



APRIL 2023

MONTHLY ECONOMIC INDICATORS

Activity & trends impacting
our regional economy



April 2023 MEI Snapshot

	Monthly/Quarterly Direction		Year-Over-Year Direction		Year-to-Date Direction	
↕↑ Positive Changes	8 of 18		9 of 18		11 of 18	
Nonfarm Employment Growth	14,000	↑	22,700	↑	24,200	↑
	Employment was up 0.8% from January to February		Employment up 1.3% from February 2022 to 2023		YTD employment up 1.4% through February	
Manpower Net Employment (West Region)	29%	↓	29%	↓	31%	↓
	Net employment fell from 1Q 2023 to 2Q 2023		Net employment decreased 13 percentage points from 2Q22 to 2Q23		YTD average down 14 percentage points compared with 2022	
Unemployment Rate	2.9%	↑	-1.2 percentage points	↓	2.9%	↓
	Unemployment rose 0.2 percentage points from January to February		Unemployment down from February 2021 to 2022		Down 1.2 percentage points from 2022 YTD average	
Initial Unemployment Insurance Claims	-26.8%	↓	7.6%	↑	-74.2%	↓
	Claims decreased from January to February		Claims increased from February 2022 to 2023		YTD average claims decreased through February 2022	
Total National Retail Sales	-15.1%	↓	8.1%	↑	8.1%	↑
	National sales decreased from December to January		National sales increased from January 2022 to 2023		YTD sales increased through January 2023	
Mountain Region Consumer Confidence Index	113.6	↑	15.8%	↑	109.4	↓
	Index up 7.5 percent from February to March		Index up from March 2022 to 2023		YTD average down 3.3% through March 2023	
Hotel Occupancy	62.1%	↑	3.5 percentage points	↑	58.7%	↑
	Increased 6.6 percentage points from January to February		Occupancy increased from February 2022 to 2023		YTD occupancy up from last year	
Denver International Airport Passengers	-3.0%	↓	29.1%	↑	29.1%	↑
	Passengers down from December to January		Passengers up from January 2022 to 2023		YTD passengers increased through January 2023	
Bloomberg Colorado Index	740.7	↑	-9.8%	↓	14.9%	↑
	Index up 47. percent from February to March		Index down from March 2022 to 2023		YTD return up through March 2023	
Dow Jones Industrial Average	33,274.2	↑	-4.0%	↓	0.4%	↑
	Index up 2 percent from February to March		Index down from March 2022 to 2023		YTD return up through March 2023	
Home Sales (closed)	2,661	↑	-24.9%	↓	4,833	↓
	Sales up 22.5% from January to February		Sales down from February 2022 to 2023		YTD sales down 26.9% from last year	
Median Home Price (Denver-Aurora MSA)	\$640,000	↓	3.6%	↑	\$670,100	↑
	Down 3.9% from 3Q 2022 to 4Q 2022		Prices are up from 4Q 2021 to 4Q 2022		YTD price 10.4% higher through 4Q 2022	
Foreclosures	242	↑	-27.3%	↓	662	↑
	Up 20.4% from February to March		Down from March 2022 to 2023		Up 15.9% YTD through March 2023	
Residential Building Permits (Total)	1,986	↓	-27.3%	↓	4,098	↓
	Permits decreased 11.2% from January to February		Permits down from February 2022 to 2023		YTD permits down 45.6% through February 2023	

Apartment Vacancy Rate	5.6%	↑	+0.9 percentage points	↑	4.9%	↓
	Vacancy increased from 3Q 2022 to 4Q 2022		Vacancy increased from 4Q 2021 to 4Q 2022		YTD average down 0.1 percentage points from last year	
Office Vacancy Rate (with Sublet)	14.8%	↑	+0.9 percentage points	↑	+0.9 percentage points	↑
	Vacancy rate rose from 4Q 2022 to 1Q 2023		Q1 2023 vacancy up from 13.9% one year ago		Q1 2023 vacancy up from 13.9% one year ago	
Industrial Vacancy Rate (with Sublet)	6.4%	↑	+1.1 percentage points	↑	+1.1 percentage points	↑
	Vacancy rate increased 0.6 percentage points from 4Q 2022 to 1Q 2023		1Q 2023 vacancy up from 4.9% one year ago		1Q 2023 vacancy up from 4.9% one year ago	
Retail Space Vacancy Rate (with Sublet)	4.1%	↓	-0.5 percentage points	↓	-0.5 percentage points	↓
	Vacancy rate decreased 0.1 percentage points from 4Q 2022 to 1Q 2023		4Q 2022 vacancy down from 4.6% one year ago		4Q 2022 vacancy down from 4.6% one year ago	

April 2023 MEI

About This Report

The Monthly Economic Indicators is a comprehensive analysis of economic conditions in the seven-county Metro Denver area, or the region comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties. There are two metropolitan statistical areas (MSAs) located within the Metro Denver region: the Boulder MSA (Boulder County) and the Denver-Aurora-Lakewood MSA (the Denver MSA) (Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties). This report presents recent data and long-term trends for the seven-county region, MSAs, or counties, depending on availability. The analysis includes four main data sections: labor force and employment, the consumer sector, residential real estate, and commercial real estate.

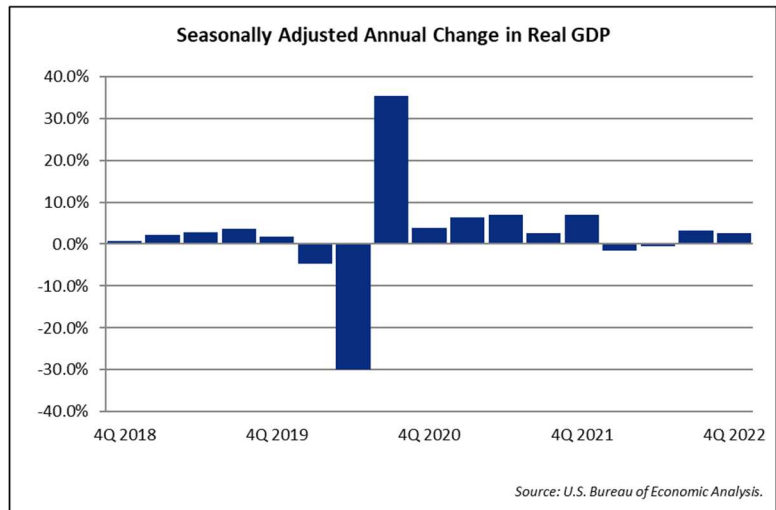
Notable Rankings

- According to a report by the U.S. Census Bureau, Denver stood out as one of the fastest growing tech employment hubs outside of the typical centers located on either coast. The report, which considered the concentration of tech workers around the country from 1978-2020, noted the allure of lower real estate costs, high numbers of college graduates with tech degrees, and the shift toward remote work as key factors for the transition.
- Colorado ranked 7th among all U.S. states for its growth of tech jobs in 2022. According to the “State of the Tech Workforce” report released by CompTIA, the state added over 10,000 tech jobs, equating to an annual growth rate of 4.3 percent. The average growth rate across the country was 3.2 percent. The report also forecasted that Colorado’s tech workforce will grow by another 9,000 workers in 2023, projecting the state to finish eighth in employment growth in 2023.
- Denver ranked as the 31st best sports business city in the country according to rankings done by the Sports Business Journal. The rankings are based on both quantitative and qualitative factors, such as affordability, personal safety, and hospitality and entertainment options. Colorado Springs also made the list, coming in at number 41.
- Coworking Cafe released its rankings on the coworking industry which placed Denver 9th in terms of coworking space availability. Denver also ranked 9th for total coworking square footage.
- The City of Boulder ranked second in the U.S. for GDP per capita according to a new study by Smartest Dollar. The city’s per capita income of \$100,692 trailed only Midland, Texas. Denver ranked 10th on the large cities list.

National Economic Overview

Gross Domestic Product

- The U.S. Bureau of Economic Analysis (BEA) released the third estimate of real gross domestic product (GDP) for the fourth quarter of 2022 and found that GDP increased at an annual rate of 2.6 percent. Real GDP increased 3.2 percent in the third quarter of 2022.
- The increase in 4Q 2022 real GDP reflected increases in private inventory investment, consumer spending, nonresidential fixed investment, and government spending. The increases in private inventory investment were led by manufacturing, mining, utilities, and construction industries. The increase in consumer spending was driven by an increase in services, which was partly offset by a decrease in goods. Imports which subtract from GDP calculations were revised down.
- These increases were partly offset by decreases in exports and residential fixed investment.
- The third estimate is based on source data that is more complete. The advanced estimate for 1Q 2023 will be released on April 27, 2023.



Interest Rates

- In their meeting on March 21 – 22, the Federal Open Market Committee (FOMC) of the Federal Reserve firmed its stance on monetary policy. Recent indicators of spending and production point to modest growth as job gains have slowed in recent months and the unemployment rate has remained low. The U.S. banking system has remained resilient to recent events, although the likely result of recent turmoil is an increased tightening of credit conditions for households and businesses.
- The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the long run. In support of these goals, the committee raised the target range for the federal funds rate 0.25 percentage points to 4.75 to 5 percent, the second increase in the rate in 2023, and the ninth increase since the start of 2022. The Fed anticipates that ongoing increases in the target range will be appropriate but will continue monitoring factors including inflation and labor market conditions. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.
- The next FOMC meeting is May 2-3, 2023.

Policy Watch

National & International

- Silicon Valley Bank and Signature Bank failed in March after experiencing a run on deposits. Shortly after the banks announced their situation, the Federal Reserve and Federal Deposit Insurance Corporation stepped in to guarantee all the deposits at both banks. This is the first instance of major bank failures in the United States since October 2020.
- First Citizens bank has agreed to acquire Silicon Valley Bank, taking on parts of the deposit and loan portfolio through an agreement with the Federal Deposit Insurance Corporation.
- A consortium of 11 major banks agreed to a \$30 billion rescue plan for First Republic Bank in an effort to rescue the embattled San Francisco bank. The funds are in addition to \$70 billion in emergency loans and liquidity from the Federal Reserve and JPMorgan Chase.
- The Bank of England, as well as the central banks in Switzerland, Norway, the Philippines, and Taiwan all increased key interest rates making it more difficult to borrow in the short run.

Local

- The Denver Public School Board voted to close two elementary schools and a middle school at the end of the academic year due to low enrollment. Denver Public Schools have seen dropping enrollment in each of the past three years. Employees at the three schools have been guaranteed jobs by the school district.

Economic Indexes & Notable Data Releases

National & International

- The U.S. trade deficit was \$68.3 billion in January, up \$1.1 billion from \$67.2 billion in December. January imports increased 3 percent to \$325.8 billion, while exports increased 3.4 percent to \$257.5 billion. The goods and services deficit increased \$19.2 billion, or 21.9 percent, from January 2022 to 2023. Exports increased 13.3 percent and imports increased 3.5 percent year-over-year.
- The Conference Board Leading Economic Index (LEI) decreased by 0.3 percent in February to 110, after falling 0.3 percent in January. The LEI was down 3.6 percent over the six-month period from August 2022 to February 2023. The drops for the U.S. LEI have moderated over the last two months, but the risk of a recession remains high. The turmoil in the banking sector is not reflected in this polling period.
- According to the Institute for Supply Management's Manufacturing Index, the Purchasing Managers Index (PMI) was 46.3 percent in March, down 1.4 percentage points from the February reading. As the value remains below 50, this figure indicates contraction in the manufacturing sector for the fifth consecutive month after 28 months of expansion. New order rates remained in contraction territory at 44.3, down 2.7 percentage points from 47 in February. The Production Index remained in contraction territory, as did the Backlog of Orders Index. The Prices Index fell 2.1 percentage points to 49.2 in March, returning to contraction territory. The Employment Index came in at 46.9 percent, down from 49.1 in February. Two manufacturing industries reported growth in March, down from four in February.

- The Services Purchasing Managers Index (PMI) by the Institute for Supply Management registered 51.2 percent in March, 3.9 percentage points lower than February's reading of 55.1 percent. The March reading indicates a third month of growth after reporting a contraction in December. The Prices Index decreased to 59.5, down 6.1 percentage points from February's reading of 65.6. 13 of the 18 industries reported growth for the month, the same as the prior month.

Local

- According to the University of Colorado Boulder Leeds School of Business second quarter 2023 Leeds Business Confidence Index, Colorado business leaders expressed pessimism ahead of 2Q 2023, marking the third-longest period of pessimism in the 20-year history of the index. The index recorded a 5.3-point increase ahead of 2Q 2023 at 45.1, staying within negative territory (below 50) and remaining well below the long-term average of 54. All six components rose ahead of 2Q 2023, and five of the six values demonstrated negative perceptions. The outlook was dimmest for the national economy and brightest for industry sales. Almost 57 percent of respondents believe the U.S. will enter a recession in 2023. Interest rates and inflation were the two most noted reasons for pessimism. Looking two quarters ahead to 2Q 2023, overall expectations rose by 1.6 points to 44.8. For both of the previous two quarters, realized sales and profits came in above expectations.
- According to the March edition of the Regional Beige Book by the Kansas City Federal Reserve, economic activity in the Tenth District, which includes Colorado, continued to decline slightly due to slowing consumption on discretionary purchases such as leisure and retail. Businesses reported declines in overtime hours, new job openings, and temporary workers hired. Manufacturing production growth continued to decline modestly as selling prices continued to rise at a robust pace, but businesses did report a slight increase in expected capital investments in the future.
- State economists from the Legislative Council Staff and the Governor's Office of State Planning & Budgeting presented their forecasts this month, detailing a cautiously optimistic view of the state's economy, forecasting modest growth in 2023. The presenters noted unrest in the banking system, high interest rates, and persistent inflation as potential confounding factors.
- While the overall supply of venture capital funds declined in 2022, Colorado startups with at least one woman founder raised a record-breaking \$995 million in 2022, up 20 percent from 2021. Startups with all-women founders raised \$164 million during the period, up from \$119 in 2021.
- The Denver Metro area experienced higher than average impacts from the COVID-19 pandemic according to a new analysis by Brookings. The region was defined as "tested," meaning that Denver scored as a high performing region before and landed in the bottom half of performers in the most recent data from 2021. 40 percent of large metro areas experienced similar declines, including New York, Los Angeles, San Francisco, and Seattle.

Labor Force and Employment

- Employment in Metro Denver increased 1.3 percent between February 2022 and 2023, rising by 22,700 jobs across all supersectors. Employment in the Denver-Lakewood-Aurora MSA rose 1.1 percent, or by 17,500 jobs, while the Boulder-Longmont MSA increased 2.6 percent, or by 5,200 jobs, during the period.
- Eight of 11 supersectors reported over-the-year increases in employment. Leisure and hospitality had the largest increase (+5.6 percent), followed by other services (+4.4 percent), and professional and business

services (+3.2 percent). The information supersector reported the largest over-the-year decrease, falling by 5.1 percent. Financial activities (-4.9 percent) and wholesale and retail trade (-0.6 percent) also reported over-the-year declines in employment.

- Employment in Colorado increased 1.7 percent, or by 48,600 jobs, between February 2022 and 2023. National employment rose 2.9 percent, or by almost 4.4 million jobs.

Nonfarm Wage & Salary Employment
(000s, not seasonally adjusted)

	Month of Feb-23	Month of Jan-23	Month of Feb-22	Year-to- Date Average YTD 2023	Year-to- Date Average YTD 2022	YTD % Change	Annual Growth Rate 2018	Annual Growth Rate 2013
Total 11-County Metro Denver*	1,783.0	1,769.0	1,760.3	1,776.0	1,751.9	1.4%	2.7%	3.6%
Denver-Aurora-Lakewood MSA	1,576.1	1,566.7	1,558.6	1,571.4	1,552.3	1.2%	2.6%	3.7%
Boulder MSA	206.9	202.3	201.7	204.6	199.6	2.5%	3.2%	2.3%
Natural Resources & Construction	115.3	112.1	113.4	113.7	112.8	0.8%	6.1%	9.7%
Manufacturing	94.4	93.0	93.1	93.7	92.9	0.9%	1.5%	1.6%
Wholesale & Retail Trade	235.0	236.7	236.5	235.9	236.1	-0.1%	1.2%	2.6%
Transp., Warehousing & Utilities	78.5	80.2	78.5	79.4	78.5	1.1%	6.9%	5.1%
Information	59.9	60.5	63.1	60.2	63.0	-4.4%	5.6%	1.7%
Financial Activities	119.3	120.9	125.4	120.1	125.2	-4.0%	2.1%	3.6%
Professional & Business Services	354.4	348.8	343.4	351.6	341.0	3.1%	3.1%	4.3%
Education & Health Services	220.4	219.7	219.5	220.1	218.6	0.7%	2.0%	4.2%
Leisure & Hospitality	185.6	187.2	175.7	186.4	175.3	6.3%	1.9%	3.9%
Other Services	75.6	73.7	72.4	74.7	72.1	3.5%	2.6%	2.1%
Government	244.6	236.2	239.3	240.4	236.5	1.7%	2.3%	1.9%
Federal Gov't	29.9	29.6	29.9	29.8	30.0	-0.8%	-1.6%	-1.2%
State Gov't	71.8	65.9	67.7	68.9	64.8	6.3%	3.5%	2.7%
Local Gov't	142.9	140.7	141.7	141.8	141.7	0.1%	2.6%	2.2%
Colorado	2,865.6	2,844.6	2,817.0	2,855.1	2,802.9	1.9%	2.5%	3.0%
United States	153,955	152,836	149,606	153,396	148,769	3.1%	1.6%	1.6%

*Includes the Denver-Aurora-Lakewood MSA (Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties) and the Boulder MSA (Boulder County).

Source: Colorado Department of Labor and Employment, Labor Market Information. (p) =preliminary (r) =revised

Metro Denver Industry Clusters and Lifestyle Verticals Headlines

Aerospace

- Canopy Aerospace, a Denver startup that produces heat shields and other thermal protection systems for spacecrafts, chose Littleton as the location for its long-term headquarters and production space. The company chose Metro Denver due to the high concentration of aerospace companies.

Aviation

- The Federal Aviation Administration awarded Centennial Airport \$4 million to design a new airport traffic control tower. The current tower, which opened in 1985, will be replaced in order to increase operational capacity at what is already one of the 25 busiest airports in the U.S.

Energy & Natural Resources

- Oil production in Colorado rebounded in 2022, growing by 4.3 percent from 2021 levels, but remained under prepandemic levels. Companies pointed to a much smoother permitting process after the Colorado Oil & Gas Conservation Commission overhauled permitting rules in 2020.
- Ascent Solar, a Thornton-based solar panel manufacturer cut staff in March. The company, which employed 60 full time workers as of December 31, 2022, did not disclose how many positions were cut as the company looks to modernize its production facility.

Financial Services

- JPMorgan Chase is growing its small business banking team in Denver due to particularly strong demand in the area. By the end of 2Q 2023 the bank will add 15 more business bankers, translating to a 25 percent increase in the area's presence.

Food and Beverage Production

- Swire Coca-Cola USA put forward a proposal to lease 97 acres near Denver International Airport to build a 1.1 million-square-foot facility that would replace its current facility at 3825 York St., and its sales center at 2145 East 40th Avenue. To staff the larger space, the company expects to add 200 positions to grow its employment base to 900 workers.
- Advancing Eco Agriculture, a company which makes and distributes nutritional and biological products for use on farms, leased a new 55,000-square-foot facility in Aurora. The Ohio-based company will be hiring 25 employees to build out its Metro Denver workforce.
- Second Dawn Brewing Company opened a 5,100-square-foot brewery space at 2302 Dayton Street in Aurora. Second Dawn currently employs 4 staff members but is planning to hire up to 25.

Healthcare and Wellness

- The Presbyterian/St. Luke's Medical Center in Denver opened a new cancer treatment center. The facility, located at 1721 East 19th Avenue, will serve as the central point of navigation for cancer patients in the network.
- The Banner Surgery Center's Skyline location in Loveland closed at the end of March. The decision was made to eliminate the duplication of services between the Skyline location and the Loveland Security Center. There will be no disruption of services for patients or providers.

IT/Software

- Tilt, a human-resources technology startup, raised \$10 million in new capital for product design and to help get their product to the marketplace. Tilt employs 100 people in Metro Denver.
- Meta, the parent company of Facebook, announced that they were laying off 10,000 employees by the end of 2023. In addition, the company is closing 5,000 open roles that have not been filled. This announcement comes after Meta announced its intention to cut 11,000 jobs in November 2022.
- Amazon announced that they are eliminating 9,000 more roles, bringing the total number of positions cut in 2023 up to 27,000. As of the beginning of March, Amazon employed more than 1,500 people in Metro Denver. It is unclear how many of these positions may be impacted.

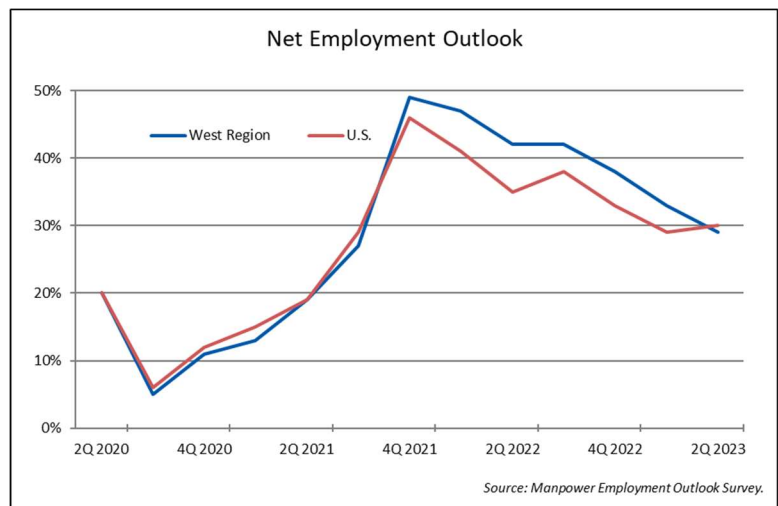
- Bonusly, the developer of an employee recognition platform, cut 30 percent of its staff in March in an effort to reach profitability. The Boulder-based company announced weeks earlier that it had raised \$19 million in Series B financing. Bonusly did not announce exactly how many positions were eliminated.

Other Industry Headlines

- DHL, an international express delivery service, increased its presence in Metro Denver, adding 56,000 square feet of combined warehouse and office space. The company plans to staff the office with 55 couriers and office staff and will increase the processing capacity in Denver by 5,000 pieces per hour.
- Hexagon Machine and Manufacturing is expanding their manufacturing facility by almost 50 percent, adding over 3,000 square feet. The company is also in the process of increasing the size of its workforce, up from 12, as they experience increasing demand for aerospace, medical and flight and robotics customers.
- McCarthy Building Companies Inc. leased 12,500 square feet of office space at One Platte in Denver as they grow their local workforce. The construction company employs 50 local salaried employees and has plans to hire 10 more by the end of the year.
- Laramar Group plans to lay off 76 of its 100 employees in the Denver area. The terminations are part of a company-wide restructuring as the group ends its property management operations. The Denver layoffs will begin in June and end in July 2023.
- Gaia, a Louisville-based streaming company, laid off 36 workers in response to ongoing legal issues. The company currently has multiple ongoing lawsuits in addition to settling a dispute with the Securities and Exchange Commission in 2022.

Employment Outlook

- The Manpower Employment Outlook Survey revealed that U.S. hiring optimism fell further ahead of 2Q 2023. Across the nation, 46 percent of companies plan to hire in 2Q 2023, down 3 percentage points over-the-year. Companies planning to lay off was up 2 percentage points over-the-year at 16 percent, while the number of companies planning no change was unchanged over-the-year at 34 percent. The net U.S. employment outlook, which reflects the difference in the percent of companies hiring versus laying off, was 30 percent ahead of 2Q 2023, down 5 percentage points over-the-year but up 1 percentage point over-the-quarter.



Employment Outlook Survey

	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	YTD 2023	YTD 2022	Ann Avg 2018	Ann Avg 2013
West Region							
Net Employment	29%	33%	42%	31%	45%	20%	-
United States							
Percent of Companies Hiring	46%	45%	49%	46%	53%	23%	19%
Percent of Companies Laying Off	16%	16%	14%	16%	15%	4%	7%
Percent of Companies No Change	34%	36%	34%	35%	30%	72%	72%
Percent of Companies Unsure	4%	3%	3%	4%	3%	2%	3%
Net Employment	30%	29%	35%	30%	38%	19%	12%

Source: Manpower Inc.

- Two of the four regions in the United States reported improved hiring outlooks for 2Q 2023, led by the Northeast with a net employment outlook of 35 percent, and the Midwest (32 percent). The West, which includes Colorado, reported a net employment outlook of 29 percent, followed by the South (28 percent). Over the quarter, regional outlooks strengthened in two of the four regions, with the Midwest reporting the largest increase of 9 percentage points. All four regions reported a weakening outlook over the year.
- Growth is expected across all nine major national industry sectors, with the strongest employment outlook reported in IT & Technology (+45 percent), followed by Financial and Real Estate (+38 percent), and Healthcare and Life Sciences (+33 percent).

Labor Force & Unemployment

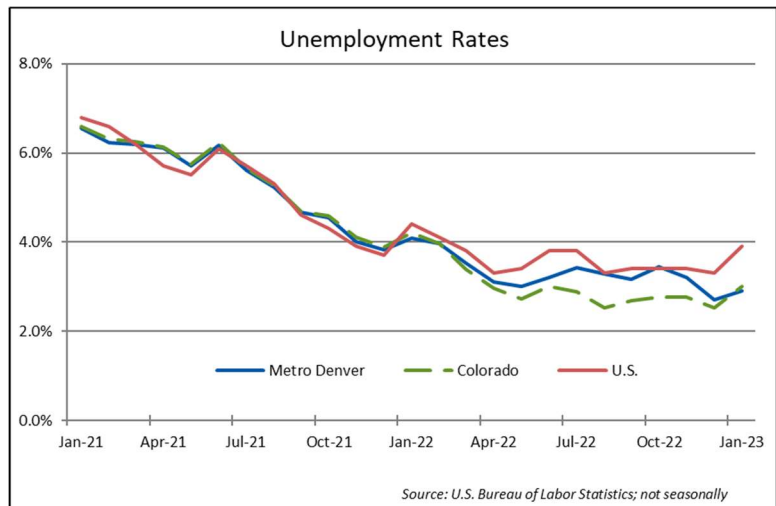
- Unemployment in Metro Denver decreased 1.2 percentage points over-the-year to 2.9 percent in January, marking the 10th consecutive month where Metro Denver reported an unemployment rate under three percent. The unemployment rate rose 0.2 percentage points from the prior month.
- All seven counties in Metro Denver reported over-the-year decreases in the unemployment rate in January. Adams and Arapahoe counties reported the largest decreases, falling 1.4 percentage points. Boulder and Douglas counties reported the lowest unemployment rate of 2.5 percent, while Adams County reported the highest rate of 3.4 percent.

Labor Force Statistics
(000s, not seasonally adjusted civilian labor force)

	January 2022		2023 YTD AVG		2022 YTD AVG		2018 Ann Avg	2013 Ann Avg
	Total Labor Force	Unemploy- ment Rate	Total Labor Force	Unemploy- ment Rate	Total Labor Force	Unemploy- ment Rate	Unemploy- ment Rate	Unemploy- ment Rate
Metro Denver	1,902.0	2.9%	1,902.0	2.9%	1,880.6	4.1%	2.9%	6.4%
Adams County	283.7	3.4%	283.7	3.4%	282.0	4.8%	3.2%	8.0%
Arapahoe County	377.7	2.9%	377.7	2.9%	374.5	4.4%	3.0%	6.5%
Boulder County	203.4	2.5%	203.4	2.5%	198.8	3.4%	2.6%	5.4%
Broomfield County	42.8	2.6%	42.8	2.6%	42.3	3.5%	2.7%	5.7%
Denver County	439.8	3.1%	439.8	3.1%	435.4	4.3%	2.9%	6.5%
Douglas County	209.3	2.5%	209.3	2.5%	206.2	3.2%	2.6%	5.2%
Jefferson County	345.4	2.7%	345.4	2.7%	341.5	3.8%	2.8%	6.2%
Colorado	3,215.8	3.0%	3,215.8	3.0%	3,186.4	4.2%	3.0%	6.7%
United States	165,070	3.9%	165,070	3.9%	162,825	4.4%	3.9%	7.4%

Source: Colorado Department of Labor and Employment, Labor Market Information. (p) = preliminary

- There were 21,485 more people either employed or looking for work between January 2022 and 2023 in Metro Denver, an increase of 1.1 percent. The labor force rose in all seven counties, led by Boulder County (+2.3 percent) and Douglas County (+1.5 percent).
- Colorado reported an unemployment rate of 3 percent in January, down 1.2 percentage points from the same time last year. Over the month, the state's unemployment rate rose by 0.5 percentage points. The labor force rose 0.9 percent over-the-year to 3.2 million people either employed or looking for work. The national unemployment rate fell 0.5 percentage points over-the-year to 3.9 and was 0.6 percentage points higher over-the-month. The national labor force increased 1.4 percent between January 2022 and 2023.



- Initial unemployment insurance claims in Metro Denver increased 7.6 percent between February 2022 and 2023, rising to a weekly average of 1,254 claims. Over the month, initial claims decreased 26.8 percent.
- Colorado reported an average of 2,134 initial unemployment claims per week in February, up 0.7 percent from the same time last year, and representing 14 more claims each week. Between January and February, average weekly initial claims in Colorado fell 28.8 percent.

Weekly First-Time Unemployment Insurance Claims

	Month of Feb-23	Month of Jan-23	Month of Feb-22	YTD Avg 2023	YTD Avg 2022	YTD Avg % Change	Ann Avg 2018	Ann Avg 2013
Metro Denver	1,254	1,713	1,165	342	1,325	-74.2%	990	1,625
Colorado	2,134	2,996	2,120	2,565	2,401	6.8%	1,938	3,166

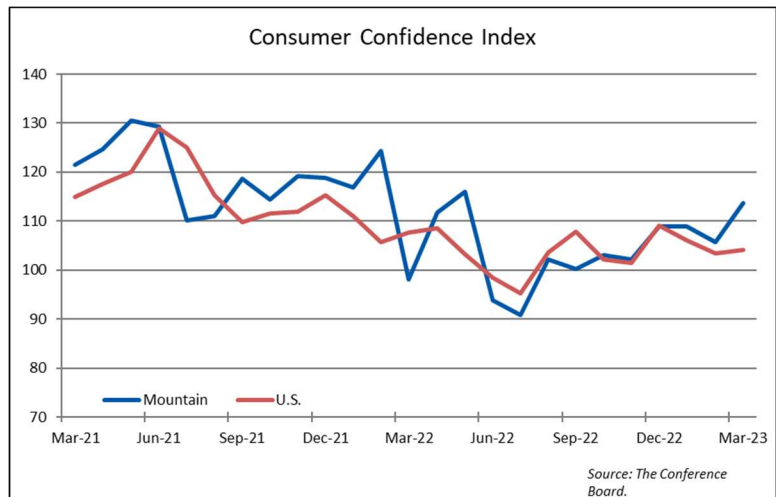
Note: Reference week data includes the 19th day of the month for all months except November and December, which include the 12th day of the month.

Source: Colorado Department of Labor and Employment, Labor Market Information.

Consumer Sector

Consumer Sentiment

- The U.S. Consumer Confidence Index rose in March, after falling in February. The index now stands at 104.2, a 0.8 percent over-the-month increase, and a 3.2 percent decrease over-the-year.
- Analysts at The Conference Board stated that the drop was driven by an improvement in the Expectations Index, as the index rose by 2.6 points to 73. The Present Situations Index fell to 151.1, down from 153 in February. Purchasing intentions rose moderately in March. Looking ahead, inflationary pressures will continue to pose strong headwinds to continued consumer confidence and spending.



Consumer Confidence Index

	Month of Feb-23	Month of Jan-23	Month of Feb-22	YTD Avg 2023	YTD Avg 2022	YTD Avg % Change	Ann Avg 2018	Ann Avg 2013
Mountain	113.6	105.7	98.1	109.4	113.1	-3.3%	134.3	74.6
United States	104.2	103.4	107.6	104.5	108.1	-3.3%	130.1	73.2

Source: The Conference Board. (p) = preliminary (r) = revised

- Colorado is included in the Mountain region and the index for the area increased 15.8 percent between March 2022 and 2023 to 113.6. The index rose 7.5 percent over-the-month from 105.7 in February. The Present Situations Index rose by 6.4 percent over-the-year to 151.8, while the Expectations Index increased 28.8 percent to 88.1 during the period.

Consumer Spending**National Retail Sales (\$millions)**

	Month of Jan-23	Month of Dec-22	Month of Jan-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Growth 2018	Annual Growth 2013
Total Retail Sales	635,516	748,856	587,961	635,516	587,961	8.1%	4.4%	3.7%
Motor Vehicles	118,122	122,671	113,547	118,122	113,547	4.0%	1.6%	8.5%
Furniture and Home	11,123	12,463	10,423	11,123	10,423	6.7%	3.2%	4.6%
Electronics & Appliance	6,633	9,109	6,718	6,633	6,718	-1.3%	1.8%	1.4%
Building Materials	35,063	38,766	33,771	35,063	33,771	3.8%	5.2%	6.4%
Food and Beverage	78,273	88,432	74,984	78,273	74,984	4.4%	2.9%	2.1%
Health and Personal Care	34,246	37,442	32,224	34,246	32,224	6.3%	4.3%	2.0%
Gasoline Stations	51,616	54,222	49,098	51,616	49,098	5.1%	9.8%	-0.3%
Clothing & Accessories	19,550	40,615	18,113	19,550	18,113	7.9%	2.3%	2.4%
Sporting Goods	7,864	13,461	7,270	7,864	7,270	8.2%	-4.4%	-0.3%
General Merchandise	64,859	89,493	60,884	64,859	60,884	6.5%	2.2%	1.8%
Miscellaneous Store	13,861	16,256	12,496	13,861	12,496	10.9%	4.3%	1.9%
Non-Store Retailers	108,238	134,884	98,618	108,238	98,618	9.8%	11.1%	5.3%
Food Service & Drinking	86,068	91,042	69,815	86,068	69,815	23.3%	5.7%	3.7%

Source: U.S. Census Bureau.

- National retail sales activity rose 8.1 percent over-the-year in January, with 12 of the 13 supersectors reporting increases during the period. Food service and drinking places reported the largest over-the-year increase of 23.3 percent, followed by miscellaneous store retailers (+10.9 percent), and non-store retailers (+9.8 percent). Electronics and appliance stores reported the only over-the-year decrease of 1.3 percent.
- Retail sales in Metro Denver rose 1.8 percent between January 2022 and 2023. Five of the seven counties in Metro Denver reported over-the-year increases in retail sales. Denver County reported the largest increase of 10.1 percent, followed by Arapahoe County (+6.8 percent) and Jefferson County (+4.3 percent). Adams County reported the largest decrease of 9.6 percent, followed by Douglas County (-6 percent). Retail sales throughout Colorado rose 4 percent over-the-year.

Total Retail Sales (\$000s)

	Month of Jan-23	Month of Dec-22	Month of Jan-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Growth 2018	Annual Growth 2013
Total Metro Denver	12,824,078	20,662,767	12,594,564	12,824,078	12,594,564	1.8%	4.9%	5.1%
Adams County	2,268,712	4,029,865	2,509,198	2,268,712	2,509,198	-9.6%	9.1%	6.4%
Arapahoe County	2,327,506	3,436,500	2,180,110	2,327,506	2,180,110	6.8%	4.0%	5.8%
Boulder County	1,237,691	2,368,028	1,214,089	1,237,691	1,214,089	1.9%	3.2%	3.4%
Broomfield County	245,598	464,205	239,757	245,598	239,757	2.4%	0.6%	12.8%
Denver County	3,272,240	4,975,588	2,972,381	3,272,240	2,972,381	10.1%	5.1%	4.5%
Douglas County	1,427,883	2,053,269	1,518,518	1,427,883	1,518,518	-6.0%	2.2%	0.4%
Jefferson County	2,044,449	3,335,311	1,960,510	2,044,449	1,960,510	4.3%	3.4%	6.3%
Colorado	21,933,384	35,074,787	21,080,374	21,933,384	21,080,374	4.0%	5.9%	5.0%

Note: As of June 2019, the DOR reports data based on "destination sourcing," or the location where the purchaser received the goods, as opposed to the retailer's business location. Further, out-of-state retailers are now required to collect and remit sales tax for goods delivered into Colorado based on the purchaser's location. These changes may cause variations in current data compared with prior years.

Source: Colorado Department of Revenue.

Price Changes

- The U.S. Consumer Price Index (CPI) from the U.S. Bureau of Labor Statistics showed that consumer prices in February increased 6 percent over-the-year, down from 6.4 percent in January and 6.5 percent in December. This was the eighth consecutive decrease in the over-the-year inflation rate. Core inflation, which excludes volatile food and energy prices, rose 5.5 percent over-the-year in February, down from 5.6 percent in January.
- All eight components of the CPI increased over-the-year, with the largest increases in food and beverage (+9.2 percent), housing (+8.2 percent), and other goods and services (+6.1 percent). Education and communication reported the most modest over-the-year increase of 1 percent.
- The CPI for the Denver-Aurora-Lakewood MSA rose 6.4 percent over-the-year in January, down from a 6.9 percent increase in November, and the fifth consecutive decline in the inflation rate. Core inflation was 5.9 percent in November. Over-the-month prices rose 0.9 percent from November to January.
- Seven of the eight components in the Denver MSA reported increases between January 2022 and 2023, with the largest increases in housing (+9.4 percent), food and beverage (+9.1 percent), and apparel (+8.5 percent). Education and communication reported the most modest increase of 3.2 percent. The medical care component was not updated in January.
- According to the AAA Daily Fuel Gauge Report, the national average fuel price at the end of March was \$3.50 per gallon, down 17.1 percent from the same time last year. The Metro Denver average fuel price decreased 12.5 percent over-the-year to an average of \$3.47 per gallon, falling \$0.49 over the period. The average fuel price in Metro Denver was \$0.04 lower than the average fuel price throughout the U.S. The prices in Metro Denver remain slightly elevated due to the temporary closure of the Suncor refinery in Commerce City, which recently begun restarting production.

Stock Market

- All four stock market indices tracked decreased between March 2022 and 2023. The NASDAQ reported the largest decrease, falling 14.1 percent, followed by the Bloomberg Colorado Index (-9.8 percent), and the S&P 500 (-9.3 percent). The DJIA Index reported the most moderate decrease of -4 percent. All four indices increased between February and March 2023. The Bloomberg Colorado Index reported the largest increase of 7.4 percent, followed by the NASDAQ (+6.7 percent), the S&P 500 (+3.5 percent), and the DJIA (+2 percent).

Stock Market Indexes

	Month of Mar-23	Month of Feb-23	Month of Mar-22	YTD Return 2023	YTD Return 2022	Annual Avg Return 2018	Annual Avg Return 2013
Bloomberg Colorado	740.7	689.7	821.3	14.9%	-7.2%	-7.4%	30.6%
S&P 500	4,109.3	3,970.2	4,530.4	7.0%	-4.9%	-6.7%	29.6%
NASDAQ	12,221.9	11,455.5	14,220.5	16.8%	-9.1%	-3.9%	38.3%
DJIA (Dow Jones)	33,274.2	32,636.4	34,678.4	0.4%	-4.6%	-6.1%	26.5%

Sources: Bloomberg.com; Yahoo! Finance.

Travel & Tourism

- The average hotel occupancy rate in Metro Denver rose 3.5 percentage points over-the-year to 62.1 percent in the month of February 2023. The average hotel room rate rose 12 percent to \$136.71 per night, an increase of \$14.60 during the period. Since navigating the worst of the COVID-19 pandemic, the Metro Denver occupancy rate has returned to 95 percent of pre-pandemic levels recorded in February 2020.

Metro Denver Hotel Statistics

	Month of Feb-23	Month of Jan-23	Month of Feb-22	YTD Avg 2023	YTD Avg 2022	YTD Avg % Change	Ann Avg 2018	Ann Avg 2013
Percent of Hotel Rooms Occupied	62.1%	55.5%	58.6%	58.7%	54.9%	3.8%	73.7%	70.8%
Average Hotel Room Rate	\$136.71	\$128.14	\$122.11	\$132.45	\$119.60	10.7%	\$144.03	\$115.09

Source: Rocky Mountain Lodging Report.

- Spokespeople for Denver International Airport (DEN) reported that over 5.5 million passengers passed through the airport in January, a 29.1 percent increase from the previous year, or a rise of over 1.2 million passengers.

Denver International Airport Passengers

	Month of Jan-23	Month of Dec-22	Month of Jan-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual 2018	Annual 2013
Number of Airline Passengers	5,504,365	5,673,684	4,264,817	5,504,365	4,264,817	29.1%	64,494,613	52,556,359

Source: Denver International Airport, Traffic Statistics.

Residential Real Estate

- According to the Freddie Mac “Primary Mortgage Market Survey,” 30-year mortgage rates averaged 6.32 percent for the week ending March 30, 2023, 0.33 percentage points lower than the average rate from four weeks prior of 6.65 percent. A year ago, 30-year mortgage rates averaged 4.67 percent.

Recently Announced Projects

- Legacy Partners broke ground on the Legacy Metro 525 project, a 380-unit apartment complex in Aurora located next to the Sable light rail station. The developers did not release an expected completion date.
- The Urban Renaissance Group submitted plans to build apartments at the 2300 block of Blake Street, as well as on Park Avenue West. The Seattle-based development group announced that 58 units will be built at the Blake Street location, and 237 units will be built on Park Avenue. The company plans to break ground in early 2024 and complete construction in 2026.
- Embrey Partners purchased land from the 5200 to 5400 blocks of Leetsdale Drive in Denver with plans to build 283 units on the property. No construction timeline has been released.
- Shanahan Development, in conjunction with the Office of Housing and Stability (HOST), announced it is purchasing a 1.4-acre site at 1530 W. 13th Avenue with plans to build 190 affordable units. The plans do not include a timeline for construction.

- Kentro Group broke ground on the Krisana Apartments, a 151-unit, deed restricted, affordable housing complex at 4343 East Arkansas Avenue. The units will be reserved for those making up to 60 percent of the area median income. The project is slated to be completed in 3Q 2024.
- Columbia Ventures proposed building 150 affordable units at a site in Elyria-Swansea. The units will be reserved for seniors making between 30 and 80 percent of the median area income. Plans detail a break ground date in Q3 2024 and completion is expected in 2026. This is the second of three developments planned for the site.
- Fish Capital Investments proposed a 7-story, 120-unit apartment building along Sheridan Boulevard. 12 of the 120 units will be designated as affordable housing. The Denver-based developer plans to break ground in the third or fourth quarter of 2023.
- Kentro Group submitted plans to demolish the current structure at 1001 North Lincoln Street and will replace it with a 5-story, 104-unit apartment building. All the units will be designated as affordable housing.
- Revesco Properties/Alpine Investments, along with Pinkard Construction and OZ Architecture, broke ground on a 12-story, 98-unit, luxury apartment building in Denver's Golden Triangle neighborhood. The companies did not release an expected completion date.
- The Housing Authority of the City of Aurora (AHA) is beginning construction on the final phase of the Peoria Crossing project which will add 72 units of affordable housing to the complex. The units, which will be available for households earning 30 to 60 percent of the area median income, will bring the complex total to 154.

Home Resales

Metro Denver

- Home sales in Metro Denver totaled 2,661 in February, down 24.9 percent from the same time last year.
- Unsold homes on the market were 208 percent higher in February 2023 compared with the same time last year, representing 2,552 additional homes on the market. Over the month, the inventory of available homes fell by 8.3 percent. The inventory of homes in February is still lower than the historic average of 15,747 listings.
- The average listing spent 48 days on the market in February, according to the Denver Metro Association of Realtors. New listings in February were up 20.6 percent from January, but down 17.8 percent from a year earlier.

Previously Owned Home Sales Activity

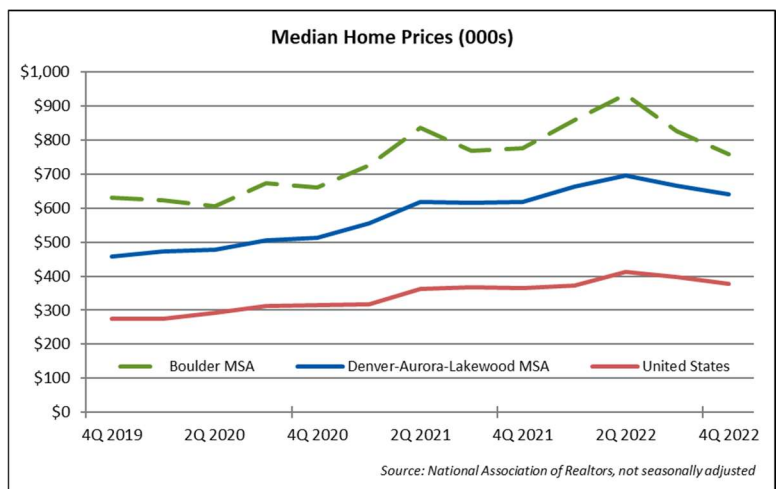
	Month of Feb-23	Month of Jan-22	Month of Jan-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Ann Total 2018	Ann Total 2013
Home Sales (Closed)	2,661	2,172	3,542	4,833	6,614	-26.9%	56,509	53,711
Unsold Homes on Market	3,778	4,120	1,226	3,778	1,226	208.2%	5,577	7,941
Average Sales Price-Single Family	\$731,318	\$701,112	\$741,870	\$717,911	\$630,734	13.8%	\$522,675	\$335,712
Average Sales Price-Condo	\$473,995	\$449,020	\$459,690	\$462,435	\$455,920	1.4%	\$351,750	\$198,497
Median Sales Price-Single Family	\$600,000	\$595,000	\$599,050				\$441,000	\$278,350
Median Sales Price-Condo	\$400,000	\$395,500	\$405,000				\$300,000	\$160,000

Source: Denver Metro Association of Realtors.

- The average sales price for single-family homes decreased 1.4 percent over-the-year to \$731,318, representing \$10,552 less per home during the period. The average sales price for condominiums rose 3.1 percent over-the-year to \$473,994, representing an increase of \$14,305 per home.

National

- The National Association of REALTORS' (NAR) home affordability index rose to 104.9 in January up from 101.4 in December. The metric is based on the ratio between the median household income and the necessary income required to qualify for the median-priced house. The index for the West region rose to 77.6 in January, up from 72.6 in December.
- Total existing-home sales increased 14.5 percent from January to a seasonally adjusted annual rate of 4.58 million in February, breaking a streak of 12 consecutive months of declines, according to the National Association of REALTORS (NAR). Sales decreased 22.6 percent year-over-year from the February 2022 reading of 5.92 million.
- All four regions reported over-the-year decreases in total home sales in February. The West region reported the largest decrease of 28.3 percent, followed by the Northeast (-25.7 percent), the South (-21.3 percent) and the Midwest (-18.7 percent).
- Properties remained on the market for 34 days in February, up from 33 in January and up from 18 days in February 2022. Of the homes sold in February, 57 percent were on the market for less than a month.
- NAR data showed the median existing-home price for all housing types nationally was \$363,000 in February, down 0.2 percent from the same time last year. This snapped a streak of 131 consecutive months of over-the-year increases, the longest streak on record. In addition, the median price was down over-the-month for the eighth month in a row after a record high of \$413,800 in June.
- Median home prices increased in half of the four major U.S. regions over-the-year. The Midwest region reported the highest pace of price appreciation compared to the other regions, growing by 5 percent over-the-year. The median home price in the South increased 2.7 percent over-the-year. The West region reported the largest over-the-year decrease, falling by 5.6 percent, followed by the Northeast (-4.5 percent).
- The West region reported the highest median home price of \$541,100, while the Midwest reported the lowest median price of \$261,200 in February.
- A separate NAR report revealed that the median price in the Boulder MSA decreased 2 percent over-the-year to \$759,500 in the fourth quarter of 2022. The Denver-Aurora MSA rose 3.6 percent over-the-year to \$640,000 during 4Q 2022, while the national median home price increased 4 percent to \$378,700 during the period.
- The Boulder MSA had the 8th highest median home price of the 186



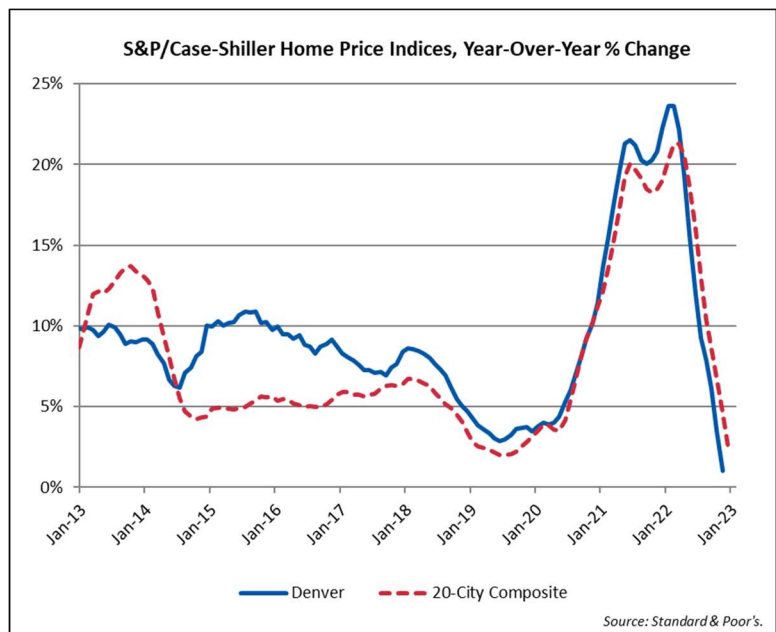
metropolitan areas tracked in the report. The Denver MSA had the 13th highest median home price. Twenty metro areas saw median home prices drop over-the-year in 4Q 2022, up from just four in 3Q 2022.

Median Sales Price of Existing Single-Family Homes (\$000s)

	Quarter 4 2022 (p)	Quarter 3 2022 (r)	Quarter 4 2021	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Median 2017	Median 2012
Boulder MSA	\$759.5	\$826.9	\$775.1	\$857.8	\$782.7	9.6%	\$566.1	\$383.7
Denver-Aurora MSA	\$640.0	\$666.0	\$617.6	\$670.1	\$607.1	10.4%	\$414.7	\$252.4
United States	\$378.7	\$398.1	\$364.3	\$392.6	\$357.1	9.9%	\$248.8	\$177.2

Source: National Association of REALTORS. (p) =preliminary (r) =revised

- Price increases are moderating across the country. Only 18 percent of the metro markets posted double-digit annual price appreciation in the fourth quarter compared with 46 percent in the third quarter.
- The national home price decreased 4.9 percent over-the-quarter. Home prices decreased 8.2 percent in the Boulder MSA and 3.9 percent in the Denver MSA over-the-quarter.
- According to the S&P/Case-Shiller Home Price Index, housing prices in Denver increased 1 percent between January 2022 and December 2023, down from a 3.5 percent increase in December and a 6.1 percent increase in November. January marked the eighth consecutive month where the annual rate of price growth was under 20 percent after 11 consecutive months of annual price gains at or above 20 percent.
- National housing prices increased 3.8 percent over-the-year in January, down from 5.6 percent in December and 7.5 percent in November. Month-over-month home prices fell for a seventh consecutive month in January after a 41-month streak of month-over-month home price increases. Prices dropped over-the-month in 19 of the 20 major cities. Miami reported the only increase of 0.1 percent.
- Miami reported the highest year-over-year price increase of 13.8 percent, followed by Tampa (+10.5 percent) and Atlanta (+8.4 percent). San Francisco reported the largest over-the-year decrease, falling by 7.6 percent, followed by Seattle (-5.1 percent), and San Diego (-1.4 percent). Denver ranked 13th out of 20.



Foreclosures

- Foreclosures in Metro Denver decreased 27.3 percent between March 2022 and March 2023, falling by 91 filings during the period. Over-the-month, foreclosures rose 20.4 percent from 201 filings in February. Five of seven counties reported decreases in filings compared with last year. Adams County reported the largest decrease of 48.9 percent, followed by Douglas County (-31.6 percent) and Jefferson County (-13.2 percent).

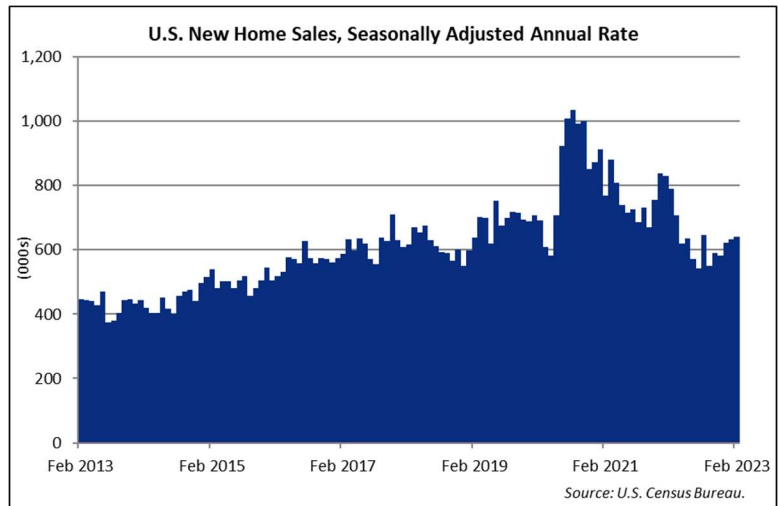
Residential Foreclosures

	Month of Feb-23	Month of Jan-23	Month of Feb-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Total 2018	Annual Total 2013
Total Metro Denver*	242	201	333	662	571	15.9%	2,725	7,520
Adams County	67	49	131	176	185	-4.9%	637	1,636
Arapahoe County	57	43	69	142	130	9.2%	638	1,700
Boulder County	14	11	9	37	17	117.6%	124	387
Broomfield County	2	1	2	3	7	-57.1%	42	109
Denver County	43	51	50	139	106	31.1%	538	1,616
Douglas County	13	18	19	57	43	32.6%	278	769
Jefferson County	46	28	53	108	83	30.1%	468	1,303

*The total number of election and demand setups (initial filings) received by county public trustees. Filings may be subsequently cured or withdrawn.
Sources: County public trustees.

New Home Sales

- New home sales in the U.S. decreased 19 percent over-the-year to a seasonally adjusted annual rate of 640,000 in February, according to estimates released by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.
- All four regions reported an over-the-year decrease in home sales. The Northeast reported the largest decrease of 55.3 percent, followed by the West (-33.2 percent), Midwest (-20.2 percent), and South (-8.8 percent).



New Home Construction

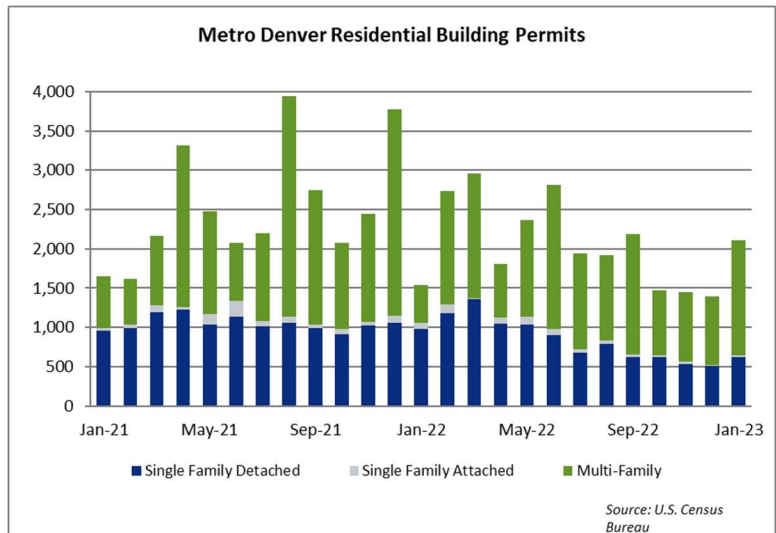
National

- Builder confidence for newly built single-family homes increased 2 points to 44 in March, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). This was the third increase after 12 consecutive months that builder sentiment declined, rising from 31 in December, which marked the lowest reading since May 2020. The rise in builder confidence is due to consumers turning towards new homes in a period of low affordability. Analysts also suggest that the rise means that a homebuilding rebound could occur later in 2023.

- According to the U.S. Census Bureau, the seasonally adjusted annual number of nationwide residential building permits totaled over 1.5 million units in February, a 15.8 percent over-the-month increase, but a 16.5 percent decrease compared with the same time last year.
- Building permits for single-family detached units decreased 34.7 percent over-the-year, or by 418,000 units permitted to a total of 786,000 units permitted in February. Single-family attached units decreased 13 percent to 47,000 units permitted, while multi-family units increased 19.7 percent over-the-year to 717,000 units permitted in February.
- All four regions reported over-the-year decreases in total units permitted. The Northeast region reported the largest over-the-year decrease of 35.8 percent, followed by the Midwest (-21.3 percent), the West (-20.8 percent), and the South (-9.5 percent).

Metro Denver

- Residential building permits in Metro Denver totaled 1,986 units permitted in February, a decrease of 27.3 percent, or 744 units, from the same time last year.
- Single-family detached units permitted decreased 53.1 percent over-the-year, falling by 628 units permitted during the period. Single-family attached units decreased 84.5 percent, or by 98 units, to a total of 18 during the period. Multi-family units decreased 1.3 percent, or by 18 units, to a total of 1,414 units permitted in February.



Residential Building Permits

	Month of Feb-23	Month of Jan-22	Month of Feb-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Total 2018	Total 2013
Single-Family Detached Units	554	624	1,182	1,178	2,167	-45.6%	12,248	7,396
Single-Family Attached Units	18	16	116	34	195	-82.6%	400	399
Multi-Family Units	1,414	1,472	1,432	2,886	1,903	51.7%	11,561	9,145
Total Units	1,986	2,112	2,730	4,098	4,265	-3.9%	24,209	16,940

Source: U.S. Census Bureau.

Apartment Rental Market

- The apartment vacancy rate throughout Metro Denver rose 0.9 percentage points over-the-year to 5.6 percent vacancy in the fourth quarter of 2022. Vacancy rates ranged from 5 percent in the Boulder/Broomfield submarket to 6.1 percent in Douglas County.
- All six submarkets reported over-the-year increases in the average monthly rental rate, led by Jefferson County (+8.2 percent), Arapahoe County (+6.5 percent), and Boulder/Broomfield (+6.1 percent). The Adams and Douglas County submarkets reported the most modest over-the-year increase 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 increased 6.5 percent over-the-year to \$1,838 per month. Rents fell 1.7 percent between the third and fourth quarters of 2022, or a decline of \$32, the largest over-the-quarter drop in four decades.

Apartment Statistics

	Quarter 4 2022	Quarter 3 2022	Quarter 4 2021	YTD Average 2022	YTD Average 2021	YTD Average % Change	Ann Avg 2017	Ann Avg 2012
Apartment Vacancy Rate	5.6%	4.8%	4.7%	4.9%	5.0%	-0.1%	5.6%	4.7%
Average Monthly Rental Rate (all units)	\$1,838	\$1,870	\$1,726	\$1,827	\$1,635	11.8%	\$1,403	\$974

Source: Denver Metro Apartment Vacancy and Rent Survey.

Commercial Real Estate

Recently Announced Projects

- CenterSquare Investment Management and Quannah Partners broke ground on the Point at Denver South project located at Chambers Road and Otero Avenue. The 195,000-square-foot complex will include two buildings with multi-tenant leasing capabilities. Delivery is expected in January 2024.
- Emerald Development LLC announced plans to build a 100,000-square-foot mixed-use project in North Boulder, which would include commercial and residential space in addition to the Boulder Museum of Contemporary Art. The project would require the city to rezone the tract of land before construction could begin.

Office Market

- According to a new report by CoStar, leasing rates for commercial properties fell at the end of 2022. New leasing for office and retail properties fell below prepandemic levels. Additionally, available sublease space has grown rapidly, especially in the office market, as companies reassess their office needs.

Office Market Statistics

	Quarter 1 2023	Quarter 4 2022	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020	Quarter 1 2019
Number of Buildings	6,649	6,643	6,630	6,610	6,582	6,551
Existing Square Feet (millions)	203.2	202.8	202.3	200.1	198.3	197.1
Vacant Square Feet (direct, millions)	25.8	24.6	24.9	22.8	17.9	17.5
Vacancy Rate (direct)	12.7%	12.1%	12.3%	11.4%	9.0%	8.9%
Vacancy Rate (with sublet)	14.8%	14.2%	13.9%	13.0%	9.6%	9.6%
Avg. Lease Rate (direct, per sq. ft., full service)	\$31.07	\$31.00	\$29.47	\$29.38	\$28.41	\$27.37
New Construction Completed (year-to-date)	0.39 MSF, 6 Bldgs	0.75 MSF, 14 Bldgs	1.98 MSF, 22 Bldgs	0.07 MSF, 3 Bldgs	0.35 MSF, 9 Bldgs	0.48 MSF, 5 Bldgs
Currently Under Construction	3 MSF, 19 Bldgs	3.30 MSF, 24 Bldgs	1.78 MSF, 16 Bldgs	2.72 MSF, 26 Bldgs	3.91 MSF, 40 Bldgs	3.35 MSF, 40 Bldgs

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

- Based on CoStar data, the direct office vacancy rate in Metro Denver was 12.7 percent in the first quarter of 2023, an increase of 0.6 percentage points from the previous quarter. The vacancy rate was up 0.4 percentage points over-the-year. The average lease rate increased 5.4 percent between the first quarters of 2022 and 2023, or by \$1.60, to \$31.07 per square foot.

- The vacancy rate including sublease space increased 0.9 percentage points over-the-year, rising from 14.2 percent in 1Q 2022 to 14.8 percent in 1Q 2023. This included over 4.3 million square feet of vacant sublease space, the largest amount of vacant sublease space since 2002.
- There were 6 office buildings completed in 1Q 2023, delivering 390,000 square feet to Metro Denver. The largest buildings completed were the 176,500-square-foot office buildings 1 and 2 located in Lafayette.
- There were 3 million square feet of office space in 19 buildings under construction in Metro Denver during the first quarter of 2023. The largest buildings under construction were the 1900 Lawrence (704,036 SF in downtown Denver) and the 322,860-square-foot Steel House Office Building in Denver. As has been the trend in recent years, the largest share of office construction is found in the City and County of Denver. Currently, over 71 percent of the office square footage under construction is located in the City and County of Denver.

Industrial & Flex Market

- Increasing onshore manufacturing by U.S. companies is increasing demand for factory space across the country. According to a report by CBRE, the U.S. industrial real estate market recorded record low vacancy levels of just 3.4 percent at the end of 2022. Net absorption surpassed 50 million square feet for the second consecutive year.
- CoStar data revealed that the direct vacancy rate for the industrial market in Metro Denver increased 1.1 percentage points to 6 percent between the first quarters of 2022 and 2023. The total vacancy rate including sublease space rose 1.1 percentage points over-the-year to 6.4 percent. The average lease rate increased \$0.51 per square foot to \$10.11, a 5.3 percent increase over the same time last year.
- Ten industrial buildings providing 1.86 million square feet of space were completed in 1Q 2023. The largest building completed was the 546,000-square-foot Warehouse Building 1 in Brighton. The next largest buildings were the 331,380-square-foot Building 26 and the 199,500-square-foot First 76 Distribution Center near DIA.

Industrial Market Statistics

	Quarter 1 2023	Quarter 4 2022	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020	Quarter 1 2019
Number of Buildings	7,381	7,371	7,335	7,295	7,246	7,208
Existing Square Feet (millions)	254.1	252.3	244.7	236.7	230.7	226.5
Vacant Square Feet (direct, millions)	15.3	13.5	12.1	13.2	9.9	9.1
Vacancy Rate (direct)	6.0%	5.4%	4.9%	5.6%	4.3%	4.0%
Vacancy Rate (with sublet)	6.4%	5.8%	5.3%	6.1%	4.7%	4.2%
Avg. Lease Rate (direct, per square foot, NNN)	\$10.11	\$9.73	\$9.60	\$8.87	\$8.50	\$8.07
New Construction Completed (year-to-date)	1.86 MSF, 10 Bldgs	7.63 MSF, 42 Bldgs	0.56 MSF, 6 Bldgs	1.13 MSF, 9 Bldgs	0.11 MSF, 4 Bldgs	1.08 MSF, 12 Bldgs
Currently Under Construction	8.69 MSF, 46 Bldgs	7.80 MSF, 41 Bldgs	9.70 MSF, 50 Bldgs	5.27 MSF, 24 Bldgs	7.45 MSF, 49 Bldgs	4.43 MSF, 29 Bldgs

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

- Metro Denver's industrial construction pipeline remains robust with 8.7 million square feet of space under construction in 46 buildings. Almost 71 percent of the industrial space under construction is located in Adams County, including the largest buildings under construction, the 919,000-square-foot Dollar General

warehouse and the 625,000-square-foot DIA Logistics Park. Of the buildings under construction, 38 are slated to be completed in 2023 and 8 in 2024.

- The direct flex vacancy rate in Metro Denver decreased 0.4 percentage points over-the-year to 6.7 percent vacancy. The average lease rate rose 3.9 percent, or by \$0.57, to \$15.26 per square foot during the period.
- New flex construction has been more limited than other property types but remains strong through the start of 2Q 2023. Two new flex buildings totaling 148,640 square feet were completed in 1Q 2023. There were 20 buildings totaling 290,718 square feet under construction as of the end of 1Q 2023. Almost 91 percent of the square footage under construction is located in Boulder, Broomfield, or Jefferson Counties. The largest building under construction is a 76,088-square-foot building at 560 Ames Street in Lakewood.

Flex Market Statistics

	Quarter 1 2023	Quarter 4 2022	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020	Quarter 1 2019
Number of Buildings	1,605	1,603	1,592	1,591	1,588	1,573
Existing Square Feet (millions)	48.7	48.6	48.0	47.9	47.8	47.1
Vacant Square Feet (direct, millions)	3.3	3.2	3.4	3.7	2.6	2.5
Vacancy Rate (direct)	6.7%	6.7%	7.1%	7.6%	5.4%	5.3%
Vacancy Rate (with sublet)	7.4%	7.3%	7.4%	8.3%	5.7%	5.6%
Avg. Lease Rate (direct, per square foot, NNN)	\$15.26	\$15.19	\$14.69	\$13.25	\$12.95	\$12.16
New Construction Completed (year-to-date)	0.15 MSF, 2 Bldgs	0.47 MSF, 11 Bldgs	0.03 MSF, 1 Bldg	0.03 MSF, 1 Bldg	0.25 MSF, 1 Bldg	0.21 MSF, 3 Bldgs
Currently Under Construction	0.29 MSF, 17 Bldgs	0.67 MSF, 20 Bldgs	0.70 MSF, 18 Bldgs	0.19 MSF, 8 Bldgs	0.22 MSF, 8 Bldgs	0.31 MSF, 8 Bldgs

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

Retail Market

Retail Market Statistics

	Quarter 1 2023	Quarter 4 2022	Quarter 1 2022	Quarter 1 2021	Quarter 1 2020	Quarter 1 2019
Number of Buildings	13,158	13,134	13,073	12,995	12,916	12,782
Existing Square Feet (millions)	175.5	175.2	174.6	173.9	173.1	171.7
Vacant Square Feet (direct, millions)	7.0	7.1	7.7	8.8	7.1	6.4
Vacancy Rate (direct)	4.0%	4.1%	4.4%	5.1%	4.1%	3.7%
Vacancy Rate (with sublet)	4.1%	4.2%	4.6%	5.3%	4.2%	3.8%
Avg. Lease Rate (direct, per square foot, NNN)	\$20.38	\$20.22	\$19.59	\$19.00	\$18.24	\$18.78
New Construction Completed (year-to-date)	0.26 MSF, 24 Bldgs	0.66 MSF, 80 Bldgs	0.10 MSF, 13 Bldgs	0.07 MSF, 7 Bldgs	0.19 MSF, 13 Bldgs	0.08 MSF, 14 Bldgs
Currently Under Construction	0.75 MSF, 44 Bldgs	0.86 MSF, 58 Bldgs	0.07 MSF, 10 Bldgs	0.61 MSF, 29 Bldgs	1.14 MSF, 70 Bldgs	1.04 MSF, 60 Bldgs

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

- The direct vacancy rate for retail space in Metro Denver decreased 0.4 percentage points over-the-year to 4 percent in 4Q 2022, according to CoStar. The direct vacancy rate including sublease space decreased 0.5 percentage points over-the-year to 4.1 percent. The average lease rate increased 4 percent to \$20.38 per square foot.

- Through the end of 1Q 2023, 24 retail buildings totaling 263,085 square feet were completed. An additional 44 buildings with more than 747,000 square feet of space are under construction and all are expected to be completed in 2023. More than 43 percent of the space under construction is located in the City and County of Denver or Adams County.



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