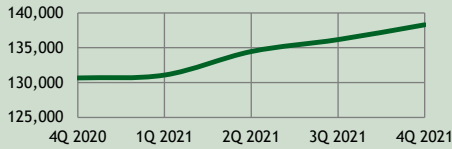


## Summary

### Employment

138,303

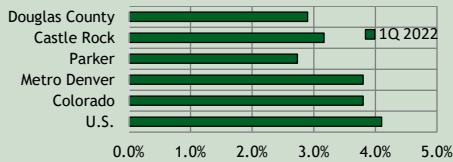
Up 5.9% from 4Q 2020



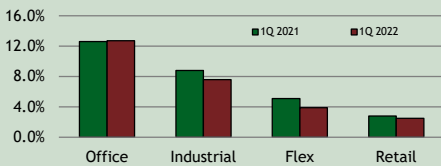
### Unemployment Rate

2.9%

Down 2.0% percentage points from 1Q 2021



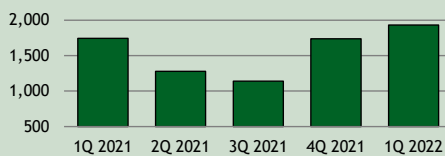
### Commercial Vacancy Rates



### Residential Units Permitted

1,931

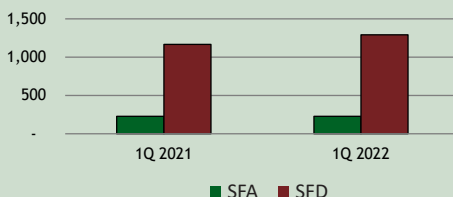
Up 10.7% from 1Q 2021



### Existing Home Sales

1,519

Up 9.0% from 1Q 2021



## Lockheed Martin



Department of Community Development

100 Third St. | Castle Rock, CO 80104 | Ph: 303-660-7460 | douglas.co.us; search for business

## Economic Headlines

- Arizona-based business intelligence, data management, and technology solutions company Edge R&D has selected Douglas County for its expansion. Over the next eight years, the company will bring 69 new jobs to the area, mainly focused in technical and professional roles, including program managers, data and software engineers, and business analysts. The average annual wage for the new positions is expected to be more than 200 percent of the area average annual wage.
- Douglas County has partnered with Lockheed Martin to develop a manufacturing incubator lab at one of Lockheed Martin's facilities in Highlands Ranch. The Ignite Lab will be a high-tech space for companies from across the state to collaborate on projects and share resources, information, and technical capabilities. Through this agreement, local businesses will have new access to the aerospace and defense industries and supply chains. Local students will also have opportunities to work on projects with experts in science, technology, engineering, and math.
- Rocket and space company Blue Origin plans to open a new office at 8744 Lucent Boulevard in Highlands Ranch. The office will be a hub for program management, systems engineering, avionics, software, integration, and mission design in support of their launch vehicle and space systems programs. Blue Origin has 203 jobs posted on its website for Metro Denver.
- Star Harbor Academy, a startup launching a commercial space-flight training center, plans to develop a 53-acre campus in Lone Tree where people can learn to be astronauts and companies can develop new space technologies. Star Harbor will have an airplane for low-gravity parabolic flights, pools for water training that simulate weightlessness, underwater habitats, a high-gravity centrifuge where people can experience the G-force of flight, and other specialized instructional gear. Although the main building is not expected to be finished until 2026, the academy plans to begin training its first classes of astronauts in the next 18 to 24 months.
- Two cities in Douglas County were ranked among the best small cities in the U.S. to start a business, according to a 2022 WalletHub analysis comparing 1,334 small cities with populations between 25,000 and 100,000. Cities were evaluated based on business environment, access to resources, and business costs. Parker ranked No. 219 and Castle Rock ranked No. 228.

| Covered Employment by Industry Supersector, 4th Qtr 2021 <sup>1</sup> |                |                |                  |                |
|---|----------------|----------------|------------------|----------------|
|   | Douglas County |                | Metro Denver     |                |
|   | 4th Qtr 2021   | Yr/Yr % Change | 4th Qtr 2021     | Yr/Yr % Change |
| <b>Total All Industries</b>   | <b>138,303</b> | <b>5.9%</b>    | <b>1,714,634</b> | <b>5.6%</b>    |
| <b>Private Sector</b>   |                |                |                  |                |
| Mining & Logging  | 453            | 3.2%           | 12,869           | -1.6%          |
| Construction  | 10,798         | 10.1%          | 105,804          | 2.8%           |
| Manufacturing   | 2,235          | 3.0%           | 91,586           | 2.8%           |
| Wholesale Trade   | 5,408          | 7.0%           | 82,019           | 3.9%           |
| Retail Trade  | 18,231         | -3.0%          | 155,218          | -0.4%          |
| Transportation, Warehousing, & Utilities                              | 2,532          | 0.2%           | 76,207           | 3.7%           |
| Information   | 4,772          | -5.5%          | 62,598           | 5.4%           |
| Financial Activities  | 15,425         | 2.9%           | 120,077          | 3.7%           |
| Professional & Business Services                                      | 27,355         | 15.3%          | 340,533          | 8.5%           |
| Education & Health Services   | 17,174         | 4.8%           | 214,546          | 2.6%           |
| Leisure & Hospitality   | 15,759         | 10.5%          | 172,417          | 25.7%          |
| Other Services  | 4,345          | 7.4%           | 51,025           | 7.1%           |
| <b>Government</b>   | <b>13,778</b>  | <b>3.0%</b>    | <b>229,579</b>   | <b>0.8%</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.

<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.

## Manpower Employment Outlook Survey (MEOS)

All four regions in the U.S. reported positive net employment outlooks for the second quarter of 2022. The West, which includes Colorado, reported the highest net employment outlook of 42 percent, reflecting the difference in the percent of companies hiring versus laying off. Second quarter net employment in the West increased 23 percentage points over the year, but declined 5 percentage points over the quarter.

Across the U.S., the net employment outlook increased 16 percentage points over the year to 35 percent in the second quarter of 2022. Nationally, 49 percent of companies plan to hire in the second quarter of 2022, up 26 percentage points over the year. Companies planning to lay off increased 10 percentage points over the year to 14 percent, while the number of companies planning no change decreased 36 percentage points to 34 percent in the second quarter of 2022.

Growth is expected across all 11 national industry sectors. As the workplace continues to become more digitally reliant and tech savvy, employers in the IT, Technology, Telecoms, Communications & Media industry anticipate the strongest staffing climate with a net employment outlook of 51 percent.

| Manpower Net Employment Outlook |              |              |              |          |          |              |              |
|---------------------------------|--------------|--------------|--------------|----------|----------|--------------|--------------|
|                                 | 2nd Qtr 2022 | 1st Qtr 2022 | 2nd Qtr 2021 | YTD 2022 | YTD 2021 | Ann Avg 2017 | Ann Avg 2012 |
| West Region                     | 42%          | 47%          | 19%          | 45%      | 16%      | -            | -            |
| National                        | 35%          | 41%          | 19%          | 38%      | 17%      | 17%          | 10%          |

| Unemployment Rates |                |             |        |              |          |      |
|--------------------|----------------|-------------|--------|--------------|----------|------|
|                    | Douglas County | Castle Rock | Parker | Metro Denver | Colorado | U.S. |
| 1st Qtr 2021       | 4.9%           | 5.0%        | 5.0%   | 6.4%         | 6.4%     | 6.5% |
| 1st Qtr 2022       | 2.9%           | 3.2%        | 2.7%   | 3.8%         | 3.8%     | 4.1% |

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

## Employment Activity

Employment in Douglas County increased 5.9 percent between the fourth quarters of 2020 and 2021, rising by 7,646 jobs over the year. Eleven of the 13 supersectors reported increases in employment during the period, with the largest increases in Professional and Business Services (+15.3 percent), Leisure and Hospitality (+10.5 percent), and Construction (+10.1 percent). Information reported the largest over-the-year decrease of 5.5 percent, followed by retail trade (-3 percent).

Employment in Metro Denver increased 5.6 percent between the fourth quarters of 2020 and 2021. Eleven of the 13 supersectors reported over-the-year increases, led by Leisure and Hospitality (+25.7 percent), Professional and Business Services (+8.5 percent), and Other Services (+7.1 percent). Mining and Logging reported the largest decrease of 1.6 percent, followed by Retail Trade (-0.4 percent).

## Unemployment

The Douglas County unemployment rate fell 2 percentage points between the first quarters of 2021 and 2022, decreasing to 2.9 percent. The unemployment rate fell 0.1 percentage point over the quarter. Castle Rock's unemployment rate (3.2 percent) and Parker's rate (2.7 percent) also decreased over the year, falling 1.8 percentage points and 2.4 percentage points, respectively.

The labor force in Douglas County rose 3.9 percent over the year, an increase of 7,807 people working or looking for a job. Castle Rock added 1,550 people to its labor force, an increase of 4.1 percent between the first quarters of 2021 and 2022. During the same period, Parker added 1,177 people to the labor force, increasing 3.5 percent.

Metro Denver's unemployment rate was 0.2 percentage points below the rate recorded in the previous quarter and 2.6 percentage points lower than one year ago, falling to 3.8 percent. The labor force in Metro Denver rose 3.4 percent over the year, representing 61,095 more individuals working or looking for a job during the period.

Colorado's unemployment rate fell 2.6 percentage points to 3.8 percent between the first quarters of 2021 and 2022 and the state's labor force increased 3.3 percent. The U.S. unemployment rate fell 2.4 percentage points over the year to 4.1 percent, and the labor force rose 2.3 percent during the same period.

# Residential Real Estate

- Arizona-based Alliance Residential Realty plans to build a 332-unit apartment complex at the southeast corner of West Waterton Road and North Rampart Range Road in the master-planned community Sterling Ranch in Douglas County. The \$100.6 million project, called Broadstone Sterling Ranch, will consist of 10 three-story buildings and one four-story building with a ground floor clubhouse and rooftop deck. The buildings are expected to be move-in ready in late 2023.
- CFC Construction recently topped out Novus, a 240-unit apartment complex in Lone Tree's RidgeGate community. The project is situated on the last parcel of land at the Sky Ridge Station transit-oriented development site. The seven-story apartment complex includes two levels of parking and an integrated retail space. Construction is scheduled for completion in the fourth quarter of 2022.
- Colorado-based general contractor Taylor Kohrs began construction of Farmhouse Villas, a 78-unit housing complex in Parker. The 12-acre space is being developed into a market-rate rental complex spread across 14 buildings comprised of 4-plex and 6-plex villa-style homes. Completion is expected by late January 2023.
- Clearwater Capital Holdings purchased 10 residential lots and one 4.1-acre tract at the Village at Castle Pines, a master-planned community in Castle Pines. Construction of 10 luxury homes is expected to begin in August and the company hopes to have finished lots for the remaining tract by the end of the year. The 10 new homes will each list between \$3.9 and \$5 million and will likely be 5,500 to 7,000 sq. ft. on half-acre to acre lots.

| Douglas County Existing Home Sales, 1st Qtr 2022 |                           |             |                 |           |             |           |                |
|--|---------------------------|-------------|-----------------|-----------|-------------|-----------|----------------|
|  | Douglas County Submarkets |             |                 |           |             |           | Total          |
|  | Castle Pines              | Castle Rock | Highlands Ranch | Larkspur  | Lone Tree   | Parker    | Douglas County |
| <b>Home Sales</b>                                |                           |             |                 |           |             |           |                |
| Single-Family Detached                           |                           |             |                 |           |             |           |                |
| 1st Qtr 2022                                     | 49                        | 335         | 299             | 1         | 31          | 209       | 1,292          |
| 1st Qtr 2021                                     | 36                        | 252         | 299             | 0         | 35          | 180       | 1,166          |
| Single-Family Attached                           |                           |             |                 |           |             |           |                |
| 1st Qtr 2022                                     | 0                         | 48          | 67              | 0         | 24          | 35        | 227            |
| 1st Qtr 2021                                     | 1                         | 43          | 69              | 0         | 20          | 39        | 228            |
| <b>Average Sold Price</b>                        |                           |             |                 |           |             |           |                |
| Single-Family Detached                           |                           |             |                 |           |             |           |                |
| 1st Qtr 2022                                     | \$1,045,898               | \$684,979   | \$770,172       | \$625,000 | \$1,085,884 | \$656,466 | \$808,053      |
| 1st Qtr 2021                                     | \$812,389                 | \$590,567   | \$657,008       | \$0       | \$1,055,083 | \$553,667 | \$691,536      |
| Single-Family Attached                           |                           |             |                 |           |             |           |                |
| 1st Qtr 2022                                     | \$0                       | \$428,952   | \$527,040       | \$0       | \$566,479   | \$386,600 | \$475,574      |
| 1st Qtr 2021                                     | \$408,000                 | \$345,609   | \$424,213       | \$0       | \$487,125   | \$314,962 | \$387,313      |

Source: Colorado Comps, LLC

## Existing Home Sales

Home sales continued to climb in Douglas County and throughout Metro Denver from the first quarters of 2021 to 2022. Over the period, existing home sales in Douglas County increased 9 percent, or an additional 125 homes sold during the period, driven by an increase in single-family detached home sales. Single-family detached home sales in Douglas County rose 10.8 percent over the year, rising by 126 homes during the period. Four of the six submarkets reported increases in detached home sales, with the largest increases in Castle Pines (+36.1 percent), Castle Rock (+32.9 percent), and Parker (+16.1 percent). Larkspur recorded one home sale in the first quarter of 2022, up from 0 the previous year and Highlands Ranch reported 299 home sales, unchanged from

the previous year. Lone Tree reported the only over-the-year decrease of 11.4 percent.

The number of single-family attached home sales in Douglas County decreased 0.4 percent between the first quarters of 2021 and 2022, to 227 homes. Three of the six submarkets recorded decreases in attached sales, with the largest decreases in Parker (-10.3 percent) and Highlands Ranch (-2.9 percent). Castle Pines reported one sale in the first quarter of 2021 and none in the first quarter 2022, while Larkspur reported no sales in either of the quarters. Lone Tree recorded the largest increase in attached sales over the year, rising 20 percent, followed by Castle Rock (+11.6 percent).

## Existing Homes - Average Sales Price

Home prices continued to increase throughout the County between the first quarters of 2021 and 2022. The average sale price of a single-family detached home rose 16.8 percent or an increase of \$116,517 to \$808,053 in Douglas County. All submarkets recorded over-the-year increases in detached home prices, with the largest increases recorded in Castle Pines (+28.7 percent), Parker (+18.6 percent), and Highlands Ranch (+17.2 percent). Lone Tree and Castle Pines recorded the highest sale prices of the six submarkets of more than \$1 million in the first quarter of 2022, while Larkspur recorded the lowest sale price of \$625,000.

*continued on the next pg.*

## Consumer Activity

### Consumer Confidence Index

The Consumer Confidence Index for the U.S. increased 9.2 percent over the year to 108.1 in the first quarter of 2022. Over the quarter, the national index fell 4.2 percent. The index has now recorded a quarterly decrease in consumer confidence for three consecutive quarters. Prior to the recent declines, the index recorded a quarterly increase for four consecutive quarters following a sharp decline reported in April and May of 2020 due to the COVID-19 pandemic.

Purchasing intentions were down from recent levels at the end of the first quarter as interest rates began to rise. Vacation intentions cooled but intentions to buy big-ticket items like automobiles and many appliances rose somewhat. Looking ahead, inflation and the war in Ukraine will continue to pose downside risks to confidence and may further curb consumer spending.

Colorado is included in the Mountain Region Index and the area reported an 11.2 percent increase in confidence over the year. Over the quarter, confidence in the Mountain Region decreased 3.7 percent.

## Residential Real Estate *continued from pg. 3*

The average price of a single-family attached home in Douglas County rose 22.8 percent over the year, rising by \$88,262. All four submarkets with attached home sales in the first quarter of 2022 recorded over-the-year increases in home prices, with the greatest appreciation recorded in Highlands Ranch (+24.2 percent), Castle Rock (+24.1 percent), and Parker (+22.7 percent). Lone Tree recorded the highest average sale price of \$566,479 in the first quarter of 2022, while Parker recorded the lowest average sale price of \$386,600.

### Foreclosures

Foreclosure filings in Douglas County increased 290.9 percent over the year to 43 filings during the first quarter of 2022, up 32 filings during the period. Filings increased 186.7 percent between the fourth quarter of 2021 and first quarter of 2022.

Foreclosure filings in Metro Denver increased 641.6 percent over the year to 571 total filings, representing an increase of 494 foreclosures during the period.

The large increase in foreclosure filings was due to low filings last year from the government's foreclosure moratorium and mortgage forbearance programs, which kept foreclosures low for most of 2021.

### Building Permits

Douglas County residential building permits increased 10.7 percent between the first quarters of 2021 and 2022, rising by 186 units

permitted. Single-family detached permits reported a 3.7 percent decrease during the period, falling 37 units, while condominiums/townhomes reported an increase of 220.6 percent, or 364 units permitted. Multi-family units permitted decreased by 24.7 percent between the first quarters of 2021 and 2022, or decrease of 141 units permitted.

Four of the nine submarkets reported over-the-year increases, with the largest increase reported in Castle Pines (+172.7 percent), followed by Parker (+51.1 percent) and unincorporated Douglas County (+19.4 percent). Lone Tree reported the largest over-the-year decline of 90 percent, followed by Castle Rock (-36.8 percent) and Aurora (-32.6 percent).

The average valuation of single-family detached units permitted rose 7.2 percent over the year to \$369,231, representing \$24,845 more per home during the period. Castle Pines recorded the highest average valuation for single-family detached homes at \$506,005, while Larkspur reported the lowest valuation at \$10,000. The average valuation for single-family attached units decreased 4.5 percent to \$215,608 in Douglas County, with valuations ranging from a low of \$155,912 in unincorporated Douglas County to a high of \$309,016 in Castle Rock. The average valuation for multi-family units was \$127,008 in the first quarter of 2022, an increase of 31.7 percent from the first quarter of 2021.

| Douglas County Residential Building Permits, 1st Qtr 2022 |                                |                                |                           |                               |                           |                               |              |            |                               |
|---|--------------------------------|--------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|--------------|------------|-------------------------------|
|   | Total Units<br>1st Qtr<br>2022 | Total Units<br>1st Qtr<br>2021 | Single-Family<br>Detached |                               | Single-Family<br>Attached |                               | 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  | 62                             | 92                             | -                         | -                             | 62                        | \$238,937                     | -            | -          | -                             |
| Castle Pines  | 420                            | 154                            | 83                        | \$506,055                     | 176                       | \$224,274                     | 7            | 161        | \$174,635                     |
| Castle Rock   | 311                            | 492                            | 264                       | \$394,810                     | 35                        | \$309,016                     | 3            | 12         | \$216,934                     |
| Highlands Ranch   | -                              | 96                             | -                         | -                             | -                         | -                             | -            | -          | -                             |
| Larkspur  | 1                              | -                              | 1                         | \$10,000                      | -                         | -                             | -            | -          | -                             |
| Littleton   | -                              | -                              | -                         | -                             | -                         | -                             | -            | -          | -                             |
| Lone Tree   | 1                              | 10                             | 1                         | \$427,700                     | -                         | -                             | -            | -          | -                             |
| Parker  | 287                            | 190                            | 211                       | \$405,155                     | 76                        | \$274,874                     | -            | -          | -                             |
| Unincorporated Douglas                                    | 849                            | 711                            | 411                       | \$307,459                     | 180                       | \$155,912                     | 21           | 258        | \$93,106                      |
| <b>Total Douglas County</b>                               | <b>1,931</b>                   | <b>1,745</b>                   | <b>971</b>                | <b>\$369,231</b>              | <b>529</b>                | <b>\$215,608</b>              | <b>31</b>    | <b>431</b> | <b>\$127,008</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.*

Developer group Castle Rock View Investors has broken ground on The View in Castle Rock, a mixed-use project on Wilcox Street in the downtown area. The six-story project will include 221 apartments, more than 12,000 sq. ft. of office space, and roughly 5,000 sq. ft. of retail space. The building is expected to open in May 2024.

## Office Market

The vacancy rate for the office market in Douglas County rose 0.1 percentage points to 12.7 percent between the first quarters of 2021 and 2022. Highlands Ranch and Lone Tree recorded the only over-the-year decreases in the vacancy rate of 13.5 percentage points and 1.5 percentage points, respectively. Larkspur recorded the only vacancy rate of zero, unchanged from a year prior. Castle Pines reported the largest percentage point increase over the year, rising 5.5 percentage points from 0 percent in the first quarter of 2021, followed by Castle Rock (+1.5 percentage points) and Parker (+0.6 percentage points). The vacancy rate in Metro Denver rose 0.8 percentage points to 12.4 percent during the period.

The average lease rate in Douglas County declined 3.4 percent to \$26.86 per square foot between the first quarters of 2021 and 2022. Highlands Ranch and Lone Tree also reported over-the-year decreases in the lease rate, falling 6.9 percent and 2 percent, respectively. Castle Rock reported the largest increase in the lease rate of 4.5 percent, followed by Castle Pines (+3.6 percent) and Parker (+3.2 percent). The average lease rate in Metro Denver increased 1 percent to \$29.62 per square foot, \$2.76 higher than the lease rate in Douglas County.

## Industrial Market

The industrial market vacancy rate in Douglas County was 7.6 percent in the first quarter of 2022, down 1.2 percentage points from the first quarter of 2021. Parker reported the largest over-the-year decrease in the industrial vacancy rate, falling 9.9 percentage points, followed by Highlands Ranch (-4.1 percentage points). Castle Rock reported the only increase in vacancy of 1.5 percentage points. Larkspur and Lone Tree reported no vacancy in the first quarters of 2021 and 2022. Metro Denver reported a vacancy rate of 5.1 percent in the first quarter of 2022, down 0.5 percentage points from the same time last year.

The average lease rate for the industrial market in Douglas County increased 10.7 percent over-the-year to \$11.89 per square foot in the first quarter of 2022. Parker reported the largest decrease in the lease rate of 5.6 percent during the period, followed by Castle Rock (-2.4 percent). The remaining four submarkets reported no lease rate during the period. Metro Denver reported an industrial lease rate of \$9.69 per square foot, an increase of 10 percent and \$2.20 lower than the rate in Douglas County in the first quarter of 2022.

## Flex Market

Douglas County reported a flex vacancy rate of 3.9 percent in the first quarter of 2022, down 1.2 percentage points from the same time last year. Lone Tree recorded the largest decrease in the flex market vacancy rate, falling 21.5 percentage points, followed by Castle Rock (-5.6 percentage points). Highlands Ranch and Parker reported no vacancy in the first quarters of 2021 and 2022. Metro Denver reported a vacancy rate of 6.9 percent in the first quarter of 2022, down 0.7 percentage points from the same time last year.

The average flex lease rate in Douglas County decreased 2.9 percent to \$12.54 per square foot between the first quarters of 2021 and 2022. Parker reported the largest over-the-year increase, rising 27.2 percent to \$16.00 per square foot, followed by Lone Tree (+14.1 percent) and Castle Rock (+0.4 percent). Highlands Ranch reported no change in the lease rate over the year. Metro Denver reported a 13.7 percent increase in the flex rate between the first quarters of 2021 and 2022, rising to \$14.86 per square foot during the period.

## Retail Market

The retail vacancy rate in Douglas County fell 0.3 percentage points to 2.5 percent between the first quarters of 2021 and 2022, with four of the six submarkets recording decreases. Larkspur reported the largest over-the-year decrease in the vacancy rate, falling 5 percentage points to 0 percent in the first quarter of 2022, followed by Castle Pines (-4.9 percentage points), Parker (-0.7 percentage points), and Lone Tree (-0.4 percentage points). Highlands Ranch recorded an increase of 0.1 percentage point over the year, while the vacancy rate in Castle Rock remained unchanged at 2.1 percent. Retail vacancy in Metro Denver fell 0.7 percentage points to 4.5 percent.

The average lease rate in Douglas County rose 6.9 percent over the year to \$23.91 per square foot in the first quarter of 2022. The lease rate in Parker declined 1.9 percent, the only submarket to record a drop. Castle Rock reported the largest over-the-year increase of 16.5 percent, followed by Highlands Ranch (+7.9 percent), Lone Tree (+7 percent), and Castle Pines (+5.7 percent). The average lease rate in Larkspur was \$41.67 in the first quarter of 2022. The retail lease rate in Metro Denver rose 2.7 percent over the year to \$19.56 per square foot, \$4.35 below the level in Douglas County.

*see table on the next pg.*

| Douglas County Commercial Vacancy and Lease Rates by Property Type, 1st Qtr 2022 |                            |                    |              |              |                               |                |
|--|----------------------------|--------------------|--------------|--------------|-------------------------------|----------------|
|  | Total Existing Sq. Footage |                    | Vacancy Rate |              | Avg. Lease Rate (per sq. ft.) |                |
|  | 1st Qtr 2022               | 1st Qtr 2021       | 1st Qtr 2022 | 1st Qtr 2021 | 1st Qtr 2022                  | 1st Qtr 2021   |
| <b>Office</b>  |                            |                    |              |              |                               |                |
| Castle Pines   | 55,102                     | 55,102             | 5.5%         | 0.0%         | \$32.84                       | \$31.71        |
| Castle Rock  | 1,293,252                  | 1,279,752          | 4.6%         | 3.1%         | \$27.93                       | \$26.72        |
| Highlands Ranch  | 1,992,861                  | 1,992,861          | 21.6%        | 35.1%        | \$30.42                       | \$32.67        |
| Larkspur   | 27,953                     | 27,953             | 0.0%         | 0.0%         | -                             | -              |
| Lone Tree  | 3,185,037                  | 2,924,916          | 7.1%         | 8.6%         | \$30.08                       | \$30.68        |
| Parker   | 1,404,134                  | 1,294,134          | 8.8%         | 8.2%         | \$33.13                       | \$32.11        |
| <b>Total Douglas County</b>  | <b>13,878,226</b>          | <b>13,494,605</b>  | <b>12.7%</b> | <b>12.6%</b> | <b>\$26.86</b>                | <b>\$27.81</b> |
| <b>Metro Denver</b>  | <b>200,399,596</b>         | <b>198,050,445</b> | <b>12.4%</b> | <b>11.6%</b> | <b>\$29.62</b>                | <b>\$29.33</b> |
| <b>Industrial</b>  |                            |                    |              |              |                               |                |
| Castle Pines   | -                          | -                  | -            | -            | -                             | -              |
| Castle Rock  | 1,240,712                  | 1,240,712          | 6.9%         | 5.4%         | \$9.54                        | \$9.77         |
| Highlands Ranch  | 450,277                    | 450,277            | 18.8%        | 22.9%        | -                             | -              |
| Larkspur   | 30,509                     | 30,509             | 0.0%         | 0.0%         | -                             | -              |
| Lone Tree  | 36,686                     | 36,686             | 0.0%         | 0.0%         | -                             | -              |
| Parker   | 888,863                    | 888,863            | 10.0%        | 19.9%        | \$12.76                       | \$13.52        |
| <b>Total Douglas County</b>  | <b>8,094,800</b>           | <b>7,894,800</b>   | <b>7.6%</b>  | <b>8.8%</b>  | <b>\$11.89</b>                | <b>\$10.74</b> |
| <b>Metro Denver</b>  | <b>242,358,342</b>         | <b>235,676,195</b> | <b>5.1%</b>  | <b>5.6%</b>  | <b>\$9.69</b>                 | <b>\$8.81</b>  |
| <b>Flex</b>  |                            |                    |              |              |                               |                |
| Castle Pines   | -                          | -                  | -            | -            | -                             | -              |
| Castle Rock  | 259,438                    | 259,438            | 0.1%         | 5.7%         | \$13.00                       | \$12.95        |
| Highlands Ranch  | 337,987                    | 337,987            | 0.0%         | 0.0%         | \$12.00                       | \$12.00        |
| Larkspur   | -                          | -                  | -            | -            | -                             | -              |
| Lone Tree  | 137,896                    | 137,896            | 5.2%         | 26.7%        | \$15.01                       | \$13.16        |
| Parker   | 205,269                    | 205,269            | 0.0%         | 0.0%         | \$16.00                       | \$12.58        |
| <b>Total Douglas County</b>  | <b>2,641,746</b>           | <b>2,641,746</b>   | <b>3.9%</b>  | <b>5.1%</b>  | <b>\$12.54</b>                | <b>\$12.92</b> |
| <b>Metro Denver</b>  | <b>47,534,156</b>          | <b>47,471,839</b>  | <b>6.9%</b>  | <b>7.6%</b>  | <b>\$14.86</b>                | <b>\$13.07</b> |
| <b>Retail</b>  |                            |                    |              |              |                               |                |
| Castle Pines   | 314,584                    | 314,584            | 4.0%         | 8.9%         | \$22.20                       | \$21.00        |
| Castle Rock  | 4,223,024                  | 4,176,616          | 2.1%         | 2.1%         | \$25.71                       | \$22.07        |
| Highlands Ranch  | 3,478,953                  | 3,478,953          | 2.9%         | 2.8%         | \$21.68                       | \$20.09        |
| Larkspur   | 25,203                     | 25,203             | 0.0%         | 5.0%         | \$41.67                       | -              |
| Lone Tree  | 4,411,911                  | 4,411,911          | 3.6%         | 4.0%         | \$29.78                       | \$27.82        |
| Parker   | 4,483,668                  | 4,478,668          | 1.3%         | 2.0%         | \$21.72                       | \$22.13        |
| <b>Total Douglas County</b>  | <b>18,712,860</b>          | <b>18,661,452</b>  | <b>2.5%</b>  | <b>2.8%</b>  | <b>\$23.91</b>                | <b>\$22.36</b> |
| <b>Metro Denver</b>  | <b>173,533,056</b>         | <b>172,975,576</b> | <b>4.5%</b>  | <b>5.2%</b>  | <b>\$19.56</b>                | <b>\$19.04</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. Source: CoStar Realty Information, Inc.

# Nonresidential Development Activity

Douglas County building officials issued permits for 356,790 sq. ft. of nonresidential space valued at approximately \$65.3 million during the first quarter of 2022. The largest project was The View Mixed-Use Building that added 241,870 sq. ft. of space valued at \$42 million. Other notable projects included the 70,575-square-foot Castle Rock Adventist Hospital Medical Building No. 3 in Castle Rock valued at \$18.4 million and the 11,053-square-foot Little Sunshine Playhouse Childcare Center in Parker valued at \$1.8 million.

Certificates of completion or occupancy were issued for 328,306 sq. ft. of nonresidential space during the first quarter of 2022, an increase of 330.9 percent from the same period last year. The largest project now ready for occupancy is a mixed-use building at 20 N. Wilcox Street in Castle Rock.

| DC Commercial Building Permits Issued, 1st Qtr 2022 |  |              |         |
|---|--|--------------|---------|
| Jurisdiction  | Project Description                                | Valuation    | Sq. Ft. |
| Castle Rock   | The View Mixed-Use Bldg.                           | \$42,000,000 | 241,870 |
| Castle Rock   | Castle Rock Adventist Hospital Medical Bldg. No. 3 | \$18,359,721 | 70,575  |
| Castle Rock   | Canvas at Castle Rock Clubhouse                    | \$434,520    | 2,414   |
| Parker  | Little Sunshine Playhouse Childcare Center         | \$1,783,929  | 11,053  |
| Parker  | Chase Bank Bldg.                                   | \$480,830    | 3,470   |
| Parker  | Murphy Express Gas Station                         | \$616,820    | 2,824   |
| Unincorporated                                      | Commercial Bldg.                                   | \$1,050,389  | 10,134  |
| Unincorporated                                      | Warehouse Bldg.                                    | \$220,000    | 9,930   |
| Unincorporated                                      | Clubhouse  | \$228,341    | 2,203   |
| Unincorporated                                      | Bldg. 22 Garage                                    | \$48,531     | 1,159   |
| Unincorporated                                      | Bldg. 23 Garage                                    | \$43,240     | 1,158   |

| DC Commercial Certificates of Occupancy Issued, 1st Qtr 2022 |   |         |
|--|---|---------|
| Jurisdiction   | Project Description                         | Sq. Ft. |
| Castle Rock  | Mixed-Use Bldg.                             | 179,383 |
| Castle Rock  | Uhaul Moving & Storage Bldg. A              | 85,520  |
| Castle Rock  | In-N-Out Burger                             | 4,940   |
| Lone Tree  | Blue Island Oyster Bar                      | 4,512   |
| Parker   | Grace Lutheran Church, 4 Classroom Addition | 6,200   |
| Unincorporated   | Inverness Reunion Rehabilitation Hospital   | 47,751  |

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