



Jefferson County

Colorado

Quarterly Economic Report

August 2022

Contact

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2022

Third Quarter

Quarterly Economic Summary

Employment	237,286 Up 3.0% from 1Q 2021	
Unemployment Rate	2.9% Down 2.7 percentage points from 2Q 2021	
Existing Home Sales	3,113 Down 5.4% from 2Q 2021	
Single-Family Detached Average Price	\$783,878 Up 18.6% from 2Q 2021	
Single-Family Attached Average Price	\$414,941 Up 21.2% from 2Q 2021	
Apartment Vacancy Rate	3.7% Down 0.1 percentage points from 2Q 2021	
Apartment Average Lease Rate	\$1,838 Up 16% from 2Q 2021	
Residential Building Permits	620 Up 25.3% from 2Q 2021	
Office Class A Vacancy Rate	7.7%	
Industrial Warehouse Vacancy Rate	2.0%	
Flex R&D Vacancy Rate	6.9%	
Retail Vacancy Rate	5.4%	
Office Class A Average Lease Rate	\$27.62	
Industrial Warehouse Average Lease Rate	\$11.61	
Flex R&D Average Lease Rate	\$14.33	
Retail Average Lease Rate	\$16.15	

Jeffco Business Activity

- ◆ **Pilatus Business Aircraft, Ltd.** is expanding in unincorporated Jefferson County and recently held a ribbon cutting ceremony for the opening of the company's new 28,500 square-foot state-of-the-art aircraft paint facility at its completions center campus at RMMA. The \$15 million project will create 25 new high-paying jobs, bringing Pilatus's total employment in the county to over 130.
- ◆ **JSX** kicked off its charter jet service at Jeffco's Rocky Mountain Metropolitan Airport (RMMA) on August 4th. The airline will offer twice-daily flights to Burbank and Dallas on its 30-seat luxury jets. In addition to the flight operations, JSX will be creating new jobs at the airport and partnering with local businesses and airport tenants. Jefferson County is excited to restore public air charter service at RMMA, as the last public air charter service ceased operations in 2017.
- ◆ **Alchemy Bikes** recently relocated and expanded its headquarters operations to Jefferson County and leased 8,000 square-feet at the Gateway Village in Golden. The company's new location will include a portion of the company's manufacturing operations and an enhanced showroom with a bar and lounging space.
- ◆ Golden-based **Lunar Outpost**, a startup that designs autonomous rover vehicles for space exploration, recently raised \$12 million in seed funding. The company plans to use the capital to develop a new type of rover, deploy its robotics systems, and improve existing rover platforms.
- ◆ **Terra CO2**, a Golden-based startup that produces low-carbon cement alternatives, raised \$46 million in a Series A funding round. The funding will be used to build another pilot plant and accelerate its timeline to production. Terra CO2 plans to break ground on a commercial plant in 2023 and have commercial-use material available by 2025.
- ◆ Twenty **Colorado breweries** were awarded 22 medals – including five gold medals– at this year's World Beer Cup, an international beer competition hosted by Boulder-based trade organization the Brewers Association. The competition honored craft beer-makers globally, with entries from nearly 2,500 breweries representing 57 countries. Among the gold medal winners were Edgewater-based Joyride Brewing Co. and Golden-based Cannonball Creek Brewing Co.
- ◆ Arvada-based carbon sequestration startup **Carbon America** announced its first project will be collecting carbon dioxide emissions from the Sterling Ethanol and Yuma Ethanol fuel plants and inject them into the first underground sequestration well drilled in the state. The company expects the project will take 18 to 20 months to design, permit, build, and test, with the first underground sequestration to start in the second half of 2024. Carbon America employs 66 people and is hiring steadily to add more staff, opening a second office in Lakewood. The company aims to have a half-dozen carbon capture and sequestration projects under contract by the end of 2022.
- ◆ Boulder-based **Elevations Credit Union**, the top credit union mortgage lender in Colorado, has opened a new loan production office in Lakewood. It is the third Elevations office in Metro Denver and the first in Lakewood. The new office will employ 10 loan officers.
- ◆ The **Denver Botanic Gardens** is planning a major expansion of its 700-acre Chatfield Farms location in Littleton. The expansion will be broken up into multiple phases, with the first phase including the construction of a new 3,800-square-foot welcome center with a gift shop, a coffee shop, and staff offices. Future phases include the construction of a 13,000-square-foot education building and a 5,600-square-foot restaurant with a 3,500-square-foot outdoor patio, a stage, and a butterfly house.

- ◆ **Inotiv Inc.** is planning to double its Westminster pharmaceutical research and laboratory operations, which the company acquired last year in its procurement of Westminster-based Plato BioPharma Inc. The company plans to invest \$5.5 million in construction, renovations, and build out for an expansion of the Westminster facility. Inotiv will also create five new jobs and retain the existing 34 jobs, with an average salary of \$95,000.
- ◆ A new **geoscience makerspace** has opened on the Colorado School of Mines campus in Golden. Students can utilize the space to build and test equipment, which can then be used for research out in the field. Projects being worked on in this new space include an effort to build low-cost geoscience sensors that can be attached to drones and robotic vehicles, expanding their capabilities in earth observation.
- ◆ **Freedom Street Social** recently opened its new 12,000 square-foot food hall in Arvada's Candelas neighborhood and features nine different food and drink vendors.

Jeffco Development Projects

- ◆ Ryan Companies US, Inc. began construction on a 151-unit, 133,560-square-foot multifamily project in the Two Creeks neighborhood of **Lakewood**. The building will include a pool, outdoor space, and an automated vehicle parking system. Construction is slated for completion in late 2023.
- ◆ Urban Frontier, LLC is in the process of renovating an old building at 1100 Washington Avenue in downtown **Golden**. The building was constructed in 1874 and was previously home to a grocery store and the Olinger Woods Chapel, a mortuary. When renovations are completed, the building will consist of a restaurant and a store on the first floor with four rental apartment units on the second floor. The second story of the building is expected to be completed in June and tenant improvements for the first floor will be completed in approximately six months.
- ◆ Embrey Partners plans to build a 354-unit complex called the Bel Aire on a 4.4-acre site along West Colfax Avenue in **Lakewood**. The proposed four-story complex is expected to break ground in the third quarter of 2022, with leasing for the first round of units expected to begin in the second quarter of 2025.
- ◆ Construction began on Trailhead Community's affordable housing project in **Littleton**. The project includes 80 units, 40 of which will be designated for adults with intellectual and developmental disabilities and the other 40 for seniors and working professionals. Construction is expected to be completed by the summer of 2024.

Economic Headlines and Rankings

- ◆ **Colorado School of Mines** ranks as one of the nation's top engineering schools again with its recent ranking as the third best engineering college in the nation. Money Magazine ranked colleges using 24 data points including graduation rates and median earnings after graduation. Mines frequently appears near the top of rankings, both for its engineering programs and overall return on investment.
- ◆ Two Metro Denver suburbs ranked in the **top 10** most popular housing markets for the first quarter of 2022, according to a recent report from Zillow that analyzed page-view traffic, home value growth, and for-sale inventory for more than 1,000 U.S. cities. According to Zillow, every city in the top 10 is a suburban area roughly 30 minutes away from the nearest city center. Woodinville, Washington was the most popular market, followed by Burke, Virginia and Highlands Ranch, Colorado. Golden, Colorado ranked 10th on the list.

- ◆ 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.
- ◆ Banking platform NorthOne ranked Colorado as the **best state for women entrepreneurs** after analyzing data about women-owned businesses, unemployment, the gender wage gap, and startup survival rates. Colorado was the only state to rank in the top 10 nationally for each of the gender-specific metrics. Further, Colorado had the highest percentage of women-owned businesses in the country at 10.4 percent. Nevada, Virginia, and Maryland were other top states in the ranking.
- ◆ Colorado was the **4th best state for business** according to CNBC’s “America’s Top States for Business 2022” rankings. The measure is based on 88 metrics in 10 broad categories such as the workforce, infrastructure, cost of business, and many other factors that impact both the labor market and the economy. Colorado received a number one ranking in the workforce category due to 42 percent of residents holding a bachelor’s degree or higher. North Carolina was rated the best state for business, followed by Washington and Virginia.
- ◆ WalletHub **ranked Colorado No. 6** in their “2022 Best & Worst State Economies” report. The report analyzed 28 metrics of economic performance and strength including GDP growth, startup activity, and the share of jobs in high-tech industries. The study gave Colorado a score of 58.84 out of 100, ranking sixth for economic health, ninth for innovation potential, and 13th for economic activity.

Employment Activity

Business Count, Average Weekly Wage, and Employment by Supersector

The number of businesses throughout Jefferson County increased 6.4 percent between the first quarters of 2021 and 2022, adding 1,430 businesses over the period. Eleven of the 13 supersectors reported business growth over-the-year. Information reported the largest growth of 21.3 percent, or by 97 businesses, followed by professional and business services (+11.6 percent) and financial activities (+6.6 percent). Retail trade reported the largest over-the-year decrease of 1.8 percent, or by 31 businesses, followed by construction (-0.4 percent).

The average weekly wage for Jefferson County was \$1,400 per week in the first quarter of 2022, an increase of 8.9 percent from the same time last year. All 13 supersectors reported increases in the weekly wage, led by mining and lodging (+22.5 percent), wholesale trade (+18.7 percent), and retail trade (+18 percent). Government recorded the smallest over-the-year increase of 1.1 percent. Wholesale trade reported the highest weekly wage during 4Q 2021 of \$2,835 per week, while leisure and hospitality reported the lowest weekly wage of \$520.

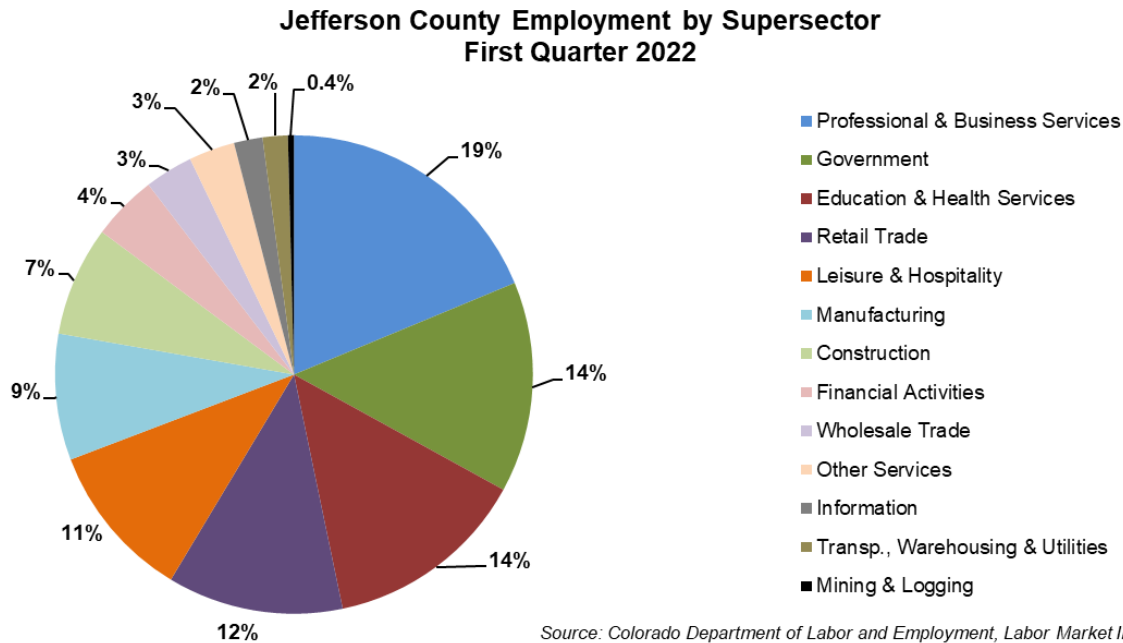
Business and Employment Indicators by Supersector

	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2021	2Q 2022	1Q 2021	2Q 2022	1Q 2021	2Q 2022	1Q 2021	2Q 2022
Total All Industries	22,493	23,923	\$1,285	\$1,400	230,410	237,286	1,615,891	1,707,994
Private Sector								
Mining & Logging	130	130	\$1,622	\$1,986	928	951	13,101	12,622
Construction	2,267	2,257	\$1,271	\$1,394	17,078	17,573	100,988	103,284
Manufacturing	534	535	\$2,241	\$2,327	19,943	20,241	89,352	92,580
Wholesale Trade	1,611	1,702	\$2,389	\$2,835	7,171	7,752	79,188	83,601
Retail Trade	1,741	1,710	\$669	\$790	28,917	28,206	152,683	151,112
Transp., Warehousing & Utilities	303	315	\$1,472	\$1,709	4,257	4,045	72,489	76,421
Information	455	552	\$2,121	\$2,376	4,344	4,595	60,207	63,087
Financial Activities	2,598	2,770	\$1,649	\$1,728	10,658	10,504	116,002	119,928
Professional & Business Services	6,831	7,624	\$1,597	\$1,777	42,350	44,487	313,878	340,860
Education & Health Services	2,461	2,618	\$1,012	\$1,118	33,606	32,575	210,921	213,964
Leisure & Hospitality	1,569	1,617	\$452	\$520	21,245	25,159	136,095	170,873
Other Services	1,809	1,889	\$818	\$878	7,097	7,379	47,394	50,970
Government	178	185	\$1,270	\$1,284	32,793	33,801	223,417	228,460

*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).*

Jefferson County employment increased 3 percent in the first quarter of 2022 compared with the prior year, representing an increase of 6,876 jobs. Nine of the 13 supersectors reported increases during the period, with the largest increases recorded in leisure and hospitality (+18.4 percent), wholesale trade (+8.1 percent), and information (+5.8 percent). Transportation, warehousing, and utilities recorded the largest decrease of 5 percent over-the-year, followed by education and health services (-3.1 percent), and retail trade (-2.5 percent).

Employment in Metro Denver increased 5.7 percent between the first quarters of 2021 and 2022, rising by 92,103 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 25.6 percent, followed by professional and business services (+8.6 percent) and other services (+7.5 percent). Mining and logging recorded the largest over-the-year decrease of 3.7 percent, followed by retail trade (-1 percent).



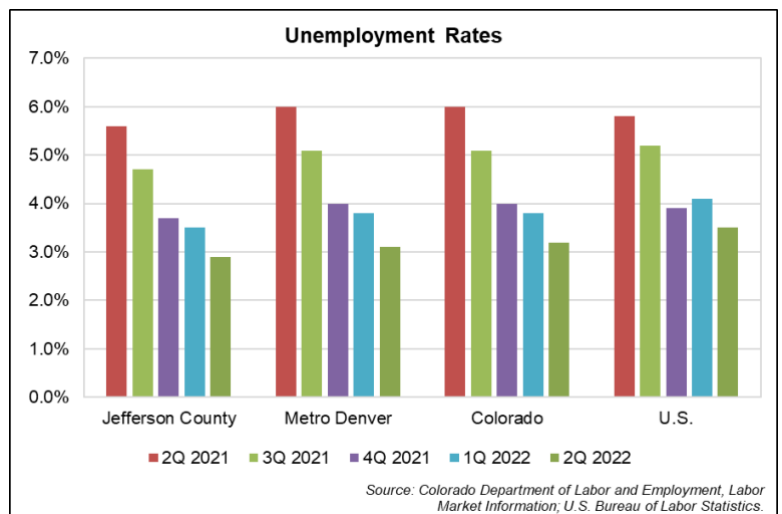
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Labor Force and Unemployment

Jefferson County reported an unemployment rate of 2.9 percent in the second quarter of 2022, 0.6 percentage points below the rate recorded in the previous quarter and 2.7 percentage points below the level in the second quarter of 2021. Jefferson County had the fourth-lowest unemployment rate of the seven Metro Denver counties, behind Douglas County (2.4 percent), Boulder County (2.5 percent), and the City and County of Broomfield (2.5 percent). The Jefferson County unemployment rate was 0.2 percentage points below the 3.1 percent rate recorded in Metro Denver in 2Q 2022. Metro Denver’s unemployment rate was 0.7 percentage points below the rate recorded in the previous quarter and was 2.9 percentage points lower than one-year ago. The labor force in Jefferson County rose 2.8 percent between the second quarters of 2021 and 2022 to a total of

	Labor Force			Unemployment Rate	
	2Q 2021	2Q 2022	Yr/Yr % Change	2Q 2021	2Q 2022
Jefferson County	333,462	342,738	2.8%	5.6%	2.9%
Metro Denver	1,840,104	1,888,201	2.6%	6.0%	3.1%
Colorado	3,145,346	3,222,058	2.4%	6.0%	3.2%
U.S. (000s)	161,051	164,206	2.0%	5.8%	3.5%

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.

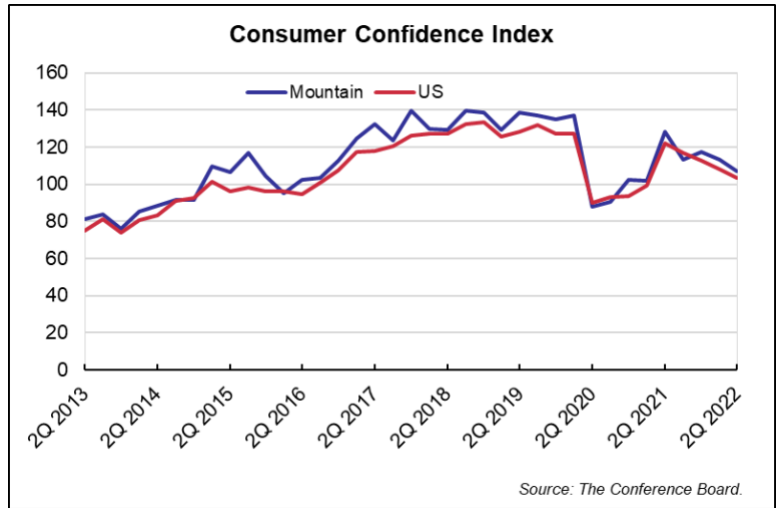
342,738 people employed or looking for a job. The labor force in Metro Denver also increased over-the-year, rising 2.6 percent to 1.88 million workers.

Colorado’s unemployment rate fell 2.8 percentage points to 3.2 percent between the second quarters of 2021 and 2022 and the state’s labor force increased 2.4 percent over-the-year. The U.S. unemployment rate fell 2.3 percentage points over-the-year to 3.5 percent and the labor force increased 2 percent during the same period.

Consumer Activity

Consumer Confidence

The Consumer Confidence Index for the U.S. decreased 15.3 percent over-the-year to 103.4 in the second quarter of 2022. Over-the-quarter, the national index fell 4.4 percent. The index has now recorded a quarterly decrease in consumer confidence for four 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 second quarter as interest rates began to rise. Intentions for cars, homes, and major appliances pulled back further in the second quarter. Looking ahead, inflation, Federal Reserve interest rate increases, 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 a 16.4 percent decrease over-the-year. Over-the-quarter, confidence in the Mountain Region decreased 5.2 percent.

Retail Sales

Retail sales in Metro Denver increased 18.1 percent between the first 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 21.6 percent, followed by the City and County of Broomfield (+20.4 percent) and Adams County (+20.3 percent). Throughout the state of Colorado, retail activity increased 19.8 percent.

Total Retail Sales (\$000s)			
County	1Q 2021	1Q 2022	Yr/Yr % change
Metro Denver	\$33,486,573	\$39,546,371	18.1%
Adams	\$6,323,630	\$7,609,423	20.3%
Arapahoe	\$5,893,535	\$6,867,343	16.5%
Boulder	\$3,436,979	\$4,036,061	17.4%
Broomfield	\$652,841	\$785,939	20.4%
Denver	\$7,864,892	\$9,567,490	21.6%
Douglas	\$3,776,754	\$4,420,811	17.1%
Jefferson	\$5,537,942	\$6,259,303	13.0%
Colorado	\$56,470,494	\$67,675,075	19.8%

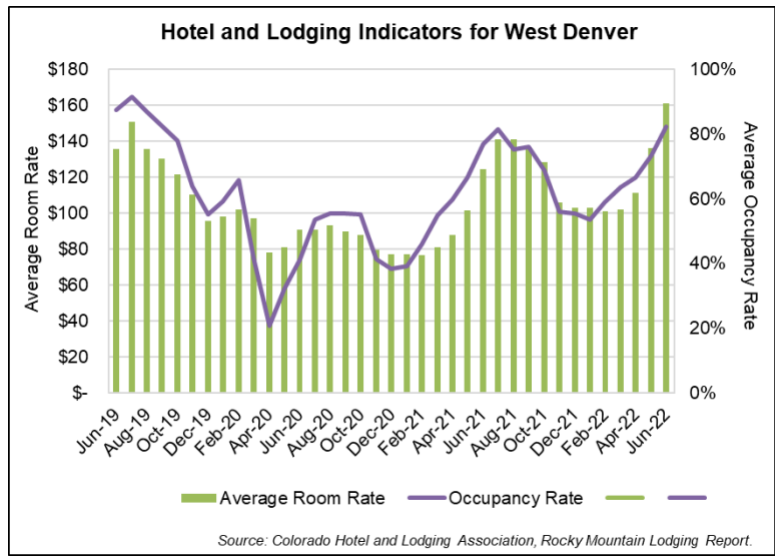
Source: Colorado Department of Revenue.

Lodging

The West Denver market ended June with a hotel occupancy rate of 82.3 percent, 5.4 percentage points above the previous year’s level but 5.2 percentage points below the pre-pandemic rate recorded in June 2019. The market’s average room rate in June was \$161.38, 29.6 percent higher than the same time last year and 18.9 percent above its pre-pandemic level. The room rate in the West Denver market was \$14.94 lower than the rate in Metro Denver.

Metro Denver reported a hotel occupancy rate of 81.9 percent at the end of June, 11.4 percentage points above the year-ago level.

The average room rate for Metro Denver was \$176.32 at the end of June, 33.9 percent above the previous year’s rate. Since navigating the worst of the COVID-19 pandemic, the Metro Denver occupancy rate has returned to 94.9 percent of pre-pandemic levels recorded in June 2019. The average room rate has risen above pre-pandemic levels.



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 first quarter of 2021 to the first quarter of 2022. All seven counties in Metro Denver recorded over-the-year decreases in detached home sales, led by Adams County (-7.2 percent). Single-family detached homes sold in Jefferson County fell 8.6 percent to 2,334 homes sold in the second quarter of 2022, the fourth-smallest decline in Metro Denver. Broomfield County reported the largest decrease in detached home sales over-the-year, falling 18.3 percent. Detached sales in Metro Denver fell 10.2 percent over-the-year to 12,826 homes sold.

The number of single-family attached home sales in Jefferson County increased 5.6 percent between the second quarters of 2021 and 2022 to 779 homes sold. Attached home sales also rose in Broomfield (+14.8 percent) and Arapahoe County (+ 0.8 percent). Boulder County reported the largest decline of 24 percent. Attached sales in Metro Denver fell 6.8 percent over-the-year to 4,252 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>								
2Q 2022	1,997	2,497	1,142	241	2,588	2,027	2,334	12,826
2Q 2021	2,152	2,715	1,355	295	2,811	2,407	2,553	14,288
<i>Single-Family Attached</i>								
2Q 2022	478	1,288	259	31	1,119	298	779	4,252
2Q 2021	515	1,278	341	27	1,356	307	738	4,562
Average Sold Price								
<i>Single-Family Detached</i>								
2Q 2022	\$563,881	\$693,922	\$1,055,445	\$711,073	\$867,283	\$868,854	\$783,878	\$785,182
2Q 2021	\$489,072	\$610,580	\$941,213	\$600,748	\$766,299	\$746,206	\$660,865	\$685,900
<i>Single-Family Attached</i>								
2Q 2022	\$393,631	\$377,851	\$484,944	\$472,461	\$455,371	\$490,877	\$414,941	\$421,956
2Q 2021	\$325,584	\$330,962	\$483,039	\$379,419	\$401,396	\$415,406	\$342,287	\$370,460

Source: ColoradoComps.

Home Prices

Between the second quarters of 2021 and 2022, single-family detached home prices rose 18.6 percent in Jefferson County to \$783,878, the 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 12.1 percent in Boulder County to an increase of 18.6 percent in Jefferson County. The average price throughout Metro Denver increased 14.5 percent over-the-year to \$785,182.

Jefferson County had the second fastest increase in attached prices among the seven counties in Metro Denver, with an increase of 21.2 percent between the second 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 (+24.5 percent) to the most modest increase in Boulder County (+0.4 percent). The average sales price in Metro Denver rose 13.9 percent over-the-year to \$421,956.

Apartment Market

Jefferson County reported the second lowest apartment vacancy rate of the six Metro Denver county market groups for the second quarter of 2022. The Jefferson County vacancy rate fell 0.7 percentage points between the second quarters of 2021 and 2022 to 3.7 percent

Metro Denver Average Apartment Rents and Vacancy
Second Quarter 2022

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	4.1%	\$1,479	\$1,453	\$1,685	\$2,031	\$2,346	\$2,876	\$1,685
Arapahoe	5.0%	\$1,538	\$1,578	\$1,717	\$2,094	\$2,619	\$3,083	\$1,803
Boulder/Broomfield	3.2%	\$1,903	\$1,849	\$2,036	\$2,302	\$2,501	\$2,469	\$2,055
Denver	5.6%	\$1,483	\$1,700	\$1,694	\$2,399	\$2,954	\$2,038	\$1,877
Douglas	3.8%	\$1,655	\$1,894	\$1,994	\$2,321	\$2,719	\$3,013	\$2,119
Jefferson	3.7%	\$1,356	\$1,666	\$1,616	\$2,132	\$2,342	\$1,705	\$1,838
Metro Average	4.8%	\$1,503	\$1,663	\$1,710	\$2,225	\$2,616	\$2,105	\$1,862

Source: Denver Metro Apartment Vacancy and Rent Survey.

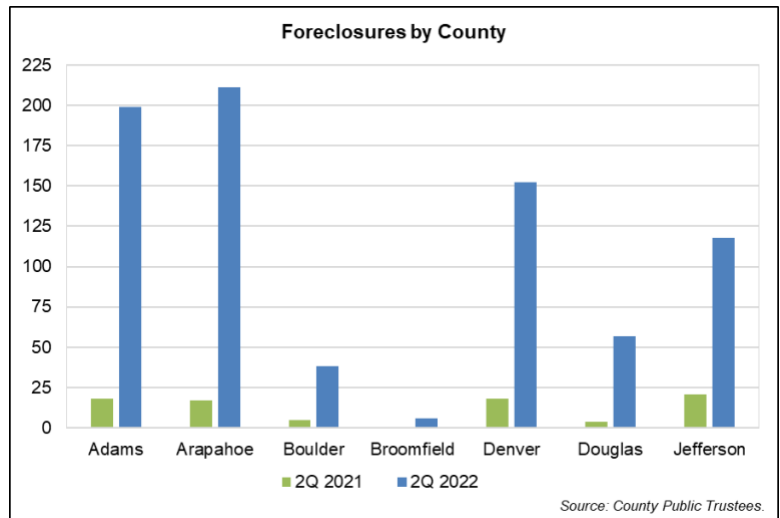
vacancy and increased 0.4 percentage points over-the-quarter. Metro Denver’s vacancy rate was 1.1 percentage points higher than Jefferson County’s vacancy rate during the first quarter. The City and County of Denver had the highest vacancy rate of 5.6 percent.

The average rental rate in Jefferson County for all apartment types (\$1,838) increased 16 percent over-the-year and increased 5.8 percent between the first and second quarters of 2022. The Jefferson County average rental

rate was \$24 below the Metro Denver average in the second 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 Douglas County (+17.9 percent) and Jefferson County (+16 percent). The Boulder/Broomfield submarket reported the most modest increase in the average rent of 5.3 percent. Douglas County reported the highest rental rate in 2Q 2022 of \$2,119 per month, while Adams County reported the lowest rental rate of \$1,685 per month. Across Metro Denver, rents increased 5.4 percent over-the-quarter to \$1,862 per month, and increased 12.7 percent over-the-year.

Foreclosures

Foreclosure filings in Jefferson County increased 461.9 percent over-the-year to 118 filings during the second quarter of 2022, up 97 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 Douglas County reporting the largest percentage increase of 1,325 percent. Across Metro Denver, foreclosure filings rose 841 percent over-the-year to 781 total filings, representing an increase of 698 foreclosures during the period.



Residential Construction

The total number of residential units permitted in Jefferson County increased 25.3 percent or by 125 units between the second quarters of 2021 and 2022. In total, Jefferson County permitted 620 units in the second quarter of 2022, with single-family detached homes comprising 55 percent of those permits at 341. Multi-family units accounted for 39.2 percent of the permits, totaling 243, and single-family attached homes accounted for 5.8 percent, or 36 permits. Multi-family reported the largest over-the-year increase, up 117 percent, or 131 units. Single-family detached units increased 0.3 percent, or by 1 units, while single-family attached recorded the only over-the-year decrease, down 16.3 percent from 43 building permits reported in 2Q 2021.

Jefferson County Residential Building Permits

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022
Unincorp. Jefferson County	83	104	32	32	22	162	137	298
Arvada	126	159	0	0	0	0	126	159
Edgewater	0	0	11	0	11	5	22	5
Golden	1	3	0	0	0	0	1	3
Lakewood	58	34	0	4	0	0	58	38
Mountain View	0	0	0	0	0	0	0	0
Westminster*	30	2	0	0	0	0	30	2
Wheat Ridge	42	39	0	0	79	76	121	115
Total Units	340	341	43	36	112	243	495	620

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

Three of the eight market areas in Jefferson County reported increases in total units over-the-year. Golden reported the largest increase of 200 percent, or 2 units over the period, followed by Unincorporated Jefferson County (+117.5 percent) and Arvada (+26.2 percent). Westminster reported the largest over-the-year decline of 93.3 percent, or 28 permits, followed by Edgewater (-77.3 percent), Lakewood (-34.5 percent) and Wheat Ridge (-5 percent).

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 across the three classes of office space. Vacancy in Class A office space decreased 0.2 percentage points to 7.7 percent vacancy between the second quarters of 2021 and 2022. Class B space recorded a decrease of 1.2 percentage points during the period to 10.6 percent vacancy, while Class C space decreased 0.1 percentage points to 5 percent vacancy over-the-year. An additional 57,539 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 all three classes of office buildings during the second quarter of the year. Class C space reported the largest increase, rising 6.9 percent to \$17.42 per square foot. Class B space reported an increase of 1.2 percent or an additional \$0.27 per square foot, while Class A space increased 1.9 percent or by \$0.52 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 second quarters of 2021 and 2022. Class A vacancy increased 0.8 percentage points to 15.3 percent during the period. Class B vacancy decreased 0.6 percentage points to 11.5 percent, while Class C space reported a decrease of 0.4 percentage points to 4.3 percent vacancy. 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 6.5 percent to \$27.13 per square foot. Class A space rose 3.8 percent to \$35.13, while Class C space increased 0.7 percent to \$21.82 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	6,027,249	6,027,249	7.9%	7.7%	\$27.10	\$27.62
	Class B	15,294,884	15,352,423	11.8%	10.6%	\$22.93	\$23.20
	Class C	3,439,675	3,439,675	5.1%	5.0%	\$16.29	\$17.42
	Metro Denver						
	Class A	77,565,603	78,190,526	14.5%	15.3%	\$33.83	\$35.13
	Class B	100,411,407	100,701,271	12.1%	11.5%	\$25.48	\$27.13
Class C	21,938,008	21,938,008	4.7%	4.3%	\$21.66	\$21.82	
Industrial	Jefferson County						
	Industrial Warehouse	9,784,717	9,784,717	4.0%	2.0%	\$10.67	\$11.61
	Flex/R&D	1,608,821	1,608,821	6.4%	6.9%	\$13.13	\$14.33
	Metro Denver						
	Industrial Warehouse	150,220,466	153,312,436	6.1%	3.9%	\$8.70	\$9.76
Flex/R&D	9,253,105	9,279,257	11.1%	10.3%	\$13.00	\$13.94	
Retail	Jefferson County	36,996,034	37,080,532	5.5%	5.4%	\$14.99	\$16.15
	Metro Denver	173,324,465	173,977,977	5.1%	4.6%	\$19.00	\$19.79

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 2 percentage points between the second quarters of 2021 and 2022. The average lease rate increased 8.8 percent to \$11.61 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 6.9 percent in the second quarter of 2022, up 0.5 percentage points from a year prior. The average lease rate rose 9.1 percent during the same period, increasing to \$14.33 per square foot. There was no flex/R&D space added to the market between the second quarters of 2021 and 2022.

The industrial warehouse market vacancy in Metro Denver decreased 2.2 percentage points to 3.9 percent between the second quarters of 2021 and 2022. The average lease rate increased 12.2 percent to \$9.76 per square foot. The vacancy rate in the flex/R&D market in Metro Denver fell over-the-year, decreasing 0.8 percentage points to 10.3 percent. The average lease rate increased 7.2 percent during the period to \$13.94 per square foot.

Retail Market

The Jefferson County retail market reported a 0.1 percentage point decrease in the vacancy rates between the second quarters of 2021 and 2022. An additional 84,498 square feet of retail space was added in Jefferson County. The average lease rate in Jefferson County increased 7.7 percent over-the-year, rising to \$16.15 per square foot.

The retail vacancy rate in Metro Denver fell 0.5 percentage points over-the-year to 4.6 percent vacancy, while the average lease rate increased 4.2 percent to \$19.79 per square foot in the second quarter of 2022.

Commercial Construction

There were 13 buildings with 458,947 square feet of commercial space under construction in Jefferson County at the end of the second quarter of 2022. Industrial/flex space accounted for 72.9 percent of the square footage under construction with 334,646 square feet of space, followed by 120,825 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, two retail buildings, and two office buildings completed in Jefferson County through the second quarter of 2022, totaling 106,137 square feet. Office space accounted for 54.2 percent of the space completed, with industrial space accounting for 38.3 percent, and retail accounting for 7.5 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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