

Jefferson County

Colorado

Quarterly Economic Report

June 2022

Contact

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2022

Second Quarter

Quarterly Economic Summary

Employment	239,989 Up 2.4% from 4Q 2020	
Unemployment Rate	3.5% Down 2.6 percentage points from 1Q 2021	
Existing Home Sales	2,128 Up 0.6% from 1Q 2021	
Single-Family Detached Average Price	\$711,651 Up 16.7% from 1Q 2021	
Single-Family Attached Average Price	\$378,063 Up 22.2% from 1Q 2021	
Apartment Vacancy Rate	3.3% Down 0.9 percentage points from 1Q 2021	
Apartment Average Lease Rate	\$1,738 Up 13.2% from 1Q 2021	
Residential Building Permits	513 Up 66.6% from 1Q 2021	
Office Class A Vacancy Rate Industrial Warehouse Vacancy Rate Flex R&D Vacancy Rate Retail Vacancy Rate	8.8% 2.4% 5.8% 5.3%	
Office Class A Average Lease Rate Industrial Warehouse Average Lease Rate Flex R&D Average Lease Rate Retail Average Lease Rate	\$27.59 \$10.83 \$13.77 \$15.97	

Jeffco Business Activity

- ◆ CoorsTek is planning to redevelop the 12-acre superblock near 10th Street and Ford Avenue in downtown Golden. The proposed redevelopment would be incremental and phased in over a 15-to-20-year timeframe. Pending approval by Golden City Council, portions of the site will be demolished later this year and construction of the new CoorsTek headquarters will commence in early 2023. The initial phase will also deliver a series of tangible community benefits, such as historic preservation, workforce housing, and public art.
- ◆ Arvada-based Carbon America – a startup aiming to commercialize new carbon dioxide capture and sequestration technologies – raised \$30 million in Series A venture capital funding and plans to grow in Metro Denver. The company has 45 employees and expects to quadruple its size in a little over a year.
- ◆ New Zealand-based Rocket Lab Inc. plans to add 40,000 square feet of office, lab, and production space in Littleton, which will include two mission operations centers. The new space systems complex will be near the current offices of Advanced Solutions, Inc. (ASI), a company that Rocket Labs acquired in October 2021. ASI develops flight software used by both government and commercial satellite operators. The complex will allow Rocket Lab to double its local headcount to more than 120 people by early 2023, adding jobs in space-flight software development, spacecraft guidance, navigation and control, spacecraft simulation, and systems engineering.
- ◆ Hestra Gloves, located in Arvada, has become the first approved site in Jefferson County for the Foreign Trade Zone. This approved status gives the company the ability to defer, reduce, and eliminate some custom duties on products brought into and shipped out of the Colorado-based distribution center.
- ◆ New York-based space hardware manufacturer Moog Inc. opened a 29,000-square-foot manufacturing space in Arvada. The facility almost quadruples Moog’s space in Metro Denver, adding to its Golden location and giving the 60-employee operation room for its planned hiring of 20 more people.
- ◆ Fairfield Inn & Suites is planning to build a new hotel on a property at Swede Gulch Road and Teepees Way in Evergreen. Current plans call for a four-story building with 85 hotel rooms.

Economic Headlines and Rankings

- ◆ Three cities in Jefferson County were ranked among the best small cities in the U.S. to start a business, according to a 2022 WalletHub analysis comparing 1,334 small cities with populations between 25,000 and 100,000. Cities were evaluated based on business environment, access to resources, and business costs. Littleton ranked No. 132, Wheat Ridge ranked No. 180, and Columbine ranked No. 384.
- ◆ StorageCafé ranked Metro Denver 10th among the country’s 50 largest metro areas for best performing real estate markets over the past decade. Metrics for the analysis included new residential building permits, square feet of commercial real estate added, and population growth between 2012 and 2021. Metro Denver ranked 13th for single-family growth, with 98,282 single-family home permits reported over the past 10 years, and ranked ninth for multifamily, with 100,501 multifamily permits reported over the period. For commercial growth, Metro Denver ranked highest for self-storage (9th), followed by industrial (10th), and office and retail (15th).
- ◆ Metro Denver ranked 7th among the nation’s top job markets, according to findings from *The Wall Street Journal* and Moody’s Analytics. The analysis considered 300 metro areas which were rated on five factors: unemployment rate, labor force participation rate, job growth, labor force growth, and wage growth. Metro

Denver ranked third for labor force participation rate, sixth for change in labor force size, and 38th in unemployment rate.

- ◆ WalletHub compared the 50 states and the District of Columbia across 25 key indicators of living standards for women in order to determine the best and worst states for women. Colorado ranked 23rd overall, with a rank of 19th for women’s economic and social wellbeing and 24th for women’s health care and safety. Notably, Colorado ranked high in the percentage of women-owned businesses at No. 3. Massachusetts, Minnesota, and New York ranked highest overall, while Oklahoma, Alabama, and Arkansas ranked lowest.

Development Projects

- ◆ As part of the bipartisan Infrastructure Investment and Jobs Act, \$167 million in initial funding was approved for the construction of a new U.S. Geological Survey (USGS) building to support energy and mineral research on the School of Mines Campus. The lab will replace the aging office and lab facilities currently housed at the Denver Federal Center and will be used by students, faculty, and about 150 USGS staff.
- ◆ Trammell Crow Company is developing The Shops at Olde Town Station located on the southwest corner of 56th Avenue and Wadsworth Boulevard in downtown Arvada. The developer broke ground on the 15,000-square-foot retail section in March and expects the new tenants to move in during the first quarter of 2023. In addition to the two retail buildings, Trammell Crow is also working with a hotel developer to build a 130-room Residence Inn by Marriott on the western side of the parcel. The hotel is aiming for a 1Q 2024 opening.
- ◆ Minneapolis-based Doran Properties Group purchased 451 S. Teller Street in downtown Lakewood’s Belmar shopping plaza with plans to build a 194-unit, 382,000-square-foot multi-family building. The building will be eight stories and will include three stories of parking – one underground – and five floors of wood-framed residences. Doran plans to break ground in the fourth quarter of 2022 and finish in the second half of 2024.
- ◆ Archway Communities is underway on Robinson Place, a three-story affordable housing project at 2275 Wadsworth Boulevard in Lakewood. The 67 units will be available for seniors and senior veterans who make 60 percent or below the average median income for Metro Denver. Delivery of the units is expected in May 2023.
- ◆ Conifer Ridge Properties, owner of a 25-acre property known as Conifer Heights, plans to build 50 townhomes on about one-third of the property bounded by Barkley Road, Highway 73, and U.S. 285 in Conifer. The units would be two stories high and in 10 groupings of five townhomes.
- ◆ The Jefferson County Commissioners approved the rezoning of an eight-acre site on Nob Hill in El Rancho to allow for 14 lodging units. The lodging units will be congregated and under professional management, but the owners will have the option to turn them into single-family homes. Each unit will have two to four bedrooms with a maximum footprint of 1,000 square feet and a maximum height of 35 feet.

Employment Activity

Business Count, Average Weekly Wage, and Employment by Supersector

The number of businesses throughout Jefferson County increased 6.7 percent between the fourth quarters of 2020 and 2021, adding 1,460 businesses over the period. Twelve of the 13 supersectors reported business growth over-the-year. Information reported the largest growth of 23.1 percent, or by 101 businesses, followed by professional and business services (+11.5 percent) and financial activities (+7.2 percent). Mining and logging reported the only over-the-year decrease of 2.3 percent, or by three businesses.

	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	4Q 2020	4Q 2021	4Q 2020	4Q 2021	4Q 2020	4Q 2021	4Q 2020	4Q 2021
Total All Industries	21,898	23,358	\$1,375	\$1,479	234,305	239,989	1,624,308	1,714,634
Private Sector								
Mining & Logging	128	125	\$1,799	\$2,057	935	902	13,081	12,869
Construction	2,231	2,251	\$1,539	\$1,612	18,543	18,010	102,933	105,804
Manufacturing	523	523	\$2,108	\$2,070	19,983	19,963	89,098	91,586
Wholesale Trade	1,565	1,659	\$2,576	\$2,711	7,065	7,555	78,951	82,019
Retail Trade	1,713	1,751	\$737	\$832	29,691	28,815	155,846	155,218
Transp., Warehousing & Utilities	307	315	\$1,449	\$1,653	4,361	4,133	73,518	76,207
Information	438	539	\$1,806	\$2,355	4,860	4,388	59,387	62,598
Financial Activities	2,530	2,711	\$1,742	\$1,754	10,713	10,658	115,774	120,077
Professional & Business Services	6,574	7,329	\$1,783	\$2,019	42,239	44,906	313,829	340,533
Education & Health Services	2,411	2,522	\$1,130	\$1,263	33,653	33,012	209,068	214,546
Leisure & Hospitality	1,553	1,610	\$488	\$572	21,535	25,474	137,214	172,417
Other Services	1,741	1,832	\$890	\$981	7,085	7,472	47,654	51,025
Government	177	181	\$1,366	\$1,388	33,619	34,686	227,794	229,579

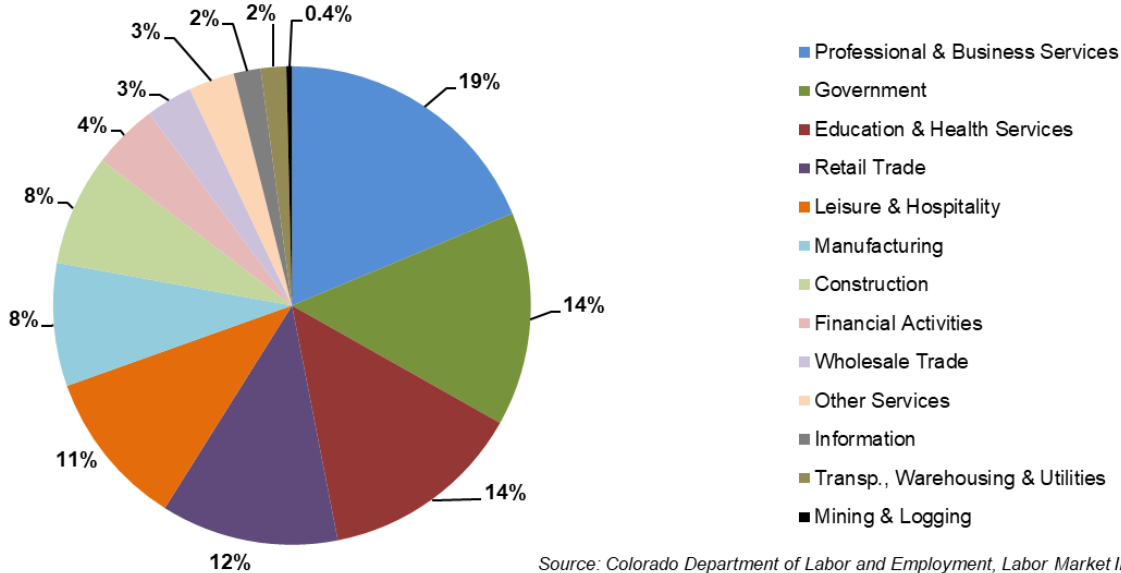
*Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).*

The average weekly wage for Jefferson County was \$1,479 per week in the fourth quarter of 2021, an increase of 7.5 percent from the same time last year. Twelve of the 13 supersectors reported increases in the weekly wage, led by information (+30.3 percent), leisure and hospitality (+17.2 percent), and mining and logging (+14.3 percent). Manufacturing recorded the only over-the-year decrease of 1.8 percent. Wholesale trade reported the highest weekly wage during 4Q 2021 of \$2,711 per week, while leisure and hospitality reported the lowest weekly wage of \$572.

Jefferson County employment increased 2.4 percent in the fourth quarter of 2021 compared with the prior year, representing an increase of 5,684 jobs. Five of the 13 supersectors reported increases during the period, with the largest increases recorded in leisure and hospitality (+18.3 percent), wholesale trade (+6.9 percent), and professional and business services (+6.3 percent). Information recorded the largest decrease of 9.7 percent over-the-year, followed by transportation, warehousing, and utilities (-5.2 percent), and mining and logging (-3.5 percent).

Employment in Metro Denver increased 5.6 percent between the fourth quarters of 2020 and 2021, rising by 90,326 employees during the period. Eleven of the 13 supersectors reported over-the-year increases in employment. Leisure and hospitality reported the largest over-the-year increase of 25.7 percent, followed by professional and business services (+8.5 percent) and other services (+7.1 percent). Mining and logging recorded the largest over-the-year decrease of 1.6 percent, followed by retail trade (-0.4 percent).

**Jefferson County Employment by Supersector
Fourth Quarter 2021**



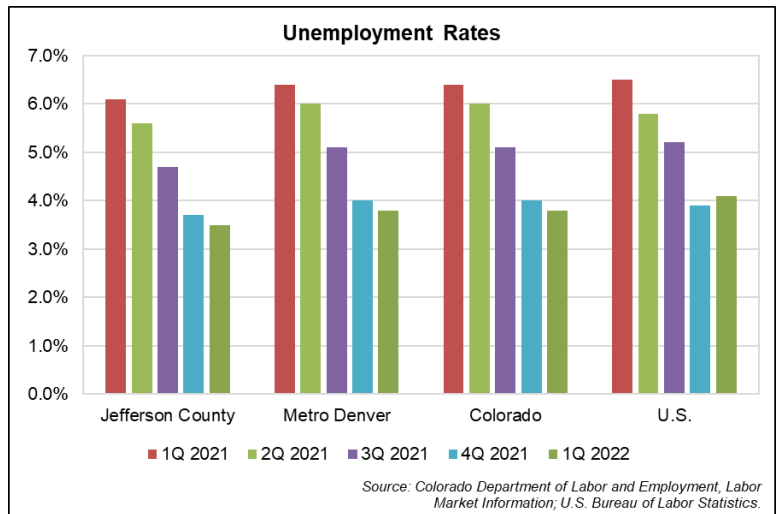
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Labor Force and Unemployment

Jefferson County reported an unemployment rate of 3.5 percent in the first quarter of 2022, 0.2 percentage points below the rate recorded in the previous quarter and 2.6 percentage points below the level in the first quarter of 2021. Jefferson County had the fourth-lowest unemployment rate of the seven Metro Denver counties, behind Douglas County (2.9 percent), Boulder County (3 percent), and the City and County of Broomfield (3.1 percent). The Jefferson County unemployment rate was 0.3 percentage points below the 3.8 percent rate recorded in Metro Denver in 1Q 2022. Metro Denver’s unemployment rate was 0.2 percentage points below the rate recorded in the previous quarter and was 2.6 percentage points lower than one-year ago. The labor force in Jefferson County rose 3.3 percent between the first quarters of 2021 and 2022 to a total of 340,499 people employed or looking for a job. The labor force in Metro Denver also increased over-the-year, rising 3.4 percent to nearly 1.88 million workers.

	Labor Force			Unemployment Rate	
	1Q 2021	1Q 2022	Yr/Yr % Change	1Q 2021	1Q 2022
Jefferson County	329,725	340,499	3.3%	6.1%	3.5%
Metro Denver	1,816,700	1,877,796	3.4%	6.4%	3.8%
Colorado	3,113,241	3,217,296	3.3%	6.4%	3.8%
U.S. (000s)	159,880	163,608	2.3%	6.5%	4.1%

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



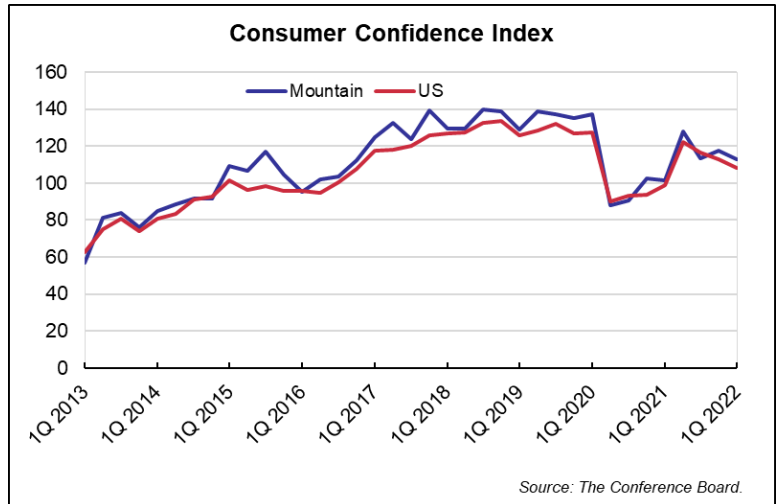
Source: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

Colorado’s unemployment rate fell 2.6 percentage points to 3.8 percent between the first quarters of 2021 and 2022 and the state’s labor force increased 3.3 percent over-the-year. The U.S. unemployment rate fell 2.4 percentage points over-the-year to 4.1 percent and the labor force increased 2.3 percent during the same period.

Consumer Activity

Consumer Confidence

The Consumer Confidence Index for the U.S. increased 9.2 percent over-the-year to 108.1 in the first quarter of 2022. Over-the-quarter, the national index fell 4.2 percent. The index has now recorded a quarterly decrease in consumer confidence for three consecutive quarters. Prior to the recent declines, the index recorded a quarterly increase for four consecutive quarters following a sharp decline reported in April and May of 2020 due to the COVID-19 pandemic.



Purchasing intentions were down from recent levels at the end of the first quarter as

interest rates began to rise. Vacation intentions cooled but intentions to buy big-ticket items like automobiles and many appliances rose somewhat. Looking ahead, inflation and the war in Ukraine will continue to pose downside risks to confidence and may further curb consumer spending.

Colorado is included in the Mountain Region Index and the area reported an 11.2 percent increase over-the-year. Over-the-quarter, confidence in the Mountain Region decreased 3.7 percent.

Retail Sales

Retail sales in Metro Denver increased 17.5 percent between the fourth quarters of 2021 and 2022. All seven counties in Metro Denver reported over-the-year increases in retail sales. The City and County of Denver reported the largest increase of 35.9 percent, followed by Douglas County (+23.4 percent) and Adams County (+17.6 percent). Throughout the state of Colorado, retail activity increased 17.5 percent.

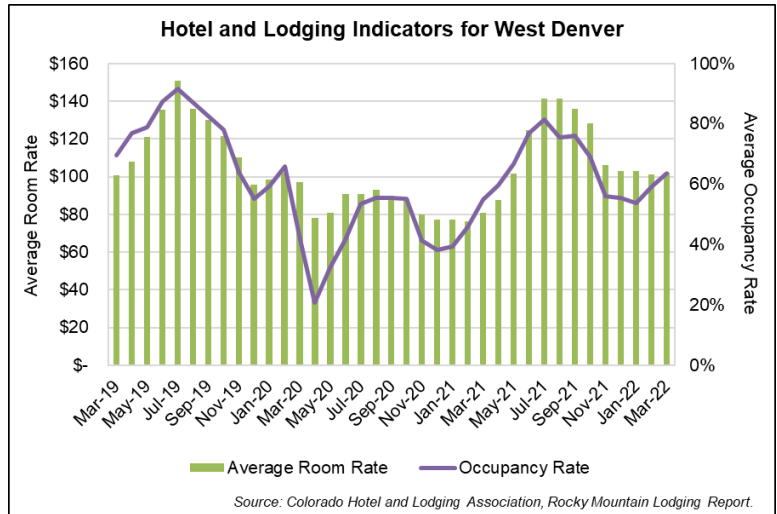
Total Retail Sales (\$000s)			
County	4Q 2020	4Q 2021	Yr/Yr % change
Metro Denver	\$38,318,750	\$46,176,607	20.5%
Adams	\$7,164,040	\$8,427,983	17.6%
Arapahoe	\$6,751,148	\$7,541,405	11.7%
Boulder	\$4,103,154	\$4,722,771	15.1%
Broomfield	\$829,939	\$928,544	11.9%
Denver	\$9,205,778	\$12,513,738	35.9%
Douglas	\$3,933,233	\$4,852,183	23.4%
Jefferson	\$6,331,458	\$7,189,982	13.6%
Colorado	\$64,889,772	\$76,273,784	17.5%

Source: Colorado Department of Revenue.

Lodging

The West Denver market ended March with a hotel occupancy rate of 63.7 percent, 8.7 percentage points above the previous year’s level but 6 percentage points below the pre-pandemic rate recorded in March 2019. The market’s average room rate in December was \$102.06, 26.1 percent higher than the same time last year and 1.4 percent above its pre-pandemic level. The room rate in the West Denver market was \$28.52 lower than the rate in Metro Denver.

Metro Denver reported a hotel occupancy rate of 63.1 percent at the end of March, 15.2 percentage points above the year-ago level. The average room rate for Metro Denver was \$130.58 at the end of March, 43 percent above the previous year’s rate. Since navigating the worst of the COVID-19 pandemic, the Metro Denver occupancy rate has returned to 89 percent of pre-pandemic levels recorded in March 2019. The average room rate has returned to 99 percent of pre-pandemic levels.



Residential Real Estate

Home Sales

Home sales continued to climb in Jefferson County, but performance was mixed across Metro Denver from the first quarter of 2021 to the first quarter of 2022. Three of the seven counties in Metro Denver recorded over-the-year increases in detached home sales, led by Douglas County (+10.8 percent). Single-family detached homes sold in Jefferson County increased 2.1 percent to 1,592 homes sold in the first quarter of 2022, the second fastest sales pace in Metro Denver, tied with Arapahoe County. Adams County reported the largest decrease in detached home sales over-the-year, falling 9.8 percent. Detached sales in Metro Denver fell 2.3 percent over-the-year to 8,701 homes sold.

The number of single-family attached home sales in Jefferson County decreased 3.6 percent between the first quarters of 2021 and 2022 to 536 homes sold. The City and County of Denver was the only county in Metro Denver to record an over-the-year increase in attached home sales, rising 2.9 percent. Adams County reported the largest decline of 16.1 percent. Attached sales in Metro Denver fell 2.9 percent over-the-year to 3,297 homes sold.

Existing Home Sales

	Metro Denver County Markets							Metro Denver Total
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales								
<i>Single-Family Detached</i>								
1Q 2022	1,378	1,724	737	164	1,814	1,292	1,592	8,701
1Q 2021	1,528	1,688	785	179	1,999	1,166	1,560	8,905
<i>Single-Family Attached</i>								
1Q 2022	339	985	199	19	992	227	536	3,297
1Q 2021	404	992	232	19	964	228	556	3,395
Average Sold Price								
<i>Single-Family Detached</i>								
1Q 2022	\$536,140	\$643,583	\$976,387	\$679,024	\$791,756	\$808,053	\$711,651	\$723,192
1Q 2021	\$450,669	\$539,450	\$837,898	\$588,061	\$707,181	\$691,536	\$609,610	\$621,359
<i>Single-Family Attached</i>								
1Q 2022	\$359,367	\$352,946	\$539,082	\$449,979	\$440,719	\$475,574	\$378,063	\$404,336
1Q 2021	\$294,037	\$291,691	\$439,464	\$337,374	\$375,558	\$387,313	\$309,355	\$335,452

Source: ColoradoComps.

Home Prices

Between the first quarters of 2021 and 2022, single-family detached home prices rose 16.7 percent in Jefferson County to \$711,651, the fourth fastest increase and the fourth highest price of the seven counties. The average sales price rose in all seven counties during the period, ranging from an increase of 12 percent in the City and County of Denver to an increase of 19.3 percent in Arapahoe County. The average price throughout Metro Denver increased 16.4 percent over-the-year to \$723,192.

Jefferson County had the fourth fastest increase in attached prices among the seven counties in Metro Denver, tied with Adams County, with an increase of 22.2 percent between the first quarters of 2021 and 2022. All seven counties also recorded over-the-year increases in the average attached price, ranging from the largest increase in the City and County of Broomfield (+33.4 percent) to the most modest increase in the City and County of Denver (+17.4 percent). The average sales price in Metro Denver rose 20.5 percent over-the-year to \$404,336.

Apartment Market

Jefferson County reported the lowest apartment vacancy rate of the six Metro Denver county market groups for the first quarter of 2022. The Jefferson County vacancy rate fell 0.9 percentage points between the first quarters of 2021 and 2022 to 3.3 percent vacancy and decreased 0.7

Metro Denver Average Apartment Rents and Vacancy
First Quarter 2022

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	4.9%	\$1,310	\$1,460	\$1,583	\$1,891	\$2,313	\$2,540	\$1,664
Arapahoe	3.6%	\$1,408	\$1,505	\$1,628	\$1,948	\$2,420	\$2,776	\$1,709
Boulder/Broomfield	4.0%	\$1,594	\$1,693	\$1,791	\$2,150	\$2,531	\$2,549	\$1,882
Denver	5.2%	\$1,441	\$1,626	\$1,562	\$2,273	\$2,522	\$1,984	\$1,783
Douglas	4.3%	\$1,551	\$1,744	\$1,871	\$2,106	\$2,426	\$2,388	\$1,937
Jefferson	3.3%	\$1,287	\$1,583	\$1,602	\$1,976	\$2,252	\$1,589	\$1,738
Metro Average	4.3%	\$1,435	\$1,587	\$1,622	\$2,067	\$2,404	\$1,996	\$1,766

Source: Denver Metro Apartment Vacancy and Rent Survey.

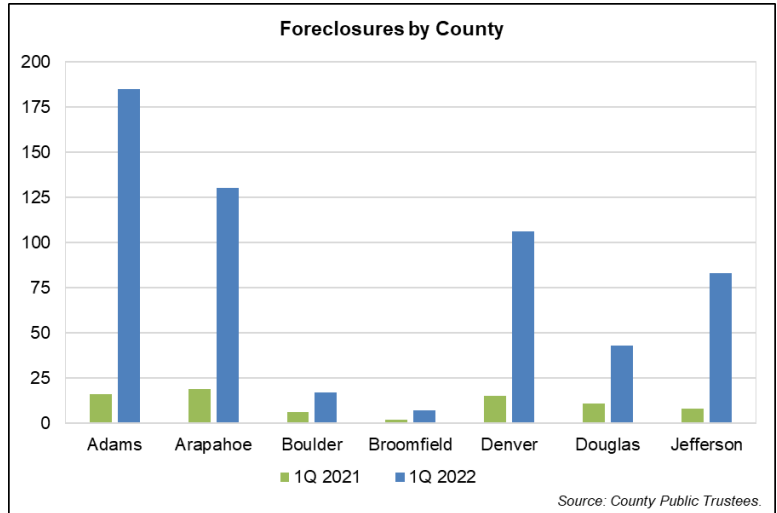
percentage points over-the-quarter. Metro Denver’s vacancy rate was 1 percentage point higher than Jefferson County’s vacancy rate during the first quarter. The City and County of Denver had the highest vacancy rate of 5.2 percent.

The average rental rate in Jefferson County for all apartment types (\$1,738) increased 13.2 percent over-the-year and increased 4.1 percent between the fourth quarter of 2021 and the first quarter of 2022. The Jefferson

County average rental rate was \$28 below the Metro Denver average in the first quarter of 2022 and was the third lowest average rental rate among the six Metro Denver county market groups. All six submarkets reported over-the-year increases in the average monthly rental rate, led by Arapahoe County (+17.1 percent) and Douglas County (+16.4 percent). The Boulder/Broomfield submarket reported the most modest increase in the average rent of 9.1 percent. Douglas County reported the highest rental rate in 1Q 2022 of \$1,937 per month, while Adams County reported the lowest rental rate of \$1,664 per month. Across Metro Denver, rents increased 3.3 percent over-the-quarter to \$1,766 per month, and increased 14.4 percent over-the-year.

Foreclosures

Foreclosure filings in Jefferson County increased 937.5 percent over-the-year to 83 filings during the first quarter of 2022, up 75 filings during the period. The large increase was due to low filings last year due to the government’s foreclosure moratorium and mortgage forbearance programs, which kept foreclosures low for most of 2021. All seven counties reported increases in filings over-the-year, with Adams County reporting the largest percentage increase of 1,056.3 percent. Across Metro Denver, foreclosure filings rose 641.6 percent over-the-year to 571 total filings, representing an increase of 494 foreclosures during the period.



Residential Construction

The total number of residential units permitted in Jefferson County increased 66.6 percent or by 205 units between the first quarters of 2021 and 2022. In total, Jefferson County permitted 513 units in the first quarter of 2022, with single-family detached homes comprising 61.6 percent of those permits at 316. Multi-family units accounted for 36.6 percent of the permits, totaling 188, and single-family attached homes accounted for 1.8 percent, or 9 permits. Multi-family reported the largest over-the-year increase, up 1,609.1 percent, or 177 units. Single-family detached units increased 16.6 percent, or by 45 units, while single-family attached recorded the only over-the-year decrease, down 65.4 percent from 26 building permits reported in 1Q 2021.

Jefferson County Residential Building Permits

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	1Q 2021	1Q 2022	1Q 2021	1Q 2022	1Q 2021	1Q 2022	1Q 2021	1Q 2022
Unincorp. Jefferson County	92	153	24	0	11	20	127	173
Arvada	85	85	0	0	0	0	85	85
Edgewater	1	2	0	3	0	0	1	5
Golden	2	1	0	2	0	0	2	3
Lakewood	13	21	0	4	0	82	13	107
Mountain View	0	0	0	0	0	0	0	0
Westminster*	36	12	0	0	0	0	36	12
Wheat Ridge	42	42	2	0	0	86	44	128
Total Units	271	316	26	9	11	188	308	513

*Westminster included in Adams and Jefferson Counties. Total may reflect construction not in Jefferson County. Source: U.S. Census Bureau.

Six of the eight market areas in Jefferson County reported increases in total units over-the-year. Lakewood reported the largest increase of 723.1 percent, or 94 units over the period, followed by Edgewater (+400 percent) and Wheat Ridge (+190.9 percent). Westminster reported the only over-the-year decline of 66.7 percent, or 24 permits.

Commercial Real Estate

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

Office Market

The Jefferson County vacancy rate increased across the three classes of office space. Vacancy in Class A office space increased 1.8 percentage points to 8.8 percent vacancy between the first quarters of 2021 and 2022. Class B space recorded an increase of 0.2 percentage points during the period to 10.8 percent vacancy, while Class C space increased 1.4 percentage points to 5.2 percent vacancy over-the-year. An additional 104,039 square feet of Class A and B office space was added to the market over-the-year, representing 4.4 percent of all office space added in Metro Denver.

The average lease rates for office space in Jefferson County increased across all three classes of office buildings during the first quarter of the year. Class C space reported the largest increase, rising 10.3 percent to \$17.44 per square foot. Class B space reported an increase of 2.4 percent or an additional \$0.54 per square foot, while Class A space increased 0.4 percent or by \$0.11 per square foot.

The Metro Denver office market reported an increase in the vacancy rate in one of the three classes of office space between the first quarters of 2021 and 2022. Class A vacancy increased 2.1 percentage points to 15.5 percent during the period. Class B vacancy remained unchanged at 11.7 percent, while Class C space reported a decrease of 0.3 percentage points to 4.2 percent vacancy. The average lease rate in the office market decreased in two of the three office classes during the period, with the largest decrease in the Class C space, which fell 4.6 percent to \$21.18 per square foot. Class A space fell 0.1 percent to \$34.02, while Class C space reported the only increase, rising 1.5 percent to \$25.75 per square foot.

Jefferson County Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		1Q 2021	1Q 2022	1Q 2021	1Q 2022	1Q 2021	1Q 2022
Office	Jefferson County						
	Class A	6,088,053	6,134,553	7.0%	8.8%	\$27.48	\$27.59
	Class B	15,113,057	15,170,596	10.6%	10.8%	\$22.32	\$22.86
	Class C	3,440,142	3,440,142	3.8%	5.2%	\$15.81	\$17.44
	Metro Denver						
	Class A	75,833,939	77,862,946	13.4%	15.5%	\$34.06	\$34.02
	Class B	100,282,515	100,602,659	11.7%	11.7%	\$25.36	\$25.75
	Class C	21,900,202	21,900,202	4.5%	4.2%	\$22.21	\$21.18
Industrial	Jefferson County						
	Industrial Warehouse	9,713,804	9,713,804	3.7%	2.4%	\$10.22	\$10.83
	Flex/R&D	1,492,248	1,492,248	6.8%	5.8%	\$13.42	\$13.77
	Metro Denver						
	Industrial Warehouse	149,420,472	151,888,870	5.8%	4.1%	\$8.62	\$9.54
	Flex/R&D	9,772,439	9,772,439	15.1%	13.9%	\$13.02	\$13.13
Retail	Jefferson County	37,170,058	37,263,562	5.7%	5.3%	\$15.04	\$15.97
	Metro Denver	172,975,576	173,533,056	5.2%	4.5%	\$19.04	\$19.56

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.

Industrial Market

Industrial warehouse vacancy in Jefferson County fell 1.3 percentage points between the first quarters of 2021 and 2022. The average lease rate increased during the period, rising 6 percent to \$10.83 per square foot. There was no space added to the industrial warehouse market over-the-year. The vacancy rate in the flex/R&D market was 5.8 percent in the first quarter of 2022, down 1 percentage point from a year prior. The average lease rate rose 2.6 percent during the same period, increasing to \$13.77 per square foot. There was no flex/R&D space added to the market between the first quarters of 2021 and 2022.

The industrial warehouse market vacancy in Metro Denver decreased 1.7 percentage points to 4.1 percent between the first quarters of 2021 and 2022. The average lease rate increased 10.7 percent to \$9.54 per square foot. The vacancy rate in the flex/R&D market in Metro Denver fell over-the-year, decreasing 1.2 percentage points to 13.9 percent. The average lease rate increased 0.8 percent during the period to \$13.13 per square foot.

Retail Market

The Jefferson County retail market reported a 0.4 percentage point decrease in the vacancy rates between the first quarters of 2021 and 2022. An additional 93,504 square feet of retail space was added in Jefferson County, representing 16.8 percent of the 557,480 square feet added in Metro Denver during the period. The average lease rate in Jefferson County increased 6.2 percent over-the-year, rising to \$15.97 per square foot.

The retail vacancy rate in Metro Denver fell 0.7 percentage points over-the-year to 4.5 percent vacancy, while the average lease rate increased 2.7 percent to \$19.56 per square foot in the first quarter of 2022.

Commercial Construction

There were 14 buildings with 522,950 square feet of commercial space under construction in Jefferson County at the end of the first quarter of 2022. Industrial/flex space accounted for 89.6 percent of the square footage under construction with 468,404 square feet of space, followed by 51,070 square feet of retail space and 3,476 square feet of office space. The largest project under construction was the Axis 70 West Industrial building at 4990 Parfet Street in Wheat Ridge, totaling 142,200 square feet.

There were two industrial buildings and two office buildings completed in Jefferson County during the first quarter of 2022, totaling 98,155 square feet. Office space accounted for 58.6 percent of the space completed, with industrial space accounting for the remaining 41.4 percent. The largest buildings completed included a Candelas Medical Office Building totaling 42,369 square feet and an industrial building at 1260 Brickyard Road in Golden totaling 26,230 square feet.

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