



OCTOBER 2022

MONTHLY ECONOMIC INDICATORS

Activity & trends impacting
our regional economy



October 2022 MEI Snapshot

	Monthly/Quarterly Direction		Year-Over-Year Direction		Year-to-Date Direction	
↕↗ Positive Changes	8 of 18		9 of 18		11 of 18	
Nonfarm Employment Growth	4,900	↑	63,600	↑	79,000	↑
	Employment up 0.3% from July to August		Employment up 3.7% from August 2021 to 2022		YTD employment up 4.7% through August	
Manpower Net Employment (West Region)	38%	↓	38%	↓	42%	↑
	Net employment fell from 3Q 2022 to 4Q 2022		Net employment decreased 11 percentage points from 4Q21 to 4Q22		YTD average up 15 percentage points compared with 2021	
Unemployment Rate	3.3%	↓	-2.0 percentage points	↓	3.4%	↓
	Unemployment down 0.1 percentage points from July to August		Unemployment down from August 2021 to 2022		Down 2.6 percentage points from 2021 YTD average	
Initial Unemployment Insurance Claims	-4.7%	↓	-45.4%	↓	-87.1%	↓
	Claims decreased from July to August		Claims decreased from August 2021 to 2022		YTD average claims decreased through August 2022	
Total National Retail Sales	-1.1%	↓	8.5%	↑	10.2%	↑
	National sales decreased from June to July		National sales increased from July 2021 to 2022		YTD sales increased through July 2022	
Mountain Region Consumer Confidence Index	97	↓	-18.2%	↓	105.7	↓
	Index down 5.1 percent from August to September		Index down from September 2021 to 2022		YTD average down 7.6% through September 2022	
Hotel Occupancy	77.4%	↓	7.1 percentage points	↑	68.9%	↑
	Decreased 1.3 percentage points from July to August		Occupancy increased from August 2021 to 2022		YTD occupancy up from last year	
Denver International Airport Passengers	3.1%	↑	1.3%	↑	24.3%	↑
	Passengers up from June to July		Passengers up from July 2021 to 2022		YTD passengers increased through July 2022	
Bloomberg Colorado Index	641.5	↓	-30.7%	↓	-27.5%	↓
	Index down 8.3% from August to September		Index down from September 2021 to 2022		YTD return down through September 2022	
Dow Jones Industrial Average	28,725.5	↓	-15.1%	↓	-20.9%	↓
	Index down 8.8% from August to September		Index down from September 2021 to 2022		YTD return down through September 2022	
Home Sales (closed)	4,612	↑	-32.5%	↓	38,234	↓
	Sales up 1.5% from July to August		Sales down from August 2021 to 2022		YTD sales down 14.2% from last year	
Median Home Price (Denver-Aurora MSA)	\$695,800	↑	12.5%	↑	\$679,000	↑
	Up 5.1% from 1Q 2022 to 2Q 2022		Price up from 2Q 2021 to 2Q 2022		YTD price 15.8% higher through 2Q 2022	
Foreclosures	204	↓	121.7%	↑	2,001	↑
	Down 0.5% from August to September		Up from September 2021 to 2022		Up 481.7% YTD through September 2022	
Residential Building Permits (Total)	1,928	↓	-51.1%	↓	18,122	↓
	Permits decreased 1.9% from July to August		Permits down from July 2021 to July 2022		YTD permits down 6.2% through August 2022	

Apartment Vacancy Rate	4.8%	↑	+1.1 percentage points	↑	4.6%	↓
	Vacancy increased from 1Q 2022 to 2Q 2022		Vacancy increased from 2Q 2021 to 2Q 2022		YTD average down from last year	
Office Vacancy Rate (with Sublet)	14.3%	↑	+0.4 percentage points	↑	+0.4 percentage points	↑
	Vacancy rate increased 0.4 percentage points from 2Q 2022 to 3Q 2022		3Q 2022 vacancy up from 13.9% one year ago		3Q 2022 vacancy up from 13.9% one year ago	
Industrial Vacancy Rate (with Sublet)	5.7%	↑	-0.5 percentage points	↓	-0.5 percentage points	↓
	Vacancy rate increased 0.9 percentage points from 2Q 2022 to 3Q 2022		3Q 2022 vacancy down from 6.9% one year ago		3Q 2022 vacancy down from 6.9% one year ago	
Retail Space Vacancy Rate (with Sublet)	4.5%	↓	-0.4 percentage points	↓	-0.4 percentage points	↓
	Vacancy rate decreased 0.2 percentage points from 2Q 2022 to 3Q 2022		3Q 2022 vacancy down from 4.9% one year ago		3Q 2022 vacancy down from 4.9% one year ago	

October 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

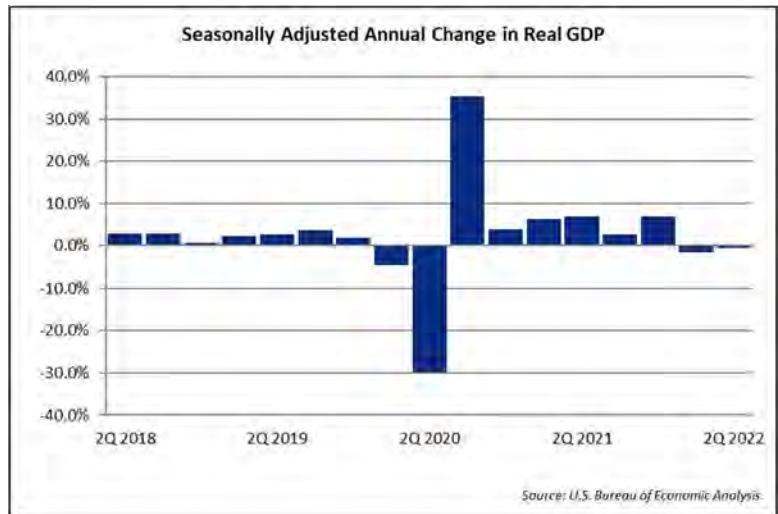
- Metro Denver ranked tenth among the top metro areas where funding for women-led startups has grown the fastest, according to new data from Pitchbook. As of July 31, 2022, female-founded startups in Denver had already raised as much money since 2020 as they did between 2008 and 2019.
- In Area Development's latest "Top States for Doing Business" report, Colorado ranked 10th in the Access to Capital and Funding category due to the high levels of venture capital funding awarded in Colorado.
- U.S. News & World Report published its annual "Best Colleges" ranking, with Colorado School of Mines scoring highest among all universities in Colorado. The university was tied for 89th place among the 440 universities ranked nationally. University of Colorado Boulder ranked 97th overall, and University of Denver ranked 105th overall. The University of Colorado Denver, which ranked 219th overall, ranked 59th in the "Best Colleges for Social Mobility – National Universities" list which ranks schools on the success of students who received Pell Grants.

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 second quarter of 2022 and found that GDP decreased at an annual rate of 0.6 percent. In the first quarter real GDP decreased 1.6 percent.
- The decrease in 2Q 2022 real GDP reflected decreases in private inventory investment (led mainly by "other" general merchandise stores), residential fixed investment (led by broker's commissions), federal government spending (led by nondefense spending), and state and local government spending (led by investment in structures).

- These decreases were offset by increases in exports (reflected by increases in goods, such as industrial supplies and materials, as well as services, mainly travel) and increases in personal consumption expenditures (led by food and accommodation services as well as “other” services).
- The third estimate is based on more complete source data. The third quarter advanced estimate will be released October 27th.



Interest Rates

- In their meeting on September 20-21, the Federal Open Market Committee (FOMC) of the Federal Reserve firmed its stance on monetary policy. Recent indicators of spending and production have remained strong as 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.
- The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the long run. In support of these goals, the committee raised the target range for the federal funds rate 0.75 percentage points to 3.0 to 3.25 percent, the fifth increase in the rate in 2022. The Fed anticipates that ongoing increases in the target range will be appropriate but will continue monitoring factors including inflation and labor market conditions. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.
- The next FOMC meeting is November 1-2, 2022.

Policy Watch

National & International

- More than 70 million Americans who receive Social Security benefits can expect an inflation adjustment to their monthly checks next year, which will be the largest cost of living adjustment in four decades. Current estimates show an increase in benefits of 8.7 percent based on government inflation figures released in August. The final figure will be announced by the Social Security Administration in mid-October. If current projections hold, this would be the highest adjustment since 1981 when benefits rose by 11.2 percent.
- The European Central Bank (ECB) rose interest rates 0.75 percentage points in September following a 0.5 percentage point increase in July, the first rate increase in over 10 years. The Bank of England and the Swiss National Bank also raised rates in September.

Local

- Colorado's minimum wage will increase from \$12.56 per hour to \$13.65 per hour in 2023, an increase of nearly 8.7 percent. The increase reflects the impact of inflation on doing business in the state. The minimum wage for tipped workers will rise to \$10.63 per hour.
- The Colorado Transportation Commission moved to expand parts of Interstate 25 north of Denver. This move came in conjunction with a decision to nix a potential I-25 expansion in the core of the city. The plans focus on widening I-25 to facilitate the movement of freight and passenger vehicles on the corridor between Denver and Fort Collins. A three-year widening project on E-470 also began in September that will add a third travel lane in each direction. The project will start at Interstate 70 near Denver International Airport and go to East 104th Avenue.
- Re-writes of Colorado's statewide 10-year priority project plan this month include fewer freeway-widening projects in favor of street redesigns focused on speeding up bus paths through major corridors. Along the Front Range, projects designed to add lanes to major arteries will continue but will expand the roadways less than previously planned.
- Despite officials approving a flat-rate tax refund of \$750 per taxpayer this fall in anticipation of more money being collected than allowed by state law, the state is still expected to have about \$677 million more than allowed, according to the officials at the Office of State Planning & Budgeting. That will mean taxpayers can expect an average of about \$250 to be refunded when they file their state tax returns next year.
- Colorado taxpayers can now pay state taxes using cryptocurrencies, making Colorado the first state to accept cryptocurrencies as a form of tax payment. The move applies to all state taxes including individual and business income taxes, sale and use taxes, severance taxes, withholding taxes, excise taxes, and fuel taxes.

Economic Indexes & Notable Data Releases

National & International

- The U.S. trade deficit was \$70.6 billion in July, down 12.6 percent from \$80.9 billion in June. July imports decreased 2.9 percent to \$329.9 billion, while exports increased 0.2 percent to \$259.3 billion. Year-to-date, the goods and services deficit increased \$136.6 billion, or 29 percent, from the same period in 2021. Exports increased 19.9 percent and imports increased 22.1 percent year-over-year.
- The Conference Board Leading Economic Index (LEI) decreased by 0.3 percent in August to 116.2, following a 0.5 percent decline in July. The LEI was down 2.7 percent over the eight-month period from January to August 2022. The U.S. LEI suggests weaker economic activity as the manufacturing sector has contracted in 4 of the last 6 months and tighter monetary policy is poised to dampen economic growth even further. As a result, Conference Board analysts project a recession in the coming quarters.
- According to the Institute for Supply Management's Manufacturing Index, the Purchasing Managers Index (PMI) was 50.9 percent in September, down 1.9 points from the August reading. This figure indicates expansion in the overall economy for the 28th month in a row after contractions in April and May 2020, but for the third straight month it was the lowest reading since June 2020. New order rates fell into contraction territory at 47.1. The Production Index, the Prices Index, and the Backlog of Orders index were all down in September but remained in expansion territory. The Employment Index returned to contraction territory in

September after expanding in August. Nine manufacturing industries reported growth in September compared to August when increases were reported in 10 industries.

- The Services Purchasing Managers Index (PMI) by the Institute for Supply Management registered 56.9 percent in August, 0.2 percentage points higher than July's reading of 56.7 percent. The August reading indicates growth for the 27th consecutive month after a two-month contraction in April and May of 2020. The sector's improvement was due to an increase in business activities and new orders, and employment.
- The U.S. Department of Labor projects that employment will grow 0.5 percent annually from 2021-2031, slower than the 1 percent annual growth from 2011 to 2021. Total employment is expected to rise from 158.1 million to 166.5 million by 2031. Leisure and hospitality is projected to experience the fastest employment growth of 1.3 percent annually while retail jobs are projected to decrease 0.2 percent annually. According to Labor Department officials, these projections do not take into account much of the recovery and reallocation of employment that has already occurred as a result of the pandemic.

Local

- According to the University of Colorado Boulder Leeds School of Business fourth quarter 2022 Leeds Business Confidence Index, Colorado business leaders expressed pessimism ahead of 4Q 2022, recording the fourth-lowest reading in the 20-year history of the index. The index decreased 1.3 points ahead of 4Q 2022 to 39.8, staying within negative territory (below 50) and remaining well below the long-term average of 54.2. Four of six components fell ahead of 4Q 2022, but all six values demonstrated negative perceptions. The outlook was dimmest for the national economy and brightest for industry hiring. Nearly 18 percent of respondents think the country was in a recession in the first half of 2022, while 45 percent expect it to begin in the second half of 2022. Inflation was the greatest concern among panelists, followed by interest rates, the supply chain, and persistent worker shortages. Looking two quarters ahead to 1Q 2023, overall expectations rose by 1.2 points to 41.
- According to the Regional Beige Book by the Kansas City Federal Reserve, economic activity in the Tenth District, which includes Colorado, expanded slightly with much of the growth in business sales and revenue being driven by higher prices rather than greater volume of activity. Amid high levels of overall production, new orders and backlogs at manufacturers declined modestly, indicating some softening of overall demand. Consumer spending was mostly unchanged. Many businesses reported difficulty in attracting applicants for open positions, but worker turnover declined moderately and companies reported being better able to retain high quality workers.
- According to Business Journals analysis of federal tax and population data Colorado had 13,174 net new tax filers who earned \$2.3 billion in income in 2019 and 2020. Douglas County had the most new arrivals with just over 3,700, who brought in \$381 million in net income gain over those two years. Those coming into Metro Denver over that period came primarily from counties with large cities such as Chicago, San Francisco, New York City, and Los Angeles.
- For the sixth consecutive year, researchers at the University of Colorado raised over \$1 billion dollars in funding and gifts across its four campuses. For the 2021-2022 schoolyear researchers brought in \$1.46 billion, a 1 percent increase from the previous year. The largest contributor was the federal government which accounted for \$863.8 million, followed by non-federal government contributions of \$484.5 million, and gifts to the CU Foundation of \$116.3 million.
- Golden, Boulder, Denver, and Louisville were among the top ten cities in Colorado for population inflow versus outflow ratio in 2022 according to a new report by moveBuddha. Golden ranked highest at 3rd with

200 people moving in for every 100 people leaving, followed by Boulder (4th), Denver (5th), and Louisville (9th).

- According to data released by the U.S. Census Bureau, the percentage of people in Colorado who identified as working from home rose from 9.1 percent in 2019 to 23.7 percent in 2021. In the Denver-Aurora-Lakewood MSA, that percentage increased from 9.1 percent to 27.5 percent over the period. The Boulder MSA had the highest percentage of any MSA in the country, increasing from 13.7 percent in 2019 to 36.3 percent in 2021.

Labor Force and Employment

- Employment in Metro Denver increased 3.7 percent between August 2021 and 2022, rising by 63,600 jobs across all supersectors. Employment in the Denver-Lakewood-Aurora MSA rose 3.6 percent, or by 55,200 jobs, while the Boulder-Longmont MSA increased 4.3 percent, or by 8,400 jobs, during the period.
- Nine of 11 supersectors reported over-the-year increases in employment. Professional and business services had the largest increase (+8.4 percent), followed by natural resources and construction (+6.3 percent), and leisure and hospitality (+5.8 percent). Financial activities and government were the only supersectors to experience a decrease in employment, falling by 1.5 and 0.7 percent, respectively.

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

	Month of	Month of	Month of	Year-to-Date Average	Year-to-Date Average	Year-to-Date Average YTD % Change	Annual Growth Rate 2017	Annual Growth Rate 2012
	Aug-22	Jul-22	Aug-21	YTD 2022	YTD 2021			
Total 11-County Metro Denver*	1,791.0	1,786.1	1,727.4	1,769.0	1,690.0	4.7%	2.1%	2.9%
Denver-Aurora-Lakewood MSA	1,586.3	1,585.1	1,531.1	1,567.5	1,498.0	4.6%	2.1%	2.9%
Boulder MSA	204.7	201.0	196.3	201.5	192.0	4.9%	2.1%	2.7%
Natural Resources & Construction	122.9	122.1	115.6	117.8	113.4	3.9%	4.8%	5.1%
Manufacturing	94.7	94.9	91.3	94.1	90.5	3.9%	1.1%	2.2%
Wholesale & Retail Trade	238.2	238.4	234.4	238.9	233.7	2.2%	1.1%	2.1%
Transp., Warehousing & Utilities	75.9	75.2	72.2	76.0	72.5	4.9%	4.8%	2.9%
Information	63.7	63.9	62.0	63.0	61.0	3.3%	1.4%	-0.8%
Financial Activities	121.9	122.4	123.7	123.5	122.1	1.1%	2.5%	2.1%
Professional & Business Services	363.8	361.3	335.7	351.2	324.2	8.3%	2.1%	5.1%
Education & Health Services	222.4	220.2	217.2	220.0	217.1	1.3%	1.7%	3.7%
Leisure & Hospitality	192.0	194.5	181.4	183.2	160.0	14.5%	2.8%	3.4%
Other Services	69.4	69.3	66.1	68.1	63.8	6.7%	1.1%	2.8%
Government	226.1	223.9	227.8	233.4	231.7	0.7%	1.9%	0.9%
Federal Gov't	29.3	29.7	30.4	29.7	30.6	-2.9%	-0.5%	-0.8%
State Gov't	58.7	57.4	59.7	62.4	62.0	0.7%	4.4%	1.8%
Local Gov't	138.1	136.8	137.7	141.3	139.2	1.5%	1.3%	0.9%
Colorado	2,887.2	2,879.0	2,782.3	2,845.3	2,718.6	4.7%	2.3%	2.4%
United States	152,572	152,263	146,947	150,835	144,496	4.4%	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

- Employment in Colorado increased 3.8 percent, or by 104,900 jobs, between August 2021 and 2022. National employment rose 3.8 percent, or by more than 5.6 million jobs.

Metro Denver Industry Clusters and Lifestyle Verticals Headlines

Aerospace

- The Aerospace Corp has completed its \$100 million Space Warfighting Center in Colorado Springs. The center encompasses 90,000 square feet and includes laboratory space. The Aerospace Corp. currently employs 250 people in Colorado Springs with the capacity to employ 250 more in the new facility.
- Albedo, a satellite imagery startup that is co-headquartered in Austin and Denver, recently raised \$48 million in a series A funding round. The company has 21 employees and is currently hiring for four more positions.

Arts & Culture

- Red Rocks Amphitheatre sold 1.3 million tickets in 2021, up from 505,312 in 2007. In 2022, ticket sales could top 1.5 million, according to Denver Arts & Venues. Over the last five years, out-of-state concert-goers accounted for 42 percent of ticket sales.
- Film and TV productions are coming to Colorado as the state has landed commitments to shoot multiple projects in the near future. The projects include a feature film that is expected to spend \$18 million in Colorado and employ 292 people as cast and crew, an HGTV home renovation competition that is expected to spend \$3.5 million in Colorado and employ 46 local crew members, and a reality show about the cannabis industry in the state that is expected to spend \$1.1 million in the state and employ a local cast and crew of 26 people.

Bioscience

- According to a mid-year Newmark report Denver/Boulder ranked number 10 on a list of top life science markets in the U.S., which ranked markets based on the amount of available life science real estate. The Denver/Boulder market has a total of 3.5 million square feet of life science space. This figure does not include the 750,000 square feet of proposed space, or the almost 94,000 square feet of space that is currently under construction. Boston, San Francisco, and San Diego scored highest on the list.
- Arpeggio Biosciences, a Boulder-based biotech company, raised \$17 million in Series A financing to bolster its technology. Arpeggio uses machine-learning algorithms to develop more effective pharmaceutical treatments. The company currently employs 12 and will use part of the increased financing to expand its team.

Energy and Natural Resources

- Crude oil production in Colorado rose 9 percent in the first half of 2022 compared with the same period in 2021, according to a report by the Colorado Oil & Gas Conservation Commission. This marked the end of two consecutive years of production declines. As of mid-September, the COGCC has approved 35 new drilling sites and has permitted 773 new wells this year.
- Green energy technology company Fortescue Future Industries is expanding its U.S. operations by opening a green hydrogen center in Golden that is expected to create more than 150 jobs. This project will work in conjunction with the U.S. Department of Energy's National Renewable Energy facility in Golden.

Food and Beverage Production

- Foodtech startup Bitewell chose Denver for the location of their new headquarters in September. The company had been fully remote but cited the potential for in person collaboration as a main reason for making the transition to in-person work. Bitewell employs 20 people currently, and they are currently hiring for five more positions in Metro Denver.
- Greeley-based Planterra foods is closing its Denver manufacturing plant by mid-December. The company employed 121 people in Metro Denver, and is offering transfer opportunities within the parent company JBS USA to those who are losing their jobs.

Healthcare and Wellness

- Virta Health, a San Francisco-based health technology company that specializes in treating type 2 diabetes without drugs, chose Denver as the site of its new headquarters. The company employs 392 people, including 100 who already work in Denver. Virta plans to create 1,000 new jobs with the move of its headquarters, including engineers, researchers, sales and account managers, clinicians, and administrative roles.
- Centura Health, which operates Longmont United Hospital and Avista Adventist Hospital, has reduced its workforce by about 1, or 350 people, percent across Colorado and western Kansas. Some of the employees whose positions are eliminated will be able to transfer to new posts within the company.

IT-Software

- Denver technology salaries rose 10.6 percent between 2021 and 2022 according to a new report by Hired. Denver's average tech salary in 2022 was \$149,506. According to the analysis, Denver experienced the third-largest boost in tech salaries due to an influx of workers relocating from tech hubs. Philadelphia and Dallas-Fort Worth ranked first and second.
- Black Diamond Advisory, a Golden-based fintech firm, raised \$25 million to hire up to 100 new employees and continue its global expansion. The firm, founded in 2019 with a staff of eight, currently employs 92 people globally.
- London-headquartered fintech startup Cledara raised \$20 million in Series A financing and is planning to build its U.S. presence from Denver. They recently opened offices in Denver and are currently hiring for at least five positions in Denver.
- Preezie, an Australian software retailer, chose Denver as the location of its North American headquarters. The company expects to open its Denver office by the end of 2022 and hire a core staff of six professionals for sales, marketing, and customer relations roles.
- Atom Computing, a California-based startup that builds quantum computers opened a new 17,000 square foot research and development facility in Boulder in September. Atom chose Boulder due to the proximity to a workforce saturated with talent in the field and the high concentration of quantum computing companies in Metro Denver. The company plans to invest \$100 million in Colorado in the next three years as it works to scale its technology and grow its staff. Atom Computing currently employs 59 people, 22 of which are based in Boulder.

- Denver-based Flatfile, an artificial intelligence company, recently raised \$50 million in Series B funding to grow its team of engineers and expand its customer base. The company currently employs 75 people, some of whom are located in Denver and the rest work remotely throughout the country.
- San Francisco-based Cloud communications software company Twilio has laid off 11 percent of its workforce in September after growing “too fast over the past two years” according to CEO Jeff Lawson. Twilio employs approximately 8,000 people worldwide and about 650 people in Metro Denver. The layoffs were focused in the research and development groups as well as general administration teams.

Other Industry Headlines

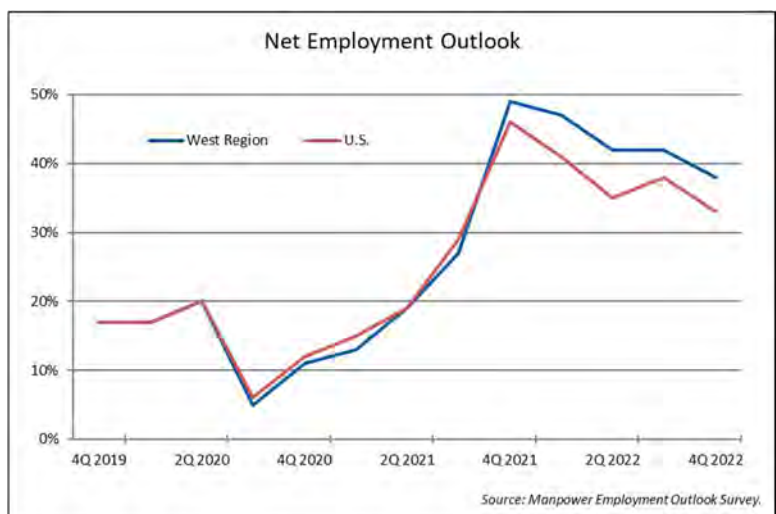
- Pie Insurance, a Denver and Washington D.C.-based insurtech company that sells commercial insurance products, raised \$315 million in Series D funding with plans to become a full-stack carrier meaning it will become fully licensed, and controlled by a regulatory authority. The company also plans to expand into new lines of business and further develop its proprietary pricing algorithm. Pie Insurance currently employs 168 people in the Metro Denver area with plans to increase its workforce by the end of 2022.
- Denver-based Iontra raised \$38 million in Series B funding with plans to launch into the commercial battery market. Iontra develops technology that improves the performance of rechargeable batteries and plans to be in commercial production by 2024. The company currently employs 65 people and has plans to hire 90 over the next year.
- Louisville-based Cycling apparel brand Pearl Izumi has cut staff and announced plans to sell its Louisville headquarters building. This comes four months after being purchased by California-based sporting goods group. The company did not disclose how many employees were affected.

Outdoor Recreation

- Via ferrata, translated as “iron ways,” started in the late 1800s as a secure way to traverse mountains in the Italian Dolomites. Colorado now has the largest concentration of via ferratas in North America. Colorado’s via ferratas, now in the double digits, generally require supervision by an experienced guide, meaning some long-time climbing services now rely on via ferratas for 90 percent of their summer business.

Employment Outlook

- The Manpower Employment Outlook Survey revealed that U.S. hiring optimism fell ahead of 4Q 2022. Across the nation, 48 percent of companies plan to hire in 4Q 2022, down 11 percentage points over-the-year. Companies planning to lay off increased 2 percentage points over-the-year to 15 percent, while the number of companies planning no change increased 10 percentage points to 34 percent in 4Q 2022. The net U.S. employment outlook, which reflects the difference in the percent of companies hiring versus laying off, was 33 percent



ahead of 4Q 2022, down 13 percentage points over-the-year and down 5 percentage points over-the-quarter.

- All four regions in the United States reported moderate hiring outlooks for 4Q 2022, led by the West, which includes Colorado, with a net employment outlook of 38 percent. The Northeast reported a net employment outlook of 34 percent, followed by the South (32 percent) and the Midwest (27 percent). Over-the-quarter, regional outlooks weakened in all four regions. All four regions reported a weakening outlook over-the-year.
- Growth is expected across all 11 national industry sectors, with the strongest employment outlook reported in IT & Technology (+56 percent), followed by Banking and Finance (+42 percent), and Construction (+36 percent).

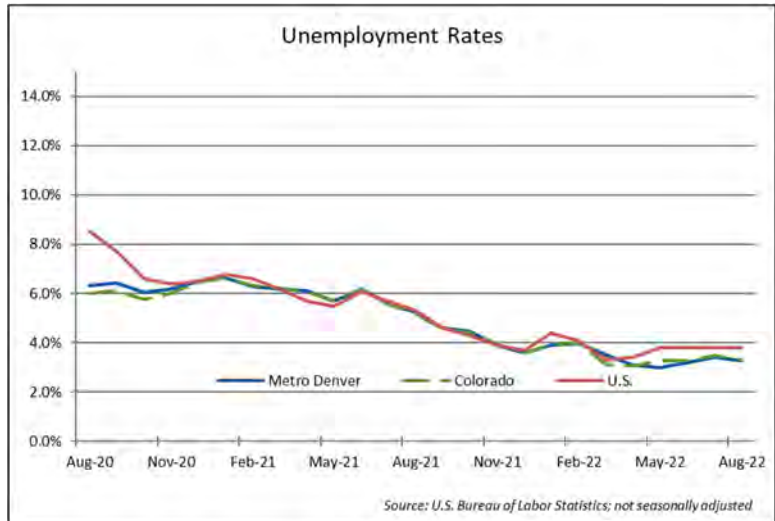
Employment Outlook Survey

	Quarter 4 2022	Quarter 3 2022	Quarter 4 2021	YTD 2022	YTD 2021	Ann Avg 2017	Ann Avg 2012
West Region							
Net Employment	38%	42%	49%	42%	27%	-	-
United States							
Percent of Companies Hiring	48%	50%	59%	51%	34%	22%	18%
Percent of Companies Laying Off	15%	12%	13%	14%	7%	5%	8%
Percent of Companies No Change	34%	34%	24%	32%	56%	72%	71%
Percent of Companies Unsure	3%	4%	4%	3%	4%	2%	4%
Net Employment	33%	38%	46%	37%	27%	17%	10%

Source: Manpower Inc.

Labor Force & Unemployment

- Unemployment in Metro Denver decreased 2 percentage points over-the-year to 3.3 percent in August. The unemployment rate fell 0.1 percentage points from the prior month.
- All seven counties in Metro Denver reported over-the-year decreases in the unemployment rate in August. Adams, Arapahoe, and Denver counties reported the largest decreases, falling 2.2 percentage points, followed by Jefferson County (-1.8 percentage points). Boulder county reported the lowest unemployment rate of 2.6 percent in August, while Adams County reported the highest rate of 3.8 percent.
- There were 60,941 more people either employed or looking for work between July 2021 and 2022 in Metro Denver, an increase of 3.3 percent. The labor force rose in all seven counties, led by Boulder County (+4 percent), Douglas County (+3.9 percent), and Broomfield County (+3.7 percent).



- Colorado reported an unemployment rate of 3.3 percent in August, down 1.9 percentage points from the same time last year. Over-the-month, the state’s unemployment rate fell by 0.2 percentage points. The labor force rose 2.9 percent over-the-year to about 3.3 million people either employed or looking for work. The national unemployment rate fell 1.5 percentage points over-the-year to 3.8 percent and was unchanged over the month. The national labor force increased 2 percent between August 2021 and 2022.

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

	August 2022		2022 YTD AVG		2021 YTD AVG		2017	2012
	Total Labor Force	Unemployment Rate	Total Labor Force	Unemployment Rate	Total Labor Force	Unemployment Rate	Ann Avg Unemployment Rate	Ann Avg Unemployment Rate
Metro Denver	1,911.6	3.3%	1,888.5	3.4%	1,834.0	6.0%	2.5%	7.7%
Adams County	286.2	3.8%	282.8	4.1%	275.2	6.9%	2.8%	9.5%
Arapahoe County	380.0	3.5%	375.7	3.7%	365.7	6.4%	2.6%	7.8%
Boulder County	203.6	2.6%	200.8	2.8%	194.1	5.0%	2.2%	6.3%
Broomfield County	43.0	2.8%	42.4	2.8%	41.0	5.1%	2.4%	6.7%
Denver County	442.2	3.6%	437.0	3.7%	425.8	6.6%	2.5%	7.9%
Douglas County	209.8	2.7%	207.1	2.7%	199.7	4.6%	2.2%	6.1%
Jefferson County	346.8	3.0%	342.7	3.2%	332.5	5.6%	2.4%	7.5%
Colorado	3,266.9	3.3%	3,230.1	3.5%	3,141.1	6.0%	2.3%	6.8%
United States	164,971	3.8%	164,217	3.8%	160,925	6.0%	2.5%	7.9%

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

- Initial unemployment insurance claims in Metro Denver decreased 45.4 percent between August 2021 and 2022, falling to a weekly average of 1,064 claims. Over-the-month, initial claims decreased 4.7 percent.
- Colorado reported an average of 1,831 initial unemployment claims per week in August, down 48.3 percent from the same time last year, and representing 1,711 fewer claims each week. Between July and August, average weekly initial claims in Colorado decreased 5.9 percent.

Weekly First-Time Unemployment Insurance Claims

	Month of Aug-22	Month of Jul-22	Month of Aug-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Metro Denver	1,064	1,116	1,947	1,059	8,219	-87.1%	1,103	1,627
Colorado	1,831	1,945	3,542	1,926	14,061	-86.3%	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 U.S. Consumer Confidence Index rose in September, the second consecutive month of growth following three months of declines. The index now stands at 108, a 4.2 percent over-the-month increase, and a 1.6 percent decrease over-the-year.



- Analysts at The Conference Board stated that the bounce back was driven by the present situation index which rose for the second consecutive month. Expectations rose above reading of 80, suggesting less weak growth in the second half of 2022 although the risk of recession remains. Purchasing intentions for large purchases were mixed. Intentions to buy automobiles and major appliances increased, while home purchasing intentions fell. Looking ahead the increase in confidence may help support spending, but inflation and interest rate hikes still pose risks to economic growth in the short term.

Consumer Confidence Index

	Month of Sep-22	Month of Aug-22	Month of Sep-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Mountain	97.0	102.2	118.6	105.7	114.4	-7.6%	130.1	68.7
United States	108.0	103.6	109.8	104.6	112.6	-7.1%	120.5	67.1

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

- Colorado is included in the Mountain region and the index for the area decreased 18.2 percent between September 2021 and 2022 to 97. The index fell 5.1 percent over-the-month from 102.2 in June. The Present Situations Index fell 8 percent over-the-year to 145.2, while the Expectations Index decreased 29.8 percent to 64.9 during the period.

Consumer Spending

- National retail sales activity rose 8.5 percent over-the-year in July, with 9 of the 13 supersectors reporting increases during the period. Gasoline stations reported the largest over-the-year increase of 39.2 percent, followed by non-store retailers (+16.3 percent) and miscellaneous store retailers (+13 percent). Electronics and appliance stores reported the largest over-the-year decrease of 11.4 percent, followed by furniture and home furnishing stores (-1.6 percent), motor vehicles and parts dealers (-1.1 percent), and clothing and clothing accessories stores (-0.4 percent).

National Retail Sales (\$millions)

	Month of Jul-22	Month of Jun-22	Month of Jul-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Growth 2017	Annual Growth 2012
Total Retail Sales	690,576	697,935	636,312	4,623,823	4,194,366	10.2%	4.1%	5.0%
Motor Vehicles	127,736	132,559	129,123	900,254	879,523	2.4%	2.9%	9.0%
Furniture and Home	11,829	11,863	12,027	81,710	80,382	1.7%	2.7%	4.5%
Electronics & Appliance	7,015	7,000	7,920	48,938	51,497	-5.0%	-1.6%	2.1%
Building Materials	43,581	48,211	41,162	299,821	282,125	6.3%	3.4%	4.5%
Food and Beverage	81,631	79,471	75,644	537,722	498,539	7.9%	3.8%	3.1%
Health and Personal Care	32,463	33,459	31,992	227,128	218,433	4.0%	1.5%	0.9%
Gasoline Stations	73,877	75,341	53,078	449,947	319,814	40.7%	9.2%	4.1%
Clothing & Accessories	25,119	25,031	25,219	167,129	153,941	8.6%	0.1%	4.8%
Sporting Goods	9,181	9,288	8,965	59,213	58,328	1.5%	-2.9%	2.8%
General Merchandise	69,442	69,304	66,868	458,118	445,096	2.9%	1.3%	2.8%
Miscellaneous Store	16,235	17,004	14,369	106,602	88,644	20.3%	2.1%	1.5%
Non-Store Retailers	102,891	101,402	88,478	704,874	631,792	11.6%	11.8%	8.5%
Food Service & Drinking	89,576	88,002	81,467	582,367	486,252	19.8%	5.3%	5.8%

Source: U.S. Census Bureau.

- Retail sales in Metro Denver rose 11 percent between June 2021 and 2022. All seven counties in Metro Denver reported over-the-year increases in retail sales. Adams County reported the largest increase of 17.4 percent, followed by Denver County (+10.9 percent) and Boulder County (+10.3 percent). Douglas County reported the most modest increase of 4.3 percent. Retail sales throughout Colorado rose 9.8 percent over-the-year.

Total Retail Sales (\$000s)

	Month of Jun-22	Month of May-22	Month of Jun-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Growth 2017	Annual Growth 2012
Total Metro Denver	16,828,620	13,624,150	15,165,749	83,734,686	72,707,253	15.2%	4.9%	7.9%
Adams County	3,385,292	2,801,752	2,884,523	16,299,866	13,906,816	17.2%	8.9%	12.4%
Arapahoe County	2,855,076	2,368,206	2,602,610	14,401,117	12,753,751	12.9%	1.5%	9.7%
Boulder County	1,849,040	1,317,370	1,676,782	8,532,487	7,417,548	15.0%	9.5%	5.8%
Broomfield County	318,091	278,054	290,680	1,658,897	1,423,260	16.6%	8.1%	15.9%
Denver County	3,955,168	3,312,152	3,566,693	20,518,421	17,078,405	20.1%	4.0%	1.9%
Douglas County	1,740,716	1,398,322	1,668,914	9,090,850	8,184,613	11.1%	2.0%	7.7%
Jefferson County	2,725,237	2,148,294	2,475,547	13,233,049	11,942,861	10.8%	3.9%	10.9%
Colorado	28,044,663	22,812,481	25,533,676	141,389,015	122,379,469	15.5%	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 August increased 8.3 percent over-the-year, down from 8.5 percent in July and 9.1 percent in June. The CPI was unchanged over the month, following a month of no change in July. Core inflation, which excludes volatile food and energy prices, rose 6.3 percent over-the-year in August, up 0.5 percent from July.

- All eight components of the CPI increased over-the-year, with the largest increases in transportation (+13.4 percent), food and beverage (+10.9 percent), and housing (+7.8 percent). Education and communication reported the most modest over-the-year increase of 0.5 percent.
- The CPI for the Denver-Aurora-Lakewood MSA rose 8.2 percent over-the-year in July, down from an 8.3 percent increase in May, and the second consecutive decline in the inflation rate. Core inflation was 6.6 percent in July.
- All eight components in the Denver MSA reported increases between July 2021 and 2022, with the largest increases in transportation (+12.9 percent), food and beverage (+11.6 percent), and medical care (+11.2 percent). Education and communication reported the most modest increase of 0.5 percent.
- According to the AAA Daily Fuel Gauge Report, the national average fuel price for August was \$3.80 per gallon, up 18.9 percent from the same time last year. The Metro Denver average fuel price increased 3.5 percent over-the-year to an average of \$3.62 per gallon, a rise of \$0.12. The average fuel price in Metro Denver was \$0.18 lower than the average fuel price throughout the U.S.

Stock Market

Stock Market Indexes

	Month of Sep-22	Month of Aug-22	Month of Sep-21	YTD Return 2022	YTD Return 2021	Annual Avg Return 2017	Annual Avg Return 2012
Bloomberg Colorado	641.5	699.7	926.2	-27.5%	21.9%	-3.7%	3.5%
S&P 500	3,585.6	3,955.0	4,307.5	-24.8%	14.7%	20.0%	13.4%
NASDAQ	10,575.6	11,816.2	14,448.6	-32.4%	12.1%	28.2%	15.9%
DJIA (Dow Jones)	28,725.5	31,510.4	33,843.9	-20.9%	10.6%	25.7%	7.3%

Sources: Bloomberg.com; Yahoo! Finance.

- All four stock market indices decreased between September 2021 and 2022. The Bloomberg Colorado reported the largest decrease, falling 30.7 percent, followed by the NASDAQ (-26.8 percent), the S&P 500 (-16.8 percent), and the DJIA Index (-15.1 percent). Between August and September 2022 all four indices decreased. The NASDAQ reported the largest decrease of 10.5 percent, followed by the S&P 500 (-9.3 percent), the DJIA (-8.8 percent), and the Bloomberg Colorado (-8.3 percent).

Travel & Tourism

- The average hotel occupancy rate in Metro Denver rose 7.1 percentage points over-the-year to 77.4 percent in the month of August 2022. The average hotel room rate rose 10.8 percent to \$170.84 per night, an increase of \$16.59 during the period. Since navigating the worst of the COVID-19 pandemic, the Metro Denver occupancy rate has returned to 90.3 percent of pre-pandemic levels recorded in August 2019.

Metro Denver Hotel Statistics

	Month of Aug-22	Month of Jul-22	Month of Aug-21	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Ann Avg 2017	Ann Avg 2012
Percent of Hotel Rooms Occupied	77.4%	78.4%	70.3%	68.9%	56.8%	12.1%	74.9%	68.0%
Average Hotel Room Rate	\$170.84	\$173.27	\$154.25	\$151.85	\$120.91	25.6%	\$143.68	\$111.78

Source: Rocky Mountain Lodging Report.

- According to a new “State of Travel and Hospitality” report by Morning Consult, some of the business travel spending that was derailed by the Covid-19 pandemic may never return. About 40 percent of business

travelers who took a trip at least three times a year before the pandemic expect to never travel for business again. Additionally, the share of adults who plan on taking a trip for work this year dropped 10 percentage points between February and May of this year according to a survey of 16,000 adults.

- Spokespeople for Denver International Airport (DEN) reported that 6.5 million passengers passed through the airport in July, a 1.3 percent increase from the previous year, or a rise of more than 83,000 passengers.

Denver International Airport Passengers

	Month of Jul-22	Month of Jun-22	Month of Jul-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual 2017	Annual 2012
Number of Airline Passengers	6,451,344	6,254,557	6,368,149	38,622,496	31,069,176	24.3%	61,379,396	53,156,278

Source: Denver International Airport, Traffic Statistics.

- The Denver International Airport has proposed a budget of \$1.33 billion for next year, projecting that traffic will exceed pre-pandemic levels in 2023. If current projections hold, it would be the fifth fastest airport recovery pace in the country, according to research group Fitch Ratings. DEN plans to add 30 jobs to meet increased passenger demand and to respond to staffing shortages.
- According to J.D. Power’s “2022 North America Airport Satisfaction Study”, a large-scale survey of 27,000 travelers from August 2021 to July 2022, Denver International Airport ranked 14th among the largest U.S. and Canadian Airports. DEN’s score, which peaked at 4th in 2018, fell to its lowest level in seven years due to long security lines and other travel hassles.

Residential Real Estate

- According to the Freddie Mac “Primary Mortgage Market Survey,” 30-year mortgage rates were 6.7 percent at the end of September, 1.04 percentage points higher than August’s ending rate of 5.66 percent and the highest rate since July 2007. Fifteen-year fixed rate mortgages rose as well as 30-year adjustable-rate mortgages in September. A year ago, 30-year mortgage rates were 3.01 percent.

Recently Announced Projects

- Civitas, a Denver-based architectural firm, and Alberta Development Partners are planning an 850-acre, 5,000 residence development in northeast Aurora, called The Windler. The development broke ground in September and consists of 16 neighborhoods and 150 acres of green space and parks.
- Westside Investment Partners, a Glendale-based development firm, released redevelopment plans for the former Park Hill Golf Course. The plans include approximately 2500 to 3500 residential units, of which 25 percent would be income restricted. In order to move forward with the development, Westside Investment Partners will have to pass a Denver-county ballot initiative.
- A large development has been proposed for a 74-acre property at the corner of 56th Avenue and Telluride Street near the Denver International Airport. Plans include 1,800 rental units and 50,000 square feet of commercial space. If approved, the project, called Gateway Landing North/Denver Spur, will begin with construction of the first phase of multifamily development in 4Q 2023 or 2024. The entire buildout would take between five and eight years to complete.

- The OliverBuchanan Group has plans to build a multifamily-hotel hybrid project on the 7-acre Denver Rock Drill site in Denver’s River North Neighborhood. The concept-plan, which is in the earliest stage of development and subject to change, includes two 9-story buildings with a combined 345 units of residential space, as well as office space and 5,713 square feet of retail space.
- South Carolina-based Greystar submitted site development plans for a project at 650 17th Street in Downtown Denver which include a 44-story building with 339 apartments. The plans also include 500,000 square feet of retail space.
- San Francisco-based Carmel Partners has purchased 2 buildings at 7th Avenue and Lincoln Street in Denver with plans to demolish the existing structures and build an apartment building with 324 units.
- The First Baptist Church of Denver, located at 1373 Grant Street in Denver’s Capital Hill neighborhood, submitted plans to develop its parking lot into a 12-story multifamily building with 216 residential units. The church has designated 20 percent of the units as affordable.
- Cyprus Real Estate Advisors submitted plans for the second phase of apartments that would bring 208 apartment units at the site that was the former home to the Cameron Motel. Concept plans for the Cameron 2 indicate a 7-story building with two levels of parking and five levels of residential units.
- The Denver City Council voted to rezone a pair of lots in Cherry Creek to pave the way for a planned residential project. The lots, located at 3400 E. Bayaud Avenue and 121 S. Madison Street, currently house two office buildings. Ten percent of the proposed 150 residential units will be designated for those making up to 60 percent of the mean area income.
- Washington-based developer Holland Partner Group purchased the northern half of the block between 10th and 11th avenues, and between Santa Fe and Inca Street in Denver’s Lincoln Park neighborhood with plans to build a 123-unit apartment complex. Holland already owns the southern half of the block and is currently finishing up an apartment complex on that space.
- Brinkmann Constructors has broken ground on a new for-rent housing community called The Ayden at 4228 Kalamath Street in Denver’s Sunnyside neighborhood. With 117 units, the community will be within a few blocks of the RTD station at 41st and Fox streets.
- Dallas-based Mill Creek Residential purchased 2 plots at 155 and 165 N. Cook Street in Cherry Creek with plans to construct a 5-story apartment building with 110 residential units.
- California developer Highridge Costa Housing Partners LLC broke ground on the Northwest Apartments project in Broomfield. The community will contain 50 affordable workforce rental homes for families earning 30-60 percent of the city’s area median income. The expected completion date is fall 2023.

Home Resales

Metro Denver

- Home sales in Metro Denver totaled 4,612 in August, down 32.5 percent from the same time last year.
- Unsold homes on the market were 93.7 percent higher in August 2022 compared with the same time last year, representing 3,357 additional homes on the market. Over-the-month, the inventory of available homes fell by 5.7 percent. The inventory of homes in August is lower than the historic average of 15,747 listings.

Previously Owned Home Sales Activity

	Month of Aug-22	Month of Jun-22	Month of Aug-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Ann Total 2017	Ann Total 2012
Home Sales (Closed)	4,612	4,546	6,828	38,234	44,566	-14.2%	58,999	45,637
Unsold Homes on Market	6,939	7,361	3,582	6,939	3,582	93.7%	3,854	7,706
Average Sales Price-Single Family	\$734,124	\$754,701	\$674,863	\$756,375	\$667,355	13.3%	\$466,660	\$312,905
Average Sales Price-Condo	\$397,526	\$406,225	\$377,504	\$411,243	\$361,814	13.7%	\$278,011	\$195,120
Median Sales Price-Single Family	\$625,000	\$695,000	\$575,000				\$395,000	\$256,000
Median Sales Price-Condo	\$370,000	\$377,750	\$341,500				\$247,000	\$149,900

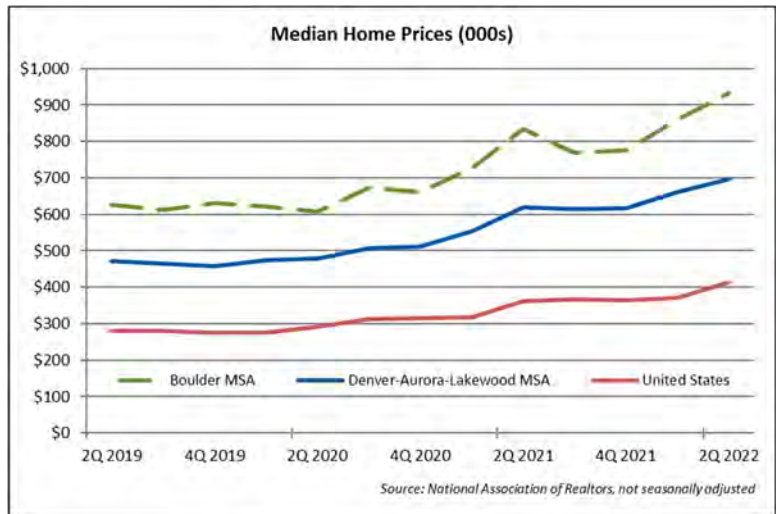
Source: Colorado Comps LLC; Denver Metro Association of Realtors; REcolorado.

- The average sales price for single-family homes increased 8.8 percent over-the-year to \$734,124, representing an additional \$59,261 per home during the period. The average sales price for condominiums rose 5.3 percent over-the-year to \$397,526, representing an additional \$20,022 per home.

National

- The National Association of REALTORS' home affordability index rose to 102.2 in July up from 98.5 in June. The metric is based on the ratio between the median household income and the necessary income required to qualify for the median-priced house. Prices in the West's Mountain region have grown by 55 percent since December of 2019.

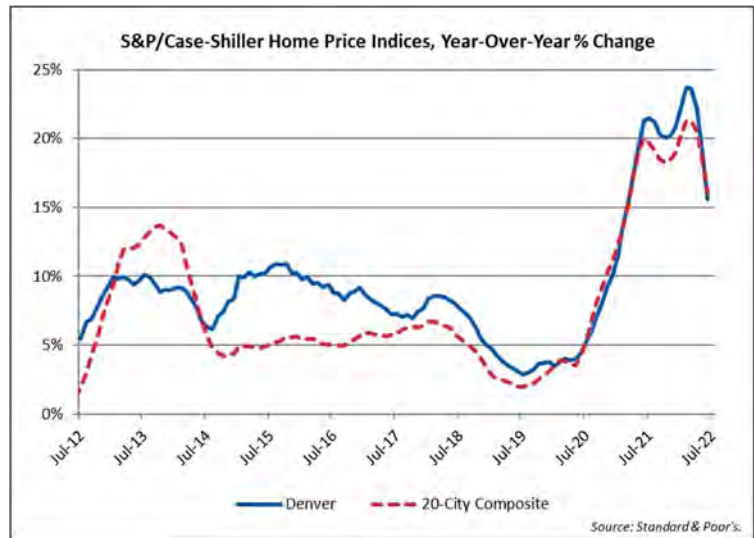
- Total existing-home sales decreased 0.4 percent from July to a seasonally adjusted annual rate of 4.8 million in August, marking seven consecutive months of declines, according to the National Association of REALTORS (NAR). Sales decreased 19.9 percent year-over-year from the August 2021 reading of 5.99 million.
- All four regions reported over-the-year decreases in total home sales in August. The West region reported the largest decrease of 29 percent, followed by the South (-19.3 percent), the Midwest (-15.9 percent) and the Northeast (-13.7 percent).



- Properties remained on the market for 16 days in August, up from 14 in July and down from 17 days in August 2021. Of the homes sold in August, 81 percent were on the market for less than a month.
- NAR data showed the median existing-home price for all housing types nationally was \$389,500 in August, up 7.7 percent from the same time last year. This marked 126 consecutive months of over-the-year increases, the longest streak on record. However, the median price was down for the second month in a row after a record high of 413,800 in June.
- Median home prices increased in all four major U.S. regions over-the-year. For the twelfth 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 12.4 percent over-the-year in August, followed by the West (+7.1 percent), the Midwest (+6.6 percent), and the Northeast (+1.5 percent).

- The West region reported the highest median home price of \$602,900, while the Midwest reported the lowest median price of \$287,900 in August.
- A separate NAR report revealed that the median price in the Boulder MSA increased 11.8 percent over-the-year to \$933,400 in the second quarter of 2022. The Denver-Aurora MSA rose 12.5 percent over-the-year to a median home price of \$695,800 during 2Q 2022, while the national median home price increased 14.2 percent to \$413,500 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 13th highest median home price. Every metro area tracked in the report except Trenton, New Jersey posted home price growth between the second quarters of 2021 and 2022.
- Between the first quarter of 2022 and the second quarter of 2022, prices increased by double digits in 80 percent of all metros studied, up from 70 percent in the first quarter. The national home price increased 11.2 percent over-the-quarter. Home prices increased 8.6 percent in the Boulder MSA and 5.1 percent in the Denver MSA during the period.

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

	Quarter 2 2022 (p)	Quarter 1 2021 (r)	Quarter 2 2021	YTD Avg 2022	YTD Avg 2021	YTD Avg % Change	Median 2017	Median 2012
Boulder MSA	\$933.4	\$859.1	\$835.2	\$896.3	\$780.9	14.8%	\$933.4	\$859.1
Denver-Aurora MSA	\$695.8	\$662.2	\$618.6	\$679.0	\$586.5	15.8%	\$695.8	\$662.2
United States	\$413.5	\$372.0	\$362.1	\$392.8	\$340.2	15.5%	\$413.5	\$372.0

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

- According to the S&P/Case-Shiller Home Price Index, housing prices in Denver increased 15.6 percent between July 2021 and June 2022, down from a 19.3 percent increase in June and a 22.2 percent increase in May. July marked the second 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.
- Month-over-month home prices fell for a second consecutive month in July after a 29-month streak of month-over-month home price increases that ended between May and June according to the S&P CoreLogic Case-Shiller index. Denver was one of 12 cities to drop between June and July after six reported decreases from May to June.
- National housing prices increased 15.8 percent over-the-year in July, down from 18.1 percent in June and 20 in May.

- Tampa reported the highest year-over-year price increase of 31.8 percent, followed by Miami (+31.7 percent) and Dallas (+24.7 percent). Minneapolis reported the smallest over-the-year increase of 9 percent, followed by Washington, D.C. (+9.4 percent) and San Francisco (+10.8 percent). Denver ranked 10th.

Foreclosures

- Foreclosures in Metro Denver increased 121.7 percent between September 2021 and September 2022, rising by 112 filings during the period. Over-the-month, foreclosures fell 0.5 percent from 205 filings in August. All seven counties reported increases in filings compared with last year. Arapahoe County reported the largest increase of 212.5 percent, followed by Broomfield County (+200 percent) and Douglas County (+183.3 percent). Boulder County reported the most modest increase of 20 percent, or 2 filings, during the period.

Real Estate Foreclosures

	Month of Sep-22	Month of Aug-22	Month of Sep-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Annual Total 2017	Annual Total 2012
Total Metro Denver*	204	205	92	2,001	344	481.7%	2,982	15,013
Adams County	53	47	20	549	73	652.1%	672	3,183
Arapahoe County	50	60	16	517	73	608.2%	706	3,589
Boulder County	12	18	10	94	29	224.1%	170	783
Broomfield County	6	4	2	27	4	575.0%	39	210
Denver County	37	34	22	383	74	417.6%	648	3,064
Douglas County	17	20	6	153	29	427.6%	265	1,534
Jefferson County	29	22	16	278	62	348.4%	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 0.1 percent over-the-year to a seasonally adjusted annual rate of 685,000 in August, 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 increases in home sales. The South reported the highest increase of 10.4 percent followed by the Mid-West (+5 percent). The West reported the largest decrease of 24 percent, followed by the Northeast (-21.9 percent).



New Home Construction

National

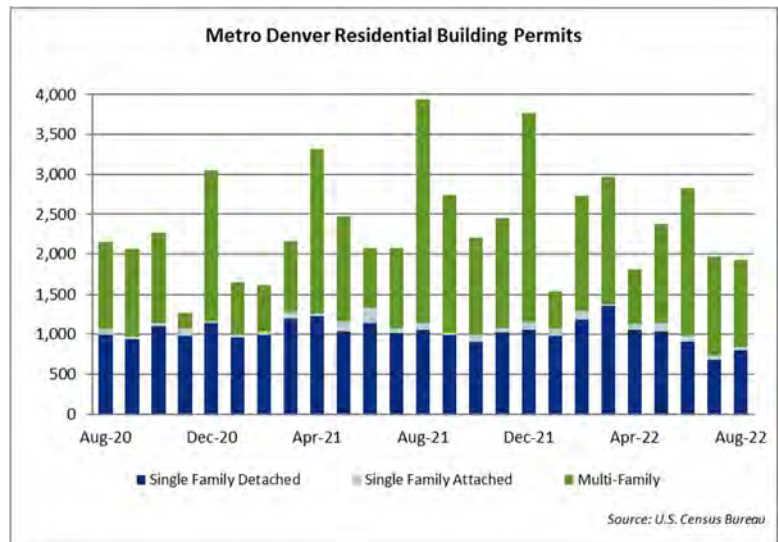
- Builder confidence for newly built single-family homes decreased 3 points to 46 in September, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). This was the

ninth consecutive month that builder sentiment has declined and the lowest reading since May 2020. The decline in builder confidence is a sign of continued slowing in the 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, builders are halting construction due to the increasing cost of land, construction, and financing. On the demand side, the continued increase in mortgage rates has priced out a significant number of prospective home buyers. Over the last month, 24 percent of builders reported lowering prices to boost sales or limit cancellations.

- According to the U.S. Census Bureau, the seasonally adjusted annual number of nationwide residential building permits totaled about 1.5 million units in August, an 8.5 percent over-the-month decrease, and a 13 percent decrease compared with the same time last year.
- Building permits for single-family detached units decreased 15.2 percent over-the-year, or by 161,000 units permitted to a total of 900,000 units permitted in August. Single-family attached units increased 9.3 percent to 47,000 units permitted, while multi-family units decreased 10.9 percent over-the-year to 595,000 units permitted in August.
- All four regions reported over-the-year decreases in total units permitted. The West region reported the largest over-the-year decrease of 15.1 percent, followed by the Northeast (-14.3 percent), the South (-12.9 percent), and the Midwest (-8.2 percent).

Metro Denver

- Residential building permits in Metro Denver totaled 1,928 units permitted in August, a decrease of 51.1 percent, or 2,017 units, from the same time last year.
- Single-family detached units permitted decreased 24.6 percent over-the-year, falling by 261 units permitted during the period. Single-family attached units decreased 50.6 percent, or by 39 units, to a total of 38 during the period. Multi-family units decreased 61.2 percent, or by 1,717 units, to a total of 1,090 units permitted in August.



Residential Building Permits

	Month of Aug-22	Month of Jul-22	Month of Aug-21	YTD Total 2022	YTD Total 2021	YTD Total % Change	Total 2017	Total 2012
Single-Family Detached Units	800	686	1,061	7,999	8,633	-7.3%	11,419	5,947
Single-Family Attached Units	38	46	77	566	661	-14.4%	384	299
Multi-Family Units	1,090	1,234	2,807	9,557	10,017	-4.6%	12,218	8,679
Total Units	1,928	1,966	3,945	18,122	19,311	-6.2%	24,021	14,925

Source: U.S. Census Bureau.

Apartment Rental Market

- The apartment vacancy rate throughout Metro Denver rose 1.1 percentage points over-the-year to 4.8 percent vacancy in the second quarter of 2022. Vacancy rates ranged from 3.2 percent in the Boulder/Broomfield submarket to 5.6 percent in Denver County.

Apartment Statistics

	Quarter 2 2022	Quarter 1 2022	Quarter 2 2021	YTD Average 2022	YTD Average 2021	YTD Average % Change	Ann Avg 2017	Ann Avg 2012
Apartment Vacancy Rate	4.8%	4.3%	3.7%	4.6%	4.6%	-0.1%	5.6%	4.7%
Average Monthly Rental Rate (all units)	\$1,862	\$1,766	\$1,651	\$1,814	\$1,598	13.5%	\$1,403	\$974

Source: Denver Metro Apartment Vacancy and Rent Survey.

- All six submarkets reported over-the-year increases in the average monthly rental rate, led by Douglas County (+17.9 percent), Jefferson County (+16 percent), and Arapahoe County (+14.8 percent). The Boulder/Broomfield submarket reported the most modest over-the-year increase of 5.3 percent. Douglas County reported the highest rental rate in 2Q 2022 of \$2,119 per month, while Adams County reported the lowest rental rate of \$1,685 per month. Across Metro Denver, rents increased 12.7 percent over-the-year to \$1,862 per month. Rents rose 5.4 percent between the first and second quarters of 2022.

Commercial Real Estate

Recently Announced Projects

- Vita Fox North LP broke ground on Fox Park, a World Trade Center Denver-anchored development project in Denver’s Globeville Neighborhood. The project will bring an estimated 6 million square feet of residential and commercial space, as well as 14 acres of parks and open space. The first phase of construction will consist of 1,050 residential units, 350,000 square feet of office space, a hotel, and retail space in addition to the World Trade Center Complex. The developer is aiming for a phase-one completion date in 2024.
- Evergreen Devco Inc.’s master development plan for RiverPark in Littleton was approved in September. The mixed-use community, to be built on a 33-acre site at 7755 S. Santa Fe Drive, will include approximately 300 residential units as well as an undisclosed amount of commercial space. Evergreen plans to break ground on the project by the beginning of 2023.
- The Broomfield Town Square project, which calls for as many as 643 residential units was approved by the Broomfield City Council. The plan also includes as much as 187,000 square feet of commercial space and the redevelopment of a local Safeway into 65,000 square feet of retail, coworking, and community space. Developers plan to break ground in late 2022 or early 2023.
- Whole Foods submitted plans in Aurora this month to build a 136,700-square-foot facility on 18.5 acres at the corner of Denali Street and East 60th Street in the HighPoint industrial park. The facility would employ 150 to 175 employees when finished.
- FlexHQ, a California-based coworking company, purchased a 76,000-square-foot building at 5180 Fox Street in Denver with plans to convert the space, which is primarily an industrial warehousing building, into a coworking shared office space.

- The University of Colorado Denver released plans to build a new engineering building on the corner of Larimer Street and Speer Boulevard. The building, which will be five stories and 72,000 square feet when completed, is in response to a 50 percent student increase in the last five years. The school plans to break ground in April 2023.
- Vib Denver RiNo, a boutique brand from Best Western Hotel Group, opened in the River North Art District in Denver. The six-story hotel at 3560 Brighton Boulevard includes 112, a rooftop restaurant, a coffee shop, and a lobby bar.
- Virgin hotels broke ground on a new hotel at 4400 Fox Street. The hotel will be in the Fox Park development in Denver. Current plans call for the hotel to open in 2025 and will include 241 rooms, a coffee shop, a rooftop lounge, a cocktail and event space, as well as a restaurant.

Office Market

- According to CBRE research, there is currently a record 627 million square feet of new warehouse space under construction across the nation. This record-level development is justified by the 43-year average age of existing U.S. warehouse space, alongside decreased demand for older, lower quality buildings but robust demand for newer space.
- Based on CoStar data, the direct office vacancy rate in Metro Denver was 12.4 percent in the third quarter of 2022, an increase of 0.3 percentage points from the previous quarter. The vacancy rate was up 0.3 percentage points over-the-year. The average lease rate increased 5.4 percent between the third quarters of 2021 and 2022, or by \$1.60, to \$30.97 per square foot.

Office Market Statistics

	Quarter 3 2022	Quarter 2 2022	Quarter 3 2021	Quarter 3 2020	Quarter 3 2019	Quarter 3 2018
Number of Buildings	6,639	6,638	6,626	6,600	6,573	6,535
Existing Square Feet (millions)	201.6	201.4	200.8	198.6	197.1	194.6
Vacant Square Feet (direct, millions)	25.1	24.4	24.4	20.0	17.7	17.9
Vacancy Rate (direct)	12.4%	12.1%	12.2%	10.1%	9.0%	9.2%
Vacancy Rate (with sublet)	14.3%	13.9%	13.9%	11.3%	9.6%	10.0%
Avg. Lease Rate (direct, per sq. ft., full service)	\$30.97	\$30.83	\$29.37	\$28.58	\$27.67	\$27.13
New Construction Completed (year-to-date)	1.98 MSF, 21 Bldgs	0.40 MSF, 7 Bldgs	1.88 MSF, 18 Bldgs	1.79 MSF, 28 Bldgs	1.34 MSF, 23 Bldgs	2.95 MSF, 25 Bldgs
Currently Under Construction	3.82 MSF, 22 Bldgs	1.98 MSF, 19 Bldgs	1.39 MSF, 16 Bldgs	2.80 MSF, 28 Bldgs	3.21 MSF, 36 Bldgs	4.36 MSF, 45 Bldgs

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

- The vacancy rate including sublease space increased 0.4 percentage points over-the-year, rising from 13.9 percent in 3Q 2021 to 14.3 percent in 3Q 2022. This represented more than 3.8 million square feet of vacant sublease space, the largest amount of vacant sublease space since 2003.
- There were 21 office buildings completed in the first three quarters of 2022, delivering nearly 2 million square feet to Metro Denver. The largest building completed to date was the 606,142-square-foot Block 162 located in downtown Denver.
- There was 3.82 million square feet of office space in 22 buildings under construction in Metro Denver during the third quarter of 2022. The largest buildings under construction were The US Highway 36 & McCaslin Blvd Downtown Superior Building (817,600 SF in Superior) and 1900 Lawrence (704,036 SF in the Central

Business District 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, 53 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 decreased 0.3 percentage points to 5.5 percent between the third quarters of 2021 and 2022. The total vacancy rate including sublease space fell 0.5 percentage points over-the-year to 5.7 percent. The average lease rate increased \$0.81 per square foot to \$9.69, a 9.1 percent increase over the same time last year.
- Forty-three industrial buildings providing nearly 8.83 million square feet of space were completed in the first three quarters of 2022. The largest building completed was the 1.2 million-square-foot Building 5 Warehouse at 20500 E. Colfax Avenue in Denver. The next largest buildings were a 1,000,602-square-foot Distribution Center at Denver International Airport and the 594,138-square-foot Stafford Logistics Center Building 1 in Denver.

Industrial Market Statistics

	Quarter 3 2022	Quarter 2 2022	Quarter 3 2021	Quarter 3 2020	Quarter 3 2019	Quarter 3 2018
Number of Buildings	7,362	7,346	7,319	7,272	7,236	7,187
Existing Square Feet (millions)	250.6	247.2	239.7	233.1	229.3	222.5
Vacant Square Feet (direct, millions)	13.7	11.3	13.8	11.1	11.0	8.6
Vacancy Rate (direct)	5.5%	4.6%	5.8%	4.8%	4.8%	3.8%
Vacancy Rate (with sublet)	5.7%	4.8%	6.2%	5.3%	5.1%	4.0%
Avg. Lease Rate (direct, per square foot, NNN)	\$9.69	\$9.40	\$8.88	\$8.62	\$8.37	\$7.82
New Construction Completed (year-to-date)	8.83 MSF, 43 Bldgs	2.16 MSF, 11 Bldgs	4.46 MSF, 29 Bldgs	2.38 MSF, 16 Bldgs	5.44 MSF, 38 Bldgs	2.39 MSF, 26 Bldgs
Currently Under Construction	8.11 MSF, 49 Bldgs	9.41 MSF, 53 Bldgs	7.73 MSF, 38 Bldgs	6.63 MSF, 45 Bldgs	3.89 MSF, 30 Bldgs	6.71 MSF, 33 Bldgs

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

- Metro Denver’s industrial construction pipeline remains robust with 8.11 million square feet of space under construction in 49 buildings. More than 64 percent of the industrial space under construction is located in Adams County, including the largest building under construction, DIA’s Logistics Park with 625,000 square feet of space. Of the buildings under construction, 22 are slated for delivery in 2022, with the remaining 27 expected in 2023.
- New flex construction has been more limited than other property types, but remains strong heading into the third quarter of 2022. Two new flex buildings totaling 61,100 square feet were completed in the first three quarters of 2022. There were 20 buildings totaling 724,871 square feet under construction as of the end of 3Q 2022. More than 45 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.

Flex Market Statistics

	Quarter 3 2022	Quarter 2 2022	Quarter 3 2021	Quarter 3 2020	Quarter 3 2019	Quarter 3 2018
Number of Buildings	1,583	1,582	1,578	1,576	1,566	1,553
Existing Square Feet (millions)	47.2	47.1	47.0	47.0	46.3	45.9
Vacant Square Feet (direct, millions)	2.5	2.8	2.9	2.7	1.9	2.0
Vacancy Rate (direct)	5.3%	5.9%	6.2%	5.8%	4.1%	4.4%
Vacancy Rate (with sublet)	5.8%	6.2%	6.9%	6.2%	4.5%	4.7%
Avg. Lease Rate (direct, per square foot, NNN)	\$15.16	\$14.88	\$13.31	\$13.13	\$12.23	\$12.19
New Construction Completed (year-to-date)	0.06 MSF, 2 Bldgs	0.08 MSF, 4 Bldgs	0.06 MSF, 2 Bldgs	0.29 MSF, 2 Bldgs	0.24 MSF, 8 Bldgs	0.35 MSF, 7 Bldgs
Currently Under Construction	0.72 MSF, 20 Bldgs	0.82 MSF, 20 Bldgs	0.32 MSF, 7 Bldgs	0.32 MSF, 8 Bldgs	0.61 MSF, 6 Bldgs	1.22 MSF, 13 Bldgs

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

- The direct flex vacancy rate in Metro Denver decreased 0.9 percentage points over-the-year to 5.3 percent vacancy. The average lease rate rose 13.9 percent, or by \$1.85, to \$15.16 per square foot during the period.

Retail Market

- The direct vacancy rate for retail space in Metro Denver decreased 0.4 percentage points over-the-year to 4.4 percent in 3Q 2022, according to CoStar. The direct vacancy rate including sublease space also decreased 0.4 percentage points over-the-year to 4.5 percent. The average lease rate increased 5.8 percent to \$19.94 per square foot.

Retail Market Statistics

	Quarter 3 2022	Quarter 2 2022	Quarter 3 2021	Quarter 3 2020	Quarter 3 2019	Quarter 3 2018
Number of Buildings	13,074	13,055	13,001	12,944	12,819	12,698
Existing Square Feet (millions)	174.6	174.5	174.1	173.3	172.0	170.8
Vacant Square Feet (direct, millions)	7.8	8.0	8.3	8.3	6.7	6.4
Vacancy Rate (direct)	4.4%	4.6%	4.8%	4.8%	3.9%	3.7%
Vacancy Rate (with sublet)	4.5%	4.7%	4.9%	4.9%	4.0%	3.9%
Avg. Lease Rate (direct, per square foot, NNN)	\$19.94	\$19.70	\$18.84	\$18.30	\$18.29	\$18.65
New Construction Completed (year-to-date)	0.82 MSF, 59 Bldgs	0.19 MSF, 27 Bldgs	0.34 MSF, 27 Bldgs	0.56 MSF, 30 Bldgs	0.51 MSF, 60 Bldgs	0.84 MSF, 78 Bldgs
Currently Under Construction	0.69 MSF, 54 Bldgs	0.77 MSF, 62 Bldgs	1.13 MSF, 34 Bldgs	0.94 MSF, 60 Bldgs	1.62 MSF, 78 Bldgs	1.57 MSF, 69 Bldgs

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

- Through the third quarter of 2022, 59 retail buildings totaling more than 820,000 square feet were completed. An additional 54 buildings with about 690,000 square feet of space are under construction and 70 percent are expected to be completed in 2022. More than 60 percent of the space under construction is located in the City and County of Denver or Adams County.



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