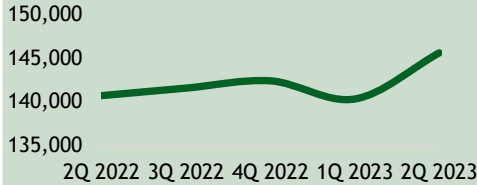


Summary

Employment

145,2546

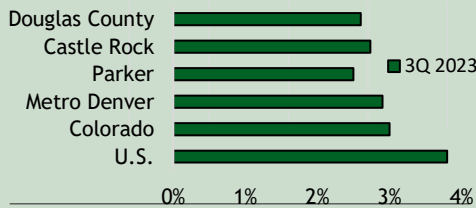
Up 3.5% from 2Q 2022



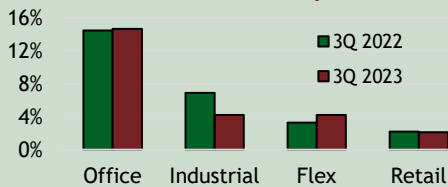
Unemployment Rate

3.2%

Up 0.9 percentage points from 3Q 2022



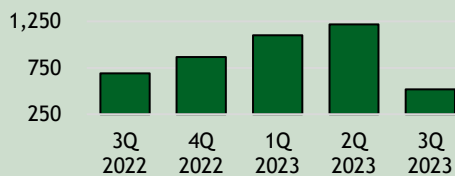
Commercial Vacancy Rates



Residential Units Permitted

518

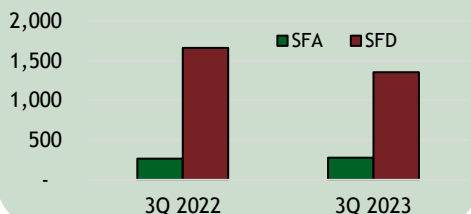
Down 25.0% from 3Q 2022



Existing Home Sales

1,631

Down 15.4% from 3Q 2022



High Line Canal Trail in Highlands Ranch



Department of Community Development

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

Executive Summary

Economic indicators continue to report mixed trends in Douglas County in the third quarter of 2023. Employment and retail sales indicators reported growth across the county, while both residential and commercial real estate markets continued to slow amid high interest rates and continued vacancy struggles for office properties.

Employment in Douglas County increased 3.5 percent year-over-year in the second quarter of 2023. Across supersectors, transportation, warehousing and utilities reported the largest increase in employment, while the largest decrease was reported in wholesale trade.

The **unemployment rate** in Douglas County was 3.2 percent in the third quarter of 2023, up 0.9 percentage points year-over-year, and up 0.6 percentage points from the prior quarter. Douglas County tied with Boulder and Jefferson counties for the lowest unemployment rate among seven counties in Metro Denver. The labor force in Douglas County reached an all-time high of 211,447 people working or looking for jobs in the third quarter of 2023, an increase of 1.4 percent year-over-year.

Retail trade activity, which is not adjusted for inflation, increased 13.3 percent year-over-year in the third quarter of 2023, driven largely by an increase in general merchandise retailers. Across Metro Denver, retail trade activity rose 2.3 percent.

Home sales in Douglas County fell 15.4 percent between the third quarters of 2022 and 2023, due to large decreases in detached home sales in Castle Rock, Highlands Ranch, and Parker. **Home prices** in Douglas County fell year-over-year for detached homes but rose for attached homes. In 3Q 2023, the average sale price for detached homes fell 0.7 percent, or by \$5,835, to \$851,238. Attached home prices rose 8.5 percent, or by \$41,137, to \$527,243, over the same period.

The number of **residential units permitted** decreased by 25.0 percent in the third quarter of 2023, driven by a large decrease in single family detached permits in Parker and unincorporated Douglas County.

Douglas County's **commercial real estate market** continued to be mixed in the third quarter of 2023, with renewed challenges in the office market. The vacancy rate for office properties was 14.7 percent in 3Q 2023, up 0.2 percentage points year-over-year, while the average lease rate for office properties rose 2.1 percent to \$27.61. Industrial and retail properties reported decreases in vacancy rates, while flex properties reported a slight increase. Industrial and retail properties reported increases in the average lease rate over the year, while flex reported a decline in the lease rates of 0.2 percent.

Employment Activity

| Covered Employment by Industry Supersector 2nd Quarter 2023 ¹ | | | | |
|---|-----------------|-------------------|-----------------|-------------------|
| | Douglas County | | Metro Denver | |
| | 2nd Qtr 2023 | Yr/Yr % Change | 2nd Qtr 2023 | Yr/Yr % Change |
| Total All Industries | 145,546 | 3.5% | 1,791,935 | 2.3% |
| Private Sector | | | | |
| Mining & Logging | 470 | -1.7% | 12,091 | -6.9% |
| Construction | 11,174 | 1.7% | 109,764 | 1.2% |
| Manufacturing | 2,404 | 2.6% | 89,675 | -4.0% |
| Wholesale Trade | 5,711 | -2.7% | 86,418 | 1.9% |
| Retail Trade | 17,779 | 0.0% | 152,561 | 0.4% |
| Transportation, Warehousing, & Utilities | 3,370 | 42.3% | 78,758 | 4.9% |
| Information | 4,719 | -1.8% | 61,320 | -4.0% |
| Financial Activities | 14,868 | -0.1% | 119,334 | -1.6% |
| Professional & Business Services | 28,370 | 4.7% | 362,065 | 2.3% |
| Education & Health Services | 18,404 | 5.7% | 227,222 | 4.9% |
| Leisure & Hospitality | 18,719 | 4.4% | 193,149 | 4.8% |
| Other Services | 4,724 | 4.8% | 55,092 | 3.9% |
| Government | 14,588 | 3.1% | 242,344 | 4.4% |

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.

¹ 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.

| Unemployment Rates | | | | | | |
|--------------------|----------------|-------------|--------|--------------|----------|------|
| | Douglas County | Castle Rock | Parker | Metro Denver | Colorado | U.S. |
| 3Q 2023 | 3.2% | 3.3% | 3.2% | 3.4% | 3.4% | 3.4% |
| 3Q 2022 | 2.3% | 2.3% | 2.4% | 2.6% | 2.7% | 3.6% |

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

Business Confidence Index

CU Boulder Leeds Business School released their Business Confidence Index ahead of Q4 2023 in which business leaders expressed continued pessimism for the rest of 2023. The Business Confidence Index surveys business leaders on their sentiments in six key components: the state economy, national economy, industry sales, profits, and hiring in their specific industry, and capital expenditures.

All six index components remain below the breakeven mark of 50, but half of the measures improved ahead of the fourth quarter and was below the long-term average of 53.6. The index recorded a 0.5-point decrease ahead of 4Q 2023, falling to 43.6, but increased slightly looking out further to 1Q 2024 (45.7). Three of the six components in the index decreased ahead of the third quarter, with the increases reported in the National Economy, State Economy, and Industry Sales sections.

Employment in Douglas County increased 3.5 percent between the second quarters of 2022 and 2023, rising by 4,882 jobs over the year. Nine of the 13 supersectors reported increases in employment during the period, with the largest increases in transportation, warehousing, and utilities (+42.3 percent), education and health services (+5.7 percent), and other services (+4.8 percent). Wholesale trade (-2.7 percent) reported the largest over-the-year decrease, followed by information (-1.8 percent).

Employment in Metro Denver increased 2.3 percent between the second quarters of 2022 and 2023. Nine of the 13 supersectors reported over-the-year increases, led by transportation, warehousing, & utilities (+4.9 percent), education and health services (+4.9 percent), and leisure and hospitality (+4.8 percent). Mining and logging (-6.9 percent) reported the largest decrease.

Unemployment

The Douglas County unemployment rate was 3.2 percent in the third quarter of 2023, up 0.9 percentage points from the third quarter of 2022. The unemployment rate rose 0.6 percentage points from the previous quarter. Castle Rock's unemployment rate (3.3 percent) and Parker's rate (3.2 percent) also increased year-over-year, rising by 1.0 and 0.8 percentage points, respectively.

The labor force increased in all three geographies year-over-year. The labor force in Douglas County rose 1.4 percent year-over-year in 3Q 2023, an increase of 2,990 people working or looking for a job. Castle Rock added 607 people to its labor force, an increase of 1.5 percent between the third quarters of 2022 and 2023. During the same period, Parker added 488 people to the labor force, an increase of 1.4 percent.

Metro Denver's unemployment rate was 3.4 percent in the third quarter of 2023, up 0.8 percentage points from the same quarter in 2022, and up 0.6 percentage points from the previous quarter. The labor force in Metro Denver rose 1.3 percent year-over-year, representing 23,806 more individuals working or looking for a job during the period. Both the Colorado and U.S. unemployment rates were 3.4 percent in 3Q 2023, marking a 0.7 percentage point rise in the state, but a 0.2 percentage point decrease in the U.S. The labor force increased by 1.6 percent in Colorado and 1.9 percent nationally over the same period.

Consumer Activity

Consumer Confidence Index

The Consumer Confidence Index for the U.S. rose 6.6 percent over the year to 109.0 in the third quarter of 2023. Over the quarter, the national index rose 3.4 percent. This is the second consecutive over-the-year increase after four consecutive quarters of decrease. This is the fourth quarter in a row where the consumer confidence index increased compared to the previous quarter.

Colorado is included in the Mountain Region Index, which reported an 8.8 percent increase in confidence in the third quarter of 2023 compared with the same time last year. Over the quarter, confidence in the Mountain Region decreased 6.9 percent.



Retail Trade

Total retail sales in Douglas County reached more than \$3.2 billion in 3Q 2023, a 13.3 percent year-over-year increase, not adjusted for inflation. Five of the 10 industry subgroups reported increases in sales year-over-year, driven by an increase of 48.1 percent in General Merchandise Retailers. Food and Beverage Retailers increased 19.5 percent, while sales in Clothing, Clothing Accessories, Shoe, and Jewelry Retailers increased 17.1 percent. The largest decline was reported in Building Material and Garden Equipment and Supplies Dealers, which reported an over-the-year decline of 34.0 percent, followed by Gasoline Stations and Fuel Dealers (-22.8 percent) and Food Services and Drinking Places (-7.3 percent).

Across Metro Denver, retail sales increased 2.3 percent year-over-year in the third quarter of 2023. Similar to trends in Douglas County, the largest declines were reported in Building Material and Garden Equipment and Supplies Dealers (-25.9 percent) and Gasoline Stations and Fuel Dealers (-21.4 percent). The industries that reported the largest increases in retail trade activity were General Merchandise Retailers (+18.2 percent), Clothing, Clothing Accessories, Shoe, and Jewelry Retailers (+17.2 percent), and Food and Beverage Retailers (+13.7 percent).

| Retail Trade Sales (\$000s) by Industry & Municipality 3rd Quarter 2023 | | |
|--|--------------------|---------------------|
| Industry | Douglas County | Metro Denver |
| Motor Vehicle and Parts Dealers | \$445,205 | \$3,894,616 |
| Building Material and Garden Equipment and Supplies Dealers | \$167,485 | \$1,143,817 |
| Food and Beverage Retailers | \$405,117 | \$3,726,338 |
| Furniture, Home Furnishings, Electronics, and Appliance | \$173,629 | \$1,268,910 |
| Retailers | | |
| General Merchandise Retailers | \$1,259,151 | \$5,449,999 |
| Health and Personal Care Retailers | \$97,041 | \$1,093,916 |
| Gasoline Stations and Fuel Dealers | \$50,560 | \$569,905 |
| Clothing, Clothing Accessories, Shoe, and Jewelry Retailers | \$174,724 | \$1,029,645 |
| Sporting Goods, Hobby, Musical Instrument, Book, and Misc | \$229,010 | \$2,043,763 |
| Retailers | | |
| Food Services and Drinking Places | \$238,517 | \$2,419,420 |
| Total Retail Trade Sales | \$3,240,440 | \$22,640,329 |
| <i>Total Retail Trade Sales, 2Q22</i> | <i>\$2,859,350</i> | <i>\$22,121,219</i> |
| <i>Year-Over-Year Percent Change</i> | <i>13.3%</i> | <i>2.3%</i> |

Source: Colorado Department of Revenue.

Residential Real Estate

Existing Home Sales

Home sales fell in Douglas County and throughout Metro Denver from the third quarter of 2022 to 2023. Over the period, existing home sales in Douglas County fell 15.4 percent, or by 297 homes, as high inflation and interest rates continue to cool the market. Single-family detached home sales in Douglas County fell 18.5 percent over the year, dropping by 307 homes during the period. All six submarkets reported decreases in detached home sales, with the largest decreases in Lone Tree (-34.9 percent), Castle Pines (-33.7 percent), and Highlands Ranch (-32.3 percent).

The number of single-family attached home sales in Douglas County increased 3.7 percent between the third quarters of 2022 and 2023, to 277 homes. Four of the six submarkets recorded increases in attached sales, with the largest rises in Larkspur (+50.0 percent) and Lone Tree (-44.4 percent). Castle Rock reported the only decrease of 15.4 percent, while Highlands Ranch reported no change over the period.

Existing Homes - Average Sales Price

Home price changes were mixed in Douglas County between the third quarters of 2022 and 2023. The average sale price of a single-family detached home fell 0.7 percent, or a decrease of \$5,835, to \$851,238 in Douglas County. Four of the six submarkets recorded over-the-year increases in detached home prices, with the largest increases recorded in Castle Rock (+3.8 percent), Castle Pines (+2.0 percent), and Highlands Ranch (+1.4 percent). Larkspur recorded the largest decrease over the period of 9.8 percent, or \$114,513. Lone Tree and Castle Pines had the highest average sales prices at \$1.2 million and \$1.1 million, respectively. The lowest average sale price was reported in Parker at \$810,206.

The price of a single-family attached home in Douglas County increased 8.5 percent over the year, rising by an average of \$41,137. All six submarkets recorded over-the-year increases in attached home prices. Larkspur reported the largest over-the-year increase of 47.6 percent, followed by Castle Rock (+19.2 percent) and Parker (+8.4 percent). Larkspur recorded the highest average sale price of \$735,967 in the third quarter of 2023, while Parker recorded the lowest average sale price of \$482,094.

| Douglas County Existing Home Sales 3rd Quarter 2023 | | | | | | | |
|--|---------------------------|-------------|-----------------|-------------|-------------|-----------|----------------|
| | Douglas County Submarkets | | | | | | Total |
| | Castle Pines | Castle Rock | Highlands Ranch | Larkspur | Lone Tree | Parker | Douglas County |
| Home Sales | | | | | | | |
| Single-Family Detached | | | | | | | |
| 3Q 2023 | 55 | 369 | 254 | 24 | 28 | 451 | 1,354 |
| 3Q 2022 | 83 | 432 | 375 | 33 | 43 | 503 | 1,661 |
| Single-Family Attached | | | | | | | |
| 3Q 2023 | 14 | 66 | 72 | 3 | 13 | 95 | 277 |
| 3Q 2022 | 12 | 78 | 72 | 2 | 9 | 72 | 267 |
| Average Sold Price | | | | | | | |
| Single-Family Detached | | | | | | | |
| 3Q 2023 | \$1,055,514 | \$822,966 | \$820,318 | \$1,054,472 | \$1,247,657 | \$810,206 | \$851,238 |
| 3Q 2022 | \$1,034,391 | \$793,143 | \$808,762 | \$1,168,985 | \$1,335,689 | \$806,379 | \$857,072 |
| Single-Family Attached | | | | | | | |
| 3Q 2023 | \$609,918 | \$540,839 | \$528,171 | \$735,967 | \$645,231 | \$482,094 | \$527,243 |
| 3Q 2022 | \$579,819 | \$453,877 | \$524,907 | \$498,500 | \$609,556 | \$444,613 | \$486,107 |

Source: Denver Metro Association of REALTORS

Foreclosures

Foreclosure filings in Douglas County fell 28.3 percent over the year to 38 filings during the third quarter of 2023, down 15 filings during the period. Filings decreased 38.7 percent between the second and third quarters of 2023. Foreclosure filings in Metro Denver fell 14.5 percent over the year to 555 total filings, representing a decrease of 94 foreclosures during the period.

Building Permits

Residential building permits in Douglas County decreased 25.0 percent between the third quarters of 2022 and 2023, falling by 173 units permitted, driven by a decrease in single family detached units permitted. Single-family detached permits reported a 22.8 percent decrease during the period, falling by 111 units, while condominiums/townhomes reported a 13.5 percent decrease, falling by 19 units permitted. Multi-family units permitted decreased 57.8 percent from 64 units permitted in the third quarter of 2022 to 27 units permitted in the third quarter of 2023.

Three of the nine submarkets reported over- the-year decreases in residential building permits, with the largest decrease reported in Castle Pines (-67.1 percent), followed by unincorporated Douglas County (-35.2 percent) and Castle Rock (-19.0 percent). Highlands Ranch, Larkspur, Littleton, and Lone Tree had no residential building permits in the third quarter of 2023. Aurora reported the largest increase of 88.9 percent, followed by Parker (+8.5 percent).

The average valuation of single-family detached units permitted in Douglas County rose 11.4 percent over the year to \$452,071, representing \$46,145 more per home during the period. Castle Pines recorded the highest average valuation for single-family detached homes at \$630,125, while Aurora reported the lowest valuation at \$250,431. The average valuation for single-family attached units rose 33.8 percent to \$292,198 in Douglas County, with valuations ranging from a low of \$200,081 in unincorporated Douglas County to a high of \$384,752 in Parker. The average valuation for multi-family units was \$145,714 in the third quarter of 2023, a decrease of 8.3 percent from the third quarter of 2022.

| Douglas County Residential Building Permits 3rd Quarter 2023 | | | | | | | | | |
|---|--------------------------------|--------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|--------------|-----------|-------------------------------|
| | Total Units 3rd Qtr 2023 | Total Units 3rd Qtr 2022 | Single-Family Detached | | Single-Family Attached | | Multi-Family | | |
| | | | Units | Avg. Valuation per Unit | Units | Avg. Valuation per Unit | Permits | Units | Avg. Valuation per Unit |
| Aurora | 17 | 9 | 17 | \$250,431 | - | - | - | - | - |
| Castle Pines | 23 | 70 | 19 | \$630,125 | 4 | \$239,587 | - | - | - |
| Castle Rock | 98 | 121 | 97 | \$507,826 | - | - | 1 | 7 | 209,667 |
| Highlands Ranch | - | - | - | - | - | - | - | - | - |
| Larkspur | - | - | - | - | - | - | - | - | - |
| Littleton | - | - | - | - | - | - | - | - | - |
| Lone Tree | - | - | - | - | - | - | - | - | - |
| Parker | 154 | 142 | 94 | \$534,429 | 60 | \$384,752 | 2 | 20 | 123,331 |
| Unincorp. Douglas | 226 | 349 | 148 | \$363,524 | 58 | \$200,081 | - | - | - |
| Total Douglas County | 518 | 691 | 375 | \$452,071 | 122 | \$292,198 | 3 | 27 | \$145,714 |

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

Commercial Real Estate

Office Market

The vacancy rate for the office market in Douglas County rose 0.2 percentage points to 14.7 percent between the third quarters of 2022 and 2023. The vacancy rate increased in two of the four submarkets that reported office vacancies. Lone Tree had the largest increase of 2.1 percent, followed by Highlands Ranch, which reported an increase of 1.6 percentage points. Castle Rock reported the largest decline, falling 1.6 percentage points over the period. Highlands Ranch reported the highest vacancy rate of 19.6 percent in 3Q 2023, while Castle Rock reported the lowest vacancy rate of 2.7 percent. The office market vacancy rate in Metro Denver was 13.4 percent in the third quarter of 2023, an increase of 1.1 percentage points from the same period in 2022.

The average lease rate in Douglas County rose 2.1 percent to \$28.19 per square foot between the third quarters of 2022 and 2023. Parker reported the largest decline in the average lease rate, falling 17.6 percent to \$28.24 per square foot. Highlands Ranch reported the largest rent increase, rising 2.4 percent to \$33.73 per square foot. The average lease rate in Metro Denver increased 1.0 percent to \$31.30 per square foot, \$3.11 higher than the lease rate in Douglas County.

Industrial Market

The industrial market vacancy rate in Douglas County was 4.2 percent in the third quarter of 2023, down 2.7 percentage points from the third quarter of 2022. Parker reported the highest vacancy rate of 11.7 percent, a decrease of 4.7 percentage points over the year. Castle Rock reported the lowest vacancy rate of 1.1 percent. Metro Denver reported a vacancy rate of 6.0 percent in the third quarter of 2023, up 0.8 percentage points from the same period in 2022.

The average lease rate for the industrial market in Douglas County increased 1.9 percent over the year to \$13.54 per square foot in the third quarter of 2023. Castle Rock and Parker were the only submarkets to report average lease rates in 3Q 2023, with Castle Rock's rate rising 1.4 percent to \$13.48, and Parker's rate falling 6.8 percent to \$11.91. Metro Denver reported an industrial lease rate of \$11.11 per square foot, an increase of 13.8 percent and \$2.43 lower than the rate in Douglas County in the third quarter of 2023.

Flex Market

Douglas County reported a flex vacancy rate of 4.2 percent in the third quarter of 2023, up 0.9 percentage points from the same time last year. No submarket recorded a decrease in the flex market vacancy rate, with Parker's rate rising 4.4 percentage points to 7.9 percent. Metro Denver reported a vacancy rate of 6.5 percent in the third quarter of 2023, up 0.1 percentage points from the same time last year.

The average flex lease rate in Douglas County fell 0.2 percent to \$13.31 per square foot between the third quarters of 2022 and 2023. Castle Rock reported the largest increases over the year of 46.2 percent. Lone Tree reported the only decrease in the average lease rate of 7.6 percent. Metro Denver reported a 1.0 percent increase in the flex rate between the third quarters of 2022 and 2023, rising to \$15.31 per square foot during the period.

Retail Market

The retail vacancy rate in Douglas County fell 0.1 percentage points to 2.1 percent between the third quarters of 2022 and 2023. Castle Rock and Lone Tree reported the only increases in the vacancy rate, rising 0.2 percentage points and 0.5 percentage points, respectively. Castle Pines reported the largest decline in the vacancy rate, falling 1.6 percentage points to 0.9 percent, followed by Parker (-0.5 percentage points). Retail vacancies in Metro Denver fell 0.3 percentage points to 4.0 percent during the period.

The average lease rate in Douglas County rose 7.0 percent over the year to \$26.65 per square foot in the third quarter of 2023. Highlands Ranch reported the largest over-the-year increase of 36.1 percent, followed by Castle Pines (+6.6 percent). Parker reported the largest decline, falling 2.4 percent to \$22.85 per square foot during the period. The retail lease rate in Metro Denver rose 3.1 percent over the year to \$20.57 per square foot, \$6.08 below the level in Douglas County.

Commercial Real Estate *continued*

| Douglas County Commercial Vacancy and Lease Rates by Property Type 3rd Quarter 2023 | | | | | | |
|--|----------------------------|--------------------|--------------|--------------|-------------------------------|----------------|
| | Total Existing Sq. Footage | | Vacancy Rate | | Avg. Lease Rate (per sq. ft.) | |
| | 3rd Qtr 2023 | 3rd Qtr 2022 | 3rd Qtr 2023 | 3rd Qtr 2022 | 3rd Qtr 2023 | 3rd Qtr 2022 |
| Office | | | | | | |
| Castle Pines | 55,102 | 55,102 | 19.3% | - | \$27.98 | \$32.84 |
| Castle Rock | 1,339,764 | 1,339,764 | 2.7% | 4.3% | \$27.46 | \$27.32 |
| Highlands Ranch | 2,007,221 | 1,995,627 | 19.6% | 18.0% | \$33.73 | \$32.93 |
| Larkspur | 27,953 | 27,953 | - | - | - | - |
| Lone Tree | 3,421,307 | 3,421,307 | 8.5% | 6.4% | \$29.23 | \$28.89 |
| Parker | 1,237,140 | 1,237,140 | 10.7% | 11.4% | \$28.24 | \$34.26 |
| Total Douglas County | 14,079,579 | 14,067,985 | 14.7% | 14.5% | \$28.19 | \$27.61 |
| Metro Denver | 203,997,931 | 203,382,657 | 13.4% | 12.3% | \$31.30 | \$30.98 |
| Industrial | | | | | | |
| Castle Pines | - | - | - | - | - | - |
| Castle Rock | 1,488,129 | 1,308,838 | 1.1% | - | \$13.48 | \$13.30 |
| Highlands Ranch | 450,277 | 450,277 | 7.2% | 18.5% | - | - |
| Larkspur | 30,509 | 30,509 | - | - | - | - |
| Lone Tree | 36,686 | 36,686 | - | - | - | - |
| Parker | 1,088,938 | 1,068,179 | 11.7% | 16.4% | \$11.91 | \$12.78 |
| Total Douglas County | 8,532,596 | 8,332,546 | 4.2% | 6.9% | \$13.54 | \$13.29 |
| Metro Denver | 257,239,794 | 251,489,036 | 6.0% | 5.2% | \$11.11 | \$9.76 |
| Flex | | | | | | |
| Castle Pines | - | - | - | - | - | - |
| Castle Rock | 300,950 | 292,359 | 9.8% | - | \$19.00 | \$13.00 |
| Highlands Ranch | 337,987 | 337,987 | - | - | \$16.00 | - |
| Larkspur | - | - | - | - | - | - |
| Lone Tree | 137,236 | 137,236 | 2.2% | - | \$14.11 | \$15.27 |
| Parker | 241,601 | 241,601 | 7.9% | 3.5% | \$16.08 | \$15.41 |
| Total Douglas County | 2,699,203 | 2,690,612 | 4.2% | 3.3% | \$13.31 | \$13.34 |
| Metro Denver | 48,788,709 | 47,763,474 | 6.5% | 6.4% | \$15.31 | \$15.16 |
| Retail | | | | | | |
| Castle Pines | 310,696 | 310,696 | 0.9% | 2.5% | \$24.00 | \$22.52 |
| Castle Rock | 4,244,055 | 4,230,734 | 1.9% | 1.7% | \$24.87 | \$25.35 |
| Highlands Ranch | 3,494,178 | 3,494,178 | 2.9% | 3.0% | \$30.70 | \$22.55 |
| Larkspur | 25,203 | 25,203 | - | 2.9% | - | \$32.00 |
| Lone Tree | 4,441,190 | 4,441,190 | 3.4% | 2.9% | \$35.12 | \$33.17 |
| Parker | 4,791,105 | 4,728,101 | 0.7% | 1.2% | \$22.85 | \$23.41 |
| Total Douglas County | 19,125,037 | 19,046,712 | 2.1% | 2.2% | \$26.65 | \$24.90 |
| Metro Denver | 177,938,869 | 177,111,840 | 4.0% | 4.3% | \$20.57 | \$19.96 |

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 at least 284,404 square feet of nonresidential space valued at approximately \$61.7 million during the third quarter of 2023. The largest project was a Senior Care Facility in unincorporated Douglas County that added 195,386 square feet of space valued at \$23 million. Other notable projects included a Front Range Christian Church Building that will add 24,980 square feet at a valuation of almost \$12 million, and a Public Facility in Castle Rock, valued at \$7.6 million and comprising of 9,402 square feet.

Certificates of completion or occupancy were issued for 129,964 square feet of nonresidential space during the third quarter of 2023, an increase of 131.6 percent from the same period last year, when four certificates were issued for 56,126 square feet of space. The largest project now ready for occupancy is the MHC Kenworth Truck Dealership with 59,031 square feet of commercial space.

DC Commercial Building Permits Issued, 3rd Qtr 2023

| Jurisdiction | Project Description | Valuation | Total Sq. Ft. |
|--------------|--------------------------------------|--------------|---------------|
| Castle Pines | Public Facility | \$7,628,069 | 9,402 |
| Castle Rock | Automotive Repair Center | \$1,310,000 | 4,554 |
| Castle Rock | Front Range Christian Church Bldg. | \$11,780,365 | 24,980 |
| Castle Rock | Bar Hummingbird Restaurant | \$1,750,000 | 3,565 |
| Castle Rock | The Brinkerhoff Restaurant | \$4,225,000 | 8,554 |
| Castle Rock | Neighborhood Health Clinic | \$5,000,000 | 10,500 |
| Castle Rock | McDonald's Restaurant | \$2,500,000 | 5,140 |
| Parker | Valvoline Oil Change Center | \$1,658,500 | 3,776 |
| Parker | Brakes Plus | \$1,200,000 | 4,862 |
| Parker | Diesel Fuel Station | \$568,000 | 4,261 |
| Uninc. | Senior Care Facility | \$23,021,210 | 195,386 |
| Uninc. | Daycare and Early Childhood Facility | \$1,051,153 | 9,424 |

Source: Douglas County and individual municipalities.

DC Commercial Certificates of Occupancy Issued 3rd Quarter 2023

| Jurisdiction | Project Description | Total Sq. Ft. |
|--------------|--|---------------|
| Castle Pines | Canyons Apartment Clubhouse & Mail Bldg. | 10,134 |
| Castle Pines | Watermark Garages 1 & 2 | 2,512 |
| Castle Pines | Watermark Fitness & Leasing Centers | 2,247 |
| Castle Rock | StorQuest Self-Storage Buildings 1,2,3,5,6 | 17,321 |
| Castle Rock | Buffalo Wild Wings Restaurant | 5,800 |
| Castle Rock | Pizza Hut Restaurant | 1,649 |
| Parker | McDonald's Restaurant | 5,328 |
| Parker | Dominium Golf Club House | 4,801 |
| Parker | Living Water Carwash | 4,271 |
| Parker | 7-Eleven Convenience Store | 4,100 |
| Parker | Chase Bank Bldg. | 3,470 |
| Parker | Black Rock Coffee Shop | 1,932 |
| Parker | Vantage Point II Clubhouse Bldg. 1 | N/A |
| Uninc. | MHC Kenworth Truck Dealership | 59,031 |
| Uninc. | Gas Station & Convenience Store | 4,993 |
| Uninc. | Golf Instruction Center | 2,375 |

Source: Douglas County and individual municipalities.

Provided by:

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