



JULY 2022

MONTHLY ECONOMIC INDICATORS

Activity & trends impacting
our regional economy



Development Research Partners

PINNACOL
ASSURANCE

July 2022 MEI Snapshot

	Monthly/Quarterly Direction		Year-Over-Year Direction		Year-to-Date Direction	
↕ Positive Changes	9 of 18		11 of 18		12 of 18	
Nonfarm Employment Growth	13,500	↑	81,500	↑	86,800	↑
	Employment up 0.8% from April to May		Employment up 4.8% from May 2021 to 2022		YTD employment up 5.2% through May	
Manpower Net Employment (West Region)	42%	↔	42%	↑	44%	↑
	Net employment unchanged from 2Q 2022 to 3Q 2022		Net employment increased 15 percentage points from 3Q21 to 3Q22		YTD average up 24 percentage points compared with 2021	
Unemployment Rate	3.0%	↓	-2.7 percentage points	↓	3.5%	↓
	Unemployment down 0.1 percentage points from April to May		Unemployment down from May 2021 to 2022		Down 2.7 percentage points from 2021 YTD average	
Initial Unemployment Insurance Claims	4.9%	↑	-73.2%	↓	-90.9%	↓
	Claims increased from April to May		Claims decreased from May 2021 to 2022		YTD average claims decreased through May 2022	
Total National Retail Sales	0.0%	↔	8.3%	↑	11.2%	↑
	National sales unchanged from March to April		National sales increased from April 2021 to 2022		YTD sales increased through April 2022	
Mountain Region Consumer Confidence Index	98.6	↓	-23.7%	↓	110.9	↓
	Index down 15 percent from May to June		Index down from June 2021 to 2022		YTD average down 3.5% through June 2022	
Hotel Occupancy	72.0%	↑	11.5 percentage points	↑	62.5%	↑
	Increased 5.4 percentage points from April to May		Occupancy increased from May 2021 to 2022		YTD occupancy up from last year	
Denver International Airport Passengers	9.6%	↑	18.1%	↑	36.5%	↑
	Passengers up from April to May		Passengers up from May 2021 to 2022		YTD passengers increased through May 2022	
Bloomberg Colorado Index	638.9	↓	-27.0%	↓	-27.8%	↓
	Index down 9.1% from May to June		Index down from June 2021 to 2022		YTD return down through June 2022	
Dow Jones Industrial Average	30,775.4	↓	-10.8%	↓	-15.3%	↓
	Index down 6.7% from May to June		Index down from June 2021 to 2022		YTD return down through May 2022	
Home Sales (closed)	5,821	↑	-1.9%	↓	23,057	↓
	Sales up 11.1% from April to May		Sales down from May 2021 to 2022		YTD sales down 3.3% from last year	
Median Home Price (Denver-Aurora MSA)	\$662,200	↑	19.4%	↑	\$662,200	↑
	Up 7.2% from 4Q 2021 to 1Q 2022		Price up from 1Q 2021 to 1Q 2022		YTD price 19.4% higher through 1Q 2022	
Foreclosures	207	↓	696.2%	↑	1,352	↑
	Down 5% from May to June		Up from June 2021 to 2022		Up 745% YTD through June 2022	
Residential Building Permits (Total)	2,242	↑	-9.3%	↓	11,378	↑
	Permits increased 21.3% from April to May		Permits down from May 2021 to May 2022		YTD permits up 1.5% through May 2022	

Apartment Vacancy Rate	4.3%	↔	-1.2 percentage points	↓	4.3%	↓
	Vacancy unchanged from 4Q 2021 to 1Q 2022		Vacancy decreased from 1Q 2021 to 1Q 2022		YTD average down 1.2 percentage points from last year	
Office Vacancy Rate (with Sublet)	14.0%	↑	+0.1 percentage points	↑	+0.1 percentage points	↑
	Vacancy rate increased 0.1 percentage points from 1Q 2022 to 2Q 2022		2Q 2022 vacancy up from 13.9% one year ago		2Q 2022 vacancy up from 13.9% one year ago	
Industrial Vacancy Rate (with Sublet)	4.7%	↓	-1.9 percentage points	↓	-1.9 percentage points	↓
	Vacancy rate decreased 0.5 percentage points from 1Q 2022 to 2Q 2022		2Q 2022 vacancy down from 6.6% one year ago		2Q 2022 vacancy down from 6.6% one year ago	
Retail Space Vacancy Rate (with Sublet)	4.7%	↑	-0.6 percentage points	↓	-0.6 percentage points	↓
	Vacancy rate increased 0.1 percentage points from 1Q 2022 to 2Q 2022		2Q 2022 vacancy down from 5.3% one year ago		2Q 2022 vacancy down from 5.3% one year ago	

July 2022 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

- Wallethub ranked Colorado No. 6 in their “2022 Best & Worst State Economies” report. The report analyzed 28 metrics of economic performance and strength including GDP growth, startup activity, and the share of jobs in high-tech industries. The study gave Colorado a score of 58.84 out of 100, ranking sixth for economic health, ninth for innovation potential, and 13th for economic activity.
- Denver/Boulder together ranked No. 24 in the world for startup ecosystems, rising three spots from 2021, according to Startup Genome’s Global Startup Ecosystem Report. Researchers analyzed 300 areas using a weighted average of startup performance, funding, market reach, connectedness, knowledge, experience, and talent. Denver/Boulder received accolades for its connectedness and a record number of companies achieving unicorn status in 2021. Topping the list was Silicon Valley, followed by New York City, London, Boston, and Beijing.
- Colorado ranked No. 10 among the nation’s friendliest states for LGBTQ+ businesses, according to the OUT Leadership’s “State LGBTQ+ Business Climate Index” for 2022. States were analyzed across five broad categories: legal and nondiscrimination protection, youth and family support, political and religious attitudes, health access and safety, and work environment and employment. New York had the highest ranking for the second year in a row, while South Carolina had the lowest ranking for the third consecutive year.
- Two Colorado cities made the top 10 in an Ownerly list of “2022 America’s Best Cities for Remote Workers: Great Outdoors.” Fort Collins ranked No. 7 and Thornton ranked No. 10. Rankings were determined by factors including housing prices, safety, broadband availability, and free Wi-Fi coverage.
- Denver ranked No. 17 out of the top 100 cities in Resonance Consultancy’s “America’s Best Cities 2022” based on 6 metrics that measure how attractive a city is to work, live, and play. Denver ranked in the top 20 for product, people, and promotion and was praised for its talent, arts and culture, light rail, and coveted lifestyle brand.
- SmartAsset ranked Denver as the No. 58 best city for first-time homebuyers to purchase in 2022. Five other Colorado cities were named to the list including Fort Collins (27th), Colorado Springs (33rd), Lakewood

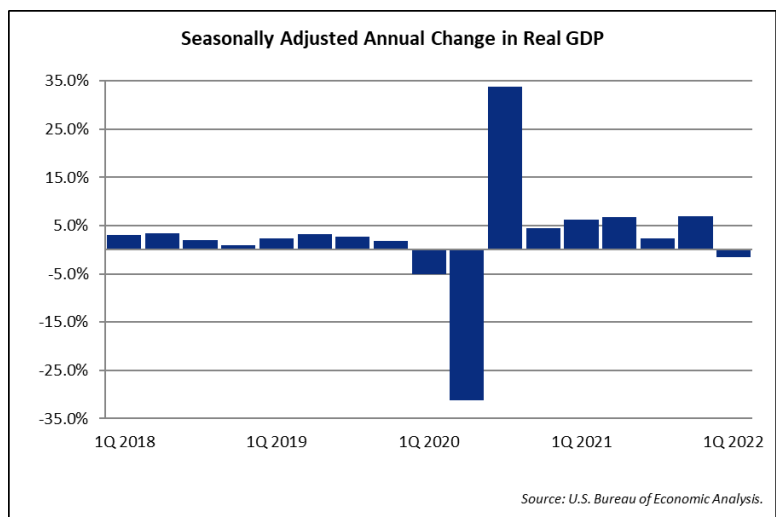
(76th), Thornton (84th), and Aurora (101st). The ranking was based on four categories: home market favorability, affordability, livability, and employment. Bellevue, Wash. was named as the No. 1 spot.

- According to analysis by *The Business Journals*, Aspen University in Denver ranked No. 18 among the fastest growing U.S. universities and colleges ranked by total enrollment growth from fall 2017 to fall 2021. Aspen University reported total enrollment of 6,399 students in 2021, up 321 percent or 4,880 students from 2017.
- Douglas County and Broomfield County came in as the No. 3 and No. 9 healthiest communities, respectively, in a new 2022 report from *U.S. News & World Report*. The *Healthiest Communities* rankings are based on an evaluation of approximately 3,000 communities nationwide across 89 health and health-related metrics in 10 categories such as education, population health, infrastructure, and environment.
- Aurora-based Children's Hospital Colorado ranked as the No. 7 pediatric hospital in the nation, according to *U.S. News & World Report*. Children's also made the Best Children's Hospitals Honor Roll and ranked No. 1 in both Metro Denver and the state. Of the 10 specialties evaluated in the rankings, Children's placed on the top 10 for five of them and in the top 25 for four specialties.
- The Garden of the Gods in Colorado Springs is the ninth best attraction worldwide and the second-best attraction in the U.S., according to Tripadvisor's 2022 *Best of the Best Things to Do*. The rankings are determined based on the quality and quantity of traveler reviews and ratings for experiences, tours, activities, and attractions on Tripadvisor. The Garden of the Gods, famous for its panoramic views of red rock formations, receives on average 4 million visitors each year.

National Economic Overview

Gross Domestic Product

- The U.S. Bureau of Economic Analysis (BEA) released their third estimate of real gross domestic product (GDP) for the first quarter of 2022 and found that GDP decreased at an annual rate of 1.6 percent. In the fourth quarter, real GDP increased 6.9 percent.
- The third estimate is based on more complete source data than were available for the second estimate. The advanced GDP estimate for 2Q 2022 is scheduled for release on July 28.
- The decrease in first quarter real GDP reflected decreases in exports (led by widespread decreases in nondurable goods), federal government spending (led by defense spending on intermediate goods and services), private inventory investment (led by motor vehicle wholesale trade, mining, and utilities), and state and local government spending.
- These decreases were offset by increases in imports (led by nonfood and nonautomotive consumer goods) and increases in nonresidential fixed investment (led by equipment and intellectual property products),



personal consumption expenditures (led by housing and utilities and “other” services), and residential fixed investment.

- According to the twice-yearly Livingston Survey from the Federal Reserve Bank of Philadelphia, forecasters expect the U.S. will finish the first half of 2022 with 0.5 percent GDP growth compared with the same time last year, down from the December 2021 prediction of 3.9 percent growth. Forecasters predict that GDP growth in the second half of 2022 will be 2.1 percent. The U.S. unemployment rate is expected to remain at its current 3.6 percent at the mid-point of 2022 and drop to 3.4 percent by year end. Inflation is predicted to fall from its current 8.6 percent to 7.6 percent by the end of 2022 and 3.8 percent at the end of 2023.

Interest Rates

- In their meeting on June 14-15, the Federal Open Market Committee (FOMC) of the Federal Reserve firmed its stance on monetary policy. Overall economic activity picked up after edging down in the first quarter. Job gains have remained robust, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures. Further, the invasion of Ukraine by Russia is creating additional upward pressure on inflation and COVID-related lockdowns in China are likely to exacerbate supply chain disruptions.
- 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 Fed raised the target range for the federal funds rate 0.75 percentage points to 1.5 to 1.75 percent, the largest increase since 1994. The rate hike brings the federal funds rate back to its pre-pandemic October 2019 level. The Fed anticipates that ongoing increases in the target range will be appropriate. 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 July 26-27, 2022.

Policy Watch

Local

- The Denver City Council passed an affordable housing proposal that will require 8 percent to 12 percent of units at developments with 10 or more units to be designated as affordable housing for individuals making between 60 percent and 90 percent of the area median income. The ordinance applies to both rental and for-sale units. The city implemented a June 30 deadline for developers to submit their concept plans prior to the ordinance going into effect, with a 14-month period for final site development plans to be approved by August 2023. Larger projects have a deadline for approval of December 30, 2023. Developers who do not meet the affordable housing requirements will be required to pay a linkage fee.
- Colorado single-filer taxpayers are now expected to receive refunds checks of at least \$750 this summer and joint filers are expected to receive at least \$1,500 as part of the Taxpayer’s Bill of Rights (TABOR), which requires the Colorado government to send a portion of state revenue back to taxpayers in strong economic times. This estimate is an upward revision from the May estimate of \$500 for individuals and \$1,000 for joint filers. Economists anticipate that revenues above the cap will total about \$3.65 billion, or nearly 10 percent of the entire state budget, for the 2021-2022 fiscal year.

Economic Indexes & Notable Data Releases

National & International

- The U.S. trade deficit was \$87.1 billion in April, down 19.1 percent from \$107.7 billion in March. April imports decreased 3.4 percent to \$339.7 billion, while exports increased 3.5 percent to \$252.6 billion. Year-to-date, the goods and services deficit increased \$107.9 billion, or 41.1 percent, from the same period in 2021. Exports increased 18.8 percent and imports increased 24.3 percent year-over-year.
- The Conference Board Leading Economic Index (LEI) decreased by 0.4 percent in May to 118.3, following a 0.4 percent decline in April. The LEI is now down 0.4 percent over the six-month period from November 2021 to May 2022. The May decrease in the U.S. LEI was fueled by falling stock prices, a slowdown in housing construction, and lower consumer expectations. The index is still near a historic high, but the U.S. LEI suggests weaker economic activity is likely in the near term and tighter monetary policy is poised to dampen economic growth even further.
- According to the Institute for Supply Management's Manufacturing Index, the Purchasing Managers Index (PMI) was 53 percent in June, a decrease of 3.1 percentage points from the May reading of 56.1 percent. This figure indicates expansion in the overall economy for the 25th month in a row after contraction in April and May 2020, but it was lowest reading since June 2020. The U.S. manufacturing sector continues to be powered – though less so in June – by demand while held back by supply chain constraints. Despite the Employment Index contracting in May and June, companies improved their progress on addressing moderate-term labor shortages at all tiers of the supply chain and panelists reported a lower rate of quits compared to May. Prices expansion slightly eased for a third straight month in June, but instability in energy markets continues. Fifteen manufacturing industries reported growth in June compared to May, with the only declines reported in Paper Products, Wood Products, and Furniture & Related Products.
- The Services Purchasing Managers Index (PMI) by the Institute for Supply Management registered 55.3 percent in June, 0.6 percentage points lower than May's reading of 55.9 percent, and the lowest reading since May 2020. The June reading indicates growth for the 25th consecutive month after a two-month contraction in April and May of 2020. Growth slowed in June due to a decline in new orders and employment. Further, the services sector was negatively impacted by logistical challenges, a restricted labor pool, material shortages, inflation, the coronavirus pandemic, and the war in Ukraine. All 18 services industries reported growth in June, led by Mining, Management of Companies & Support Services, and Other Services.
- Various analysts forecast increased risk of recession through 2022 and 2023:
 - Moody's Analytics predicts a 30 percent chance of a recession in 2022 and a 50 percent chance of a recession in 2023. According to analysts, long-rising U.S. home prices, which have kept many households in the rental pool, are poised for a decline after 2022. Further, declining consumer sentiment, spurred by rising gas prices and other inflation, will further weigh down prospects for retail real estate in the coming year.
 - Among CEOs globally, 15 percent believe a recession is already underway, according to an annual survey conducted by The Conference Board. Another 61 percent expect a recession is forthcoming in their primary region of operation before the end of 2023, if not earlier.

- A prominent Federal Reserve economist, Michael Kiley, puts the risk of recession at 50 percent within the coming year and more than 60 percent within the next two years.
- Standard & Poor's Financial Services LLC forecast a 30 percent chance of a recession within the next year.

Local

- According to the University of Colorado Boulder Leeds School of Business third quarter 2022 Leeds Business Confidence Index, Colorado business leaders expressed pessimism ahead of Q3 2022, recording the fifth-lowest reading in the 20-year history of the index. The Index decreased 12.8 points ahead of 3Q 2022 to 41.1, falling into negative territory (below 50) and falling well below the long-term average of 54.2. All six components fell below 50, reflecting negative perceptions. The outlook was dimmest for the national economy and brightest for industry hiring. Nearly 23 percent of respondents think the country is already in a recession, while 57 percent expect it to occur sometime in the next year. Inflation was the greatest concern among panelists, followed by interest rates, the supply chain, energy prices, the Russia-Ukraine conflict, and persistent worker shortages. Looking two quarters ahead to Q4 2022, overall expectations fell further to 38, recording the fourth-lowest outlook on record.
- Colorado ranked No. 17 in the country for the number of graduates hired by large tech companies, according to a study by TonerGiant. Researchers used LinkedIn data to analyze more than 500,000 employees at 26 of the world's largest technology companies, including Google, Meta, Amazon, Apple, and Microsoft. Of the 6,739 Colorado graduates in the study, approximately 1,135 graduates, or 17 percent, work at Amazon, followed by 933 graduates working for Google, 901 working for Oracle, 735 for Apple, and 669 for IBM. According to the study, the University of Colorado produced more tech employees than any other university in the state, followed by Colorado State University, the University of Denver, and Colorado School of Mines.
- The U.S. Census Bureau released its latest population estimates for cities and towns and found that Denver was the 19th largest city in the United States in 2021. Across Metro Denver, Deer Trail and Castle Pines recorded the fastest-growing population between 2020 and 2021, rising 10.7 percent and 9.6 percent, respectively. Ten cities across the Metro Denver region recorded population exceeding 100,000 in 2021. The latest Census estimates demonstrate slowing growth overall for the state, with Colorado adding only 27,000 residents between 2020 and 2021 and indicating the smallest increase since the 1980s.

Labor Force and Employment

- Employment in Metro Denver increased 4.8 percent between May 2021 and 2022, rising by 81,500 jobs across all supersectors. Employment in the Denver-Lakewood-Aurora MSA rose 4.7 percent, or by 71,500 jobs, while the Boulder-Longmont MSA increased 5.1 percent, or by 10,000 jobs, during the period.
- All 11 supersectors reported over-the-year increases in employment. Leisure and hospitality reported the largest increase, rising 13.6 percent, followed by professional and business services (+8.6 percent) and other services (+7.5 percent). Government reported the most modest over-the-year increase of 1 percent.
- Employment in Colorado increased 4.8 percent, or by 131,600 jobs, between May 2021 and 2022. National employment rose 4.5 percent, or by nearly 6.5 million jobs. The U.S. has now regained 96.3 percent of the jobs lost from February to April 2020.

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

	Month of May-22	Month of Apr-22	Month of May-21	Year-to- Date Average YTD 2022	Year-to- Date Average YTD 2021	Year-to- Date Average Change	Annual Growth Rate 2017	Annual Growth Rate 2012
Total 11-County Metro Denver*	1,784.0	1,770.5	1,702.5	1,756.5	1,669.7	5.2%	2.1%	2.9%
Denver-Aurora-Lakewood MSA	1,579.3	1,567.6	1,507.8	1,555.5	1,479.8	5.1%	2.1%	2.9%
Boulder MSA	204.7	202.9	194.7	201.0	189.9	5.9%	2.1%	2.7%
Natural Resources & Construction	118.7	116.6	114.5	114.9	112.0	2.6%	4.8%	5.1%
Manufacturing	93.6	93.8	90.3	93.3	89.9	3.8%	1.1%	2.2%
Wholesale & Retail Trade	239.0	240.3	233.5	239.3	232.9	2.8%	1.1%	2.1%
Transp., Warehousing & Utilities	74.5	75.3	70.9	76.2	73.2	4.1%	4.8%	2.9%
Information	61.9	61.9	60.9	62.1	60.4	2.7%	1.4%	-0.8%
Financial Activities	124.5	123.9	122.1	124.2	121.4	2.3%	2.5%	2.1%
Professional & Business Services	354.4	350.2	326.2	344.2	318.7	8.0%	2.1%	5.1%
Education & Health Services	221.6	219.7	217.8	219.8	217.0	1.3%	1.7%	3.7%
Leisure & Hospitality	186.8	182.1	164.4	178.5	148.4	20.2%	2.8%	3.4%
Other Services	68.4	68.5	63.6	67.2	62.7	7.2%	1.1%	2.8%
Government	240.6	238.2	238.3	236.7	233.1	1.5%	1.9%	0.9%
Federal Gov't	29.6	29.7	30.7	29.8	30.6	-2.6%	-0.5%	-0.8%
State Gov't	66.3	66.5	64.9	65.1	63.4	2.6%	4.4%	1.8%
Local Gov't	144.7	142.0	142.7	141.8	139.1	1.9%	1.3%	0.9%
Colorado	2,858.9	2,842.0	2,727.3	2,823.2	2,684.8	5.2%	2.3%	2.4%
United States	151,773	150,964	145,304	149,858	143,215	4.6%	1.6%	1.7%

*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 Cluster Headlines

Aerospace

- Denver-based small-satellite maker York Space Systems expects to begin operations this summer at a new factory in the Denver Tech Center. The 138,000-square-foot building adds to the company's existing downtown Denver factory near Ball Arena and offices on the Metro State University campus. With the addition of the Tech Center site, the company is setting up manufacturing capacity to build more than 700 satellites per year, with enough space to employ more than 550 people.

Bioscience

- CBRE ranked the Denver-Boulder area No. 11 in the U.S. for life sciences research talent in their inaugural Life Sciences Research Talent 2022 report. In order to identify and rank the top 25 U.S. cities, CBRE analyzed the fastest growing industries to identify a market's number of life science jobs and graduates, life sciences' share of each markets' overall job and graduate pools, its number of doctorate degree holders in life sciences, and its concentration of jobs in the broader professional, scientific, and technical services professions. According to the report, the number of life sciences researchers in Denver-Boulder grew 20

percent between 2015 and 2020 to 7,860 researchers. Analysts noted that Denver-Boulder has world-class health centers and universities, and in turn, sizeable pools of life sciences research talent.

- Boulder-based Watchmaker Genomics Inc. raised \$40 million in a Series A funding round to ramp up its research and development capabilities and expand its workforce. The life sciences company develops reagents that are used in genetic testing, primarily for cancer tumor profiling. Watchmaker started with three employees and plans to expand to 150 by the end of 2022.

Broadband & Digital Communications

- Englewood-based DISH is constructing the nation's fourth wireless network, a 5G cellular network that the company is calling Project Genesis. In mid-June, the network launched in more than 120 cities, including Grand Junction and Pueblo, reaching their interim goal of 20 percent national coverage. The project is expected to ramp up to 70 percent national coverage within the next year. DISH Wireless has hired more than 1,600 workers in the past 18 months and plans to add 500 more.

Energy and Natural Resources

- The Colorado Public Utilities Commission has approved plans for Colorado's Power Pathway, Xcel Energy's \$2 billion project that will upgrade the state's high-voltage transmission system. The pathway will consist of loops of up to 650 miles of high-voltage transmission lines as well as four new substations and four expanded substations. According to Xcel, the project will help the company continue on its path to reducing carbon emissions in Colorado by more than 85 percent by 2030, deliver low-cost, renewable energy, and improve the grid's resilience and reliability.
- A 69-well drilling plan by PDC Energy Inc. and a 32-well project by Bayswater Exploration & Production LLC won approval from the Colorado Oil & Gas Conservation Commission. This was the biggest single batch of new drilling approvals since 2021 state rule reforms. Both companies met the COGCC's tightened standards and have agreed to pipe away oil and natural gas produced by the wells, conduct air emissions monitoring, and take other steps to minimize potential impacts. The PDC Energy project, called the Kenosha oil and gas development, is expected to begin physical work in 2024, while the Bayswater project is expected to have begun construction in June.
- The Golden-based National Renewable Energy Laboratory (NREL) is partnering with Southern California Gas Co. and GKN Hydrogen Corp. to build a hydrogen storage subsystem at NREL's Flatirons Campus in Boulder. The facility will store hydrogen and then convert the hydrogen into renewable electricity. The three-year project is set to launch at the end of 2022.

Food and Beverage Production

- Kroger, the nation's largest supermarket chain, is expanding its online grocery-delivery service by adding a highly automated fulfillment center in Adams County. The nearly 300,000-square-foot distribution center at 6125 N. Jackson Gap Street in Aurora will bring nearly 400 new jobs to the area.
- Prost Brewing Company plans to invest \$25 million over the next 10 years to bring their corporate headquarters, regional production, distribution center, and a 10,000-square-foot biergarten to the Northglenn Marketplace, located at 104th Avenue and Interstate 25. The new Northglenn facility is slated to open in July 2023 and could bring 200 new jobs to the area. The company is also planning to open a satellite location in Colorado Springs by 2024 and expand to additional locations by 2027.

- The Metropolitan State University of Denver plans to open a \$1 million Brewing Education Lab to further its brewery operations education program. The 1,500-square-foot lab will be located on the ground floor of the university's Hospitality Learning Center and will likely be completed in early 2023. The Brewing Operations Program, which teaches student how to make beer as well as operate a brewery, is currently home to 58 students.
- Second Dawn Brewing plans to open a 5,100-square-foot brewery near the Stanley Marketplace in Aurora, which is slated for completion in October 2022. The brewery will include a 10-barrel system and a 1,000-square-foot patio.

IT-Software

- Housecall Pro, a Denver-based mobile software platform for home-service businesses, raised \$125 million in a Series D funding round in order to fund a global operations expansion effort. The funds will be used to invest in sales, marketing, and engineering including hiring new staff in Denver. The company is looking to increase its presence in Denver though most workers will not have to go into the office. Housecall Pro currently employs 1,300 employees, 125 of whom work in Denver.
- Boulder-based IT company Automox will lay off 18 percent of its total workforce or about 60 employees, citing challenges in the broader economic climate. The company has not revealed where the employees were located but had about 100 employees along the Front Range.

Metro Denver Lifestyle Vertical Headlines

Note: Two new verticals have been added to the Industry Cluster Studies. In addition to the 9 existing Industry Clusters, there are now two Lifestyle Verticals: Arts & Culture and Outdoor Recreation.

Arts & Culture

- The Denver Botanic Gardens is planning a major expansion of its 700-acre Chatfield Farms location in Littleton. The expansion will be broken up into multiple phases, with the first phase including the construction of a new 3,800-square-foot welcome center with a gift shop, a coffee shop, and staff offices. Future phases include the construction a 13,000-square-foot education building and a 5,600-square-foot restaurant with a 3,500-square-foot outdoor patio, a stage, and a butterfly house.
- Thornton City Council has approved the construction of a nature-based library on the Aylor Property Open Space in Thornton. The project will blend the built environment with the natural environment, balancing education with conservation, and provide connectivity to the city's trail network and neighborhoods. Anythink Libraries and the City of Thornton will partner to build the 50,000-square-foot library that will include elements such as water access and a natural playscape.

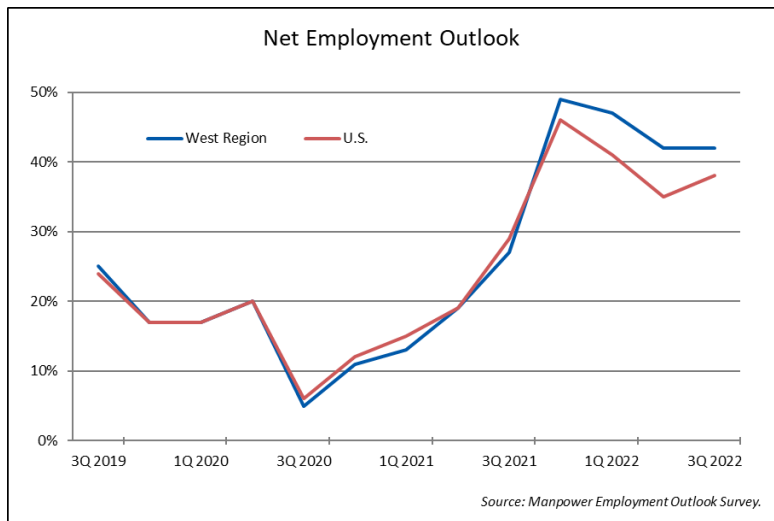
Outdoor Recreation

- Visitation to Colorado ski areas reached a new record during the 2021-22 season. Colorado Ski Country, a trade association that represents 22 of the 28 ski areas in Colorado, announced its member resorts, along with estimates from Vail Resorts' five Colorado ski areas, posted 14 million skier visits during the 2021-2022 season. The previous statewide record of 13.8 million was set in 2018-19.

- Lost Paddle Events will be hosting an e-bike trade show at the Colorado Convention Center in Denver in June 2023, the first of the company's two-year commitment to holding the show in Denver. The largest e-bike brands will be in Denver to exhibit new models in one of the strongest bike markets in the United States.
- Colorado-based Matador Travel Equipment has moved to a new 8,000 square foot facility on 38th Street in Boulder. The company specializes in outdoor equipment including backpacks, blankets, and other camping accessories. The building will allow the company to expand their staff from 14 workers to 40, all of whom would be working in person.

Employment Outlook

- The Manpower Employment Outlook Survey revealed that U.S. hiring optimism continued ahead of 3Q 2022. Across the nation, 50 percent of companies plan to hire in 3Q 2022, up 18 percentage points over-the-year. Companies planning to lay off increased 9 percentage points over-the-year to 12 percent, while the number of companies planning no change decreased 29 percentage points to 34 percent in 3Q 2022. The net U.S. employment outlook, which reflects the difference in the percent of companies hiring versus laying off, was 38 percent ahead of 3Q 2022, up 9 percentage points over-the-year and up 3 percentage points over-the-quarter.
- All four regions in the United States reported strong outlooks for 3Q 2022, led by the Northeast with a net employment outlook of 43 percent. The West, which includes Colorado, reported a net employment outlook of 42 percent, followed by the Midwest (36 percent) and the South (35 percent). Over-the-quarter, regional outlooks strengthened in three of the four regions, while the West reported no change. All four regions reported improvements in the outlook over-the-year.



Employment Outlook Survey

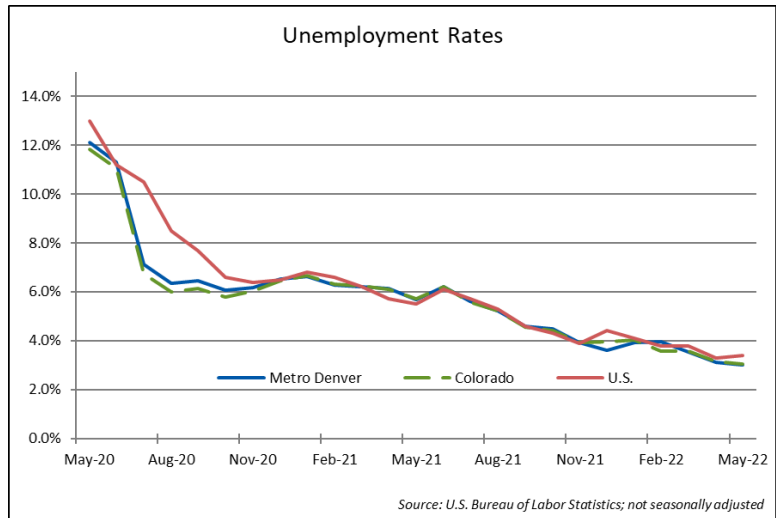
	Quarter 3 2022	Quarter 2 2022	Quarter 3 2021	YTD 2022	YTD 2021	Ann Avg 2017	Ann Avg 2012
West Region							
Net Employment	42%	42%	27%	44%	20%	-	-
United States							
Percent of Companies Hiring	50%	49%	32%	52%	25%	22%	18%
Percent of Companies Laying Off	12%	14%	3%	14%	4%	5%	8%
Percent of Companies No Change	34%	34%	63%	31%	67%	72%	71%
Percent of Companies Unsure	4%	3%	2%	3%	3%	2%	4%
Net Employment	38%	35%	29%	38%	21%	17%	10%

Source: Manpower Inc.

- Growth is expected across all 11 national industry sectors, with the strongest employment outlook reported in IT & Technology (59 percent), followed by Banking, Finance, Insurance & Real Estate (45 percent) and Construction (+42 percent).

Labor Force & Unemployment

- Unemployment in Metro Denver decreased 2.7 percentage points over-the-year to 3 percent in May. The unemployment rate decreased 0.1 percentage points from the prior month.
- All seven counties in Metro Denver reported over-the-year decreases in the unemployment rate in May. Denver and Adams counties reported the largest decreases, falling 3 percentage points, followed by Arapahoe County (-2.9 percentage points) and Jefferson County (-2.6 percentage points). Douglas County reported the lowest unemployment rate of 2.3 percent in May, while Adams County reported the highest rate of 3.6 percent.
- There were 47,086 more people either employed or looking for work between May 2021 and 2022 in Metro Denver, an increase of 2.6 percent. The labor force rose in all seven counties, led by Boulder County (+3.4 percent), Douglas County (+3.3 percent), and Broomfield County (+2.9 percent).



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

	May 2022 (p)		2022 YTD AVG		2021 YTD AVG		2017 Ann Avg	2012 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	1,885.7	3.0%	1,879.0	3.5%	1,823.8	6.2%	2.5%	7.7%
Adams County	282.0	3.6%	281.3	4.2%	273.7	7.1%	2.8%	9.5%
Arapahoe County	375.0	3.2%	373.8	3.8%	363.5	6.6%	2.6%	7.8%
Boulder County	201.6	2.4%	200.3	2.8%	193.0	5.1%	2.2%	6.3%
Broomfield County	42.3	2.4%	42.1	2.8%	40.8	5.3%	2.4%	6.7%
Denver County	436.1	3.3%	434.9	3.8%	423.6	6.8%	2.5%	7.9%
Douglas County	206.8	2.3%	205.8	2.7%	198.4	4.7%	2.2%	6.1%
Jefferson County	342.0	2.7%	340.8	3.2%	330.8	5.9%	2.4%	7.5%
Colorado	3,221.9	3.0%	3,214.9	3.5%	3,121.3	6.2%	2.3%	6.8%
United States	164,157	3.4%	163,686	3.8%	160,125	6.2%	2.5%	7.9%

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

- Colorado reported an unemployment rate of 3 percent in May, down 2.7 percentage points from the same time last year. Over-the-month, the state's unemployment rate fell 0.1 percentage points. The labor force increased 2.8 percent over-the-year to about 3.2 million people either employed or looking for work. The

national unemployment rate fell 2.1 percentage points over-the-year to 3.4 percent but rose 0.1 percentage points over-the-month. The national labor force increased 2.2 percent between May 2021 and 2022.

- Initial unemployment insurance claims in Metro Denver decreased 73.2 percent between May 2021 and 2022, falling to a weekly average of 976 claims. Over-the-month, initial claims increased 4.9 percent.
- Colorado reported an average of 1,813 initial unemployment claims per week in May, down 71.7 percent from the same time last year, and representing 4,584 fewer claims each week. Between April and May, average weekly initial claims in Colorado decreased 4.5 percent.

Weekly First-Time Unemployment Insurance Claims

	Month of May-22	Month of Apr-22	Month of May-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Metro Denver	976	930	3,641	1,070	11,815	-90.9%	1,103	1,627
Colorado	1,813	1,898	6,397	1,971	20,131	-90.2%	2,092	3,123

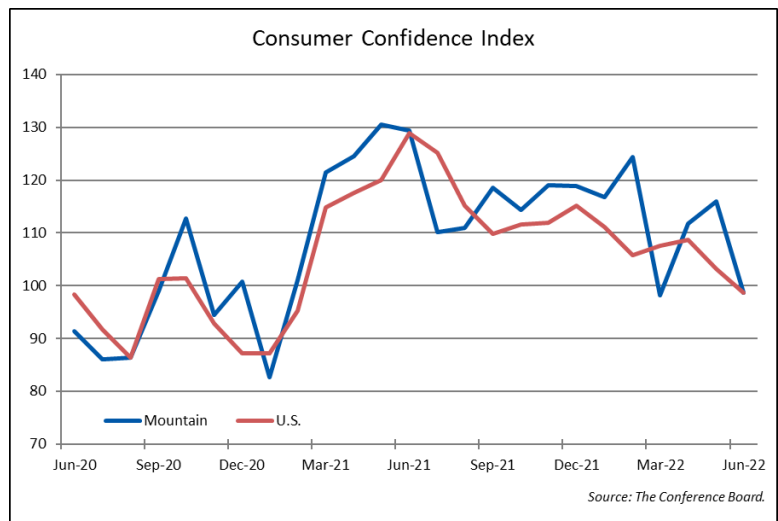
Note: Reference week data includes the 19th day of the month for all months except November and December, which include the 12th day of the month.

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

Consumer Sector

Consumer Sentiment

- The Consumer Confidence Index fell to its lowest level since February 2021 for the U.S. in June, following a decline in May. The index now stands at 98.7, a 4.4 percent over-the-month decrease, and a 23.4 percent decrease over-the-year.
- Analysts at The Conference Board stated that consumers' grimmer outlook was driven by increasing concerns about inflation, in particular rising gas and food prices. Expectations fell below a reading of 80, suggesting weaker growth in the second half of 2022 as well as growing risk of recession by year end. Purchasing intentions for cars, homes, and major appliances held relatively steady – although intentions cooled since the start of the year and this trend is likely to continue as the Fed aggressively raises interest rates to tame inflation. Meanwhile, vacation plans softened further as rising prices took their toll. Looking ahead over the next six months, consumer spending and economic growth are likely to continue facing strong headwinds from further inflation and rate hikes.
- Colorado is included in the Mountain region and the index for the area decreased 23.7 percent between June 2021 and 2022 to 98.6. The index fell 15 percent over-the-month from 116 in May. The Present Situations Index fell 11.3 percent over-the-year to 140.1, while the Expectations Index decreased 35.6 percent to 71 during the period.



Consumer Confidence Index

	Month of Jun-22	Month of May-22	Month of Jun-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Mountain	98.6	116.0	129.3	110.9	114.9	-3.5%	130.1	68.7
United States	98.7	103.2	128.9	105.8	110.6	-4.3%	120.5	67.1

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

Consumer Spending

- National retail sales activity rose 8.3 percent over-the-year in April, with nine of the 13 supersectors reporting increases during the period. Gasoline stations reported the largest over-the-year increase of 38.1 percent, followed by food services and drinking places (+21.7 percent) and miscellaneous store retailers (+18.8 percent). Electronics and appliance stores reported the largest over-the-year decrease of 3.6 percent, followed by motor vehicles and parts dealers (-1.1 percent) and sporting goods, hobby, books, and music stores (-0.9 percent).
- Looking ahead, retail sales activity in May declined 0.3 percent over-the-month, but increased 8.1 percent over-the-year, based on advanced estimates.

National Retail Sales (\$millions)

	Month of Apr-22	Month of Mar-21	Month of Apr-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Growth 2017	Annual Growth 2012
Total Retail Sales	681,635	681,854	629,451	2,530,589	2,275,293	11.2%	4.1%	5.0%
Motor Vehicles	137,365	140,108	138,891	508,011	480,503	5.7%	2.9%	9.0%
Furniture and Home	12,215	12,533	11,951	45,856	44,700	2.6%	2.7%	4.5%
Electronics & Appliance	7,085	7,627	7,346	27,856	28,185	-1.2%	-1.6%	2.1%
Building Materials	46,179	44,478	46,533	157,957	149,717	5.5%	3.4%	4.5%
Food and Beverage	76,387	76,325	69,944	297,011	275,177	7.9%	3.8%	3.1%
Health and Personal Care	32,422	33,648	31,960	128,241	122,388	4.8%	1.5%	0.9%
Gasoline Stations	64,844	64,397	46,956	227,914	166,031	37.3%	9.2%	4.1%
Clothing & Accessories	25,902	25,622	23,115	90,146	78,218	15.2%	0.1%	4.8%
Sporting Goods	8,704	8,748	8,786	31,864	31,577	0.9%	-2.9%	2.8%
General Merchandise	65,469	67,648	64,291	250,576	244,618	2.4%	1.3%	2.8%
Miscellaneous Store	15,699	15,191	13,217	56,222	46,286	21.5%	2.1%	1.5%
Non-Store Retailers	102,248	100,752	94,884	394,488	357,729	10.3%	11.8%	8.5%
Food Service & Drinking	87,116	84,777	71,577	314,447	250,164	25.7%	5.3%	5.8%

Source: U.S. Census Bureau.

- Retail sales in Metro Denver rose 15.6 percent between April 2021 and 2022. All seven counties in Metro Denver reported over-the-year increases in retail sales. Denver County reported the largest increase of 32.6 percent, followed by Boulder County (+18.1 percent) and Broomfield County (+12.7 percent). Adams County reported the most modest increase of 7.5 percent. Retail sales throughout Colorado rose 14.5 percent over-the-year.

Total Retail Sales (\$000s)

	Month of Apr-22	Month of Mar-22	Month of Apr-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Growth 2017	Annual Growth 2012
Total Metro Denver	13,735,545	15,239,434	11,880,692	53,281,916	45,367,265	17.4%	4.9%	7.9%
Adams County	2,503,400	2,801,764	2,329,193	10,112,822	8,652,823	16.9%	8.9%	12.4%
Arapahoe County	2,310,492	2,669,047	2,112,175	9,177,835	8,005,710	14.6%	1.5%	9.7%
Boulder County	1,330,015	1,682,625	1,126,218	5,366,076	4,563,197	17.6%	9.5%	5.8%
Broomfield County	276,813	312,729	245,575	1,062,752	898,416	18.3%	8.1%	15.9%
Denver County	3,683,610	3,724,499	2,777,685	13,251,100	10,642,577	24.5%	4.0%	1.9%
Douglas County	1,531,001	1,578,218	1,360,938	5,951,812	5,137,692	15.8%	2.0%	7.7%
Jefferson County	2,100,214	2,470,552	1,928,907	8,359,517	7,466,849	12.0%	3.9%	10.9%
Colorado	22,856,797	26,478,769	19,963,643	90,531,872	76,434,137	18.4%	5.4%	6.1%

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 May increased 8.6 percent over-the-year, up from 8.3 percent in April and 8.5 percent in March. April was the 13th consecutive month with inflation at or above 5 percent and the highest rate reported since December 1981. The CPI rose 1.1 percent over-the-month. Core inflation, which excludes volatile food and energy prices, rose 6 percent over-the-year in May, down from 6.2 percent in April.
- All eight components of the CPI increased over-the-year, with the largest increases in transportation (+19.4 percent), food and beverage (+9.7 percent), and housing (+6.9 percent). Education and communication reported the most modest over-the-year increases of 0.8 percent.
- The CPI for the Denver-Aurora-Lakewood MSA rose 8.3 percent over-the-year in May, down from a 9.1 percent increase in March, and the first decline in the inflation rate since November 2020. Core inflation was 7.1 percent in May.
- Six of the eight components in the Denver MSA reported increases between May 2021 and 2022, with the largest increases in transportation (+16.1 percent), medical care (+10.3 percent), and other goods and services (+9.5 percent). Education and communication reported the largest over-the-year decrease of 0.6 percent, followed by apparel (-0.3 percent).
- The Council for Community and Economic Research released their 1Q 2022 Cost of Living Index, which measures regional differences in the cost of consumer goods and services. Among the 262 urban areas that participated, the standard of living ranged from more than twice the national average in New York (Manhattan), N.Y. to more than 20 percent below the national average in Kalamazoo, Mich. According to the index, the cost of living in Denver was 10 percent above the national average.
- According to the AAA Daily Fuel Gauge Report, the national average fuel price for June was \$4.84 per gallon, up 55 percent from the same time last year. The Metro Denver average fuel price increased 42.4 percent over-the-year to an average of \$4.86 per gallon, a rise of \$1.45. The average fuel price in Metro Denver was \$0.02 higher than the average fuel price throughout the U.S.
- In early June, the nationwide average price for a gallon of gasoline reached \$5 for the first time in history, according to AAA. Factors influencing the surge in gas prices include increased demand due to more

Americans driving during the summer months, sanctions against Russia because of its war against Ukraine, and the limits on refining capacity in the U.S. because some refineries were shut down during the pandemic. While this is the first time gas prices have reached \$5 per gallon, it is still not a record when inflation is taken into account. Gas prices peaked at \$4.11 per gallon in July 2008, which would be equal to about \$5.40 per gallon today.

Stock Market

- All four stock market indices decreased between June 2021 and 2022. The Bloomberg Colorado reported the largest decrease, falling 27 percent, followed by the NASDAQ (-24 percent), the S&P 500 (-11.9 percent), and the DJIA Index (-10.8 percent). Between May and June 2022, the Bloomberg Colorado reported the largest decrease of 9.1 percent, followed by the NASDAQ (-8.7 percent), the S&P 500 (-8.4 percent), and the DJIA Index (-6.7 percent).
- The S&P 500 Index fell to its lowest point since January 2021 in mid-June, falling by nearly 4 percent. The Index was also more than 20 percent below where it was in January 2022, a level of decline typically considered a bear market.
- The S&P 500 fell 21 percent in the first half of 2022 compared to the same period in 2021, its worst first half since 1970. Investment-grade bonds lost 11 percent, their least favorable start to a year in history. Stocks and bonds in emerging markets tumbled, and crypto came crashing down. About the only thing that has risen since Jan. 1 was commodities prices.

Stock Market Indexes

	Month of Jun-22	Month of May-22	Month of Jun-21	YTD Return 2022	YTD Return 2021	Annual Avg Return 2017	Annual Avg Return 2012
Bloomberg Colorado	638.9	702.6	875.2	-27.8%	15.2%	-3.7%	3.5%
S&P 500	3,785.4	4,132.2	4,297.5	-20.6%	14.4%	20.0%	13.4%
NASDAQ	11,028.7	12,081.4	14,504.0	-29.5%	12.5%	28.2%	15.9%
DJIA (Dow Jones)	30,775.4	32,990.1	34,502.5	-15.3%	12.7%	25.7%	7.3%

Sources: Bloomberg.com; Yahoo! Finance.

Travel & Tourism

- The Colorado Avalanche's Stanley Cup win represents a windfall for Denver businesses. Hotels, restaurants, and retail stores benefited from the presence of hundreds of thousands of people gathering downtown for home games, watch parties, and to celebrate. Previous Stanley Cup host cities have reported that the economic impact is typically \$4-\$8 million dollars per game hosted.

Metro Denver Hotel Statistics

	Month of May-22	Month of Apr-22	Month of May-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Percent of Hotel Rooms Occupied	72.0%	66.6%	60.5%	62.5%	47.0%	15.5%	74.9%	68.0%
Average Hotel Room Rate	\$156.20	\$140.06	\$110.57	\$134.89	\$95.84	40.7%	\$143.68	\$111.78

Source: Rocky Mountain Lodging Report.

- The average hotel occupancy rate in Metro Denver rose 11.5 percentage points over-the-year to 72 percent in the month of May 2022. The average hotel room rate rose 41.3 percent to \$156.20 per night, an increase of \$45.63 during the period. Since navigating the worst of the COVID-19 pandemic, the Metro Denver

occupancy rate has returned to 92.8 percent of pre-pandemic levels recorded in May 2019. The average room rate now surpasses prepandemic levels by 7.3 percent.

- Spokespeople for Denver International Airport (DEN) reported that nearly 6 million passengers passed through the airport in May, an 18.1 percent increase from the previous year, or a rise of more than 900,000 passengers.
- DEN's international travel has rebounded to normal levels after lagging domestic traffic during much of the pandemic, according to airport officials. International departures and arrivals reached 255,435 passengers in April 2022, a figure that outpaced April 2019 and was the first time that international passengers exceeded the same month in 2019. European travel and trips to Mexico and Central America are fueling the recovery, while travel to Canada continues to lag. DEN currently services 26 cities in 14 countries with the Tokyo flight scheduled to resume in late October.
- Switzerland-based Edelweiss Air returned to DEN for the first time since September 2019. Edelweiss will resume their twice-weekly nonstop flights from Denver to Zurich. In 2019, Zurich ranked among DEN's 10 largest markets in Europe with more than 25,000 annual passengers traveling between the cities.

Denver International Airport Passengers

	Month of May-22	Month of Apr-22	Month of May-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual 2017	Annual 2012
Number of Airline Passengers	5,982,477	5,458,016	5,066,100	25,916,595	18,985,680	36.5%	61,379,396	53,156,278

Source: Denver International Airport, Traffic Statistics.

Residential Real Estate

- According to Seattle-based Redfin Corp., the number of homes purchased by real estate investors in the first quarter of 2022 declined by 11.5 percent from the fourth quarter of 2021 and 16.5 percent from 3Q 2021. Still, investors made up a larger share of the housing market, purchasing a record 20 percent of homes that sold in 1Q 2022, up from 19.2 percent in 4Q 2021 and 15.3 percent in 1Q 2021.
- U.S. mortgage activity decreased 18 percent from 4Q 2021 to 2.71 million mortgage originations for residential properties in 1Q 2022, according to Attom Data Solutions LLC. Over-the-year, mortgage originations fell 32 percent. This was the largest quarterly decrease since 2017 and the largest annual decrease since 2014.

Recently Announced Projects

- A large residential and retail project has been proposed on a 51-acre parcel near the Denver International Airport. Concept plans for the project call for 2,511 residential units and 40,000 square feet of retail space at 5607 N. Tower Road. The residential units would be a mix of three-story townhomes, three-story courtyard residences, and five-story midrise residences. The developer of the project was not revealed.
- Toll Brothers Homes purchased four contiguous parcels at 7875 S. Santa Fe Drive in Littleton, with plans to build more than 1,000 homes on the land. Plans for the 77 acres include 700 townhomes and carriage homes, 335 apartments, and roughly 30,000 square feet of commercial and retail space. Development is expected to begin in 2022.

- CMK Cos. has submitted development plans for a 25-story, 858-unit residential project on a 1.2-acre site spanning one side of the 2200 block of Stout Street in downtown Denver. The plans call for about 11,000 square feet of ground-floor retail space and 623 parking spaces.
- Front Range Land & Development Co. has proposed two towers at 6700 E. Union Avenue in the master-planned community Belleview Station in south Denver. The two towers, at 19 stories and 20 stories high, would add 705 new residential units to the area. Plans also include a 25,000-square-foot ground-floor grocery store.
- AIR Communities, formerly a division of Aimco, has proposed expanding two current apartment buildings into a 53-story structure in the 1600 block of Champa Street. Plans call for a total of 585 units, an increase of 428 units from the existing buildings. The project likely would not break ground before 2024, which would correspond to completion sometime in 2027.
- New York-based Scenic Investments has proposed an 18-story apartment building at 112 E. 8th Avenue in Capital Hill. Plans call for 416 residential units, 415 parking spaces, and 7,700 square feet of ground floor retail space on the 0.9-acre lot.
- RiNo property owner Edens plans to redevelop the city block formed by Larimer and Lawrence streets and 26th and 27th streets in RiNo. Edens plans to build multiple five- to seven-story buildings with about 85,000 square feet of ground-floor retail space topped by about 380 residential units. The company will reserve 10 percent of the residential units for those making up to 60 percent of the area median income.
- Embrey Partners plans to build a 354-unit complex called the Bel Aire on a 4.4-acre site along West Colfax Avenue in Lakewood. The proposed four-story complex is expected to break ground in the third quarter of 2022, with leasing for the first round of units expected to begin in the second quarter of 2025.
- Mill Creek Residential has purchased 1.3 acres of land in the 2300 block of S. High Street in Denver and plans to build a residential complex. Plans for the five-story structure, referred to as Moderna University Park, include 235 residential units and 246 parking spaces.
- Transwestern is constructing a 197-unit apartment complex in the Cole neighborhood at E. 37th Ave. and N. Downing St. The 9-story complex will also include 6,000 square feet of retail.
- Stok Investment Group has proposed a new development of attainable microapartments at 2821 Welton Street in Denver's Five Points neighborhood. Concept plans call for a five- or six-story building with 114 dwellings that are each about 400 square feet. In addition, the building would include 3,200 square feet of commercial space.
- Littleton Capital Partners plans to build a multifamily development at the corner of Griffin and Cannon streets in the Downtown East Louisville (Delo) neighborhood. The proposed plans include 66 residential units and about 1,575 square feet of commercial space.
- Boulder-based Element Properties received financing through the Colorado Housing and Finance Authority to build 55, one-bedroom, economically priced apartment units in Longmont that are meant for people exiting homelessness. The project, called Bluebird Longmont, will be located on land provided by the City of Longmont and the Longmont Housing Authority.
- MGL Partners, a Denver-based affordable housing developer, was awarded 9 percent competitive Federal Low Income Housing Tax Credits for their project to build 50 units of affordable senior housing in Denver's

Central Park. The units will serve seniors who make between 30 percent and 60 percent of the area median income. The St. Stephen Senior Apartments are slated to start in May 2023 and be finished by July 2024.

- Kresher Capital submitted plans to convert a four-story office building at 1600 Champa St. to 40 apartments ranging in size from 470 to 1,135 square feet and would include space for storage, fitness, and other amenities. The office-to-residential conversion supports Denver's adaptive reuse program targeting older Class B and Class C office buildings.
- Confluence Companies plans to redevelop the lot at 221 Wilcox St. into a 5-story apartment building. The downtown Castle Rock building will include 28 apartment units, 8,300 square feet of retail space, and 12,000 square feet of office space.

Home Resales

Metro Denver

- Home sales in Metro Denver totaled 5,821 in May, down 1.9 percent from the same time last year.
- Unsold homes on the market were 76 percent higher in May 2022 compared with the same time last year, representing 1,577 additional homes on the market. Over-the-month, the inventory of available homes increased by 14 percent.

Previously Owned Home Sales Activity

	Month of May-22	Month of Apr-22	Month of May-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Ann Total 2017	Ann Total 2012
Home Sales (Closed)	5,821	5,238	5,932	23,057	23,851	-3.3%	58,999	45,637
Unsold Homes on Market	3,652	3,204	2,075	3,652	6,264	-41.7%	3,854	7,706
Average Sales Price-Single Family	\$784,361	\$797,584	\$689,262	\$756,118	\$652,560	15.9%	\$466,660	\$312,905
Average Sales Price-Condo	\$427,239	\$416,473	\$364,010	\$412,447	\$348,537	18.3%	\$278,011	\$195,120
Median Sales Price-Single Family	\$650,000	\$657,250	\$575,000				\$395,000	\$256,000
Median Sales Price-Condo	\$400,000	\$394,250	\$330,000				\$247,000	\$149,900

Source: Colorado Comps LLC; Denver Metro Association of Realtors; REcolorado.

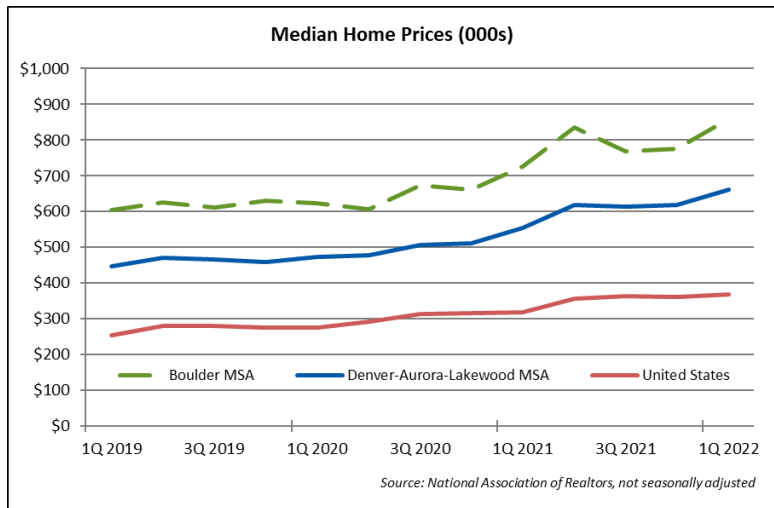
- The average sales price for single-family homes increased 13.8 percent over-the-year to \$784,361, representing an additional \$95,099 per home during the period. The average sales price for condominiums rose 17.4 percent over-the-year to \$427,239, representing an additional \$63,230 per home.

National

- Total existing-home sales decreased 3.4 percent from April to a seasonally adjusted annual rate of 5.41 million in May, marking four consecutive months of declines, according to the National Association of Realtors (NAR). Sales decreased 8.6 percent year-over-year from the May 2021 reading of 5.92 million.
- All four regions reported over-the-year decreases in total home sales in May. The West region reported the largest decrease of 10 percent, followed by the Northeast (-9.3 percent), the South (-8.4 percent), and the Midwest (-7.5 percent).
- Properties remained on the market for 16 days in May, down from 17 days in April and 17 days in May 2021. Of the homes sold in May, 88 percent were on the market for less than a month.

Home Prices

- NAR data showed the median existing-home price for all housing types nationally was \$407,600 in May, up 14.8 percent from the same time last year. This marked 123 straight months of year-over-year gains, the longest streak on record.
- Median home prices increased in all four major U.S. regions over-the-year. For the ninth consecutive month, the South region reported the highest pace of price appreciation compared to the other regions. The median home price in the South increased 20.6 percent over-the-year in May, followed by the West (+13.3 percent), the Midwest (+9.5 percent), and the Northeast (+6.7 percent).
- The West region reported the highest median home price of \$633,800, while the Midwest reported the lowest median price of \$294,500 in May.
- A separate NAR report revealed that the median price in the Boulder MSA increased 18.2 percent over-the-year to \$859,100 in the first quarter of 2022. The Denver-Aurora MSA rose 19.4 percent over-the-year to a median home price of \$662,200 during 1Q 2022, while the national median home price increased 15.7 percent to \$368,200 during the period.
- The Boulder MSA had the sixth highest median home price of the 183 MSAs tracked in the report. The Denver MSA had the 10th highest median home price. Every metro area tracked in the report except three – Cape Girardeau, Mo.-Ill.; Topeka, Kan.; and Rockford, Ill. – posted home price growth between the first quarters of 2021 and 2022.
- Between the fourth quarter of 2021 and the first quarter of 2022, prices decreased in 64 metros, or 35 percent of all markets tracked. Declines were concentrated in smaller markets in the Eastern U.S., with the largest over-the-quarter declines reported in Rockford, Ill. (-11.3 percent); Akron, Ohio (-9.7 percent); and Topeka, Kan. (-9.5 percent). Still, the national home price increased 2.1 percent over-the-quarter. Home prices increased 10.8 percent in the Boulder MSA and 7.2 percent in the Denver MSA during the period.

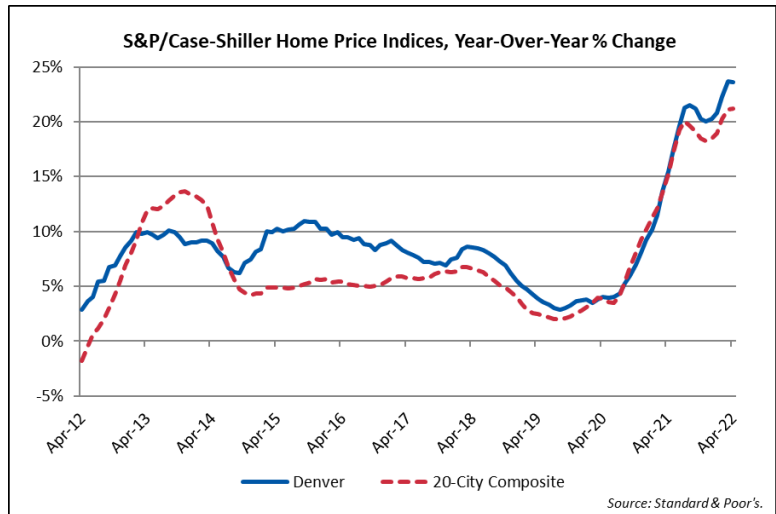


Median Sales Price of Existing Single-Family Homes (\$000s)

	Quarter 1 2022 (p)	Quarter 4 2021 (r)	Quarter 1 2021	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Median 2017	Median 2012
Boulder MSA	\$859.1	\$775.1	\$726.6	\$859.1	\$726.6	18.2%	\$566.1	\$383.7
Denver-Aurora MSA	\$662.2	\$617.6	\$554.4	\$662.2	\$554.4	19.4%	\$414.7	\$252.4
United States	\$368.2	\$360.7	\$318.2	\$368.2	\$318.2	15.7%	\$248.8	\$177.2

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

- According to the S&P/Case-Shiller Home Price Index, housing prices in Denver increased 23.6 percent between April 2021 and April 2022, down from a 23.7 percent increase in March, which was the highest annual rate of price growth since the index began in 1987. April marked the second highest annual rate of price growth on record and the tenth consecutive month of annual price gains at or above 20 percent.
- National housing prices increased 20.4 percent over-the-year in April, down from a record high of 20.6 percent in March but up from 20.1 percent in February.
- Tampa reported the highest year-over-year price increase of 35.8 percent, followed by Miami (+33.3 percent) and Phoenix (+31.3 percent). Minneapolis reported the smallest over-the-year increase of 12.3 percent, followed by Washington, DC (+12.7 percent) and Chicago (+13 percent). Denver ranked 10th.



Foreclosures

- Foreclosures in Metro Denver increased 696.2 percent between June 2021 and June 2022, rising by 181 filings during the period. Over-the-month, foreclosures fell 5 percent from 218 filings in May. All seven counties reported increases in filings compared with last year. Douglas County reported the largest increase of 2,400 percent, followed by Denver County (+700 percent) and Arapahoe County (+542.9 percent). Jefferson County reported the most modest increase of 218.2 percent, or 24 filings, during the period.

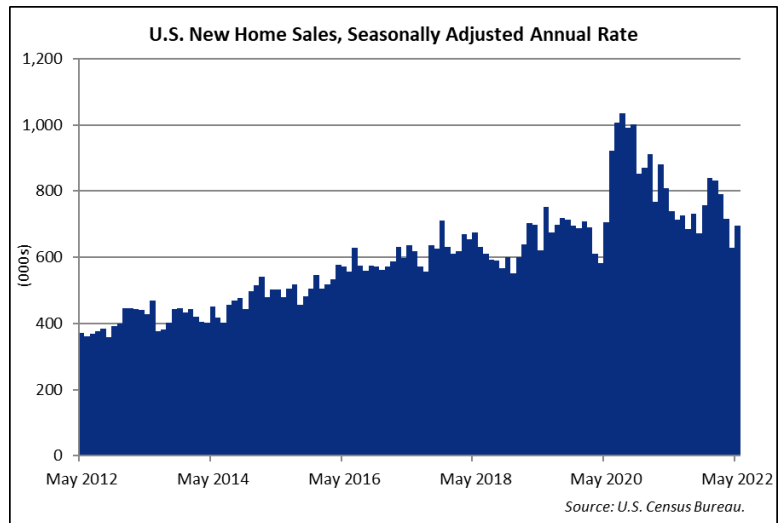
Real Estate Foreclosures

	Month of Jun-22	Month of May-22	Month of Jun-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Total 2017	Annual Total 2012
Total Metro Denver*	207	218	26	1,352	160	745.0%	2,982	15,013
Adams County	53	55	0	384	34	1029.4%	672	3,183
Arapahoe County	45	54	7	341	36	847.2%	706	3,589
Boulder County	7	15	2	55	11	400.0%	170	783
Broomfield County	2	2	0	13	2	550.0%	39	210
Denver County	40	41	5	258	33	681.8%	648	3,064
Douglas County	25	18	1	100	15	566.7%	265	1,534
Jefferson County	35	33	11	201	29	593.1%	482	2,650

*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 5.9 percent over-the-year to a seasonally adjusted annual rate of 696,000 in May, according to estimates released by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.
- Two of the four regions reported over-the-year decreases in home sales. The Northeast reported the largest decrease of 42.5 percent, followed by the Midwest (-37 percent). The South reported the largest increase of 1.5 percent, followed by the West (+0.5 percent).



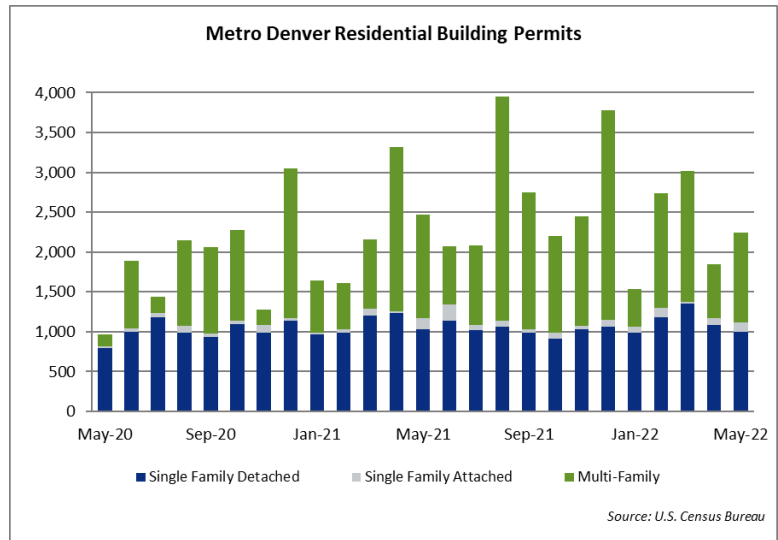
New Home Construction

National

- Builder confidence for newly built single-family homes decreased 2 points to 67 in June, according to the latest National Association for Home Builders/Wells Fargo Housing Market Index (HMI). This is the sixth consecutive month that builder sentiment has declined and the lowest reading since June 2020. The decline in builder confidence is a sign of a slowing housing market in a high inflation, slow growth economic environment. The housing market faces both demand-side and supply-side challenges. On the supply side, residential construction material costs are up 19 percent year-over-year. On the demand side, the increase in mortgage rates for the first half of 2022 has priced out a significant number of prospective home buyers. The entry-level market has been particularly affected by declines in housing affordability.
- According to the U.S. Census Bureau, the seasonally adjusted annual number of nationwide residential building permits totaled about 1.7 million units in May, a 7 percent over-the-month decrease, and a 0.2 percent increase compared with the same time last year.
- Building permits for single-family detached units decreased 7.6 percent over-the-year, or by 87,000 units permitted to a total of nearly 1.1 million units permitted in May. Single-family attached units decreased 6.8 percent to 55,000 units permitted, while multi-family units increased 19.2 percent over-the-year to 589,000 units permitted in May.
- Two of the four regions reported over-the-year increases in total units permitted. The Midwest region reported the largest over-the-year increase of 6 percent, followed by the South (+3 percent). The Northeast reported the largest decline of 19 percent, followed by the West (-1.5 percent).

Metro Denver

- Residential building permits in Metro Denver totaled 2,242 units permitted in May, a decrease of 9.3 percent, or 230 units, from the same time last year.
- Single-family detached units permitted decreased 3.5 percent over-the-year, falling by 36 units permitted during the period. Single-family attached units decreased by 15.4 percent, or by 21 units, to a total of 115 during the period. Multi-family units decreased by 13.3 percent, or by 173 units, to a total of 1,131 units permitted in May.



Residential Building Permits

	Month of May-22	Month of Apr-22	Month of May-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Total 2017	Total 2012
Single-Family Detached Units	996	1,080	1,032	5,600	5,415	3.4%	11,419	5,947
Single-Family Attached Units	115	87	136	418	318	31.4%	384	299
Multi-Family Units	1,131	682	1,304	5,360	5,477	-2.1%	12,218	8,679
Total Units	2,242	1,849	2,472	11,378	11,210	1.5%	24,021	14,925

Source: U.S. Census Bureau.

Apartment Rental Market

- The apartment vacancy rate throughout Metro Denver fell 1.2 percentage points over-the-year to 4.3 percent vacancy in the first quarter of 2022. The 1Q 2022 vacancy rate was unchanged from the previous quarter. Vacancy rates ranged from 3.3 percent in Jefferson County to 5.2 percent in Denver County. Among the submarkets in Metro Denver, vacancies were tightest in Denver's North Central/City Park market at 0.7 percent while vacancy rates were highest in the Commerce City/Brighton market at 18.6 percent due to the large number of new units added during the quarter.
- All six submarkets reported over-the-year increases in the average monthly rental rate, led by Arapahoe County (+17.1 percent), Douglas County (+16.4 percent), and Denver County (+13.3 percent). The Boulder/Broomfield submarket reported the most modest over-the-year increase of 9.1 percent. Douglas County reported the highest rental rate in 1Q 2022 of \$1,937 per month, while Adams County reported the lowest rental rate of \$1,664 per month. Across Metro Denver, rents increased 14.4 percent over-the-year to \$1,766 per month. Rents rose 3.3 percent between the fourth quarter of 2021 and the first quarter of 2022.

Apartment Statistics

	Quarter 1 2022	Quarter 4 2021	Quarter 1 2021	YTD Average 2022	YTD Average 2021	YTD Average % Change	Ann Avg 2017	Ann Avg 2012
Apartment Vacancy Rate	4.3%	4.3%	5.5%	4.3%	5.5%	-1.2%	5.6%	4.7%
Average Monthly Rental Rate (all units)	\$1,766	\$1,709	\$1,544	\$1,766	\$1,544	14.4%	\$1,403	\$974

Source: Denver Metro Apartment Vacancy and Rent Survey.

Commercial Real Estate

Recently Announced Projects

- Elevation Development Group plans to build a 9-story, 203,066-square-foot mixed-use office structure and a 12-story, 197,469-square-foot residential structure with 103 units at 1801 Market Street in LoDo. The project will include 390 below grade parking spaces and ground-floor retail space for food and beverage use.
- Seattle-based Schnitzer West plans to build an eight-story office building at 201 Filmore Street, a 0.5-acre site at the northwest corner of 2nd Avenue and Filmore Street in Cherry Creek. The structure will be approximately 140,000 square feet, with retail space on the ground floor and office space above. The property is currently home to a retail building.
- Longmont-based developer JSY Properties is building the Casa Lou Cardenas on the northeast corner of Main and 9th streets in Longmont. Casa Lou Cardenas will be a three-story building featuring five commercial spaces and six residential units. The commercial units will range in size from 400 square feet to 1,700 square feet. The property is expected to break ground in August, and complete construction in the fall of 2023.
- Brue Baukol Capital Partners LLC, Sterling Bay LLC, and Harrison Street LLC plan to develop Redtail Ridge—a 2.6 million-square-foot, commercial-only development in Louisville—with a biotechnology focus. Horizontal site work could begin in late 2022 and vertical construction is slated for mid-2023. Spokespeople for Brue Baukol estimates that there is a 1.5 million-square-foot deficit of life-science facilities in the region.
- Two life sciences projects have either broken ground or are in the development phase in Broomfield. Breaking ground in mid-2022 is Broomfield's \$95 million, 600,000-square-foot Simms Technology Park located on the southwest corner of Simms Street and West 112th Avenue. Nearby, the Colorado Research Exchange will break ground on its 450,000-square-foot life sciences campus that will include three buildings and one amenity building at 235 Interlocken Boulevard.
- McWhinney broke ground on two industrial buildings that will bring 306,000 square feet of industrial space to its Baseline Development in Broomfield. Construction is expected to be finished by early 2023. All told, the development has approximately 608,000 square feet of industrial space either built or currently under construction.
- Starpoint Properties will develop Point Central Business Park, a 155,000-square-foot Class A, LEED Certified industrial/warehouse project on nearly 9.6 acres in central Denver. The groundbreaking for the two-building complex is slated for July with expected completion in the summer of 2023.
- Boulder-based Conscience Bay Company is planning to replace an aging warehouse at 3825 Walnut Street with a two-story, 112,000-square-foot Life Science complex called Ridgeway Science and Tech. Construction is expected to begin in the second half of 2024 and the project will be ready for tenants in the second quarter of 2026.
- Brennan Investment Group will construct a 102,960-square-foot Class A industrial facility in the Dove Valley Business Park in unincorporated Arapahoe County. The facility will include 28' clear ceiling heights, an ESFR sprinkler system, and automobile and truck parking positions. The building will be completed by the fourth quarter of 2023.
- The RidgeGate community is partnering with Regency Centers to build a grocery-anchored center on the east side of the new RidgeGate Parkway Couplet District in Lone Tree. The development will include a

123,000-square-foot Signature King Soopers store and Fuel Center as well as 27,000 square feet of accompanying retail space. Construction will begin in 2023 and stores are expected to open in 2024.

- Broomfield City Council approved the development of Depot Hill My Flex Space in Broomfield. The project, located at W. 10th Avenue and Depot Hill Road, will consist of three buildings with 33 commercial units varying in size from 850 to 2,500 square feet.
- Nichols Partnership and Shears Adkins Rockmore filed concept plans with the City and County of Denver for an 8-story, 127-room hotel at 1709 Blake St., the current site of a parking lot. Plans include for the office building at the adjacent 1725 Blake St. and a single-family home at 1702 Wazee St. to be converted into event space, fitness center, restaurant, and other hotel amenities. A development timeline has yet to be announced.
- Global hotel company IHG Hotels & Resorts opened a new hotel in June near the Denver International Airport. Atwell Suites Denver Airport is located at 18350 East 65th Avenue and features 96 rooms, a fitness studio, and coworking spaces.

Office Market

- A new study by New York University and Columbia University professors suggests office-building valuations could see steep drops in the coming years if remote work persists. Using leasing data from CompStak Inc. and analysis of publicly traded office REITs, the researchers developed a valuation model that determined the long-run office valuations in New York will be about 28 percent below pre-pandemic levels. If the analysis proves true nationally, a 28 percent decline in U.S. office values between 2019 and 2029 would represent an elimination of about \$500 billion in value, the study found.
- Based on CoStar data, the direct office vacancy rate in Metro Denver was 12.2 percent in the second quarter of 2022, a decrease of 0.2 percentage points from the previous quarter. The vacancy rate was unchanged over-the-year. The average lease rate increased 5.4 percent between the second quarters of 2021 and 2022, or by \$1.58, to \$30.84 per square foot.
- The vacancy rate including sublease space increased 0.1 percentage points over-the-year, rising from 13.9 percent in 2Q 2021 to 14 percent in 2Q 2022. This represented nearly 3.6 million square feet of vacant sublease space, the largest amount of vacant sublease space since 2003.

Office Market Statistics

	Quarter 2 2022	Quarter 1 2022	Quarter 2 2021	Quarter 2 2020	Quarter 2 2019	Quarter 2 2018
Number of Buildings	6,624	6,622	6,611	6,580	6,555	6,518
Existing Square Feet (millions)	200.9	200.9	200.0	197.3	196.3	193.9
Vacant Square Feet (direct, millions)	24.5	24.9	24.4	18.4	17.4	18.9
Vacancy Rate (direct)	12.2%	12.4%	12.2%	9.3%	8.8%	9.8%
Vacancy Rate (with sublet)	14.0%	13.9%	13.9%	10.2%	9.5%	10.5%
Avg. Lease Rate (direct, per sq. ft., full service)	\$30.84	\$29.60	\$29.26	\$28.45	\$27.47	\$27.09
New Construction Completed (year-to-date)	0.40 MSF, 7 Bldgs	0.42 MSF, 6 Bldgs	1.47 MSF, 13 Bldgs	0.50 MSF, 12 Bldgs	0.85 MSF, 16 Bldgs	2.88 MSF, 21 Bldgs
Currently Under Construction	1.98 MSF, 19 Bldgs	1.73 MSF, 13 Bldgs	1.75 MSF, 19 Bldgs	3.68 MSF, 38 Bldgs	3.11 MSF, 36 Bldgs	3.72 MSF, 37 Bldgs

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

- There were 7 office buildings completed in the first half of 2022, delivering more than 400,000 square feet to Metro Denver. The largest building completed to date was the 250,402-square-foot One Platte located in downtown Denver.
- There was 1.98 million square feet of office space in 19 buildings under construction in Metro Denver during the second quarter of 2022. The largest buildings under construction were The Current in River North (280,000 SF in downtown Denver) and T3 Offices (213,711 SF in downtown 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, 52 percent of the office square footage under construction is located in the City and County of Denver and 23.9 percent is located in Boulder County.

Industrial & Flex Market

- CoStar data revealed that the direct vacancy rate for the industrial market in Metro Denver decreased 1.5 percentage points to 4.5 percent between the second quarters of 2021 and 2022. The total vacancy rate including sublease space fell 1.9 percentage points over-the-year to 4.7 percent. From 2Q 2021 to 2Q 2022, 7.3 million square feet of new space was added to the industrial base. The average lease rate increased \$0.55 per square foot to \$9.41, a 6.2 percent increase over the same time last year.
- Eleven industrial buildings providing nearly 2.2 million square feet of space were completed in the first half of 2022. The largest building completed was the 1.3 million-square-foot Shamrock Foods Regional Headquarters in Aurora. The next largest buildings were a 170,500-square-foot Nexus at DEN Building D in Denver and a 152,760-square-foot building in Broomfield.

Industrial Market Statistics

	Quarter 2 2022	Quarter 1 2022	Quarter 2 2021	Quarter 2 2020	Quarter 2 2019	Quarter 2 2018
Number of Buildings	7,338	7,334	7,307	7,261	7,214	7,166
Existing Square Feet (millions)	245.9	244.3	238.5	232.6	227.6	221.5
Vacant Square Feet (direct, millions)	11.0	12.0	14.3	10.8	10.2	8.5
Vacancy Rate (direct)	4.5%	4.9%	6.0%	4.7%	4.5%	3.8%
Vacancy Rate (with sublet)	4.7%	5.2%	6.6%	5.2%	4.6%	4.0%
Avg. Lease Rate (direct, per square foot, NNN)	\$9.41	\$9.57	\$8.86	\$8.74	\$8.01	\$7.95
New Construction Completed (year-to-date)	2.16 MSF, 11 Bldgs	0.56 MSF, 6 Bldgs	3.27 MSF, 20 Bldgs	2.38 MSF, 16 Bldgs	2.55 MSF, 21 Bldgs	1.34 MSF, 11 Bldgs
Currently Under Construction	9.41 MSF, 53 Bldgs	10.90 MSF, 51 Bldgs	6.26 MSF, 30 Bldgs	6.63 MSF, 45 Bldgs	4.31 MSF, 33 Bldgs	6.33 MSF, 37 Bldgs

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

- Metro Denver's industrial construction pipeline remains robust with 9.4 million square feet of space under construction in 53 buildings. Nearly 69 percent of the industrial space under construction is located in Adams County, including the largest building under construction, DEN's Logistics Park with 625,000 square feet of space. Of the buildings under construction, 40 are slated for delivery in 2022, with the remaining 13 expected in 2023.
- The direct flex vacancy rate in Metro Denver decreased 0.8 percentage points over-the-year to 5.8 percent vacancy. The average lease rate rose 12.3 percent, or by \$1.63, to \$14.90 per square foot during the period.

Flex Market Statistics

	Quarter 2 2022	Quarter 1 2022	Quarter 2 2021	Quarter 2 2020	Quarter 2 2019	Quarter 2 2018
Number of Buildings	1,578	1,575	1,574	1,572	1,558	1,549
Existing Square Feet (millions)	46.9	46.9	46.9	46.8	46.0	45.8
Vacant Square Feet (direct, millions)	2.7	2.8	3.1	2.5	1.9	2.6
Vacancy Rate (direct)	5.8%	5.9%	6.6%	5.3%	4.2%	5.6%
Vacancy Rate (with sublet)	6.2%	6.3%	7.3%	5.6%	4.5%	6.0%
Avg. Lease Rate (direct, per square foot, NNN)	\$14.90	\$14.77	\$13.27	\$13.13	\$12.02	\$12.29
New Construction Completed (year-to-date)	0.08 MSF, 4 Bldgs	0.03 MSF, 1 Bldg	0.03 MSF, 1 Bldg	0.29 MSF, 2 Bldgs	0.09 MSF, 4 Bldgs	0.35 MSF, 7 Bldgs
Currently Under Construction	0.82 MSF, 20 Bldgs	0.70 MSF, 18 Bldgs	0.26 MSF, 8 Bldgs	0.32 MSF, 8 Bldgs	0.44 MSF, 8 Bldgs	0.32 MSF, 9 Bldgs

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

- New flex construction has been more limited than other property types but remains strong heading into the third quarter of 2022. Four new flex buildings totaling 78,700 square feet were completed in the first half of 2022. There were 20 buildings totaling over 815,000 square feet under construction as of the end of 2Q 2022. More than 47 percent of the square footage under construction is located in Boulder or Broomfield Counties. The largest building under construction is the 150,720-square-foot flex building at 11100 Broomfield Lane, in Broomfield.

Retail Market

- Newmark's 4Q 2021 Denver Retail Market report revealed Denver's retail market is recovering well with three straight quarters of expansion following negative absorption in the first quarter of 2021. Fourth quarter net absorption totaled 244,200 square feet, while full year absorption was positive for the first time since 2019, amounting to 329,008 square feet. According to the report, the Denver retail market is showing signs of robust recovery. With workers coming back to the office in greater numbers, the return to pre-pandemic behaviors is accelerating and retailers are looking to take advantage of increasing foot traffic in stores.

Retail Market Statistics

	Quarter 2 2022	Quarter 1 2022	Quarter 2 2021	Quarter 2 2020	Quarter 2 2019	Quarter 2 2018
Number of Buildings	13,020	13,011	12,966	12,900	12,778	12,648
Existing Square Feet (millions)	173.9	173.9	173.5	172.7	171.4	169.9
Vacant Square Feet (direct, millions)	8.0	7.8	8.8	7.9	6.8	6.9
Vacancy Rate (direct)	4.6%	4.5%	5.1%	4.6%	4.0%	4.1%
Vacancy Rate (with sublet)	4.7%	4.6%	5.3%	4.7%	4.1%	4.2%
Avg. Lease Rate (direct, per square foot, NNN)	\$19.67	\$19.55	\$18.97	\$18.12	\$18.78	\$18.35
New Construction Completed (year-to-date)	0.19 MSF, 27 Bldgs	0.10 MSF, 13 Bldgs	0.26 MSF, 18 Bldgs	0.56 MSF, 30 Bldgs	0.47 MSF, 49 Bldgs	0.53 MSF, 48 Bldgs
Currently Under Construction	0.77 MSF, 62 Bldgs	0.07 MSF, 10 Bldgs	1.12 MSF, 31 Bldgs	0.94 MSF, 60 Bldgs	1.15 MSF, 68 Bldgs	1.59 MSF, 66 Bldgs

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

- The direct vacancy rate for retail space in Metro Denver decreased 0.5 percentage points over-the-year to 4.6 percent in 2Q 2022, according to CoStar. The direct vacancy rate including sublease space also decreased 0.6 percentage points over-the-year to 4.7 percent. The average lease rate increased 3.7 percent to \$19.67 per square foot.
- As of the end of the second quarter of 2022, 27 retail buildings totaling nearly 190,000 square feet were completed. An additional 62 buildings with about 770,000 square feet of space are under construction and 87 percent are expected to be completed in 2022. Nearly 30 percent of the space under construction is located in the City and County of Denver.



Metro**Denver**EDC



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