease rate increased 6.2 percent during the same period, rising from \$10.27 per square foot to \$10.91 per square foot. The average lease rate was also the highest third quarter rate since availability of the data in 1999.

Industrial Market

Commerce City's industrial market is heavily concentrated in warehouse distribution, representing nearly 75 percent of the rentable space in the market. With nearly 6.8 million square feet of rentable warehouse distribution space, Commerce City represents 4.6 percent of Metro Denver's total rentable space for warehouse distribution. The warehouse distribution vacancy rate rose 0.5 percentage points between the third quarters of 2015 and 2016 to 1.4 percent. The average lease rate rose 12.9 percent to \$10.27 per square foot during the same period, adding

\$1.17 per square foot to the average lease rate. All other industrial space in Commerce City reported a 0.7 percentage point increase in the vacancy rate over-the-year to 2.8 percent. The average lease rate for all other industrial space fell 1.8 percent to \$9.21 per square foot during the same period.

The Metro Denver industrial market is also heavily concentrated in warehouse distribution, reporting over 147.7 million square feet of rentable space during the third quarter of 2016, adding over 2.7 million square feet over-the-year. The vacancy rate for the warehouse distribution market was 3.8 percent, an increase of 1.1 percentage points between the third quarters of 2015 and 2016. The average lease rate rose 4.9 percent to \$7.02 per square foot during the third quarter of 2016 compared with the prior year. The vacancy rate for all other industrial space fell 0.5 percentage points to 2 percent over-the-year. The average lease rate rose 9.5 percent compared with the previous year's level to \$7.87 per square foot.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015
Office	Commerce City	440,385	429,969	5.7%	10.6%	\$22.37	\$23.56
	Metro Denver	181,025,877	179,057,040	9.2%	9.8%	\$24.99	\$24.08
Retail	Commerce City	1,428,153	1,413,838	5.2%	4.8%	\$13.76	\$15.79
	Metro Denver	164,300,539	162,623,507	4.6%	5.0%	\$16.33	\$15.73
Flex	Commerce City	243,132	243,132	3.2%	3.2%	-	\$16.00
	Metro Denver	41,774,682	41,495,228	7.3%	7.5%	\$10.91	\$10.27
Industrial	Commerce City						
	Warehouse Distribution	6,785,877	6,785,877	1.4%	0.9%	\$10.27	\$9.10
	All Other Industrial	2,301,646	2,301,646	2.8%	2.1%	\$9.21	\$9.38
	Metro Denver						
	Warehouse Distribution	147,700,337	144,954,498	3.8%	2.7%	\$7.02	\$6.69
	All Other Industrial	53,943,730	53,838,033	2.0%	2.5%	\$7.87	\$7.19

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 over 42,080 square feet of nonresidential building permits issued in Commerce City during the third quarter of 2016. The nonresidential building permits issued during the period were valued at nearly \$8.9 million. The largest and highest valued building permitted was a \$4.4 million, 12,169-square-foot Fire Station for the South Adams County Fire District. Two other highly valued permits were for the \$1.6 million Prestige School and the \$1.9 million Dion's Restaurant.

Commerce City Commercial Building Permits Issued, 3Q 2016		
Project Description	Valuation	Total Square Feet
Industrial Building-Mountain View Industrial Park	\$300,000	8,000
UPS Addition	\$325,000	5,500
Marijuana Dispensary	\$325,000	1,218
Prestige School	\$1,600,000	10,000
Dion's Restaurant	\$1,900,000	5,198
Fire Station-South Adams County Fire District	\$4,448,283	12,169

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

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