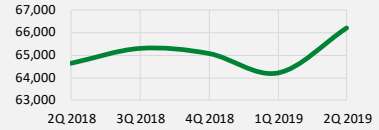


## Centennial Quarterly Report Economic Dashboard

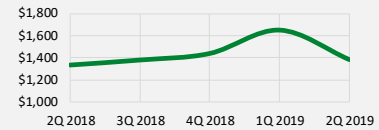
### Employment

**66,185**  
Up 2.4% from 2Q 2018



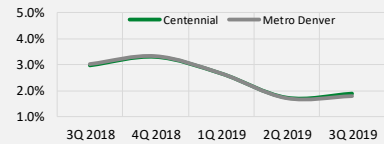
### Average Weekly Wage

**\$1,385**  
Up 3.6% from 2Q 2018



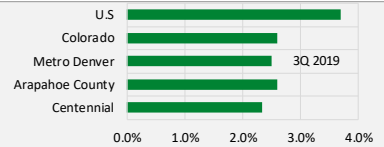
### Labor Force Growth Rate

**1.9%**  
Down 1.1 percentage points from 3Q 2018



### Unemployment Rate

**2.3%**  
Down 0.6 percentage points from 3Q 2018



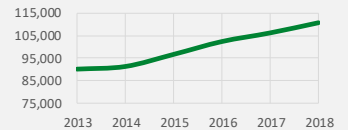
### Net Taxable Sales

**\$420,573,140**  
Up 5.9% from 3Q 2018



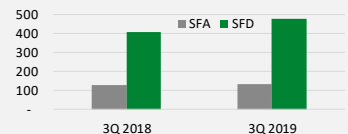
### Median Household Income

**\$110,443**  
Up 4.2% from 2017



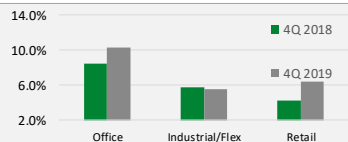
### Existing Home Sales

**604**  
Up 13.5% from 3Q 2018



### Office Vacancy Industrial/Flex Vacancy Retail Vacancy

**10.3%**  
**5.5%**  
**6.4%**



## Centennial Economic Activity

### Company Announcements

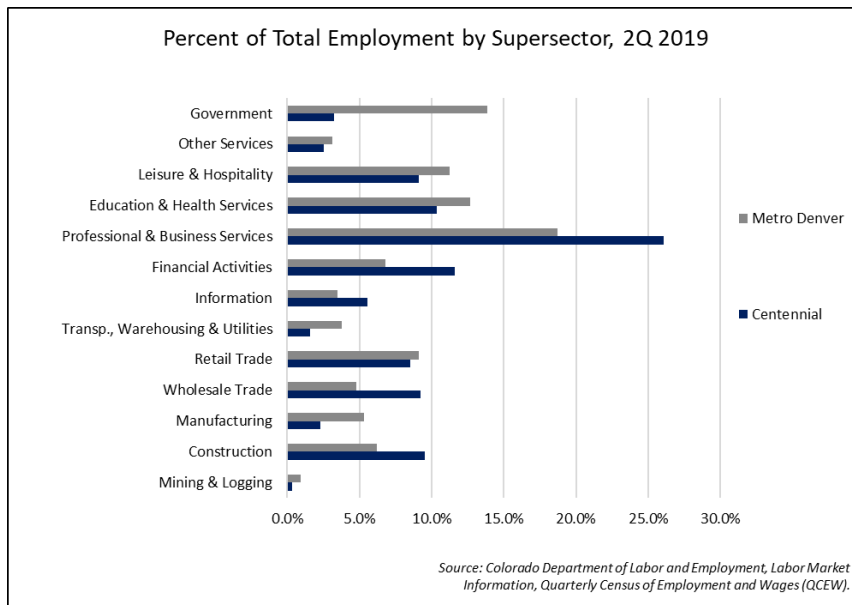
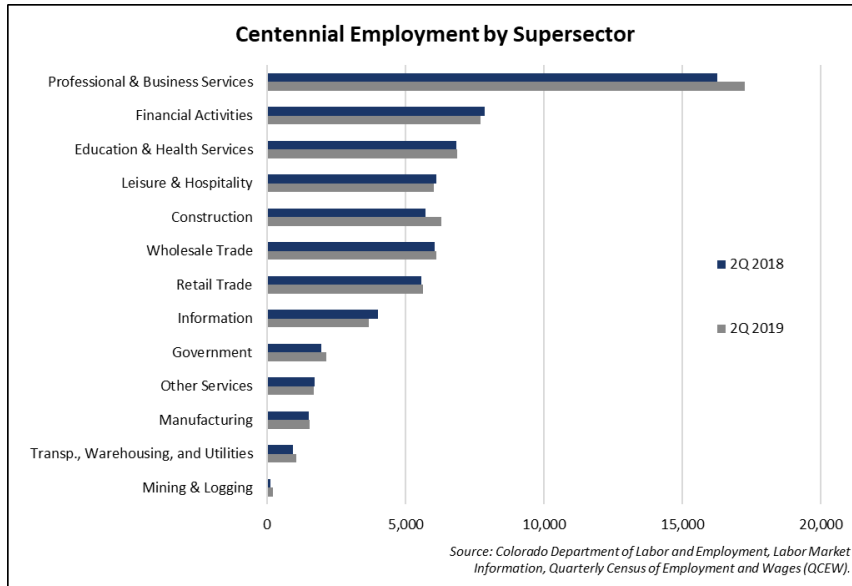
- Corum Real Estate Group, a Denver-based commercial property manager and developer, acquired land to develop a commercial project by the end of 2020. Elevate at Central Centennial will also consist of two buildings, one 132,300 square feet and the other 56,000 square feet, located at 7172 South Revere Parkway and 12358 E Easter Ave. in Centennial. Construction is set to begin early 2020.
- Schnitzer West unveiled plans to develop three, 16-story office towers in Centennial totaling roughly 900,000 square feet. The development, called Westray, will be located at 6363 Greenwood Plaza Blvd. The first building, a 290,000-square-foot tower, will break ground in the third quarter of 2020 and take about two years to deliver.
- Brown Brothers Harriman and Co., a New York City-based investment bank and financial advisory firm, will shut down its Centennial office at 6801 S Tucson Way. All 136 employees will lose their jobs between November 25, 2019 and September 30, 2020. The firm employs more than 6,000 people across 18 offices. Positions being cut include operations specialists and analysts, fund accountants, and legal analysts.

### Rankings and Economic Headlines

- According to SmartAsset's Most Livable Mid-Sized Cities – 2019 Edition report, Centennial ranked No. 2. Five cities in Metro Denver took the top five spots. The report looked at economic factors including median household income, unemployment rate, average commute time, and more to determine the ranking. The report found that Centennial had a low percentage of the population below poverty and relatively low unemployment for the high ranking.
- According to Embroker, a digital insurance company, Denver ranked first for cities with the lowest startup costs. The study analyzed the 50 largest metropolitan areas for job growth, yearly median rent, energy cost, median base salary, state filing fees, and marginal corporate income tax. Denver's yearly median salary of \$61,325 outpaces the national average, and the city ranked the highest for being a second office location due to the lowest median office rent for startups across all 50 MSAs.
- Colorado ranked No. 2 in "The Best and Worst States to Live In" by 24/7 Wall Street. Colorado ranked No. 7 for 10-year population increase, No. 7 for lowest poverty rate, No. 7 for longest life expectancy (80.5 years), and No. 15 for lowest unemployment in 2018. The report factored in three measures: life expectancy at birth, bachelor's degree attainment, and poverty, to create an index using the Human Development Index (HDI) model.
- *Forbes* ranked Colorado ninth for the best states for business in their 2019 ranking. The study looked at business costs, labor supply, regulatory environment, economic climate, and growth prospects to determine the ranking. Colorado's top rankings were first for labor supply, second for economic climate, and fourth for growth prospects. The state's lowest ranking was 39th for business costs.

## Employment Activity

### Total Employment



- During the second quarter of 2019, companies in Centennial employed 66,185 workers across 5,116 businesses, an increase of 2.4 percent compared with employment from the same time last year. Employment in Metro Denver<sup>1</sup> reached nearly 1.7 million people during the period, an increase of 2.3 percent over-the-year.

<sup>1</sup> Metro Denver is comprised of seven-counties, consisting of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties.

- The professional and business services supersector employed the most people in Centennial at 17,254 employees, followed by financial activities (7,692 jobs) and education and health services (6,868 jobs).<sup>2</sup> Similarly, professional and business services employed the most people in Metro Denver, with 317,054 jobs in the second quarter of 2019.

**Business and Employment Indicators by Supersector**

	Centennial						% Change Employment	
	Business Count		Average Weekly Wage		Employment		2Q 2018 - 2Q 2019	
	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019	Centennial	Metro Denver
<b>Total All Industries</b>	5,003	5,116	\$1,336	\$1,385	64,628	66,185	2.4%	2.3%
<b>Private Sector</b>								
Mining & Logging	32	26	\$3,205	\$1,916	115	209	80.9%	9.1%
Construction	424	435	\$1,400	\$1,454	5,710	6,295	10.3%	2.6%
Manufacturing	90	95	\$1,370	\$1,440	1,512	1,532	1.3%	1.7%
Wholesale Trade	445	452	\$1,839	\$1,933	6,052	6,124	1.2%	1.2%
Retail Trade	279	269	\$793	\$837	5,566	5,626	1.1%	-0.5%
Transp., Warehousing & Utilities	63	66	\$890	\$892	921	1,062	15.3%	8.2%
Information	128	139	\$1,836	\$1,923	4,005	3,669	-8.4%	1.1%
Financial Activities	768	790	\$1,631	\$1,715	7,855	7,692	-2.1%	1.0%
Professional & Business Services	1,577	1,622	\$1,589	\$1,606	16,249	17,254	6.2%	3.7%
Education & Health Services	560	568	\$1,030	\$1,055	6,845	6,868	0.3%	1.6%
Leisure & Hospitality	279	290	\$418	\$458	6,104	6,026	-1.3%	1.7%
Other Services	336	348	\$882	\$916	1,722	1,681	-2.4%	2.4%
<b>Government</b>	15	15	\$1,239	\$1,346	1,952	2,136	9.4%	2.9%

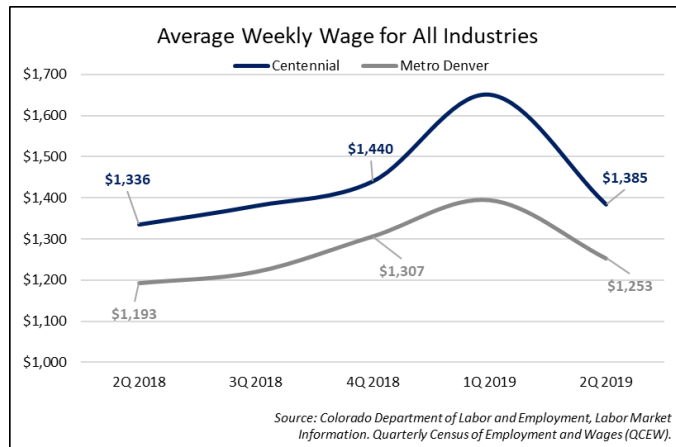
*Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry. Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).*

- Nine of the 13 supersectors reported over-the-year growth in employment. Mining and logging reported the largest percentage increase (+80.9 percent), followed by transportation, warehousing, and utilities (+15.3 percent) and construction (+10.3 percent). Professional and business services added the most employees over-the-year, rising by 1,005 individuals, while the construction supersector added 585 employees during the period. The information supersector reported the largest over-the-year decrease of 8.4 percent, followed by other services (-2.4 percent) and financial activities (-2.1 percent). There was a net increase of 1,557 jobs during the period across all supersectors in Centennial.
- In Metro Denver, 12 of the 13 supersectors reported increases in employment, led by mining and logging (+9.1 percent), transportation, warehousing, and utilities (+8.2 percent), and professional and business services (+3.7 percent). The retail trade supersector reported the only decrease, falling 0.5 percent, or by 798 employees, during the period.

<sup>2</sup> A detailed list of the types of companies found within each North American Industry Classification System (NAICS) sector may be found at <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017>.

## Average Wage

- The average weekly wage in Centennial for all industries was \$1,385 in the second quarter of 2019, up 3.6 percent from the second quarter of 2018. This weekly wage was 10.5 percent higher than the average wage in Metro Denver, representing an additional \$132 per week.
- The wholesale trade supersector reported the highest weekly wage at \$1,933 per week, a 5.1 percent increase from the same time last year. Leisure and hospitality reported the lowest weekly wage of \$458 per week during the period.



- Twelve of the 13 supersectors in Centennial reported increases in the average weekly wage between the second quarters of 2018 and 2019. Leisure and hospitality reported the largest increase of 9.6 percent, followed by government (+8.7 percent) and retail trade (+5.5 percent). The mining and logging supersector reported the only over-the-year decrease, falling 40.2 percent to \$1,916 per week.

## Business Counts

- Centennial added 113 businesses over-the-year to a total of 5,116 businesses.
- The professional and business services supersector reported the highest business count in Centennial of 1,622, growing by 45 businesses over-the-year. Financial activities reported 790 businesses in 2Q 2019, and education and health services reported 568 businesses during the period.
- Ten of the 13 supersectors reported growth in business count over-the-year. The information supersector grew by 8.6 percent, or 11 businesses, followed by manufacturing (+5.6 percent) and transportation, warehousing, and utilities (+4.8 percent). Mining and logging reported the largest decrease of 18.8 percent, or 6 businesses, while retail trade fell by 3.6 percent, or 10 businesses. The government supersector reported no change in the business count over-the-year.

## Centennial High Location Quotient Employment Activity

The location quotient (LQ) is a ratio that compares the region's employment share of a particular industry with the employment share nationwide. LQ's were computed for three-digit North American Industry Classification System (NAICS) subsector level codes. Subsectors with a LQ of 1.5 or greater are highlighted below.

### Total Employment – High LQ's

- Of Centennial's total employment, 44.3 percent of the workers are in the identified 12 high location quotient subsectors in the second quarter of 2019.
- Professional, scientific, and technical services reported the largest absolute increase, adding 477 people at a rate of 5.6 percent between the second quarters of 2018 and 2019. Heavy and civil engineering construction

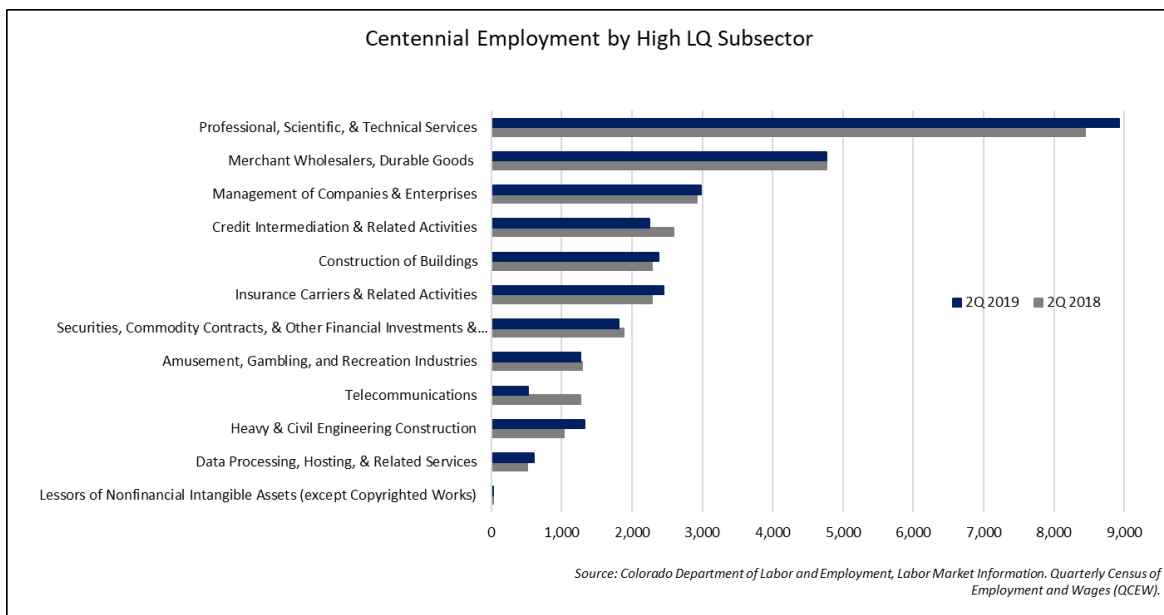
added 298 people at a rate of 29.1 percent, the largest percentage increase, and insurance carriers and related activities added 164 workers at a rate of 7.2 percent over the period.

**Business and Employment Indicators for High Location Quotient Subsectors**

	LQ	Business Count		Average Weekly Wage		Employment	
	3Q 2018	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019
Amusement, Gambling, and Recreation Industries	1.7	36	36	\$406	\$459	1,294	1,271
Credit Intermediation and Related Activities	2.1	120	122	\$1,321	\$1,383	2,587	2,250
Professional, Scientific, and Technical Services	2.1	1,150	1,183	\$1,880	\$1,929	8,444	8,921
Heavy and Civil Engineering Construction	2.2	33	33	\$1,277	\$1,469	1,025	1,322
Insurance Carriers and Related Activities	2.2	213	213	\$1,930	\$1,826	2,280	2,444
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	2.4	4	4	\$1,392	\$1,426	24	21
Management of Companies and Enterprises	2.9	106	116	\$2,064	\$2,080	2,918	2,983
Merchant Wholesalers, Durable Goods	3.1	254	265	\$1,921	\$2,034	4,762	4,764
Construction of Buildings	3.2	131	143	\$1,698	\$1,667	2,289	2,375
Data Processing, Hosting, and Related Services	3.5	40	47	\$3,641	\$3,584	505	603
Telecommunications	3.7	21	19	\$1,485	\$1,844	1,269	524
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	4.7	110	115	\$1,814	\$2,023	1,886	1,813

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

- Employment fell in five of the 12 subsectors over-the-year, with the largest decreases in telecommunications (-58.7 percent), lessors of nonfinancial intangible assets (-13.7 percent), and credit intermediation and related activities (-13 percent). Overall, employment increased by 8 jobs across all subsectors.



**Average Wage – High LQ’s**

- Nine of the 12 subsectors in Centennial recorded growth in the average weekly wage between the second quarters of 2018 and 2019. Telecommunications reported the largest percentage and absolute increase, rising by 24.2 percent, or \$360 per week, during the period. Heavy and civil engineering construction increased 15.1 percent, while amusement, gambling, and recreation industries grew 12.8 percent over-the-year.

- The insurance carriers and related activities subsector reported the largest decrease, falling 5.4 percent, or by \$104, to \$1,826 per week. Construction of buildings fell 1.8 percent, while data processing, hosting, and related services fell 1.6 percent during the period.
- The amusement, gambling, and recreation industries subsector reported the lowest weekly wage of \$459 per week, while the data processing, hosting, and related services subsector reported the highest weekly wage of \$3,584 per week.

### Business Counts – High LQ's

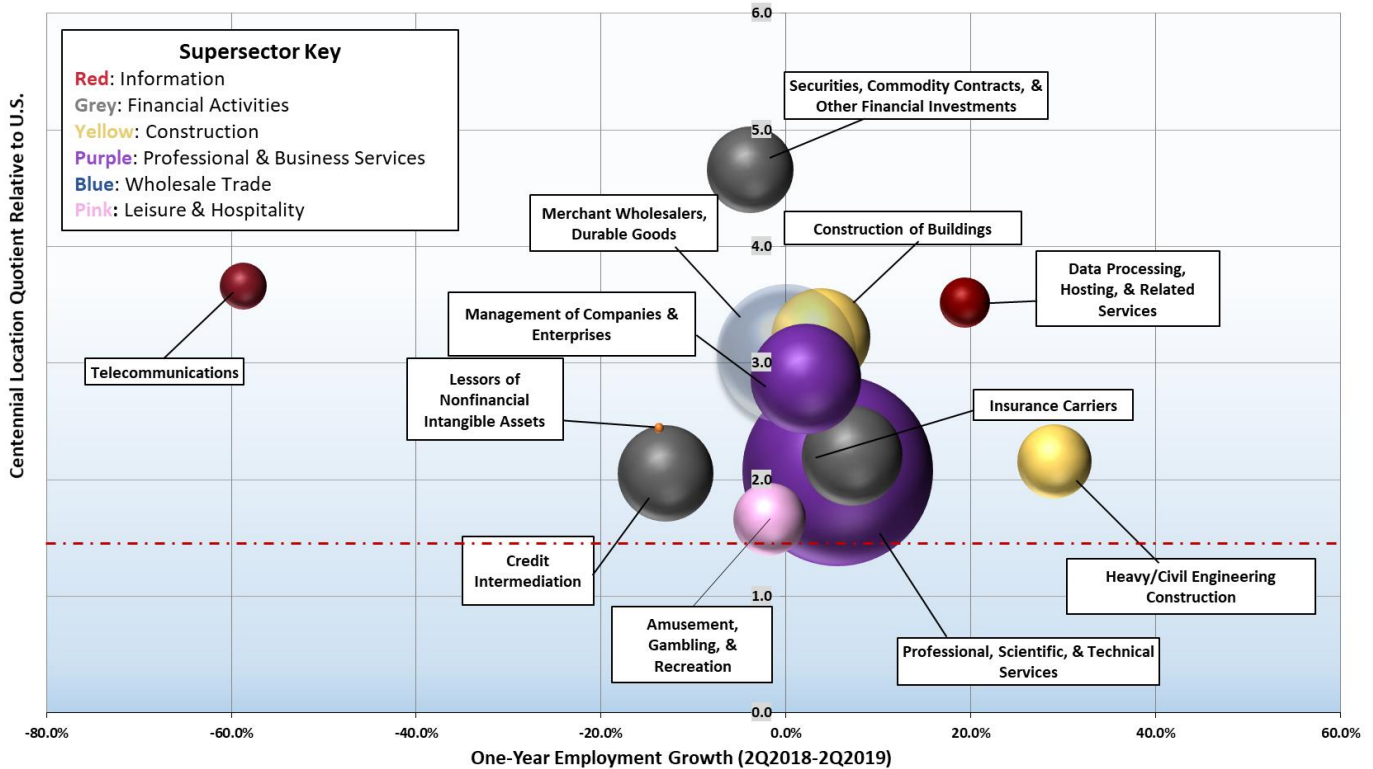
- The professional, scientific, and technical services subsector had the highest business count in Centennial at 1,183 businesses. This was a 2.9 percent increase over-the-year, representing an additional 33 businesses during the period.
- Seven of the 12 subsectors reported increases in business count, with data processing, hosting, and related services reporting the largest percentage increase of 17.5 percent growth, followed by management of companies and enterprises (+9.4 percent) and construction of buildings (+9.2 percent). Telecommunications reported the only decrease, falling by 2 companies over-the-year, a 9.5 percent fall. There were four subsectors that reported no change in the business count during the period: heavy and civil engineering construction; insurance carriers and related activities; lessors of nonfinancial intangible assets; and amusement, gambling, and recreation industries.

### Analysis – High LQ's

Bubble charts are popular tools used to illustrate industry clusters. These charts allow multiple variables to be plotted within the same graph, making it easy to assess relative economic performance. Bubble charts are often used for pinpointing priority industries since they allow visual comparisons of economic measures.

This chart illustrates industry cluster relationships for the 12 high location quotient subsectors. The following four variables are plotted:

- One-year direct employment growth, 2Q 2018 to 2Q 2019, on the x-axis (horizontal);
- The industry's location quotient on the y-axis (vertical);
- Employment size of the industry, 2Q 2019; indicated by the size of the bubble;
- Subsectors that are included in the same supersector are the same color.



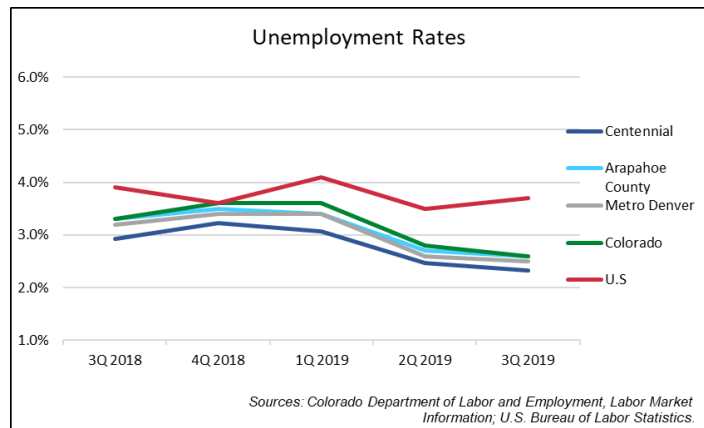
Source: Development Research Partners analysis of Colorado Department of Labor, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The dotted red line on the graph represents the location quotient equal to 1.5 to easily identify the bubbles that are above this demarcation.

## Labor Force

### Unemployment Rate

- The labor force in Centennial rose 1.9 percent between the third quarters of 2018 and 2019, adding 1,234 individuals working or looking for a job during the period. The labor force rose 1.2 percent over-the-quarter. Arapahoe County and Metro Denver both reported an increase of 1.8 percent in the labor force over-the-year. Metro Denver added 32,768 people during the period.
- The unemployment rate in Centennial fell 0.6 percentage points over-the-year to 2.3 percent in the third quarter of 2019. Unemployment in Arapahoe County fell 0.7 percentage points to 2.6 percent during the period. In Metro Denver, unemployment fell 0.7 percentage points to 2.5 percent, while Colorado unemployment fell 0.7



Sources: Colorado Department of Labor and Employment, Labor Market Information, U.S. Bureau of Labor Statistics.



percentage points to 2.6 percent. Across the U.S., unemployment fell 0.2 percentage points over-the-year to 3.7 percent in the third quarter of 2019.

- Centennial residents represented 17.7 percent of the total labor force in Arapahoe County during the third quarter of 2019.

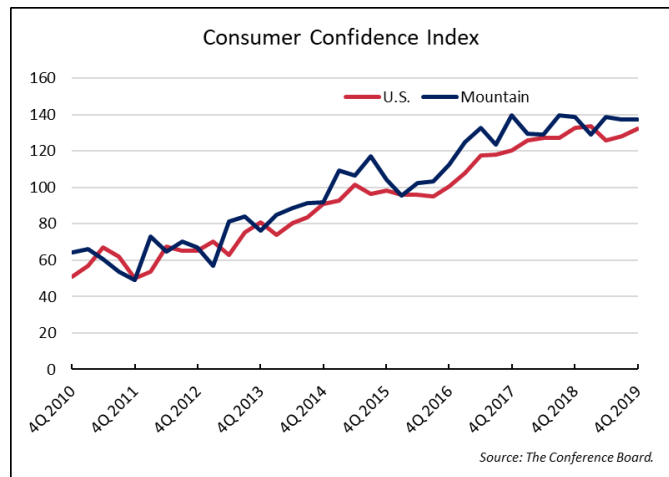
	Labor Force			Unemployment Rate	
	3Q 2018	3Q 2019	Yr/Yr % Change	3Q 2018	3Q 2019
Centennial	64,781	66,015	1.9%	2.9%	2.3%
Arapahoe County	365,601	372,020	1.8%	3.3%	2.6%
Metro Denver	1,818,073	1,850,841	1.8%	3.2%	2.5%
Colorado	3,121,841	3,180,370	1.9%	3.3%	2.6%
U.S (000s)	162,534	164,301	1.1%	3.9%	3.7%

Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

## Consumer Activity

### Consumer Confidence Index

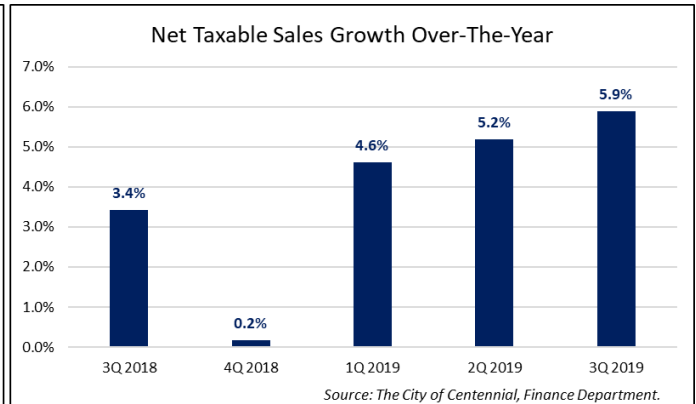
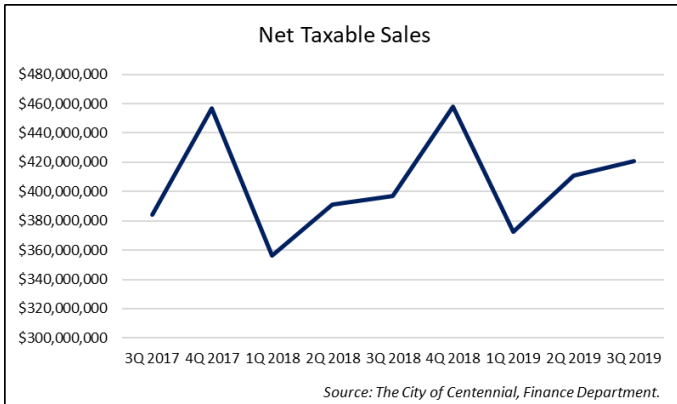
- The Conference Board’s National Consumer Confidence Index decreased during the fourth quarter of 2019, falling 5.4 percent over-the-year to 126.5. Between the third and fourth quarter of 2019, the national index fell 4.3 percent. Analysts cited that consumers’ assessment of current conditions improved, but expectations have declined as there is no suggestion that economic growth will gain momentum in early 2020.
- Colorado is included in the Mountain Region Index and the area reported an increase of 0.3 percent between the third and fourth quarters of 2019. The Mountain Index reported a decrease of 0.8 percent over-the-year.



### Local Net Taxable Sales

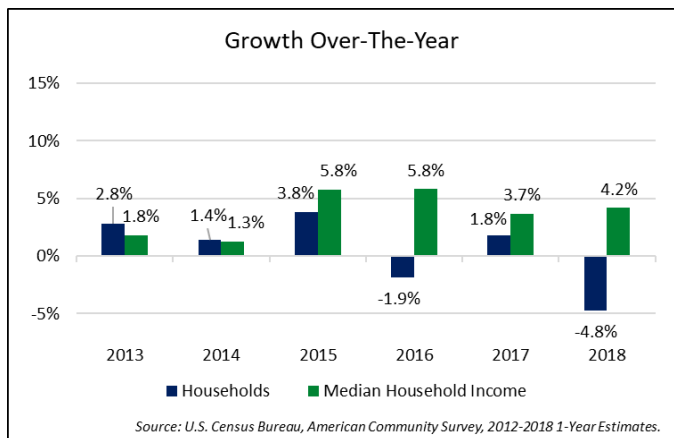
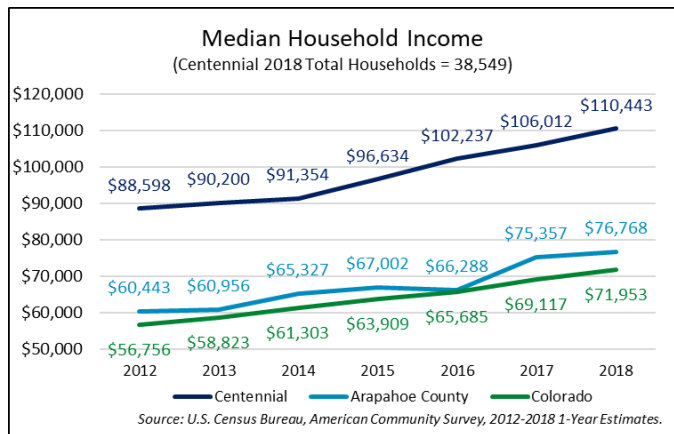
- Net taxable sales increased 5.9 percent between the third quarter of 2018 and the third quarter of 2019, recording nearly \$420.6 million in net taxable sales.

- Net taxable sales increased 2.3 percent over-the-quarter, rising from \$411.1 million in the second quarter of 2019.

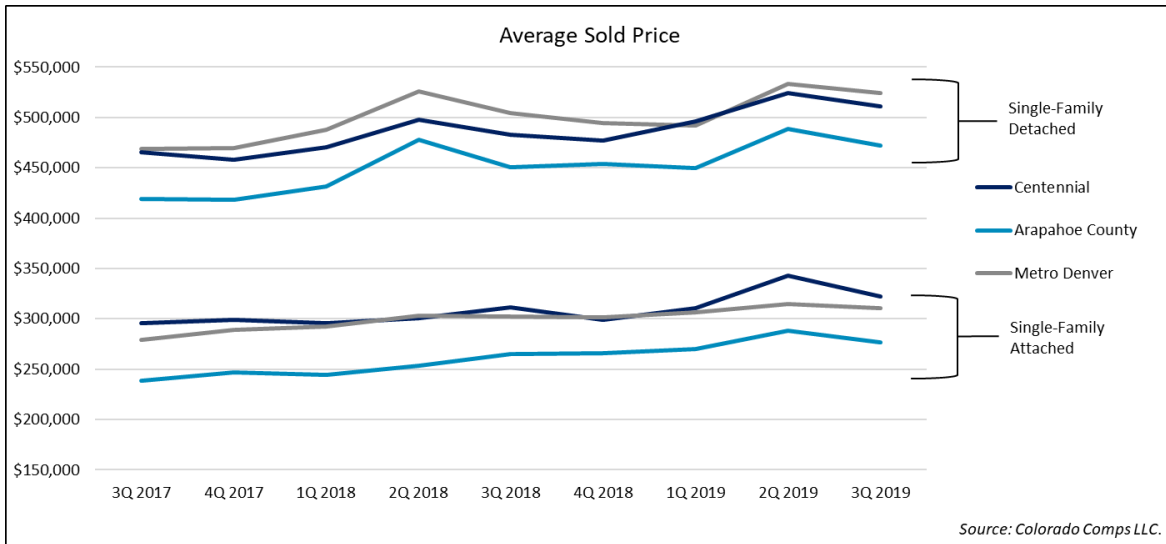


### Median Household Income

- Median household income for Centennial increased 4.2 percent between 2017 and 2018, representing an additional \$4,431 a year. The number of households in Centennial decreased during the period, falling 4.8 percent, or by 1,931 fewer households.
- Median household income rose 24.7 percent from 2012 to 2018, while the number of households increased by 2.9 percent during the same period.
- The consumer price index increased 16.6 percent from 2012 to 2018, so the inflation-adjusted increase in median household income was 8 percent.



## Residential Real Estate



## Existing Home Sales

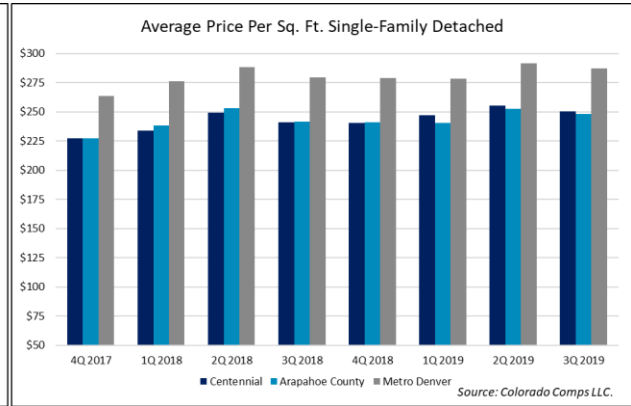
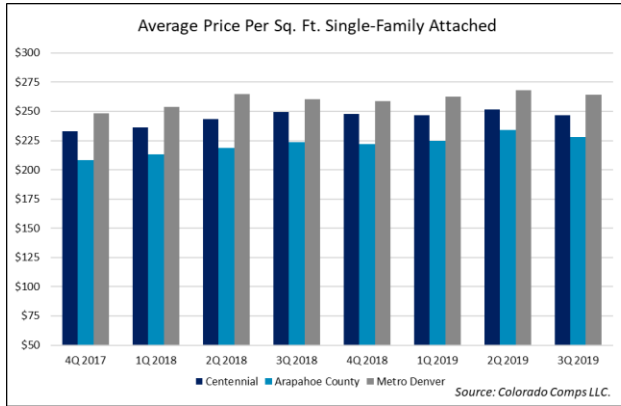
- The single-family attached housing market reported strong over-the-year growth in all three market areas. Attached home sales increased 2.3 percent over-the-year to 131 home sales, while the attached market in Arapahoe County increased 20.5 percent over-the-year to 1,210 homes sold. Metro Denver had 446 more attached homes sold in 3Q 2019 compared to the same time last year, an increase of 12.2 percent.
- Centennial reported an appreciation of 3.6 percent in attached home prices over-the-year to an average sales price of \$322,465. Arapahoe County prices rose 4.4 percent, rising by \$11,549 to an average price of \$276,665, while Metro Denver reported an increase of 2.8 percent to an average price of \$310,632.
- The attached home price in Centennial of \$247 per square foot is higher than Arapahoe County (\$228), but lower than Metro Denver (\$264).
- Home sales for single-family detached homes increased 17.1 percent over-the-year to 473 home sales in Centennial. The detached market in Arapahoe County increased 21.4 percent to 2,379 homes sold during the period, while home detached home sales in Metro Denver increased by 1,755 homes sold to a total of 12,410 during the period.
- Sales prices for single-family detached homes rose in across all three market areas between the third quarters of 2018 and 2019. Centennial reported the largest increase of 5.8 percent over-the-year to an average price of

	Centennial	Arapahoe County	Metro Denver
<b>Home Sales</b>			
<i>Single-Family Attached</i>			
3Q 2019	131	1,210	4,100
3Q 2018	128	1,004	3,654
% Change	2.3%	20.5%	12.2%
<i>Single-Family Detached</i>			
3Q 2019	473	2,379	12,410
3Q 2018	404	1,959	10,655
% Change	17.1%	21.4%	16.5%
<b>Average Sold Price</b>			
<i>Single-Family Attached</i>			
3Q 2019	\$322,465	\$276,665	\$310,632
3Q 2018	\$311,258	\$265,116	\$302,120
% Change	3.6%	4.4%	2.8%
<i>Single-Family Detached</i>			
3Q 2019	\$511,079	\$472,468	\$524,065
3Q 2018	\$483,003	\$450,721	\$504,721
% Change	5.8%	4.8%	3.8%
<b>Average Price per. Sq. Ft.</b>			
<i>Single-Family Attached</i>			
3Q 2019	\$247	\$228	\$264
3Q 2018	\$249	\$224	\$261
% Change	-1.1%	2.0%	1.4%
<i>Single-Family Detached</i>			
3Q 2019	\$250	\$248	\$287
3Q 2018	\$241	\$241	\$280
% Change	4.0%	2.8%	2.8%

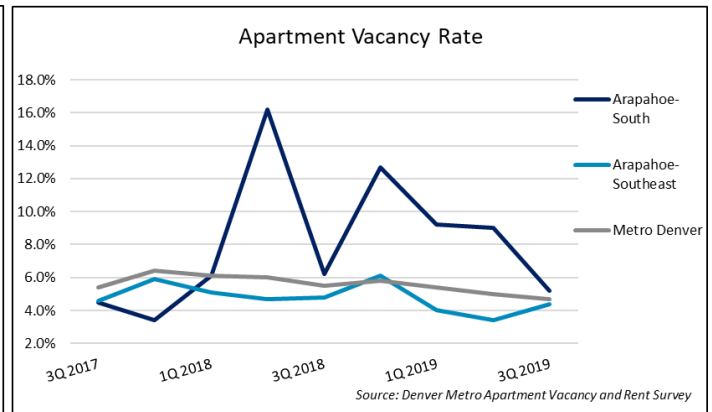
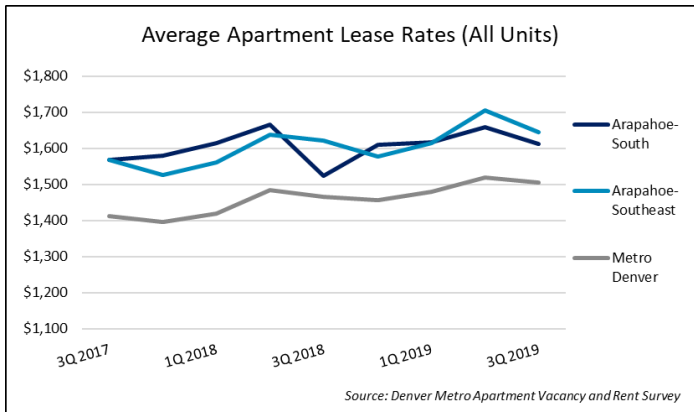
Source: Colorado Comps LLC.

\$511,079. In Arapahoe County, detached home prices increased 4.8 percent to \$472,468, while average prices in Metro Denver rose 3.8 percent to \$524,065, the highest average price of the three market areas.

- The price per square foot of single-family detached homes in Centennial increased 4 percent to \$250 per square foot, while both Arapahoe County and Metro Denver reported increases of 2.8 percent.



### Apartment Market



### Average Apartment Rents and Vacancy

3Q 2019	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Arapahoe County-South	5.2%	\$1,298	\$1,500	\$1,458	\$1,726	\$1,980	\$ -	\$1,613
Arapahoe County-Southeast	4.4%	\$1,238	\$1,444	\$1,703	\$1,815	\$2,154	\$2,650	\$1,645
Metro Denver	4.7%	\$1,303	\$1,355	\$1,409	\$1,755	\$2,013	\$1,467	\$1,506

Source: Denver Metro Apartment Vacancy and Rent Survey.

- Apartment vacancy rates decreased in all three market areas between the third quarters of 2018 and 2019. The Arapahoe County-South<sup>3</sup> market reported a decrease of 1 percentage point over-the-year to 5.2 percent

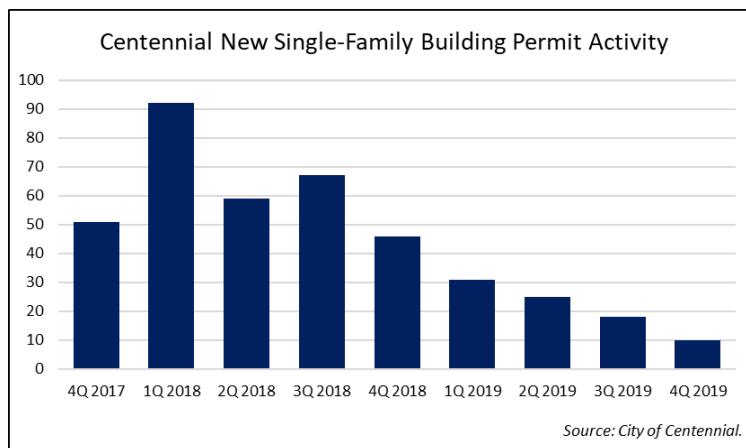
<sup>3</sup> Arapahoe County-South Boundary: North: City of Englewood and City and County of Denver; East: I-25; South: Douglas County; West: City of Englewood and City of Littleton.

vacancy. The Arapahoe County-Southeast<sup>4</sup> market decreased 0.4 percentage points to 4.4 percent, while the Metro Denver vacancy rate decreased 0.8 percentage points to 4.7 percent during the period.

- The average rental rate for all property types increased in all three markets over-the-year. Arapahoe County-South reported the largest increase, rising 5.8 percent, while Arapahoe County-Southeast rental rates rose 1.4 percent and Metro Denver rental rates rose 2.8 percent.

### New Residential Building Permits

- New single-family permits decreased from 46 permits issued during the fourth quarter of 2018 to 10 permits issued during the fourth quarter of 2019.
- The average valuation for new single-family homes permitted increased 256.7 percent to \$1,037,161 between the fourth quarters of 2018 and 2019.
- Centennial reported no multi-family permits during the fourth quarter of 2019, down from 1 permit for 74 units in the fourth quarter of 2018.



## Commercial Real Estate

### Commercial Building Permits

- Centennial issued 71 commercial permits during the fourth quarter of 2019, of which 67 were commercial alteration permits and 4 were new commercial permits. This was a decrease of 30.4 percent compared with the previous year, a fall of 31 permits.
- Project valuation increased 124.2 percent over-the-year due to the sharp increase in commercial alteration valuation which totaled over \$36 million, an increase of 213.9 percent. Valuation for new commercial permits rose 19.4 percent to over \$11.7 million. In total, valuation increased by \$26.5 million over-the-year.

<sup>4</sup> Arapahoe County-Southeast Boundary: North: Arapahoe County Line; East: Havana/Parker Road; South: Douglas County; West: I-25.

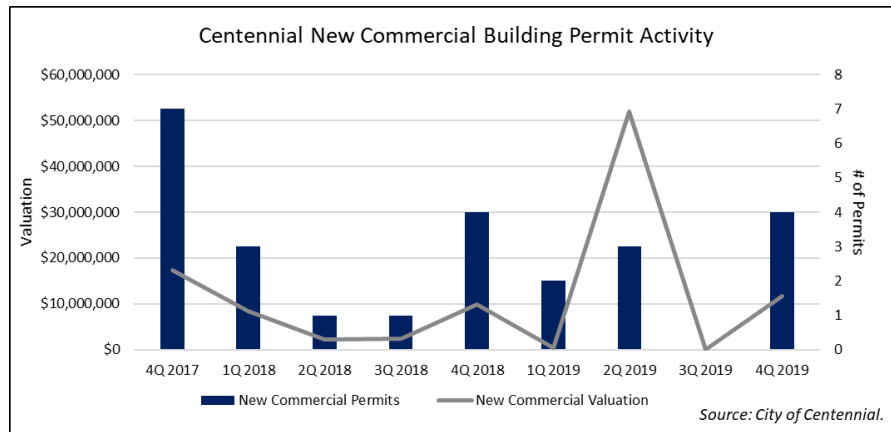
- There was 53,550 square feet of new commercial space added in Centennial in the fourth quarter of 2019, a decrease of 57.5 percent compared with the same time last year.

	4Q 2017	4Q 2018	4Q 2019	% Change 2018-2019
<b>New Commercial</b>				
No. of Permits	7	4	4	0.0%
Total Valuation	\$17,275,630	\$9,829,905	\$11,739,114	19.4%
Square Footage	324	125,880	53,550	-57.5%
<b>Commercial Alteration</b>				
No. of Permits	100	98	67	-31.6%
Total Valuation	\$14,355,491	\$11,479,655	\$36,040,052	213.9%
<b>Total Commercial</b>				
No. of Permits	107	102	71	-30.4%
Valuation	\$31,631,121	\$21,309,560	\$47,779,166	124.2%

Source: City of Centennial.

### Under Construction/Recently Completed

- There were five commercial buildings completed in 2019 in Centennial. Building 106, an industrial building at 7151 S Blackhawk St., added 106,000 square feet of space. The second largest building completed was a 40,000-square-foot industrial building located at 6281 S Racine Cir., followed by a 13,200-square-foot flex building at 6259 S Troy Cir.
- There is one commercial building under construction in Centennial, a City Bark retail location at 6840 S Kenton St., which will add 14,327 square feet to the area once built.



Source: City of Centennial.

### Office Market

- Centennial had 151 office buildings offering over 5.7 million square feet of space in the fourth quarter of 2019. The Southeast office market had 872 buildings, up 4 buildings compared with the same time last year, while the Metro Denver office market increased by 0.4 percent, or 26 buildings, to 6,469 during the period.

- The office vacancy rate in Centennial increased 1.8 percentage points to 10.3 percent between the fourth quarters of 2018 and 2019. The vacancy rate decreased 0.2 percentage points in the Southeast office market to 11.1 percent and decreased 0.3 percentage points to 9 percent across Metro Denver.

**Commercial Vacancy and Lease Rates Office Market**

Office Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019
Centennial	5,735,932	5,744,288	8.5%	10.3%	\$22.88	\$23.53
Southeast	49,027,297	49,198,653	11.3%	11.1%	\$25.07	\$25.74
Metro Denver	193,678,563	195,241,668	9.3%	9.0%	\$26.54	\$26.92

*Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Office rates are full-service.*

*Source: CoStar Realty Information, Inc.*

- The average lease rate in Centennial increased 2.8 percent to \$23.53 per square foot over-the-year. The office lease rate in the Southeast market increased 2.7 percent to \$25.74 per square foot, while the lease rate in Metro Denver increased 1.4 percent to \$26.92 per square foot.
- There was negative net absorption in Centennial in 2019, falling by 95,616 square feet over-the-year. Over 2 million square feet of office space was absorbed in Metro Denver in 2019.

**Industrial/Flex Market**

- Centennial added 3 industrial and flex buildings throughout 2019, totaling nearly 4.4 million square feet across 140 buildings. There was 159,200 square feet added over-the-year, an increase of 3.8 percent compared with the same time last year.
- The industrial/flex vacancy rate for Centennial decreased 0.3 percentage points over-the-year to 5.5 percent. In the Southeast market area, vacancies increased 2.1 percentage points to 6.9 percent, while industrial/flex vacancy in Metro Denver increased 0.8 percentage points to 5 percent during the period.
- The average lease rate in the industrial/flex market in Centennial increased 1.6 percent to \$10.46 per square foot. The Southeast market reported an increase of 1 percent to \$10.53 per square foot, while Metro Denver reported an increase of 4.7 percent to \$9.33 per square foot over-the-year.
- There was 165,271 square feet of industrial/flex space absorbed in Centennial over the past year, while there was 4.2 million square feet absorbed in Metro Denver during the period.

**Commercial Vacancy and Lease Rates Industrial/Flex Market**

Industrial/Flex Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019
Centennial	4,193,858	4,353,058	5.8%	5.5%	\$10.30	\$10.46
Southeast	15,849,155	16,431,409	4.8%	6.9%	\$10.43	\$10.53
Metro Denver	267,263,539	273,799,986	4.2%	5.0%	\$8.91	\$9.33

*Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial/flex rates are NNN.*

*Source: CoStar Realty Information, Inc.*

## Retail Market

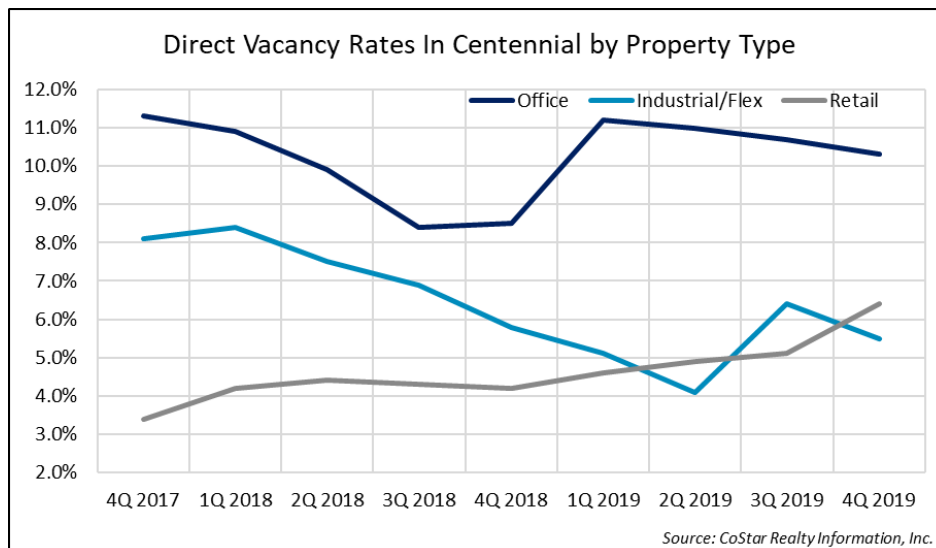
- Centennial had 186 retail buildings offering nearly 4.1 million square feet of space, representing 19.8 percent of the retail space in the Southeast market and 2.4 percent of space in Metro Denver.
- The retail vacancy rate in Centennial increased 2.2 percentage points to 6.4 percent from 2018 to 2019. Vacancy in the Southeast market increased 0.3 percentage points to 3.7 percent and increased 0.7 percentage points to 4.6 percent in the Metro Denver retail market during the period.
- The average lease rate for the Centennial retail market increased 16.2 percent to \$21.05 per square foot, an increase of \$2.94 per square foot. The Southeast market reported an over-the-year increase of 4.2 percent to \$20.58 per square foot, while the Metro Denver market reported the only decrease in the retail lease rate of 3.5 percent, falling by \$0.67 to \$18.45 per square foot during the period.
- Centennial reported negative net absorption from 2018 to 2019, falling by 83,853 square feet of retail space during the period. The Southeast and Metro Denver retail markets also reported negative net absorption, falling by 23,178 and 220,245 square feet, respectively, during the period.

### Commercial Vacancy and Lease Rates Retail Market

Retail Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019
Centennial	4,088,465	4,093,765	4.2%	6.4%	\$18.11	\$21.05
Southeast	20,614,563	20,661,181	3.4%	3.7%	\$19.75	\$20.58
Metro Denver	169,618,502	170,564,061	3.9%	4.6%	\$19.12	\$18.45

*Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Retail rates are NNN.*

*Source: CoStar Realty Information, Inc.*





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