



MAY 2023

MONTHLY ECONOMIC INDICATORS

Activity & trends impacting
our regional economy



May 2023 MEI Snapshot

	Monthly/Quarterly Direction		Year-Over-Year Direction		Year-to-Date Direction	
↕↗ Positive Changes	10 of 18		10 of 18		12 of 18	
Nonfarm Employment Growth	-1,700	↓	15,600	↑	21,500	↑
	Employment was down 0.1% from February to March		Employment up 0.9% from March 2022 to 2023		YTD employment up 1.2% through March	
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	2.6%	↓	-0.7 percentage points	↓	2.9%	↓
	Unemployment fell 0.5 percentage points from February to March		Unemployment down from March 2022 to 2023		Down 0.8 percentage points from 2022 YTD average	
Initial Unemployment Insurance Claims	-13.2%	↓	37.4%	↑	-74.2%	↓
	Claims decreased from February to March		Claims increased from March 2022 to 2023		YTD average claims decreased through March 2023	
Total National Retail Sales	-3.3%	↓	5.4%	↑	6.6%	↑
	National sales decreased from January to February		National sales increased from February 2022 to 2023		YTD sales increased through February 2023	
Mountain Region Consumer Confidence Index	111.5	↑	-0.2%	↓	109.2	↓
	Index up 0.8 percent from March to April		Index down from April 2022 to 2023		YTD average down 3.2% through April 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	20.8%	↑	13.9%	↑	18.8%	↑
	Passengers up from February to March		Passengers up from March 2022 to 2023		YTD passengers increased through March 2023	
Bloomberg Colorado Index	809.7	↑	10.7%	↑	25.6%	↑
	Index up 9.3 percent from March to April		Index up from April 2022 to 2023		YTD return up through April 2023	
Dow Jones Industrial Average	34,098.2	↑	3.4%	↑	2.9%	↑
	Index up 2.5 percent from March to April		Index up from April 2022 to 2023		YTD return up through April 2023	
Home Sales (closed)	3,790	↑	-21.2%	↓	8,833	↓
	Sales up 32.3% from February to March		Sales down from March 2022 to 2023		YTD sales down 22.7% 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	210	↓	-41.0%	↓	872	↓
	Down 13.2% from March to April		Down from April 2022 to 2023		Down 5.9% YTD through April 2023	
Residential Building Permits (Total)	1,196	↓	-59.6%	↓	5,280	↓
	Permits decreased 39.8% from February to March		Permits down March 2022 to 2023		YTD permits down 27% through March 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 5.3% one year ago		1Q 2023 vacancy up from 5.3% 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		1Q 2023 vacancy down from 4.6% one year ago		1Q 2023 vacancy down from 4.6% one year ago	

May 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.

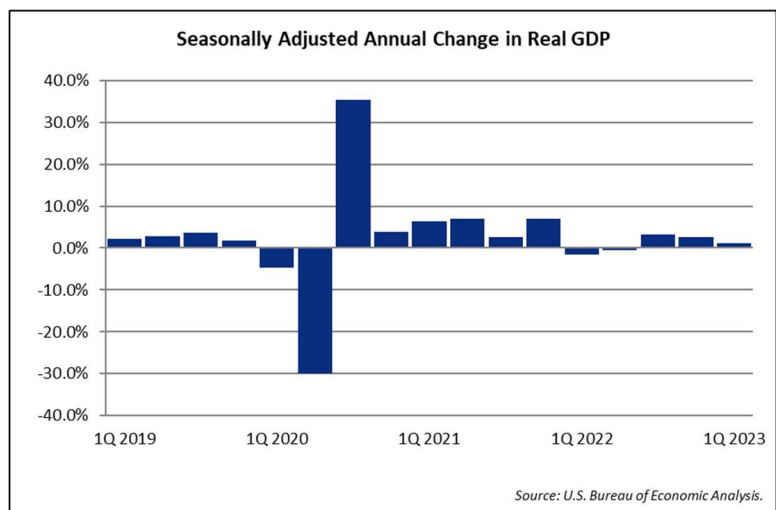
Notable Rankings

- Colorado ranked 3rd in the Consumer Technology Association's innovation scorecard report. Colorado scored well due to its technology workforce and advanced air mobility. Washington ranked first, followed by Massachusetts.
- Electra and Jetti Resources, both based in Boulder, received "Pioneer Awards" from Bloomberg New Energy Finance, Bloomberg's primary research service. The awards recognize companies working to introduce products that can cut carbon emissions. Electra Resources has developed a process to refine iron using much less carbon emissions, and Jetti Resources developed a way to extract copper from low-grade ore that is typically thrown out.

National Economic Overview

Gross Domestic Product

- The U.S. Bureau of Economic Analysis (BEA) released the advanced estimate of real gross domestic product (GDP) for the first quarter of 2023, which showed that GDP increased at an annual rate of 1.1 percent. Real GDP increased 2.6 percent in the fourth quarter of 2022.
- The increase in 1Q 2023 real GDP reflected increases in consumer spending, exports, government spending, and nonresidential fixed investment. The increase in consumer spending was driven by an increase in both goods and services. These increases were partly offset by decreases in private inventory and residential fixed investments, as well as an increase in imports, which pull GDP



lower.

- This first estimate is based on source data that is incomplete. The second estimate for 1Q 2023 will be released on May 25, 2023.

Interest Rates

- In their meeting on May 2 – 3, 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 economic growth as job gains have slowed in recent months and the unemployment rate has remained low. The U.S. banking system has remained resilient and sound, although an increased tightening of credit conditions for households and businesses is expected in coming months.
- The FOMC 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 5.0 to 5.25 percent, the third increase in the rate in 2023, and the tenth increase since the start of 2022. The Fed will continue monitoring factors including inflation, financial and international developments, and labor market conditions to determine if further rate increases are necessary. In addition, the Committee will continue reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities.
- The next FOMC meeting is June 13-14, 2023.

Policy Watch

National & International

- Federal regulators seized and sold First Republic Bank to JP Morgan. The decision was made after investors pulled back from the bank due \$100 billion in deposit outflows in the 1Q 2023.

Local

- Hundreds of mayors from all around the world met in Denver in April as part of the first-ever Cities Summit of the Americas. 4,000 people are expected to have attended the summit at the Colorado Convention Center where they participated in closed panel discussions in addition to networking and cultural events.
- Colorado began collecting a 2-cent-per-gallon gas fee in April. The fee, which will increase to 3 cents per gallon in July, will go toward addressing the state's backlog of transportation projects. Colorado's state gas tax remains one of the lowest in the country.

Economic Indexes & Notable Data Releases

National & International

- The U.S. trade deficit was \$70.5 billion in February, up \$1.9 billion from \$68.7 billion in January. February imports decreased 1.5 percent to \$321.7 billion, while exports decreased 2.7 percent to \$251.2 billion. The year-to-date goods and services deficit increased \$35.5 billion, or 20.3 percent, from February 2022 to 2023. Exports increased 10.8 percent and imports increased 2.2 percent year-over-year.
- The Conference Board Leading Economic Index (LEI) decreased by 1.2 percent in March to 108.4, after falling 0.5 percent in February. The LEI was down 4.5 percent over the six-month period from September 2022 to March 2023. The drops for the U.S. LEI continued as the risk of a recession remains high according to the index.
- U.S. supplier prices fell in March by the most in three years as inflation continues to moderate. The producer price index, which is used to measure supply conditions in the economy, fell 0.5 percent from February to March marking the largest monthly decrease since April 2020 according to the Labor Department. Over-the-year prices rose by 2.7 percent, compared to 4.9 percent growth over-the-year in February.
- According to the Institute for Supply Management's Manufacturing Index, the Purchasing Managers Index (PMI) was 47.1 percent in April, up 0.8 percentage points from the March reading. As the value remains below 50, this figure indicates contraction in the manufacturing sector for the sixth consecutive month after 28 months of expansion. New order rates remained in contraction territory at 45.7, up 1.4 percentage points from 44.3 in March. The Production Index remained in contraction territory, as did the Backlog of Orders Index. The Prices Index rose 4 percentage points to 53.2 in April, returning to expansion territory. The Employment Index came in at 50.2 percent, up from 46.9 in March. Two manufacturing industries reported growth in March, Petroleum & Coal Products and Transportation equipment, unchanged from February.
- The Services Purchasing Managers Index (PMI) by the Institute for Supply Management registered 51.2 percent in March, a drop of 3.9 percent from February's 55.1 percent but still in expansionary territory. 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. Thirteen 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 Business Confidence Index surveys business leaders on their sentiments in six key components: the state economy, national economy, industry sales, profits, and hiring in their specific industry, and capital expenditures. The index recorded a 5.3-point increase ahead of 2Q 2023 at 45.1, but stayed within negative territory (below 50) and remained 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 3Q 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; however, businesses did report a slight increase in expected capital investments.

Labor Force and Employment

- Employment in Metro Denver increased 0.9 percent between March 2022 and 2023, rising by 15,600 jobs across all supersectors. Employment in the Denver-Lakewood-Aurora MSA rose 0.8 percent, or by 12,000 jobs, while the Boulder-Longmont MSA increased 1.8 percent, or by 3,600 jobs, during the period.
- Seven of 11 supersectors reported over-the-year increases in employment. Other services had the largest increase (+6.7 percent), followed by leisure and hospitality (+4.2 percent), and professional and business services (+2.9 percent). The financial activities supersector reported the largest over-the-year decrease, falling by 5.9 percent. Information (-5.7 percent), transportation warehousing and utilities (-1.3 percent) and wholesale and retail trade (-1.1 percent) also reported over-the-year declines in employment.
- Employment in Colorado increased 1.3 percent, or by 37,700 jobs, between March 2022 and 2023. National employment rose 2.7 percent, or by almost 4.1 million jobs.

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

	Month of Mar-23	Month of Feb-23	Month of Mar-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*	1,781.8	1,783.5	1,766.2	1,778.1	1,756.6	1.2%	2.7%	3.6%
Denver-Aurora-Lakewood MSA	1,575.7	1,576.9	1,563.7	1,573.1	1,556.1	1.1%	2.6%	3.7%
Boulder MSA	206.1	206.6	202.5	205.0	200.5	2.2%	3.2%	2.3%
Natural Resources & Construction	114.2	115.0	113.8	113.8	113.1	0.6%	6.1%	9.7%
Manufacturing	94.8	94.5	93.2	94.1	93.0	1.2%	1.5%	1.6%
Wholesale & Retail Trade	234.2	235.2	236.8	235.4	236.3	-0.4%	1.2%	2.6%
Transp., Warehousing & Utilities	76.2	78.8	77.2	78.4	78.1	0.4%	6.9%	5.1%
Information	59.8	60.2	63.4	60.2	63.1	-4.7%	5.6%	1.7%
Financial Activities	118.2	119.2	125.6	119.4	125.3	-4.7%	2.1%	3.6%
Professional & Business Services	353.9	354.4	344.0	352.4	342.0	3.0%	3.1%	4.3%
Education & Health Services	220.5	220.5	219.8	220.2	219.0	0.6%	2.0%	4.2%
Leisure & Hospitality	185.8	185.7	178.3	186.2	176.3	5.6%	1.9%	3.9%
Other Services	78.0	75.6	73.1	75.8	72.4	4.6%	2.6%	2.1%
Government	246.2	244.4	241.0	242.3	238.0	1.8%	2.3%	1.9%
Federal Gov't	30.0	29.9	29.9	29.8	30.0	-0.4%	-1.6%	-1.2%
State Gov't	72.6	71.8	68.3	70.1	65.9	6.3%	3.5%	2.7%
Local Gov't	143.6	142.7	142.8	142.3	142.1	0.2%	2.6%	2.2%
Colorado	2,865.4	2,865.7	2,827.7	2,858.6	2,811.2	1.7%	2.5%	3.0%
United States	154,517	153,997	150,411	153,784	149,316	3.0%	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

- Orbit Fab, a Denver-based company that facilitates refueling for missions in orbit, raised \$28.5 million in Series a funding in April. The raise allows for the company to add 25 positions in the coming months. The company moved to Denver from San Francisco in 2021.
- York Space Systems successfully made contact with eight satellites launched last week as part of a new orbiting data network they are building for the U.S. Space Development Agency. Two more satellites are scheduled to launch in June 2023 as the company continues to build out a network aimed at improving communications between the U.S. military and its satellites.

Arts & Culture

- The River North Art District will debut the Denver Walls mural festival in September, replacing the Art RiNo mural event from previous year. The festival will feature 15 to 18 local artists who will begin painting on September 22, with the public events taking place over the weekend from September 29-31.

Energy & Natural Resources

- Colorado, New Mexico, Utah, and Wyoming announced that they are seeking federal grants to produce large-scale hydrogen projects as part of the Western Interstate Hydrogen Hub network. The proposal aims to replace natural gas energy production with clean hydrogen production.
- Redaptive, a San Francisco-based energy company with a Denver office, announced it was moving its headquarters to Denver with plans to increase the local workforce to 50 by the end of 2023. The company employs 180 people worldwide, but will now be hiring exclusively for its Denver office.
- Global Thermostat launched a plant in Adams County that removes carbon from the atmosphere. The direct capture facility, one of the largest in the world, opened its in Brighton and as it looks to take its technology beyond Colorado moving forward.
- Liberty Energy bought Houston-based Siren Energy to create the Liberty Power Innovations division. Siren Energy delivers compressed natural gas to fuel fracking and other industrial processes, and Liberty will be implementing those resources in conjunction with their 40 fracking fleets.

Food and Beverage Production

- Cerebelly, a baby food company headquartered in downtown Denver, raised \$7 million and secured a patent in April as they look to expand in coming months. The company, which employs 20 people in Denver as is looking to hire more, produces a patented blend of nutrients for brain development.
- Great Divide Brewing, in partnership with Vibe Concepts, is opening their second restaurant in Lone Tree by the end of 2023. The site, set to hold over 300 people, will not house any brewing equipment.

Healthcare and Wellness

- Medtronic announced that they are laying off workers for significant expense reductions. Currently, Medtronic employs over 2,300 employees in Colorado, but did not confirm how many workers were being let go or where they were located.

Other Industry Headlines

- A new report from Vangst announced that Colorado had shed 10,000 jobs in the cannabis industry from February 2022 to February 2023. Overall, employment in the industry dropped 2 percent during that time, with only California reporting a larger decrease in cannabis employment.
- Walker and Dunlop is laying off 110 people, or about 8 percent of their workforce, due to a slowing of residential real estate sales and a high-interest environment.
- Prescient, a construction-tech manufacturing company, is laying off 50 employees at its facility in Arvada. The company submitted a WARN notice as the cuts started in April and will continue until December.
- Bed Bath & Beyond filed for bankruptcy in April. As a result, 11 stores in the Metro Denver area will close including three Buybuy Baby, a subsidiary of Bed Bath & Beyond, stores. A timeline for those closings was not released.

Employment Outlook

- The Manpower Employment Outlook Survey, which surveys business leaders on their expectations of the coming quarter, revealed that U.S. hiring optimism fell ahead of 2Q 2023. Across the nation, 46 percent of companies plan to hire in 2Q 2023, down 3 percentage points year-over-year. Companies planning to lay off was up 2 percentage points year-over-year at 16 percent, while the number of companies planning no change was unchanged 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 Q2 2022 but up 1 percentage point over –last -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.

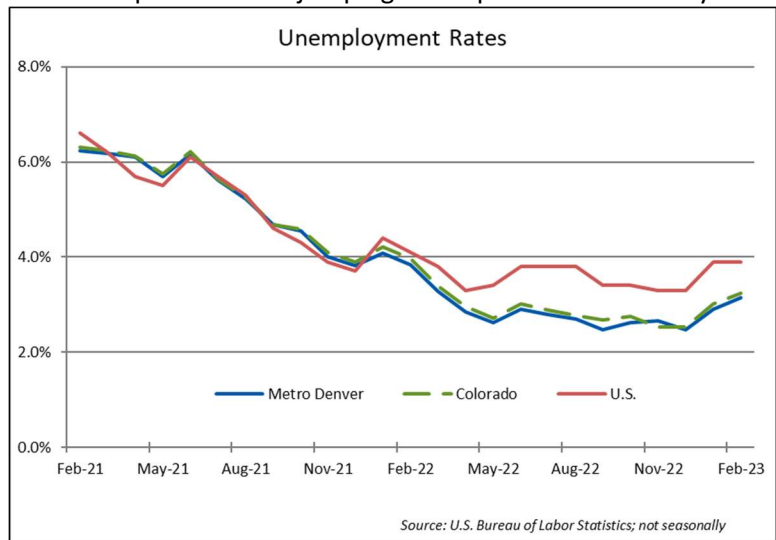
- Two of the four regions in the United States reported improved hiring outlooks for 2Q 2023, led by the Northeast with a net employment outlook of 35 percent, followed by the Midwest at 32 percent. The West, which includes Colorado, reported a net employment outlook of 29 percent, followed by the South at 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 last 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 0.7 percentage points over-the-year to 2.6 percent in March. The regional unemployment rate fell back under three percent after jumping to 3.3 percent in February. In 11 of the last 12 months, Metro Denver has reported an unemployment rate below 3 percent.
- All seven counties in Metro Denver reported over-the-year decreases in the unemployment rate in February. Adams County reported the largest decreases, falling 0.9 percentage points. Boulder County reported the lowest unemployment rate of 2.3 percent, while Adams County reported the highest rate of 3 percent.

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



	March 2023		2023 YTD AVG		2022 YTD AVG		2018 Ann Avg	2013 Ann Avg
	Total Labor Force	Unemployment Rate	Total Labor Force	Unemployment Rate	Total Labor Force	Unemployment Rate	Unemployment Rate	Unemployment Rate
Metro Denver	1,901.8	2.6%	1,904.5	2.9%	1,884.8	3.7%	2.9%	6.4%
Adams County	283.7	3.0%	284.0	3.3%	282.1	4.4%	3.2%	8.0%
Arapahoe County	377.1	2.6%	377.8	2.9%	374.9	4.0%	3.0%	6.5%
Boulder County	204.7	2.3%	204.7	2.5%	200.7	3.2%	2.6%	5.4%
Broomfield County	42.9	2.4%	42.9	2.7%	42.3	3.2%	2.7%	5.7%
Denver County	439.2	2.8%	440.0	3.1%	435.9	4.0%	2.9%	6.5%
Douglas County	209.5	2.4%	209.6	2.6%	206.7	3.0%	2.6%	5.2%
Jefferson County	344.8	2.4%	345.5	2.7%	342.1	3.5%	2.8%	6.2%
Colorado	3,232.4	2.7%	3,230.6	3.0%	3,194.9	3.9%	3.0%	6.7%
United States	166,783	3.6%	166,010	3.8%	163,608	4.1%	3.9%	7.4%

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

- There were 16,365 more people either employed or looking for work between March 2022 and 2023 in Metro Denver, an increase of 0.9 percent. The labor force rose in all seven counties, led by Boulder County (1.6 percent) and Douglas and Broomfield counties (+1.2 percent).
- Colorado reported an unemployment rate of 2.7 percent in March, down 0.7 percentage points from the same time last year. Over the month, the state's unemployment rate fell by 0.6 percentage points. The labor force rose 1.2 percent over-the-year to over 3.2 million people either employed or looking for work. The national unemployment rate fell 0.2 percentage points over-the-year to 3.6 and fell 0.3 percentage points over-the-month. The national labor force increased 1.5 percent between February 2022 and 2023.

- Initial unemployment insurance claims in Metro Denver increased 37.4 percent between March 2022 and 2023, rising to a weekly average of 1,088 claims. Over the month, initial claims decreased 13.2 percent.
- Colorado reported an average of 1,831 initial unemployment claims per week in March, up 36.4 percent from the same time last year, and representing 489 more claims each week. Between February and March, average weekly initial claims in Colorado fell 14.2 percent.

Weekly First-Time Unemployment Insurance Claims

	Month of Mar-23	Month of Feb-23	Month of Mar-22	YTD Avg 2023	YTD Avg 2022	YTD Avg % Change	Ann Avg 2018	Ann Avg 2013
Metro Denver	111.5	110.6	111.7	109.2	112.8	-3.2%	134.3	74.6
Colorado	101.3	104.0	108.6	103.7	108.3	-4.2%	130.1	73.2

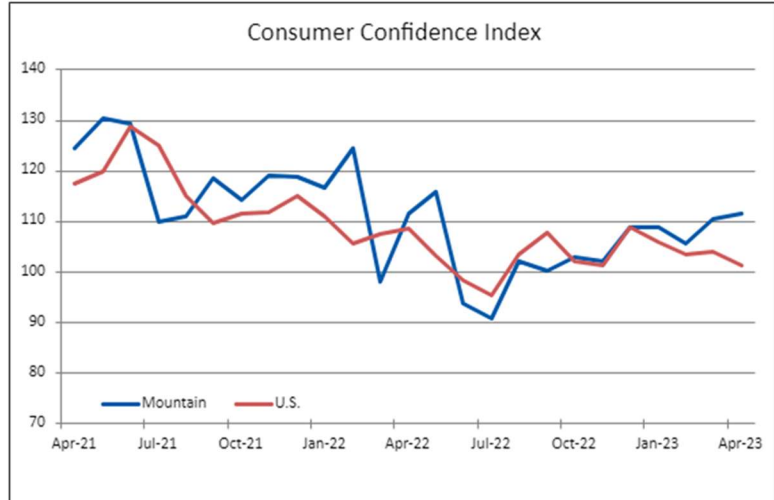
Note: Reference week data includes the 19th day of the month for all months except November and December, which include the 12th day of the month.

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

Consumer Sector

Consumer Sentiment

- The U.S. Consumer Confidence Index fell again in April. The index now stands at 101.3, a 2.6 percent over-the-month decrease, and a 6.7 percent decrease over-the-year.
- Analysts at The Conference Board stated that the drop was driven by a decline in the Expectations Index, which fell to 68.1, down from 74 in March. The Present Situation Index rose by 2.2 points to 151.1. Purchasing intentions for automobiles, appliances, homes, and vacations all fell. Looking ahead, inflationary pressures and recession worries will continue to pose strong headwinds to consumer confidence and spending.



Consumer Confidence Index

	Month of Apr-23	Month of Mar-23	Month of Apr-22	YTD Avg 2023	YTD Avg 2022	YTD Avg % Change	Ann Avg 2018	Ann Avg 2013
Mountain	111.5	110.6	111.7	109.2	112.8	-3.2%	134.3	74.6
United States	101.3	104.0	108.6	103.7	108.3	-4.2%	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 decreased 0.2 percent between March 2022 and 2023 to 111.5. The index rose 0.8 percent over-the-month from 110.6 in March. The Present Situation Index rose by 0.9 percent over-the-year to 156.9, while the Expectations Index decreased 1.7 percent to 81.1 during the period.

Consumer Spending

National Retail Sales (\$millions)

	Month of Feb-23	Month of Jan-22	Month of Feb-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Growth 2018	Annual Growth 2013
Total Retail Sales	608,411	629,035	577,319	1,237,446	1,161,080	6.6%	4.4%	3.7%
Motor Vehicles	118,889	117,983	117,491	236,872	231,552	2.3%	1.6%	8.5%
Furniture and Home	10,556	10,965	10,558	21,521	20,827	3.3%	3.2%	4.6%
Electronics & Appliance	6,688	7,225	6,618	13,913	13,542	2.7%	1.8%	1.4%
Building Materials	34,327	35,432	33,787	69,759	67,818	2.9%	5.2%	6.4%
Food and Beverage	74,435	79,445	70,337	153,880	146,315	5.2%	2.9%	2.1%
Health and Personal Care	32,343	34,230	29,942	66,573	62,034	7.3%	4.3%	2.0%
Gasoline Stations	47,761	50,332	48,105	98,093	95,724	2.5%	9.8%	-0.3%
Clothing & Accessories	20,733	19,405	20,152	40,138	37,969	5.7%	2.3%	2.4%
Sporting Goods	6,798	7,257	6,626	14,055	13,360	5.2%	-4.4%	-0.3%
General Merchandise	63,365	65,276	59,282	128,641	120,518	6.7%	2.2%	1.8%
Miscellaneous Store	13,090	13,500	12,457	26,590	24,742	7.5%	4.3%	1.9%
Non-Store Retailers	99,222	106,106	92,546	205,328	190,423	7.8%	11.1%	5.3%
Food Service & Drinking	80,204	81,879	69,418	162,083	136,256	19.0%	5.7%	3.7%

Source: U.S. Census Bureau.

- National retail sales activity rose 5.4 percent over-the-year in February, with 11 of the 13 supersectors reporting increases during the period. Food service and drinking places reported the largest over-the-year increase of 15.5 percent, followed by health and personal care stores (+8.0 percent), and non-store retailers (+7.2 percent). Furniture and home furnishing stores reported the only over-the-year decrease of 0.7 percent.
- Retail sales in Metro Denver rose 1.8 percent between February 2022 and 2023. Four of the seven counties in Metro Denver reported over-the-year increases in retail sales. Jefferson County reported the largest increase of 9.5 percent, followed by Denver County (+8.2 percent) and Arapahoe County (+3.0 percent). Douglas County reported the largest decrease of 15.4 percent, followed by Adams County (-3.3 percent). Retail sales throughout Colorado rose 3.3 percent over-the-year.

Metro Denver Retail Sales (\$000s)

	Month of Feb-23	Month of Jan-22	Month of Feb-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Growth 2018	Annual Growth 2013
Total Metro Denver	11,918,227	12,824,078	11,712,374	24,742,304	24,306,937	1.8%	4.9%	5.1%
Adams County	2,223,644	2,268,712	2,298,461	4,492,356	4,807,658	-6.6%	9.1%	6.4%
Arapahoe County	2,079,642	2,327,506	2,018,187	4,407,148	4,198,297	5.0%	4.0%	5.8%
Boulder County	1,160,383	1,237,691	1,139,347	2,398,074	2,353,437	1.9%	3.2%	3.4%
Broomfield County	226,423	245,598	233,453	472,021	473,211	-0.3%	0.6%	12.8%
Denver County	3,105,492	3,272,240	2,870,610	6,377,732	5,842,990	9.2%	5.1%	4.5%

Douglas County	1,120,702	1,427,883	1,324,075	2,548,585	2,842,594	-10.3%	2.2%	0.4%
Jefferson County	2,001,940	2,044,449	1,828,241	4,046,389	3,788,751	6.8%	3.4%	6.3%
Colorado	20,781,028	21,933,384	20,115,932	42,714,412	41,196,306	3.7%	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.

Inflation

- The U.S. Consumer Price Index (CPI) from the U.S. Bureau of Labor Statistics showed that consumer prices in March increased 5.0 percent over-the-year, down from 6.0 percent in February and 6.4 percent in January. This was the ninth consecutive decrease in the over-the-year inflation rate. Core inflation, which excludes volatile food and energy prices, rose 5.6 percent over-the-year in March, up from 5.5 percent in February.
- Seven of the eight components of the CPI increased over-the-year, with the largest increases in food and beverage (+8.3 percent), housing (+7.8 percent), and other goods and services (+6.1 percent). Transportation reported the only over-the-year decrease of 1 percent.
- The CPI for the Denver-Aurora-Lakewood MSA rose 5.7 percent over-the-year in March, down from a 6.4 percent increase in January, and the sixth consecutive decline in the inflation rate. The bimonthly CPI update indicated that prices rose 1.2 percent from January to March.
- Seven of the eight components in the Denver MSA reported increases between March 2022 and 2023, with the largest increases in food and beverage (+9.4 percent), housing (+7.7 percent), and recreation (+5.3 percent). Medical care reported the only decrease of 0.7 percent.
- According to the AAA Daily Fuel Gauge Report, the national average fuel price at the end of April was \$3.61 per gallon, down 13.8 percent from the same time last year. The Metro Denver average fuel price decreased 13.1 percent over-the-year to an average of \$3.44 per gallon, falling \$0.52 over the period. The average fuel price in Metro Denver was \$0.17 lower than the average fuel price in 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

- Three of the four stock market indexes tracked increased between April 2022 and 2023. The Bloomberg Colorado Index reported the largest increase, jumping up 10.7 percent, followed by the DJIA (+3.4 percent), and the S&P 500 (+0.9 percent). The NASDAQ Index reported the only decrease of -0.9 percent. All four indices increased or held steady between March and April 2023. The Bloomberg Colorado Index reported the largest increase of 9.3 percent, followed by the DJIA (+2.5 percent), the S&P 500 (+1.5 percent), and the NASDAQ (no change).

Stock Market Indexes

	Month of Apr-23	Month of Mar-23	Month of Apr-22	YTD Return 2023	YTD Return 2022	Annual Avg Return 2018	Annual Avg Return 2013
Bloomberg Colorado	809.7	740.7	731.3	25.6%	-17.3%	-7.4%	30.6%
S&P 500	4,169.5	4,109.3	4,131.9	8.6%	-13.3%	-6.7%	29.6%
NASDAQ	12,226.6	12,221.9	12,334.6	16.8%	-21.2%	-3.9%	38.3%
DJIA (Dow Jones)	34,098.2	33,274.2	32,977.2	2.9%	-9.2%	-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 almost 6.4 million passengers passed through the airport in March, a 13.9 percent increase from the previous year, or a rise of almost 0.8 million passengers.

Denver International Airport Passengers

	Month of Mar-23	Month of Feb-22	Month of Mar-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual 2018	Annual 2013
Number of Airline Passengers	6,396,940	5,294,453	5,617,325	17,195,758	14,476,102	18.8%	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 6.43 percent for the week ending April 27, 2023, 0.09 percentage points higher than the average rate from four weeks prior of 6.34 percent. A year ago, 30-year mortgage rates averaged 5.1 percent.

Recently Announced Projects

- Canadian development firm Amacon proposed building two 39-story towers, to join another two-tower project on the lots at 1800 Welton Street and 1925 Broadway. Plans indicate anywhere between 611 and 577 condo units will be built on-site, as well as 96 hotel rooms and 13,000 square feet of retail space. The first set of towers is slated to be completed in late 2024.
- Mortenson and Pinnacle Partners broke ground on Revival on Platte in Denver’s Sun Valley neighborhood. The multifamily project will feature 200 units and will be a first-of-its-kind steel framed structure with prefabricated interior and exteriors. The project is expected to be completed in 2024.
- Mercy Housing, a national affordable housing nonprofit headquartered in Denver, will be building a 187-unit community aimed at providing housing for American Indians and Alaska Natives who qualify under the income restrictions. The facility, located at 901 Navajo Street, will begin construction in the summer of 2024.
- Development plans were submitted to build a 15-unit condo development in Cherry Creek. There are currently two office buildings onsite at 329 Detroit Street which would be demolished if the plans are approved. Submission plans also require the lot to be rezoned to residential use.

Existing Home Sales

Metro Denver

- Property assessors for the 9-county Metro Dener area announced that residential property values jumped between 33 and 47 percent in the period that ended June 30, 2022. Values rose fastest in Douglas and Arapahoe counties, rising by 47 and 42 percent respectively, while values grew slowest in Denver and Boulder counties, rising by 33 and 35 percent respectively.
- Home sales in Metro Denver totaled 3,790 in March, down 21.2 percent from the same time last year.
- The number of homes on the market at the end of the month increased by 103.3 percent in March 2023 compared with the same time last year, representing 2,295 additional homes. the inventory of available homes rose by 19.5 percent in March over the previous month; however, it is still lower than the historic average of 15,747 listings available at the end of each month.
- The average listing spent 37 days on the market in March, according to the Denver Metro Association of Realtors. New listings in March were up 47.5 percent from February, but down 15.6 percent from a year earlier.

Metro Denver Existing Home Sales Activity

	Month of Mar-23	Month of Feb-22	Month of Mar-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Ann Total 2018	Ann Total 2013
Home Sales (Closed)	3,790	2,865	4,812	8,833	11,426	-22.7%	56,509	53,711
Homes on Market	4,516	3,778	2,221	4,516	2,221	103.3%	5,577	7,941
Average Sales Price-Single Family	\$743,175	\$728,518	\$793,132	\$728,354	\$750,009	-2.9%	\$522,675	\$335,712
Average Sales Price-Condo	\$475,665	\$478,344	\$496,279	\$469,616	\$472,143	-0.5%	\$351,750	\$198,497
Median Sales Price-Single Family	\$620,000	\$600,000	\$660,000				\$441,000	\$278,350
Median Sales Price-Condo	\$405,750	\$405,000	\$424,500				\$300,000	\$160,000

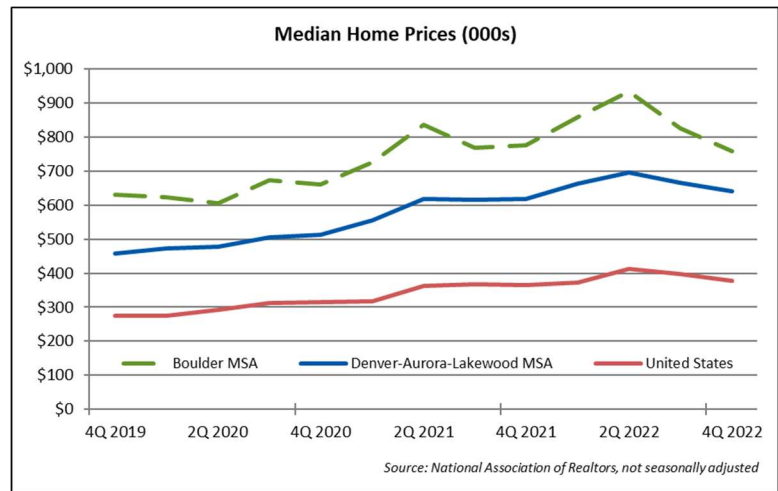
Source: Denver Metro Association of Realtors.

- The average sale price for single-family home in Metro Denver decreased 6.3 percent year-over-year to \$743,175, representing \$49,957 less per home during the period. The average sales price for condominiums fell 4.2 percent over-the-year to \$475,665, representing a decrease of \$20,614 per home.
- Across Colorado, the average and median price for single family homes decreased by 4.2 percent in March 2023 compared to the same time last year. The median sale price fell to \$551,000 from \$575,000. Average price and average time on market both rose as well, but fewer homes were put on the market this year in March.

National

- The National Association of REALTORS' (NAR) home affordability index fell to 103.9 in February down from 104.2 in January. 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 75.9 in February, up from 75.6 in January.
- Total existing-home sales fell 2.4 percent from February to a seasonally adjusted annual rate of 4.44 million in March, according to the National Association of REALTORS (NAR). Sales decreased 22 percent year-over-year from the March 2022 reading of 5.69 million.

- All four regions reported over-the-year decreases in total home sales in March. The West region reported the largest decrease of 30.5 percent, followed by the Northeast (-21.2 percent), the South (-20.4 percent) and the Midwest (-17.6 percent).
- Properties remained on the market for 29 days in March, down from 34 in February and up from 17 days in March 2022. Of the homes sold in February, 65 percent were on the market for less than a month.
- NAR data showed the median existing-home price for all housing types nationally was \$375,700 in March, down 0.9 percent from the same time last year. This marks the second straight month of over-the-year declines after a streak of 131 consecutive months of over-the-year increases, the longest streak on record.
- Median home prices increased in three 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 1.7 percent over-the-year. The median home price in the Northeast grew by 1 percent and home prices in the South increased 0.3 percent over-the-year. The West region reported the only over-the-year decrease, falling by 7.5 percent.
- The West region reported the highest median home price of \$565,400, while the Midwest reported the lowest median price of \$273,400 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.



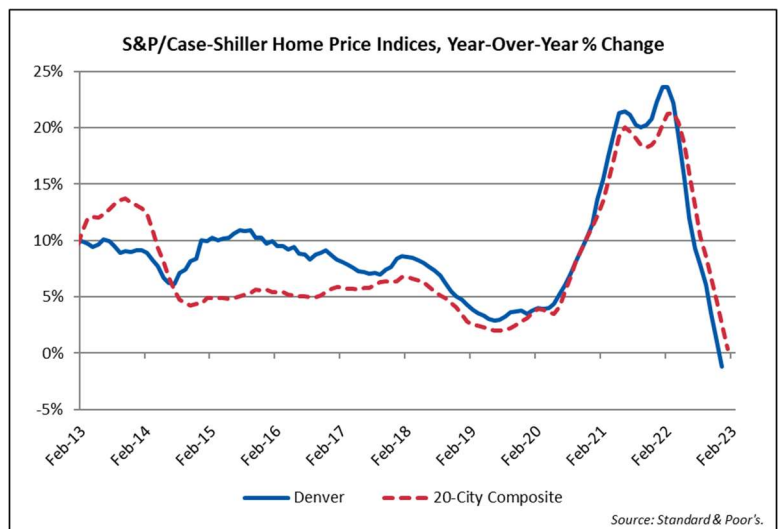
Median Sales Price of Existing Single-Family Homes (\$000s)

	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 decreased 1.2 percent between February 2022 and February 2023, down from a 1 percent increase in January and a 3.5 percent increase in December. February marked the ninth 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, and the first over-the-year decrease in home prices since December 2011.
- National housing prices increased 2 percent over-the-year in February, down from 3.7 percent in January and 5.6 percent in December. Month-over-month home prices rose after falling for seven consecutive months in February. Prices dropped over-the-month in 7 of the 20 major cities.
- Miami reported the highest year-over-year price increase of 10.8 percent, followed by Tampa (+7.7 percent) and Atlanta (+3.6 percent). San Francisco reported the largest over-the-year decrease, falling by 10 percent, followed by Seattle (-9.3 percent), and San Diego (-4.1 percent). Denver ranked 13th out of 20.



Foreclosures

- Foreclosures in Metro Denver decreased 41 percent between April 2022 and April 2023, falling by 146 filings during the period. Over-the-month, foreclosures fell 13.2 percent from 242 filings in March. Six of seven counties reported decreases in filings compared with last year. Arapahoe County reported the largest decrease of 55.4 percent, followed by Broomfield County (-50 percent) and Denver County (-43.7 percent).

Metro Denver Residential Foreclosures

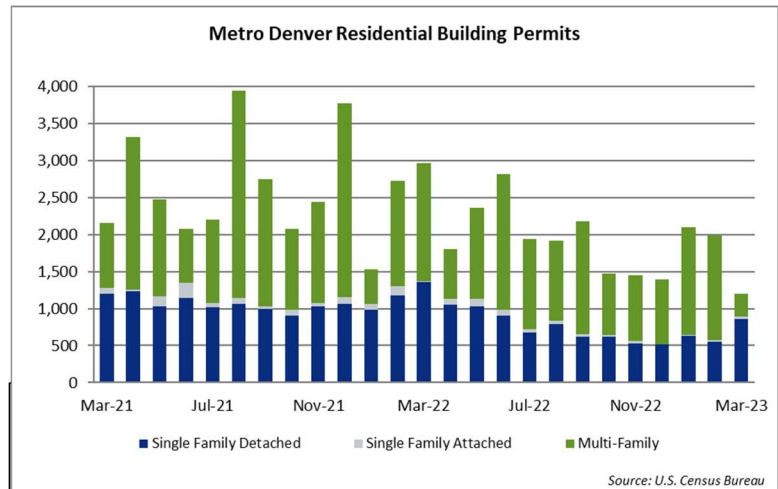
	Month of Apr-23	Month of Mar-23	Month of Apr-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Annual Total 2018	Annual Total 2013
Total Metro Denver*	210	242	356	872	927	-5.9%	2,725	7,520
Adams County	54	67	91	230	276	-16.7%	637	1,636
Arapahoe County	50	57	112	192	242	-20.7%	638	1,700
Boulder County	11	14	16	48	33	45.5%	124	387
Broomfield County	1	2	2	4	9	-55.6%	42	109
Denver County	40	43	71	179	177	1.1%	538	1,616
Douglas County	18	13	14	75	57	31.6%	278	769
Jefferson County	36	46	50	144	133	8.3%	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

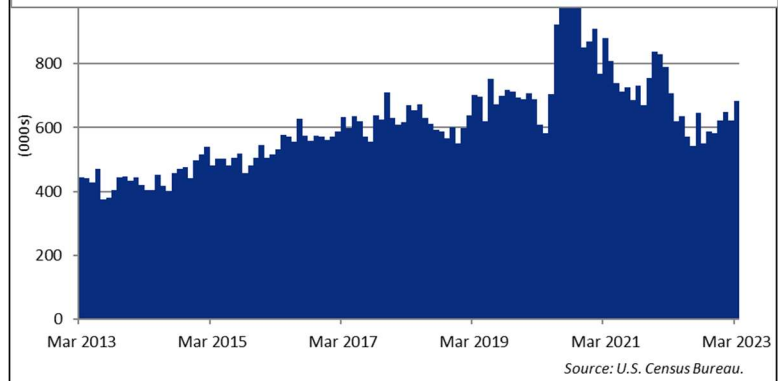
- New home sales in the U.S. decreased 3.4 percent over-the-year to a seasonally adjusted annual rate of 683,000 in March, according to estimates released by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.
- Three of the four regions reported an over-the-year decrease in home sales. The Midwest reported the largest decrease of 11.3 percent, followed by the West (-9 percent), and the South (-3.3 percent). The Northeast reported the only increase, jumping by 27.5 percent.



New Home Construction

National

- Builder confidence for new single-family homes increased 1 point to 45 in April, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). This was the fourth increase after twelve 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.
- According to the U.S. Census Bureau, the seasonally adjusted annual number of nationwide residential building permits totaled over 1.4 million units in March, a 7.7 percent over-the-month decrease, and a 23.9 percent decrease compared with the same time last year.
- Building permits for single-family detached units decreased 29.6 percent over-the-year, or by 344,000 units permitted to a total of 819,000 units permitted in March. Single-family attached units decreased 5.4 percent to 53,000 units permitted, while multi-family units decreased 15.5 percent over-the-year to 558,000 units permitted in March.
- All four regions reported over-the-year decreases in total units permitted. The West region reported the largest over-the-year decrease of 31.4 percent, followed by the Northeast (-22.7 percent), the Midwest (-21.5 percent), and the South (-21.2 percent).



Metro Denver

- Residential building permits in Metro Denver totaled 1,196 units permitted in March, a decrease of 59.6 percent, or 1,767 units, from the same time last year.
- Single-family detached units permitted decreased 36.6 percent over-the-year, falling by 496 units permitted during the period. Single-family attached units increase 72.2 percent, or by 13 units, to a total of 31 during the period. Multi-family units decreased 80.9 percent, or by 1,284 units, to a total of 304 units permitted in March.

Metro Denver Residential Building Permits

	Month of Mar-23	Month of Feb-22	Month of Mar-22	YTD Total 2023	YTD Total 2022	YTD Total % Change	Total 2018	Total 2013
Single-Family Detached Units	861	554	1,357	2,044	3,524	-42.0%	12,248	7,396
Single-Family Attached Units	31	18	18	65	213	-69.5%	400	399
Multi-Family Units	304	1,414	1,588	3,171	3,491	-9.2%	11,561	9,145
Total Units	1,196	1,986	2,963	5,280	7,228	-27.0%	24,209	16,940

Source: U.S. Census Bureau.

Apartment Rental Market

- The U.S. apartment market saw demand increase in the first quarter of 2023 but remains below historic averages. According to an analysis by RealPage Inc. the U.S. added almost 20,000 net new renters in 1Q 2023, up from the -114,000 net absorption loss observed in 2022. In a typical prepandemic year, 1Q net increases in renters averages 40,000.
- 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.

Metro Denver 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

- Commercial property values rose across Metro Denver according to the Denver assessor. Hospitality and retail commercial spaces led commercial property value increases, with the median property jumping 33 percent in value according to the Denver assessor's office. The median commercial property in Metro Denver saw its valuation rise by 17 percent.

Recently Announced Projects

- The Denver City Council approved a \$270.8 million lease for Swire Coca-Cola USA to build a production facility near Denver International Airport. Plans for the space include 670,000 square feet of warehouse space, 400,000 square feet of production space, 30,000 square feet for a sales office, and a 20,000 square foot fleet space. Groundbreaking is scheduled in 3Q 2025.

Office Market

- 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.

Metro Denver 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

- 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

- 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.

Metro Denver 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.

Metro Denver 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

- 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.

Metro Denver 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



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