



# Jefferson County Colorado

## Q1 2023

QUARTERLY ECONOMIC  
REPORT

## Q1 Data

### Contact

---

1667 Cole Blvd. #400  
Golden, CO 80401  
303.202.2965  
[info@jeffcoedc.org](mailto:info@jeffcoedc.org)

**JEFFCOEDC**  
ECONOMIC DEVELOPMENT CORPORATION



**2023**  
*First Quarter*

*Quarterly Economic Summary*

<b>Employment</b>	<p><b>245,434</b> Up 2.9% from 3Q 2021</p>	
<b>Unemployment Rate</b>	<p><b>2.4%</b> Down 1.5 percentage points from 4Q 2021</p>	
<b>Existing Home Sales</b>	<p><b>1,715</b> Down 46.3% from 4Q 2021</p>	
<b>Single-Family Detached Average Price</b>	<p><b>\$697,969</b> Up 4.9% from 4Q 2021</p>	
<b>Single-Family Attached Average Price</b>	<p><b>\$385,437</b> Up 7.3% from 4Q 2021</p>	
<b>Apartment Vacancy Rate</b>	<p><b>5.3%</b> Up 0.9 percentage points from 4Q 2021</p>	
<b>Apartment Average Lease Rate</b>	<p><b>\$1,836</b> Up 8% from 4Q 2021</p>	
<b>Residential Building Permits</b>	<p><b>659</b> Down 51.5% from 4Q 2021</p>	
<b>Office Class A Vacancy Rate</b>	<p><b>7.5%</b></p>	
<b>Industrial Warehouse Vacancy Rate</b>	<p><b>2.9%</b></p>	
<b>Flex R&amp;D Vacancy Rate</b>	<p><b>5.3%</b></p>	
<b>Retail Vacancy Rate</b>	<p><b>4.4%</b></p>	
<b>Office Class A Average Lease Rate</b>	<p><b>\$27.82</b></p>	
<b>Industrial Warehouse Average Lease Rate</b>	<p><b>\$12.45</b></p>	
<b>Flex R&amp;D Average Lease Rate</b>	<p><b>\$13.51</b></p>	
<b>Retail Average Lease Rate</b>	<p><b>\$16.35</b></p>	

## Jeffco Business Activity

- ◆ **Centura Health** began accepting patients in February at a new \$28 million surgery center in Lakewood. The 22,000-square-foot facility at St. Anthony Hospital includes five new operating rooms and three endoscopy suites to support pre- and post-procedural care locations.
- ◆ **SCL Health Lutheran Medical Center** in Wheat Ridge received a “high performing” score for maternity care from the *U.S. News and World Report*. Nearly 650 hospitals participated in the analysis, which is in its second year, and fewer than 300 received a high-performing designation.
- ◆ Occidental Petroleum, with the **Colorado School of Mines** and the **National Renewable Energy Laboratory**, will collaborate on a project to tap geothermal energy. The \$9 million project, funded by the Department of Energy, will build two high-temperature wells in the Denver-Julesburg Basin.
- ◆ **Outrider**, a Golden-based startup that uses autonomous vehicles to simplify tasks in distribution yards, raised \$73 million in a Series C financing round to help it further develop its technology. The funding will be used to complete and distribute product to its customers in addition to adding staff in Colorado and internationally. Outrider is currently hiring for engineers, designers, and product managers in Golden.
- ◆ **Casa Bonita** is seeking to hire more than 550 people before the Lakewood restaurant reopens in May. Openings include front and back of house positions, including 150 openings in the kitchen alone, as well as entertainment staff including cliff divers.
- ◆ Chicago-based CommonSpirit Health and Altamonte Springs, Fla.-based AdventHealth announced that they are splitting up after 27 years of partnership as Centennial-based Centura Health. It is unclear what impact this will have on employment, as Centura Health will continue to manage the operations until the transition is complete. There are two CommonSpirit Health hospitals in Lakewood, which are **OrthoColorado Hospital** and **St. Anthony Hospital**.
- ◆ The **Jefferson County Public School** Board of Education voted to close 16 elementary schools as they experience declining enrollment. The closures will affect approximately 2,400 students and 422 full-time employees. The district closed schools that are using 45 percent or less of their building capacity.

## Jeffco Development Activity

- ◆ **American Corporate Airport Partners (ACAP)** and Jefferson County announced a long-term lease to develop 30 acres for business aviation use at the **Rocky Mountain Metropolitan Airport (RMMA)**. The project plans include modern hangar space and ramp facilities to accommodate high-end businesses and industrial aviation tenants such as private charter airlines, maintenance repair organizations, and corporate users. The project is estimated to create 250 temporary construction jobs, 120 permanent, highly skilled jobs, such as aircraft technicians, engineers, and trainers, 275 office workers, \$5 million in annual labor income, and \$12 million in annual sales and economic activity.
- ◆ **Colorado School of Mines** broke ground on its new classroom building and parking garage at its campus in Golden. The 50,938 square-foot facility will include classroom space, a large lecture hall, faculty offices, and graduate student workspaces. The attached parking facility will include 870 parking spaces for the campus community. The project is estimated to be completed by fall of 2024.
- ◆ The Morgan Group, with J.P. Morgan, broke ground on a luxury apartment property in Arvada. The 328-unit **Morgan Arvada** complex is located at 9881 West 58th Avenue and will include 10,200 square feet of retail space. Delivery is expected in spring 2025.

- ◆ CoorsTek announced a new name for their 12.4-acre redevelopment project near downtown Golden. **Clayworks** will include 800,000 square feet of office space, some of which would be used by CoorsTek, 350 residential units, a hotel, and 50,000 square feet of retail and restaurant space to be built over the next ten years. AC Development expects to break ground on Phase One in mid-2023.
- ◆ A new, all-electric, 70,000-square-foot **Food and Drug Administration lab** in Lakewood was announced in January. The project, which is set to open in 2026, will be energy neutral in an attempt to revolutionize the way research laboratories consume energy moving forward.
- ◆ Precision Contractors, in collaboration with Intergroup Architects, broke ground on a development that will house a new **Furniture Row and Denver Mattress Co.** store location in unincorporated Jefferson County at C-470 and Bowles Ave. The 74,365-square-foot facility will be one of 330 stores operated across nearly 30 states.

### Regional Economic Headlines and Rankings

- ◆ The Boulder and Denver metropolitan areas ranked in the top five for the **most flexible metros**. Scoop Technologies ranked metropolitan areas based on work flexibility using a flex index that ranked the Boulder MSA 2nd and the Denver MSA 5th with 67 and 59 percent of companies offering flexible work situations, respectively. Portland ranked first with 68 percent of companies qualifying as fully flexible. On a state-by-state basis, Colorado ranked second behind Oregon.
- ◆ WalletHub released its rankings of the **best metro areas for STEM professionals**, ranking Metro Denver 21st out of 100 metro areas. The report used 21 key metrics for comparison including per capita job openings and median wage growth.
- ◆ The newest edition of the American Dream Prosperity Index by the Legatum Institute and the Milken Center for Advancing the American Dream, a measure of prosperity using over 200 individual indicators, ranked Colorado as the **10th most prosperous state**. The report noted that prosperity increased overall in 49 out of 50 states, but those gains were not equally distributed. Colorado ranked first in the Business Environment category due to top-10 rankings in financing ecosystems, domestic market contestability, burden of regulation, and price distortions. The top three states were Massachusetts, Connecticut, and Minnesota.
- ◆ According to a Dice report, Colorado was ranked 10th on a list of states with the **most openings for tech jobs**. From January through October of 2022 there were 25 percent more tech job postings than during the same period in 2021, though postings in October were below their June peak.

## Employment Activity

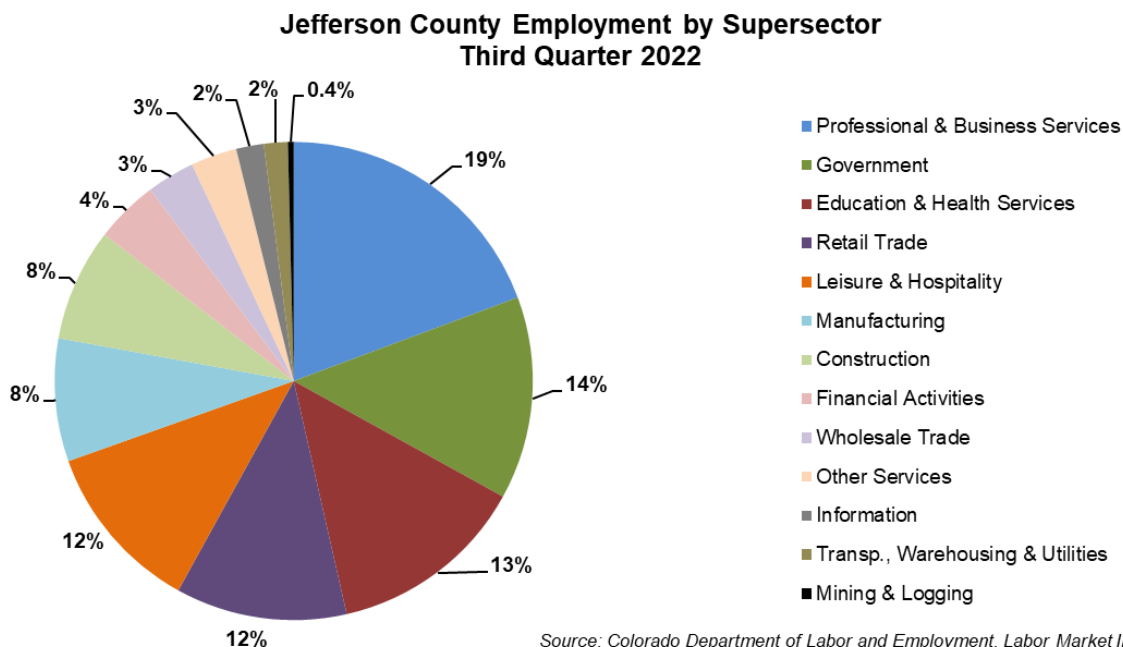
### Business Count, Average Weekly Wage, and Employment by Supersector

The number of businesses throughout Jefferson County increased 7.7 percent between the third quarters of 2021 and 2022, adding 1,783 businesses over the period. Nine of the 13 supersectors reported business growth over-the-year. Information reported the largest growth of 16.6 percent, or by 86 businesses, followed by professional and business services (+13.1 percent) and education and health services (+9.7 percent). Government reported the largest over-the-year decrease of 2.2 percent, or by 4 business units, followed by mining and logging (-1.5 percent) and construction (-0.7 percent).

The average weekly wage for Jefferson County was \$1,414 per week in the third quarter of 2022, an increase of 8.2 percent from the same time last year. All 13 supersectors reported increases in the weekly wage, led by education and health services (+13.9 percent), transportation, warehousing, and utilities (+13.6 percent), and mining and logging (+13.5 percent). Wholesale trade reported the highest weekly wage during 3Q 2022 of \$2,333 per week, while leisure and hospitality reported the lowest weekly wage of \$586.

Jefferson County employment increased 2.9 percent in the third quarter of 2022 compared with the prior year, representing an increase of 6,844 jobs. Eight of the 13 supersectors reported increases during the period, with the largest increases recorded in leisure and hospitality (+8.1 percent), wholesale trade (+6.6 percent), and professional and business services (+6.4 percent). Government recorded the largest decrease of 1.4 percent over-the-year, followed by education and health services (-0.5 percent), and mining and logging (-0.3 percent).

Employment in Metro Denver increased 4.2 percent between the third quarters of 2021 and 2022, rising by 70,186 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 8.9 percent, followed by professional and business services (+7.4 percent) and transportation, warehousing, and utilities (+6.7 percent). Mining and logging recorded the largest over-the-year decrease of 3.8 percent, followed by retail trade (-0.03 percent).



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

**Business and Employment Indicators by Supersector**

	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022
<b>Total All Industries</b>	<b>23,134</b>	<b>24,917</b>	<b>\$1,307</b>	<b>\$1,414</b>	<b>238,590</b>	<b>245,434</b>	<b>1,688,579</b>	<b>1,758,765</b>
<b>Private Sector</b>								
Mining & Logging	133	131	\$1,415	\$1,607	962	959	13,402	12,889
Construction	2,288	2,273	\$1,354	\$1,533	17,841	18,693	105,783	109,809
Manufacturing	528	530	\$1,986	\$2,057	19,953	20,384	90,827	93,511
Wholesale Trade	1,652	1,765	\$2,192	\$2,333	7,463	7,955	80,758	85,096
Retail Trade	1,753	1,745	\$817	\$853	28,132	28,416	151,392	151,353
Transp., Warehousing & Utilities	308	323	\$1,519	\$1,726	3,961	3,954	70,502	75,220
Information	518	604	\$1,942	\$2,050	4,331	4,586	61,995	63,378
Financial Activities	2,656	2,856	\$1,524	\$1,583	10,520	10,512	118,343	120,628
Professional & Business Services	7,193	8,132	\$1,638	\$1,815	44,567	47,407	334,113	358,732
Education & Health Services	2,484	2,726	\$1,118	\$1,272	33,057	32,887	211,739	215,797
Leisure & Hospitality	1,596	1,661	\$546	\$586	26,212	28,324	174,156	189,691
Other Services	1,819	1,986	\$913	\$1,007	7,408	7,651	50,357	52,591
<b>Government</b>	<b>180</b>	<b>176</b>	<b>\$1,340</b>	<b>\$1,396</b>	<b>34,141</b>	<b>33,656</b>	<b>224,934</b>	<b>229,755</b>

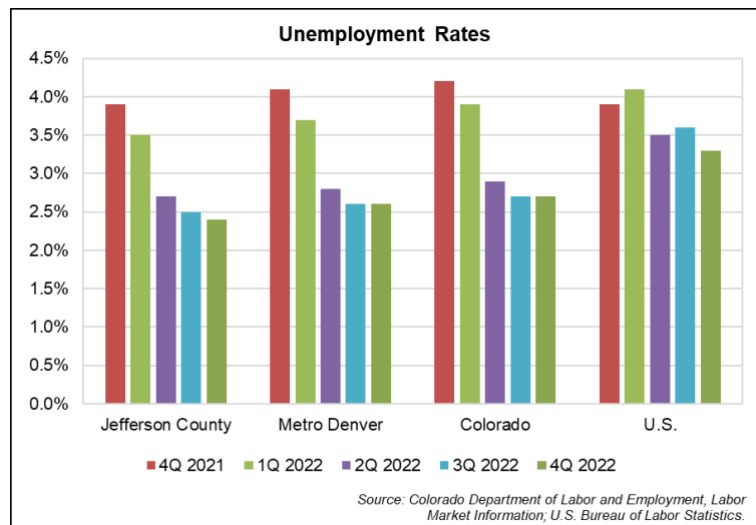
Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.  
 Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

**Labor Force and Unemployment**

Jefferson County reported an unemployment rate of 2.4 percent in the fourth quarter of 2022, 0.1 percentage points below the rate recorded in the previous quarter and 1.5 percentage points below the level in the fourth quarter of 2021. Jefferson County had the third-lowest unemployment rate of the seven Metro Denver counties, behind Boulder County (2.2 percent) and Douglas County (2.3 percent), and tying with the City and County of Broomfield (2.4 percent). The Jefferson County unemployment rate was 0.2 percentage points below the 2.6 percent rate recorded in Metro Denver in 4Q 2022. Metro Denver’s unemployment rate was the same as the rate recorded in the previous quarter and was 1.5 percentage points lower than one year ago. The labor force in Jefferson County rose 0.9 percent between the fourth quarters of 2021 and 2022 to a total of 343,744 people employed or looking for a job. The labor force in Metro Denver also increased over-the-year, rising 0.8 percent to nearly 1.9 million workers.

	Labor Force			Unemployment Rate	
	4Q 2021	4Q 2022	Yr/Yr % Change	4Q 2021	4Q 2022
Jefferson County	340,694	343,744	0.9%	3.9%	2.4%
Metro Denver	1,877,843	1,892,755	0.8%	4.1%	2.6%
Colorado	3,188,328	3,206,033	0.6%	4.2%	2.7%
U.S. (000s)	161,886	164,416	1.6%	3.9%	3.3%

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



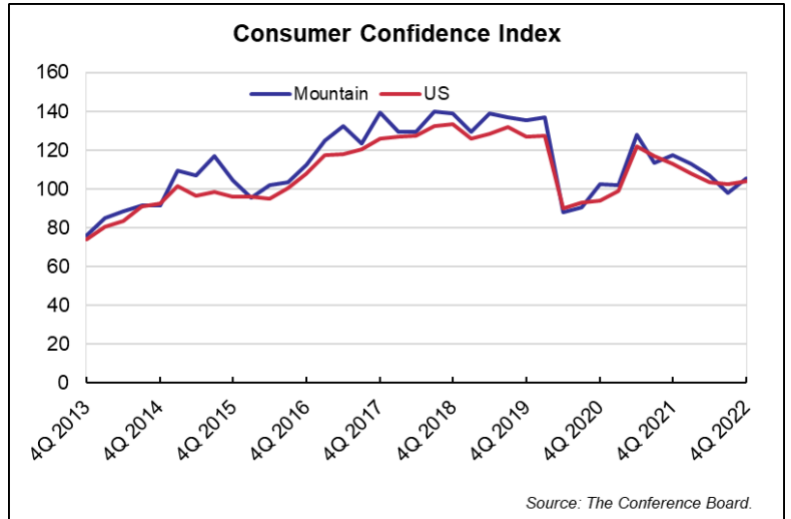
Colorado’s unemployment rate fell 1.5 percentage points to 2.7 percent between the fourth quarters of 2021 and 2022 and the state’s labor force increased 0.6 percent over-the-year. The U.S. unemployment rate fell 0.6 percentage points over-the-year to 3.3 percent and the labor force increased 1.6 percent during the same period.

**Consumer Activity**

**Consumer Confidence**

The Consumer Confidence Index for the U.S. decreased 7.7 percent over-the-year to 104.2 in the fourth quarter of 2022. Over-the-quarter, the national index rose 1.9 percent. The index rose over-the-quarter after recording a quarterly decrease in consumer confidence for five consecutive quarters.

Purchasing intentions were mixed at the end of the fourth quarter as interest rates continued to rise. Intentions for major appliances and homes decreased as home purchasing intentions fell. Looking ahead, inflation and Federal Reserve interest rate increases remain headwinds for growth in the short term.



Colorado is included in the Mountain Region Index and the area reported a 10.9 percent decrease over-the-year. Over-the-quarter, confidence in the Mountain Region increased 7.1 percent.

**Retail Sales**

Retail sales in Metro Denver increased 6.8 percent between the fourth quarters of 2021 and 2022. Six of the seven counties in Metro Denver reported over-the-year increases in retail sales. Adams County reported the largest increase of 21.9 percent, followed by the City and County of Broomfield (+9.1 percent) and Arapahoe County (+7.8 percent). Only Denver County (-3.5 percent) reported an over-the-year decline in consumer activity. Throughout the state of Colorado, retail activity increased 7.5 percent.

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

County	4Q 2021	4Q 2022	Yr/Yr % change
<b>Metro Denver</b>	\$46,176,607	\$49,309,744	6.8%
Adams	\$8,427,983	\$10,271,543	21.9%
Arapahoe	\$7,541,405	\$8,132,133	7.8%
Boulder	\$4,722,771	\$5,037,454	6.7%
Broomfield	\$928,544	\$1,012,972	9.1%
Denver	\$12,513,738	\$12,072,093	-3.5%
Douglas	\$4,852,183	\$5,104,150	5.2%
Jefferson	\$7,189,982	\$7,679,399	6.8%
<b>Colorado</b>	\$76,273,784	\$81,979,326	7.5%

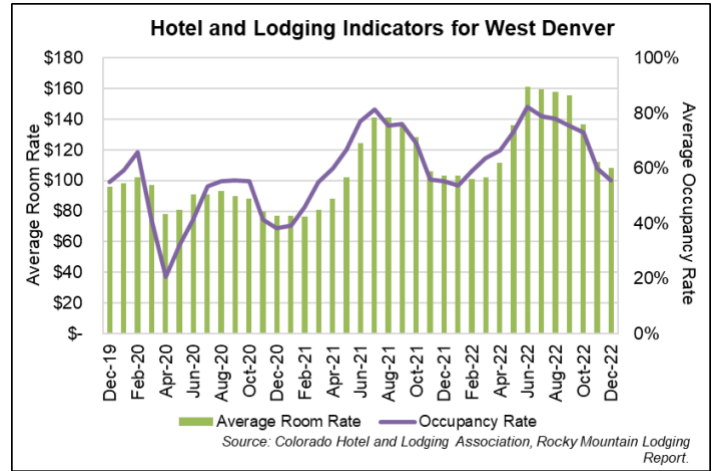
Source: Colorado Department of Revenue.

**Lodging**

The West Denver market ended December with a hotel occupancy rate of 55.5 percent, 0.1 percentage points above the previous year’s level and 0.4 percentage points above the pre-pandemic rate recorded in December 2019. The market’s average room rate in December was \$108.23, 5.1 percent higher than the same time last year and 13 percent above its pre-pandemic level. The room rate in the West Denver market was \$17.62 lower than the rate in Metro Denver.

Metro Denver reported a hotel occupancy rate of 53 percent at the end of December, 0.5 percentage points above the year-ago level. The average room rate for

Metro Denver was \$125.85 at the end of December, 12.2 percent above the previous year’s rate. The Metro Denver occupancy rate has returned to 95.2 percent of pre-pandemic levels recorded in December 2019 while the average room rate has surpassed the rate from three years ago.



**Residential Real Estate**

**Home Sales**

Home sales fell in Jefferson County, and that performance was in line with the other counties in Metro Denver from the fourth quarter of 2021 to the fourth quarter of 2022. All seven counties in Metro Denver recorded over-the-year decreases in detached home sales, led by Jefferson County (-47.7 percent), falling to 1,284 sold in the fourth quarter of 2022. Detached sales in Metro Denver fell 45.5 percent over-the-year to 6,742 homes sold.

The number of single-family attached home sales in Jefferson County decreased 41.6 percent between the fourth quarters of 2021 and 2022 to 431 homes sold. Attached home sales fell in all seven counties, with attached home sales falling the least in Broomfield (-37.5 percent) and Boulder Counties (-38.7 percent). Jefferson County reported the third-smallest decline. Attached sales in Metro Denver fell 46.7 percent over-the-year to 2,254 homes sold.

**Existing Home Sales**

	Metro Denver County Markets							Metro Denver Total
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
<b>Home Sales</b>								
<i>Single-Family Detached</i>								
4Q 2022	1,088	1,303	661	158	1,272	976	1,284	6,742
4Q 2021	2,051	2,337	1,068	236	2,396	1,822	2,454	12,364
<i>Single-Family Attached</i>								
4Q 2022	271	689	144	20	559	140	431	2,254
4Q 2021	512	1,310	235	32	1,089	309	738	4,225
<b>Average Sold Price</b>								
<i>Single-Family Detached</i>								
4Q 2022	\$522,356	\$614,920	\$893,757	\$618,111	\$801,049	\$792,738	\$697,969	\$704,070
4Q 2021	\$510,289	\$592,857	\$911,339	\$618,100	\$730,633	\$746,590	\$665,296	\$670,884
<i>Single-Family Attached</i>								
4Q 2022	\$359,197	\$357,430	\$529,485	\$430,945	\$432,235	\$483,402	\$385,437	\$401,018
4Q 2021	\$339,120	\$345,199	\$482,163	\$399,966	\$409,879	\$443,514	\$359,253	\$378,812

Source: ColoradoComps.



**Home Prices**

Between the fourth quarters of 2021 and 2022, single-family detached home prices rose 4.9 percent in Jefferson County to \$697,969, the third-fastest increase and the fourth-highest price of the seven counties. The average sales price rose in six of the seven counties during the period, with the largest increase of 9.6 percent reported in the City and County of Denver. Boulder County reported the only over-the-year decrease, falling by 1.9 percent. The average price throughout Metro Denver increased 4.9 percent over-the-year to \$704,070.

Jefferson County had the fourth-fastest increase in attached prices among the seven counties in Metro Denver, with an increase of 7.3 percent between the fourth quarters of 2021 and 2022. All seven counties recorded over-the-year increases in the average attached price, ranging from the largest increase in Boulder County (+9.8 percent) to the most modest increase in Arapahoe County (+3.5 percent). The average sales price in Metro Denver rose 5.9 percent over-the-year to \$401,018.

**Apartment Market**

Jefferson County reported the second lowest apartment vacancy rate of the six Metro Denver county market groups for the fourth quarter of 2022. The Jefferson County vacancy rate rose 0.9 percentage points between the fourth quarters of 2021 and 2022 to 5.3 percent vacancy and increased 0.9 percentage points over-the-quarter. Metro Denver’s vacancy rate was 0.3 percentage points higher than Jefferson County’s vacancy rate during the fourth quarter. Douglas County reported the highest vacancy rate in the quarter of 6.1 percent.

The average rental rate in Jefferson County for all apartment types (\$1,836) increased 8.2 percent over-the-year but decreased 1.2 percent between the third and fourth quarters of 2022. The Jefferson County average rental rate was \$2 below the Metro Denver average in the fourth quarter of 2022 and was the fourth-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 Jefferson County (+8.2 percent) and Arapahoe County (+6.5 percent). The Douglas County submarket reported the most modest increase in the average rent of 5.9 percent. Douglas County reported the highest rental rate in 4Q 2022 of \$1,966 per month, while Adams County reported the lowest rental rate of \$1,679 per month. Across Metro Denver, rents decreased 1.7 percent over-the-quarter to \$1,838 per month, and increased 6.5 percent over-the-year.

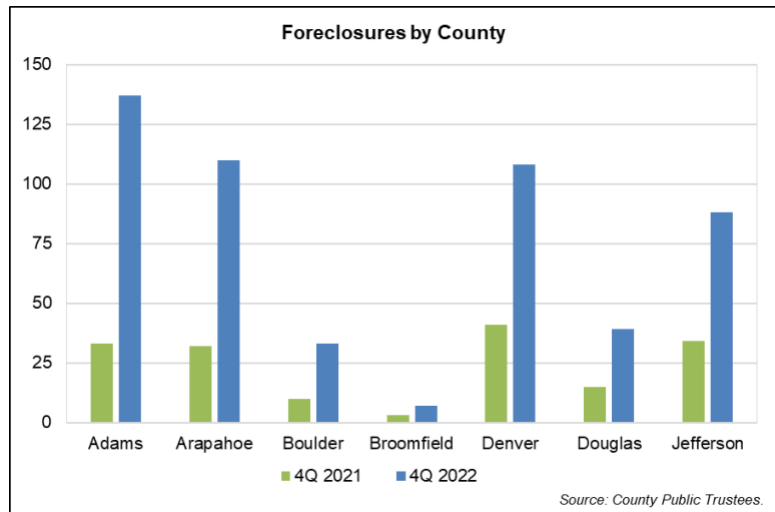
**Metro Denver Average Apartment Rents and Vacancy  
Fourth Quarter 2022**

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	5.5%	\$1,213	\$1,460	\$1,628	\$1,926	\$2,320	\$1,959	\$1,679
Arapahoe	5.5%	\$1,381	\$1,510	\$1,694	\$1,942	\$2,422	\$2,878	\$1,736
Boulder/Broomfield	5.0%	\$1,628	\$1,721	\$1,787	\$2,205	\$2,632	\$3,003	\$1,936
Denver	6.0%	\$1,514	\$1,712	\$1,733	\$2,357	\$2,893	\$3,155	\$1,900
Douglas	6.1%	\$1,635	\$1,748	\$1,906	\$2,142	\$2,524	\$2,712	\$1,966
Jefferson	5.3%	\$1,460	\$1,634	\$1,714	\$2,091	\$2,421	\$1,977	\$1,836
<b>Metro Average</b>	5.6%	\$1,501	\$1,634	\$1,718	\$2,132	\$2,536	\$2,545	\$1,838

Source: Denver Metro Apartment Vacancy and Rent Survey.

**Foreclosures**

Foreclosure filings in Jefferson County increased 158.8 percent over-the-year to 88 filings during the fourth quarter of 2022, up 54 filings compared with the same time last year. 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 315.2 percent. Across Metro Denver, foreclosure filings rose 210.7 percent over-the-year to 522 total filings, representing an increase of 354 foreclosures during the period.



**Residential Construction**

The total number of residential units permitted in Jefferson County decreased 51.5 percent or by 700 units between the fourth quarters of 2021 and 2022. In total, Jefferson County permitted 659 units in the fourth quarter of 2022, with single-family detached homes comprising 30.5 percent of those units at 201. Multi-family units accounted for 65.9 percent of the units, totaling 434, and single-family attached homes accounted for 3.6 percent, or 24 units. Single family attached homes reported the only over-the-year increase, up 84.6 percent, or 11 units. Single-family detached units decreased 47.1 percent, or by 179 units, while multi-family recorded the largest over-the-year decrease, down 55.1 percent from 966 building permits reported in 4Q 2021.

One of the eight market areas in Jefferson County reported an increase in total units over-the-year. Lakewood reported an 82.9 percent increase in total units permitted due to 192 more multi-family units permitted in 4Q 2022 than the same time last year. Golden reported the largest over-the-year decline of 100 percent, falling from 7 permits to zero, followed by Edgewater (-92.3 percent), Westminster (-84.4 percent), and Unincorporated Jefferson County (-82.5 percent).

**Jefferson County Residential Building Permits**

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022
Unincorp. Jefferson County	169	130	4	18	674	0	847	148
Arvada	111	42	0	4	0	0	111	46
Edgewater	1	1	7	0	5	0	13	1
Golden	7	0	0	0	0	0	7	0
Lakewood	26	4	2	2	177	369	205	375
Mountain View	0	0	0	0	0	0	0	0
Westminster*	32	5	0	0	0	0	32	5
Wheat Ridge	34	19	0	0	110	65	144	84
<b>Total Units</b>	<b>380</b>	<b>201</b>	<b>13</b>	<b>24</b>	<b>966</b>	<b>434</b>	<b>1,359</b>	<b>659</b>

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

## 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 decreased in all three classes of office space. Vacancy in Class A office space decreased 0.9 percentage points to 7.5 percent vacancy between the fourth quarters of 2021 and 2022. Class B space recorded a decrease of 0.5 percentage points during the period to 10.6 percent vacancy, while Class C space decreased 0.6 percentage points to 5.3 percent vacancy over-the-year. An additional 66,146 square feet of Class B office space was added to the market over-the-year.

The average lease rates for office space in Jefferson County increased across two of the three classes of office buildings during the fourth quarter of the year. Class B space reported the largest increase, rising 2 percent to \$23.48 per square foot. Class A space reported an increase of 0.4 percent or an additional \$0.11 per square foot, while Class C space reported the only decrease, falling by 0.3 percent or by \$0.05 per square foot.

The Metro Denver office market reported a decrease in the vacancy rate in two of the three classes of office space between the fourth quarters of 2021 and 2022. Class A vacancy increased 0.6 percentage points to 15.5 percent during the period. Class B vacancy decreased 0.6 percentage points to 11.3 percent, while Class C space decreased 0.6 percent to 4.3 percent. The average lease rate in the office market increased in all three office classes during the period, with the largest increase in the Class B space, which rose 6.7 percent to \$27.42 per square foot. Class A space rose 3.3 percent to \$35.11, while Class C space increased 3.1 percent to \$21.98 per square foot.

### Industrial Market

Industrial warehouse vacancy in Jefferson County rose 0.3 percentage points between the fourth quarters of 2021 and 2022. The average lease rate increased 23.5 percent to \$12.45 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 5.3 percent in the fourth quarter of 2022, down 2.6 percentage points from a year prior. The average lease rate rose 3.1 percent during the same period, increasing to \$13.51 per square foot. There was 55,200 square feet of flex/R&D space added to the market between the fourth quarters of 2021 and 2022.

The industrial warehouse market vacancy in Metro Denver decreased 0.6 percentage points to 3.9 percent between the fourth quarters of 2021 and 2022. The average lease rate increased 8.9 percent to \$9.87 per square foot. The vacancy rate in the flex/R&D market in Metro Denver fell over-the-year, decreasing 2.3 percentage points to 8.5 percent. The average lease rate increased 9.7 percent during the period to \$14.20 per square foot.

### Retail Market

The Jefferson County retail market reported a 1 percentage point decrease in the vacancy rate between the fourth quarters of 2021 and 2022. An additional 50,945 square feet of retail space was added in Jefferson County. The average lease rate in Jefferson County increased 2.4 percent over-the-year, rising to \$16.35 per square foot.

The retail vacancy rate in Metro Denver fell 0.4 percentage points over-the-year to 4.1 percent vacancy, while the average lease rate increased 4.8 percent to \$20.22 per square foot in the fourth quarter of 2022.

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

	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022
<b>Office</b>						
<b>Jefferson County</b>						
Class A	6,070,551	6,070,551	8.4%	7.5%	\$27.71	\$27.82
Class B	15,567,854	15,634,000	11.1%	10.6%	\$23.03	\$23.48
Class C	3,440,960	3,440,960	5.9%	5.3%	\$17.78	\$17.73
<b>Metro Denver</b>						
Class A	78,709,217	79,180,706	14.9%	15.5%	\$33.99	\$35.11
Class B	101,583,393	101,862,008	11.9%	11.3%	\$25.71	\$27.42
Class C	21,927,970	21,927,970	4.9%	4.3%	\$21.32	\$21.98
<b>Industrial</b>						
<b>Jefferson County</b>						
Industrial Warehouse	9,794,547	9,794,547	2.6%	2.9%	\$10.08	\$12.45
Flex/R&D	1,612,510	1,667,710	7.9%	5.3%	\$13.10	\$13.51
<b>Metro Denver</b>						
Industrial Warehouse	153,357,593	154,720,071	4.5%	3.9%	\$9.06	\$9.87
Flex/R&D	9,730,583	9,912,015	10.8%	8.5%	\$12.95	\$14.20
<b>Retail</b>						
<b>Jefferson County</b>						
	37,078,943	37,129,888	5.4%	4.4%	\$15.97	\$16.35
<b>Metro Denver</b>						
	174,645,442	175,301,259	4.5%	4.1%	\$19.30	\$20.22

*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.*

**Commercial Construction**

There were 15 buildings with 484,285 square feet of commercial space under construction in Jefferson County at the end of the fourth quarter of 2022. Industrial/flex space accounted for 75.1 percent of the square footage under construction with 363,792 square feet of space. In addition, there was 120,493 square feet of retail space underway. The largest project under construction was the Verve Commerce Center in Broomfield, totaling 133,758 square feet of industrial space.

There were five industrial buildings, eight retail buildings, and three office buildings completed in Jefferson County through the fourth quarter of 2022, totaling 380,107 square feet. Industrial space accounted for 78 percent of the space completed, with office and retail space each accounting for 11 percent. The largest buildings completed included the Axis 70 West industrial building in Wheat Ridge totaling 142,200 square feet and a flex building at 11059 Dover Street in Westminster totaling 55,200 square feet.

**Provided by:**

Jefferson County Economic Development Corporation  
 1667 Cole Boulevard, Suite 400  
 Golden, Colorado 80401  
 303-202-2965  
[www.jeffcoedc.org](http://www.jeffcoedc.org)

**Prepared by:**

Development Research Partners, Inc.  
 10184 West Belview Ave, Ste 210  
 Littleton, Colorado 80127  
 303-991-0070  
[www.developmentresearch.net](http://www.developmentresearch.net)  
 March 2023