

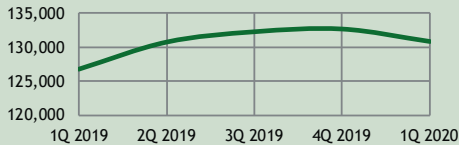
# Douglas County Economic Development Quarterly Report - 2nd Qtr 2020

## Summary

### Employment

130,872

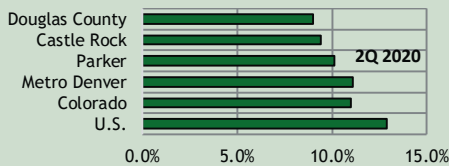
Up 3.2% from 1Q 2019



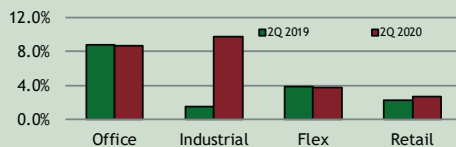
### Unemployment Rate

9.0%

Increased 6.6 percentage points from 2Q 2019



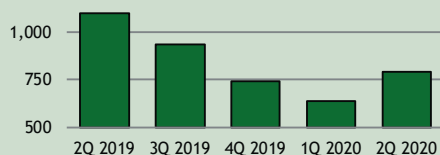
### Commercial Vacancy Rates



### Residential Units Permitted

793

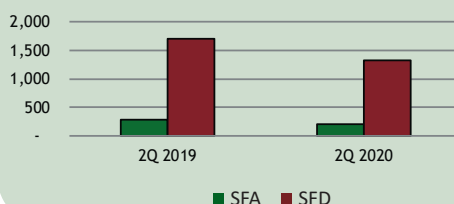
Down 27.8% from 2Q 2019



### Existing Home Sales

1,538

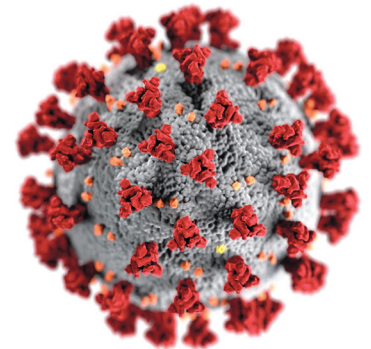
Down 22.4% from 2Q 2019



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## The Timing of Economic Data and a Note on COVID-19

A novel coronavirus, now called COVID-19, spread rapidly across the globe, causing the World Health Organization to declare it a pandemic on March 11, 2020. The first death in Colorado due to COVID-19 occurred on March 13, causing Colorado Governor Polis to take swift action by shutting down large events and ski areas. The virus' rapid spread led to progressively more restrictive guidance issued by individual communities, culminating in Governor Polis issuing an executive order on March 25th ordering Coloradans to stay in place, ultimately through May 8th.



While the restrictive measures were necessary to contain the pandemic and save lives, there has been a significant shift in economic activity. All businesses except those specifically deemed critical in the executive order were closed or shifted to remote work/remote learning as of March 26. This resulted in a rapid loss in employment, effectively ending the longest economic expansion on record.

The economic data presented in this report is generally for the second quarter of 2020. As such, most of the data in this report, with the exception of the employment data, reflects the impacts of the pandemic on economic activity.

## Economic Headlines

- Brookings introduced the Metro Recovery Index to track the impact of the COVID-19 recession on the 53 largest metro areas based on indicators including job losses and unemployment, air passengers, and active real estate listings. The inaugural index studied indicators from February 2020 to the present to calculate the effects of the pandemic, and found that Denver ranked 18th for least amount of job losses, 19th for percentage-point change in unemployment rate, 13th for over-the-year losses in airport passengers, and 11th for over-the-year active real estate listing declines. Brookings plans to update the index monthly or as providers release new and relevant data.
- Metro Denver ranked third on RCLCO's annual STEM Job Growth Index ("STEMdex"). The index ranked the 38 largest metro areas on indicators including job growth, migration of young households, quality of life, and favorable cost of doing business. Denver ranked No. 5 on the 2019 index and No. 8 on the 2018 index.

## Employment Activity

Employment in Douglas County increased 3.2 percent between the first quarters of 2019 and 2020, adding 4,063 jobs over the year. Eleven of the 13 supersectors reported increases in employment during the period, led by construction (+8.5 percent), education and health services (+8 percent), and wholesale trade (+7.2 percent). The manufacturing supersector reported the largest contraction of 1.3 percent over the year, followed by retail trade that fell 0.6 percent during the period.

Employment in Metro Denver increased 2.2 percent between the first quarters of 2019 and 2020. Eleven of the 13 supersectors reported over-the-year increases led by transportation, warehousing, and utilities (+9.2 percent), information (+4.2 percent), and professional and business services (+3.5 percent). Mining and logging (-2.8 percent) and retail trade (-1.1 percent) reported the only decreases over the year.

## Unemployment

The unemployment rate in Douglas County rose 6.6 percentage points to 9 percent between the second quarters of 2019 and 2020. The labor force decreased 2.5 percent over the year, falling by 4,964 people working or looking for a job during the period. Unemployment in Castle Rock rose 7 percentage points to 9.4 percent during the period, while the labor force decreased 2.2 percent, or by 801 fewer people. Parker reported an unemployment rate of 10.1 percent in the second quarter of 2020, up 7.7 percentage points from the same time last year. The labor force in Parker fell 1.4 percent, or by 471 fewer people, during the period.

The unemployment rate in Metro Denver rose 8.5 percentage points over the year to 11.1 percent. The labor force in Metro Denver fell 0.3 percent, representing 5,537 fewer individuals working or looking for a job during the period.

Unemployment in Colorado rose 8.2 percentage points over the year to 11 percent during the second quarter of 2020, while the labor force fell 1.1 percent. The unemployment rate in the U.S. rose 9.4 percentage points over the year to 12.9 percent, while the national labor force fell 2.9 percent during the period.

<sup>1</sup> Jobs covered by unemployment insurance as reported in the QCEW. These positions represent the vast majority of total employment, although the self-employed, some agricultural workers, some domestic workers, and several other categories of workers are excluded. This data series lags the CES series by about six months and is available for the nation, states, MSAs, and counties.

| Covered Employment by Industry Supersector, 1st Qtr 2020 <sup>1</sup> |                |                |                  |                |
|---|----------------|----------------|------------------|----------------|
|   | Douglas County |                | Metro Denver     |                |
|   | 1st Qtr 2020   | Yr/Yr % Change | 1st Qtr 2020     | Yr/Yr % Change |
| <b>Total All Industries</b>   | <b>132,700</b> | <b>4.7%</b>    | <b>1,715,336</b> | <b>2.7%</b>    |
| <b>Private Sector</b>   |                |                |                  |                |
| Mining & Logging  | 479            | 1.5%           | 14,375           | -2.8%          |
| Construction  | 9,525          | 8.5%           | 103,762          | 2.8%           |
| Manufacturing   | 1,995          | -1.3%          | 90,628           | 1.4%           |
| Wholesale Trade   | 4,780          | 7.2%           | 81,974           | 3.0%           |
| Retail Trade  | 18,469         | -0.6%          | 152,857          | -1.1%          |
| Transportation, Warehousing, & Utilities                              | 1,862          | 4.6%           | 69,321           | 9.2%           |
| Information   | 5,376          | 2.0%           | 61,116           | 4.2%           |
| Financial Activities  | 14,747         | 0.8%           | 115,634          | 1.2%           |
| Professional & Business Services                                      | 22,325         | 1.8%           | 317,465          | 3.5%           |
| Education & Health Services   | 16,706         | 8.0%           | 215,073          | 1.3%           |
| Leisure & Hospitality   | 16,118         | 1.8%           | 182,370          | 1.5%           |
| Other Services  | 4,303          | 6.7%           | 51,713           | 2.8%           |
| <b>Government</b>   | <b>14,177</b>  | <b>4.7%</b>    | <b>233,587</b>   | <b>2.3%</b>    |

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: Colo. Dept. of Labor and Employment, Labor Market Information, QCEW.

| Unemployment Rates |              |              |
|--------------------|--------------|--------------|
|                    | 2nd Qtr 2019 | 2nd Qtr 2020 |
| Douglas County     | 2.4%         | 9.0%         |
| Castle Rock        | 2.4%         | 9.4%         |
| Parker             | 2.5%         | 10.1%        |
| Metro Denver       | 2.6%         | 11.1%        |
| Colorado           | 2.8%         | 11.0%        |
| U.S.               | 3.5%         | 12.9%        |

Sources: Colo. Dept. of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.



## Manpower Employment Outlook Survey

The Manpower Employment Outlook Survey revealed that 18 percent of employers surveyed in the Denver-Aurora Metropolitan Statistical Area (MSA) will hire more employees in the fourth quarter of 2020, a decrease of 3 percentage points from the previous quarter and an increase of 1 percentage point compared with the same time last year. Surveyed employers were optimistic to hire in multiple industries, including construction, transportation and utilities, wholesale and retail trade, and education and health services, despite ongoing concerns of the pandemic. Hiring intentions in Denver were below national hiring intentions, which reported that 20 percent of companies plan to hire in the fourth quarter of 2020.

| Manpower Employment Outlook Survey |                  |     |                      |     |                     |     |        |     |
|------------------------------------|------------------|-----|----------------------|-----|---------------------|-----|--------|-----|
| Metro Denver                       | Companies Hiring |     | Companies Laying Off |     | Companies No Change |     | Unsure |     |
| National                           |                  |     |                      |     |                     |     |        |     |
| 4th Qtr 2020                       | 18%              | 20% | 10%                  | 8%  | 69%                 | 67% | 3%     | 5%  |
| 3rd Qtr 2020                       | 21%              | 17% | 11%                  | 11% | 58%                 | 62% | 10%    | 10% |
| 4th Qtr 2019                       | 17%              | 22% | 4%                   | 5%  | 79%                 | 72% | 0%     | 1%  |

# Residential Real Estate

## Existing Home Sales

Existing home sales in Douglas County decreased 22.4 percent between the second quarters of 2019 and 2020, a fall of 445 homes sold during the period. Single-family detached home sales in Douglas County decreased 21.7 percent over the year, or by 370 homes sold during the period. All six submarkets reported an over-the-year decrease in detached home sales during the period. Lone Tree reported the largest percentage decrease of 46.3 percent, followed by Castle Pines (-40 percent) and Castle Rock (-23.8 percent). Highlands Ranch reported the largest absolute decrease during the period, falling by 115 home sales between the second quarters of 2019 and 2020. Larkspur reported no home sales during the period, down from two homes sold the same time last year.

Single-family attached home sales in Douglas County decreased 26.7 percent between the second quarters of 2019 and 2020, representing 75 fewer home sales during the period. Castle Rock was the only submarket that reported an increase, with sales rising by 6.8 percent during the period. Castle Pines reported the largest over-the-year decline of 80 percent, followed by Highlands Ranch (-39 percent) and Lone Tree (-37.5 percent). Larkspur reported no attached home sales during the period. Highlands Ranch reported the largest absolute decrease with 30 fewer attached home sales during the period.

## Existing Homes - Average Sales

The average sales price in Douglas County for single-family detached homes fell 0.3 percent between the second quarters of 2019 and 2020, a decrease of \$1,566. Lone Tree reported the largest price increase of \$47,256 over the year, or 5.5 percent, while detached prices in Castle Rock rose by \$33,167 (+7 percent) and prices rose 0.3 percent in Highlands Ranch. Castle Pines reported the largest over-the-year decline of 6.5 percent, followed by Parker (-0.2 percent). Lone Tree reported the highest average price in the second quarter of 2020 at \$910,673, while Parker reported the lowest average price of \$475,846 during the period.

The average price of a single-family attached home in Douglas County fell 0.3 percent between the second quarters of 2019 and 2020, falling by \$1,103. Castle Rock reported the largest over-the-year price increase of 8.3 percent, followed by Parker (+7.7 percent). Lone Tree reported the largest over-the-year decrease of 6.2 percent, or \$29,446, followed by Castle Pines (-3.9 percent) and Highlands Ranch (-1.7 percent). Lone Tree reported the highest average attached price in the second quarter of 2020 at \$443,100, while Parker reported the lowest average attached price at \$293,473.

*continued on the next pg.*

## Consumer Activity

### Consumer Confidence Index

The Consumer Confidence Index for the U.S. decreased 29.3 percent between the first and second quarters of 2020, falling to 90. Over the year, national consumer confidence fell 29.9 percent, down from 128.3 in the second quarter of 2019. The reading reflects the full economic impact of the COVID-19 pandemic to consumer confidence.

Colorado is included in the Mountain Region Index and the area reported an over the year decrease in confidence of 36.5 percent, falling to 88 in the second quarter of 2020. Over the quarter, confidence decreased 35.7 percent.



| Douglas County Existing Home Sales, 2nd Qtr 2020 |                           |             |                 |           |           |           |                |
|--|---------------------------|-------------|-----------------|-----------|-----------|-----------|----------------|
|  | Douglas County Submarkets |             |                 |           |           |           | Total          |
|  | Castle Pines              | Castle Rock | Highlands Ranch | Larkspur  | Lone Tree | Parker    | Douglas County |
| <b>Home Sales</b>                                |                           |             |                 |           |           |           |                |
| Single-Family Detached                           |                           |             |                 |           |           |           |                |
| 2nd Qtr 2020                                     | 33                        | 298         | 404             | -         | 22        | 235       | 1,332          |
| 2nd Qtr 2019                                     | 55                        | 391         | 519             | 2         | 41        | 280       | 1,702          |
| Single-Family Attached                           |                           |             |                 |           |           |           |                |
| 2nd Qtr 2020                                     | 1                         | 63          | 47              | -         | 15        | 33        | 206            |
| 2nd Qtr 2019                                     | 5                         | 59          | 77              | -         | 24        | 52        | 281            |
| <b>Average Sold Price</b>                        |                           |             |                 |           |           |           |                |
| Single-Family Detached                           |                           |             |                 |           |           |           |                |
| 2nd Qtr 2020                                     | \$718,345                 | \$504,920   | \$564,841       | -         | \$910,673 | \$475,846 | \$571,244      |
| 2nd Qtr 2019                                     | \$768,607                 | \$471,753   | \$562,995       | \$225,500 | \$863,417 | \$476,896 | \$572,810      |
| Single-Family Attached                           |                           |             |                 |           |           |           |                |
| 2nd Qtr 2020                                     | \$435,000                 | \$320,081   | \$383,523       | -         | \$443,100 | \$293,473 | \$344,560      |
| 2nd Qtr 2019                                     | \$452,860                 | \$295,588   | \$390,143       | -         | \$472,546 | \$272,538 | \$345,663      |



# Residential Real Estate

continued from pg. 3

## Foreclosures

*Note: Colorado instituted a moratorium on foreclosures and evictions with the onset of the pandemic that expired on July 13. Due to the moratorium, minimal foreclosures were filed during the second quarter of 2020.*

Douglas County reported an over-the-year decrease in foreclosure activity in the second quarter of 2020, falling 82.6 percent, or by 57 fewer filings, to 12 total foreclosures during the period. Filings fell by 62 between the first and second quarters of 2020, a decrease of 83.8 percent.

Foreclosure filings in Metro Denver decreased 82.3 percent over the year to 118 total filings, falling by 547 during the period. Over the quarter, filings fell 82.6 percent, or by 560, in the second quarter of 2020.

## Building Permits

Residential building permits in Douglas County decreased 27.8 percent between the second quarters of 2019 and 2020, falling by 305 permits. Single-family detached permits across Douglas County decreased 20.1 percent over the year, while condominium/townhome permits decreased 40.9 percent, or by 45 permits, during the period. There was one multi-family permit issued in the second quarter of 2020, totaling 134 units and down from 245 units the same time last year. Two of the eight submarkets reported over-the-year increases, Lone Tree (+33.3 percent) and Castle Pines (+11.6 percent). Parker reported the largest decrease of 58.3 percent, followed by Highlands Ranch (-51.6 percent) and unincorporated Douglas County (-19.7 percent). Highlands Ranch

reported the largest absolute decrease during the period, falling by 146 units.

The average valuation of single-family detached units permitted increased 2.5 percent over the year to \$323,422, representing \$7,761 more per home during the period. Highlands Ranch reported the highest average valuation for single-family detached homes at \$660,026, while Aurora reported the lowest valuation at \$289,515 in the second quarter of 2020. The average valuation for single-family attached units rose 33.1 percent to \$224,368 in Douglas County. Unincorporated Douglas County reported the lowest single-family attached average valuation (\$183,617), while Parker reported the highest (\$274,742).

Douglas County Residential Building Permits, 2nd Qtr 2020

|                             | Total Units<br>2nd Qtr<br>2020 | Total Units<br>2nd Qtr<br>2019 | Single-Family<br>Detached |                               | Condominiums/<br>Townhomes |                               | Multi-Family |            |                               |
|-----------------------------|--------------------------------|--------------------------------|---------------------------|-------------------------------|----------------------------|-------------------------------|--------------|------------|-------------------------------|
|                             |                                |                                | Units                     | Avg.<br>Valuation<br>per Unit | Units                      | Avg.<br>Valuation<br>per Unit | Permits      | Units      | Avg.<br>Valuation<br>per Unit |
| Aurora                      | 42                             | 45                             | 42                        | \$289,515                     | -                          | \$-                           | -            | -          | \$-                           |
| Castle Pines                | 77                             | 69                             | 69                        | \$395,266                     | 8                          | \$253,778                     | -            | -          | \$-                           |
| Castle Rock                 | 257                            | 299                            | 226                       | \$314,636                     | 31                         | \$239,198                     | -            | -          | \$-                           |
| Highlands Ranch             | 137                            | 283                            | 3                         | \$660,026                     | -                          | \$-                           | 1            | 134        | \$88,933                      |
| Littleton                   | -                              | -                              | -                         | \$-                           | -                          | \$-                           | -            | -          | \$-                           |
| Lone Tree                   | 4                              | 3                              | 4                         | \$446,946                     | -                          | \$-                           | -            | -          | \$-                           |
| Parker                      | 48                             | 115                            | 44                        | \$333,706                     | 4                          | \$274,742                     | -            | -          | \$-                           |
| Unincorporated Douglas      | 228                            | 284                            | 206                       | \$306,412                     | 22                         | \$183,617                     | -            | -          | \$-                           |
| <b>Total Douglas County</b> | <b>793</b>                     | <b>1,098</b>                   | <b>594</b>                | <b>\$323,422</b>              | <b>65</b>                  | <b>\$224,368</b>              | <b>1</b>     | <b>134</b> | <b>\$88,933</b>               |

*Note: Excludes permits for residential construction activity that does not affect overall housing inventory. Source: Douglas County and individual municipalities.*

# Commercial Real Estate

*Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.*

## Office Market

The vacancy rate for the office market in Douglas County decreased 0.1 percentage points to 8.7 percent between the second quarters of 2019 and 2020. Highlands Ranch reported the largest over-the-year increase in the vacancy rate of 2.7 percentage points, followed by Lone Tree (+1.8 percentage points), Parker (+0.8 percentage points), and Castle Rock (+0.5 percentage points). The vacancy rate in Larkspur remained constant

at 0 percent during the period. The vacancy rate in Metro Denver rose 0.5 percentage points to 9.5 percent during the period.

The average lease rate in Douglas County fell 0.5 percent to \$25.81 per square foot between the second quarters of 2019 and 2020. Highlands Ranch reported the largest over-the-year increase of 5 percent, followed by Parker (+2.5 percent) and Castle Rock (+0.6 percent). Lone Tree reported the only over-the-year decrease of \$0.01 per square foot. The average lease rate in Metro Denver increased 3 percent to \$27.85 per square foot, \$2.04 higher than the lease rate in Douglas County.

## Industrial Market

The industrial market vacancy rate in Douglas County increased 8.2 percentage points to 9.7 percent between the second quarters of 2019 and 2020. Highlands Ranch reported the largest over-the-year increase in vacancy of 29 percentage points, followed by Larkspur (+8 percentage points), Castle Rock (+7.3 percentage points), and Parker (+4.3 percentage points). Lone Tree reported no vacancy during both the second quarters of 2019 and 2020. Metro Denver reported a vacancy rate of 5.2 percent in the second quarter of 2020, up 0.6 percentage points from the same time last year.

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# Commercial Real Estate continued from pg. 4

The average lease rate for the industrial market in Douglas County increased 10.9 percent over the year to \$12.69 per square foot in the second quarter of 2020. Parker reported the largest over-the-year increase of 2.7 percent, rising to \$13.35 per square foot, while Castle Rock reported a lease rate of \$12.51 per square foot, up 0.2 percent from the same time last year. Highlands Ranch, Larkspur, and Lone Tree reported no average lease rate in the second quarter of 2020. The average lease rate in Metro Denver rose

8.9 percent to \$8.73 per square foot, \$3.96 lower than the rate in Douglas County in the second quarter of 2020.

## Flex Market

Douglas County reported a flex vacancy rate of 3.7 percent in the second quarter of 2020, down 0.1 percentage points from the same time last year. Flex vacancy rates decreased the most in Lone Tree, falling 16.6 percentage points over the year, followed by Castle Rock (-4.6 percentage points). Parker reported the

only increase of 1.7 percentage points during the period, while vacancy in Highlands Ranch remained constant at 0 vacancy. Metro Denver reported a vacancy rate of 6.6 percent in the second quarter of 2020, up 1.2 percentage points from the same time last year.

The average flex lease rate in Douglas County decreased 6.6 percent to \$12.08 per square foot between the second quarters of 2019 and 2020. Lone Tree reported the only over-the-year increase, rising 10.2 percent

Office rates are full service.

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| Douglas County Commercial Vacancy and Lease Rates by Property Type, 2nd Qtr 2020 |                            |                    |              |              |                               |                |
|--|----------------------------|--------------------|--------------|--------------|-------------------------------|----------------|
|  | Total Existing Sq. Footage |                    | Vacancy Rate |              | Avg. Lease Rate (per sq. ft.) |                |
|  | 2nd Qtr 2020               | 2nd Qtr 2019       | 2nd Qtr 2020 | 2nd Qtr 2019 | 2nd Qtr 2020                  | 2nd Qtr 2019   |
| <b>Office</b>  |                            |                    |              |              |                               |                |
| Castle Rock*   | 1,287,665                  | 1,266,259          | 5.2%         | 4.7%         | \$27.69                       | \$27.53        |
| Highlands Ranch  | 1,985,116                  | 1,985,116          | 8.5%         | 5.8%         | \$31.57                       | \$30.08        |
| Larkspur   | 24,915                     | 24,915             | 0.0%         | 0.0%         | -                             | -              |
| Lone Tree  | 2,957,778                  | 2,933,778          | 8.7%         | 6.9%         | \$27.89                       | \$27.90        |
| Parker   | 1,345,597                  | 1,345,597          | 7.4%         | 6.6%         | \$25.32                       | \$24.70        |
| <b>Total Douglas County</b>  | <b>13,464,944</b>          | <b>13,389,538</b>  | <b>8.7%</b>  | <b>8.8%</b>  | <b>\$25.81</b>                | <b>\$25.93</b> |
| <b>Metro Denver</b>  | <b>195,752,122</b>         | <b>194,861,505</b> | <b>9.5%</b>  | <b>9.0%</b>  | <b>\$27.85</b>                | <b>\$27.04</b> |
| <b>Industrial</b>  |                            |                    |              |              |                               |                |
| Castle Rock*   | 1,253,146                  | 1,222,321          | 12.6%        | 5.3%         | \$12.51                       | \$12.49        |
| Highlands Ranch  | 450,277                    | 105,151            | 29.0%        | 0.0%         | -                             | -              |
| Larkspur   | 28,019                     | 28,019             | 8.0%         | 0.0%         | -                             | -              |
| Lone Tree  | 36,686                     | 36,686             | 0.0%         | 0.0%         | -                             | -              |
| Parker   | 656,821                    | 629,068            | 4.9%         | 0.6%         | \$13.35                       | \$13.00        |
| <b>Total Douglas County</b>  | <b>7,456,761</b>           | <b>6,689,346</b>   | <b>9.7%</b>  | <b>1.5%</b>  | <b>\$12.69</b>                | <b>\$11.44</b> |
| <b>Metro Denver</b>  | <b>229,530,314</b>         | <b>224,822,637</b> | <b>5.2%</b>  | <b>4.6%</b>  | <b>\$8.73</b>                 | <b>\$8.02</b>  |
| <b>Flex</b>  |                            |                    |              |              |                               |                |
| Castle Rock*   | 257,905                    | 245,700            | 8.5%         | 13.1%        | \$12.83                       | \$15.03        |
| Highlands Ranch  | 337,987                    | 337,987            | 0.0%         | 0.0%         | \$13.00                       | \$13.00        |
| Larkspur   | -                          | -                  | -            | -            | -                             | -              |
| Lone Tree  | 71,516                     | 71,516             | 15.5%        | 32.1%        | \$11.68                       | \$10.60        |
| Parker   | 205,269                    | 205,269            | 1.7%         | 0.0%         | \$12.58                       | \$18.00        |
| <b>Total Douglas County</b>  | <b>2,586,253</b>           | <b>2,574,048</b>   | <b>3.7%</b>  | <b>3.8%</b>  | <b>\$12.08</b>                | <b>\$12.94</b> |
| <b>Metro Denver</b>  | <b>47,948,444</b>          | <b>47,361,123</b>  | <b>6.6%</b>  | <b>5.4%</b>  | <b>\$13.18</b>                | <b>\$12.05</b> |
| <b>Retail</b>  |                            |                    |              |              |                               |                |
| Castle Rock*   | 4,517,030                  | 4,426,967          | 3.3%         | 2.8%         | \$21.43                       | \$20.88        |
| Highlands Ranch  | 3,535,515                  | 3,529,075          | 2.4%         | 2.2%         | \$17.11                       | \$18.96        |
| Larkspur   | 25,203                     | 25,203             | 0.0%         | 0.0%         | -                             | -              |
| Lone Tree  | 4,375,237                  | 4,347,209          | 1.9%         | 0.9%         | \$24.51                       | \$25.53        |
| Parker   | 4,542,386                  | 4,483,400          | 2.3%         | 3.3%         | \$20.16                       | \$21.07        |
| <b>Total Douglas County</b>  | <b>18,762,070</b>          | <b>18,578,553</b>  | <b>2.7%</b>  | <b>2.3%</b>  | <b>\$20.17</b>                | <b>\$20.66</b> |
| <b>Metro Denver</b>  | <b>171,842,815</b>         | <b>170,686,103</b> | <b>4.9%</b>  | <b>4.2%</b>  | <b>\$18.23</b>                | <b>\$18.92</b> |

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial and retail lease rates are triple-net. N/A indicates non-applicable; - indicates no data. \*Includes Castle Pines. Source: CoStar Realty Information, Inc.

| Douglas County Commercial Building Permits Issued, 2nd Qtr 2020 |   |             |               |
|---|---|-------------|---------------|
| Jurisdiction  | Project Description                           | Valuation   | Total Sq. Ft. |
| Castle Rock   | Montana Vista Commercial Core & Shell         | \$1,794,503 | 8,542         |
| Castle Rock   | Castle Rock Industrial Park Lot 4 Flex Bldg.  | \$600,000   | 13,225        |
| Highlands Ranch   | 341 Wildcat Reserve Pkwy. Commercial Addition | \$3,585,938 | 23,983        |
| Larkspur  | Waste Water Treatment Plant Lift Station      | \$500,000   | N/A           |
| Lone Tree   | In-N-Out Burger                               | \$1,300,000 | 3,867         |
| Parker  | 470 Center Pump Station                       | \$314,789   | N/A           |
| Parker  | 470 Center Primary Splitter 200               | \$316,920   | N/A           |
| Parker  | FlatAcres MarketCenter's Five Below New       | \$218,445   | N/A           |
| Unincorporated  | 4825 Crowfoot Valley Bldg. A                  | \$1,287,018 | 9,752         |

Source: Douglas County and individual municipalities.

| Douglas County Commercial Certificates of Occupancy Issued, 2nd Qtr 2020 |   |               |
|--|---|---------------|
| Jurisdiction   | Project Description                         | Total Sq. Ft. |
| Castle Pines   | Castle Pines Family & Urgent Care           | 6,225         |
| Castle Pines   | Sheridan Castle Pines LLC                   | 3,698         |
| Castle Rock  | 3855 Ambrosia St.                           | 21,400        |
| Castle Rock  | 484 Crystal Valley Pkwy.                    | 10,713        |
| Castle Rock  | 5715 Atrium Dr.                             | 9,152         |
| Castle Rock  | 2801 Highway 85                             | 8,700         |
| Castle Rock  | 2275 Manatt Ct.                             | 8,365         |
| Castle Rock  | 2277 Manatt Ct.                             | 4,070         |
| Highlands Ranch  | Lockheed Martin                             | 103,293       |
| Highlands Ranch  | The Lost Cajun Restaurant                   | 2,388         |
| Highlands Ranch  | New Heights Chiropractic                    | 2,077         |
| Highlands Ranch  | Above It All Physical Therapy               | 1,460         |
| Highlands Ranch  | 541 W. Highlands Ranch Pkwy. Unit 109       | 1,083         |
| Highlands Ranch  | UC Health                                   | 623           |
| Larkspur   | Waste Water Treatment Facility Lift Station | 1,000         |
| Unincorporated   | 8155 Piney River Ave., Unit 120             | 2,005         |
| Unincorporated   | 3395 Carder Ct., Unit C300                  | 18,353        |
| Unincorporated   | 8536 Concord Center Dr., Unit B             | 14,819        |
| Unincorporated   | 9781 Meridian Blvd., Unit 120               | 7,972         |
| Unincorporated   | 9861 Titan Park Dr. Building B              | 3,750         |
| Unincorporated   | 8800 S Colorado Blvd., Unit C               | 3,181         |
| Unincorporated   | 8800 S Colorado Blvd., Unit F               | 2,451         |
| Unincorporated   | 385 Inverness Pkwy., Unit 340               | 867           |

Source: Douglas County and individual municipalities. \*Includes all certificates, except remodels, pools and additions.

**Provided by:**  
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to \$11.68 per square foot. Parker reported the largest over-the-year decrease in the lease rate, falling 30.1 percent to \$12.58 per square foot, followed by Castle Rock (-14.6 percent). The lease rate in Highlands Ranch remained constant at \$13.00 per square foot. Metro Denver reported a 9.4 percent increase in the flex rate between the second quarters of 2019 and 2020, rising to \$13.18 per square foot during the period.

## Retail Market

The retail vacancy rate in Douglas County rose 0.4 percentage points to 2.7 percent between the second quarters of 2019 and 2020. Parker reported the only over-the-year decrease in the vacancy rate of 1 percentage point, while Larkspur reported 0 vacancy during the period. Lone Tree reported the largest over-the-year increase of 1 percentage point, followed by Castle Rock (+0.5 percentage points) and Highlands Ranch (+0.2 percentage points). Retail vacancy in Metro Denver rose 0.7 percentage points over the year to 4.9 percent in the second quarter of 2020.

The average lease rate in Douglas County fell 2.4 percent over the year to \$20.17 per square foot. Castle Rock reported the only over-the-year increase in the lease rate, rising 2.6 percent to \$21.43 per square foot. Highlands Ranch reported the largest decrease of 9.8 percent, followed by Parker (-4.3 percent) and Lone Tree (-4 percent). The retail lease rate in Metro Denver fell 3.6 percent over the year to \$18.23 per square foot, \$1.94 below the level in Douglas County in the second quarter of 2020.

## Nonresidential Development Activity

Douglas County building officials issued permits for 59,369 sq. ft. of nonresidential space valued at approximately \$9.9 million during the second quarter of 2020. The largest project was a commercial addition in Highlands Ranch that will add 23,983 sq. ft. of space valued at nearly \$3.6 million. Other notable projects included a 13,225-square-foot flex building in Castle Rock and a 9,752-square-foot building at 4825 Crowfoot Valley Road.

Certificates of completion or occupancy were issued for 237,645 sq. ft. of nonresidential space during the second quarter of 2020, an increase of 79.5 percent in square footage between the second quarters of 2019 and 2020.