

## Centennial Quarterly Report Economic Dashboard

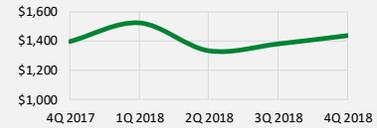
### Employment

**64,640**  
Up 0.8% from 4Q 2017



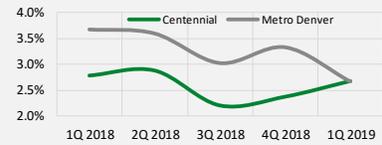
### Average Weekly Wage

**\$1,436**  
Up 2.9% from 4Q 2017



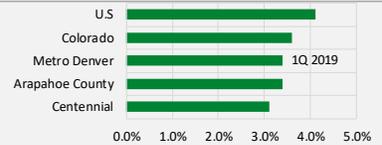
### Labor Force Growth Rate

**2.7%**  
Down 0.1 percentage points from 1Q 2018



### Unemployment Rate

**3.1%**  
Up 0.5 percentage points from 1Q 2018



### Net Taxable Sales

**\$371,472,340**  
Up 4.2% from 1Q 2018



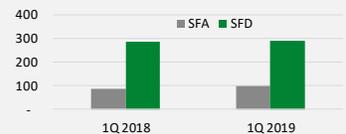
### Median Household Income

**\$106,012**  
Up 3.7% from 2016



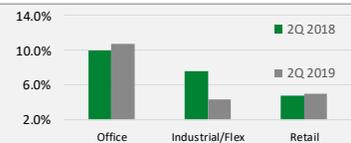
### Existing Home Sales

**387**  
Up 4.9% from 1Q 2018



### Office Vacancy Industrial/Flex Vacancy Retail Vacancy

**10.7%**  
**4.3%**  
**5.0%**



## Centennial Economic Activity

### Company Announcements

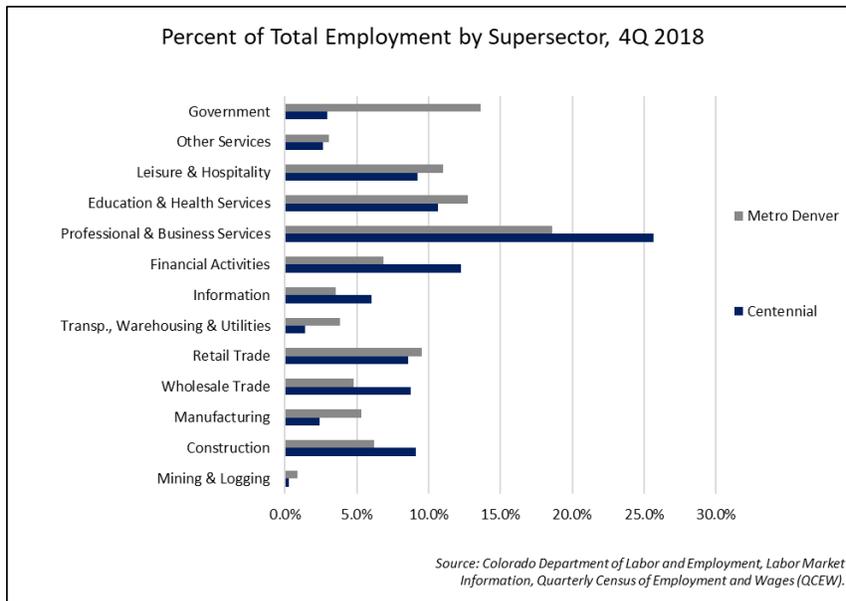
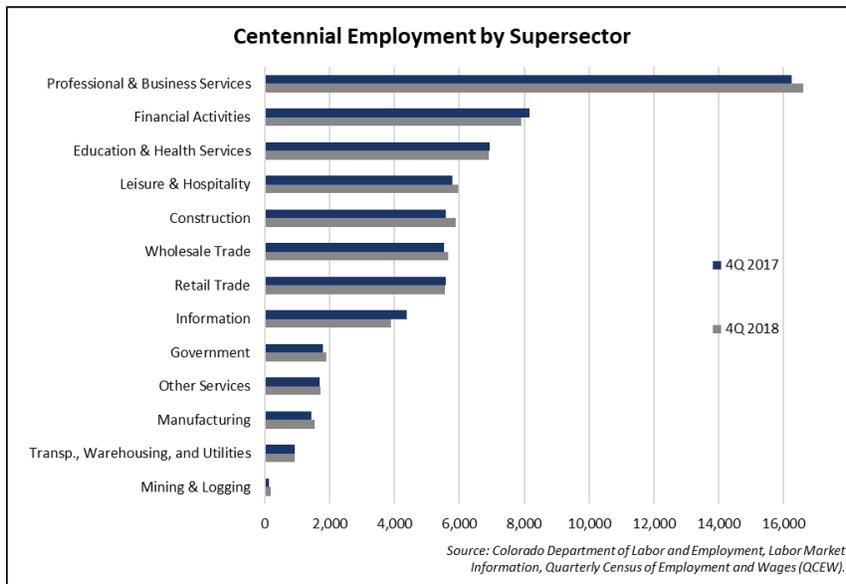
- SelectQuote Insurance Services Inc., a Kansas-based insurance brokerage, plans on more than doubling its headcount this year in their Centennial office. The company plans on hiring 150 employees to prepare for the Medicare Annual Enrollment Period beginning in October. Open positions will include inside sales and sales support, enrollment reps, customer care agents, and quality assurance support.
- Elevation Volleyball Club recently broke ground on a new 30,960-square-foot facility at 12987 E. Adam Aircraft Circle near Centennial. The facility will feature six indoor volleyball courts plus a mezzanine, kitchen, office space, and conference room. The new facility will allow Elevation to expand from its original six courts to eight and build indoor and outdoor beach volleyball courts.
- Amazon plans to hire more than 2,000 warehouse positions across their network of warehouses in the Metro Denver region. Amazon currently operates warehouses in Centennial, Englewood, Aurora, Thornton, Colorado Springs, and Denver. The announcement coincides with the company's plans to also hire 400 tech workers across Denver and Boulder.

### Rankings and Economic Headlines

- *U.S. News and World Report* published its 2019 "Best Places to Live" list, ranking Denver No. 2. *U.S. News* analyzed the 125 most populous metro areas and ranked them on multiple factors, including value, market desirability, job market, net migration, and quality of life. While Denver has higher-than-average housing costs, that factor was balanced by increases in quality-of-life and desirability scores.
- According to a study from the National Association of Realtors (NAR), Metro Denver ranks in the top ten for the most popular areas for millennials. Across the 100 metros that NAR studied, millennials reported a median wage of \$55,609, while in Denver, the median wage was \$69,300. Metro Denver was also noted for above average job growth, but was challenged in the area of affordability, with only 6 percent of homes listed for sale affordable for millennial buyers.
- Wallethub ranked Colorado No. 5 for "2019's Best States to Live in". The report used five criteria – affordability, economy, education and health, quality of life, and safety – broken into 51 different metrics. Colorado ranked 25th in affordability, fourth in economy, eighth in education and health, 12th for quality of life, and 29th for safety. New Jersey, New Hampshire, Minnesota, and Massachusetts were the only states ahead of Colorado in the rankings.
- Lendio, the nation's largest marketplace for business loans, ranked Colorado eighth on a list of the top ten states for small business lending. The ranking is based on a calculation of several key indicators, including approval rates and loan sizes, from among thousands of Lendio's customers from April through March each year.
- According to Bloomberg's 2019 U.S. State Innovation Index, Colorado ranked as the 10th most innovative economy in the country. The index uses six equally-weighted metrics, including research and development intensity, productivity, clusters of companies in technology, "STEM" jobs, populous with degrees in science and engineering disciplines, and patent activity. Colorado dropped two spots from last year, but ranked in the top 10 for STEM concentration, tech company density, and science and engineering degree holders.
- *U.S. News & World Report* posted the third annual ranking of "Best States" and found that Colorado ranked No. 10 on the list. The report evaluates how all 50 states are serving residents in 71 metrics across eight categories: education, healthcare, economy, infrastructure, opportunity, fiscal stability, crime, and environment. Colorado ranked first for economy, eighth for infrastructure, 11th for education, and 12th for healthcare.

## Employment Activity

### Total Employment



- During the fourth quarter of 2018, businesses in Centennial employed 64,640 people, a 0.8 percent increase since the fourth quarter of 2017. Employment in Metro Denver<sup>1</sup> reached almost 1.7 million people during the period, a 2.2 percent increase over-the-year.
- The professional and business services supersector employed the most people in Centennial at 16,604 employees, followed by financial activities (7,911 jobs), and education and health services (6,900 jobs).<sup>2</sup>

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

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

Similarly, professional and business services employed the most people in Metro Denver, with 310,931 jobs in the fourth quarter of 2018.

**Business and Employment Indicators by Supersector**

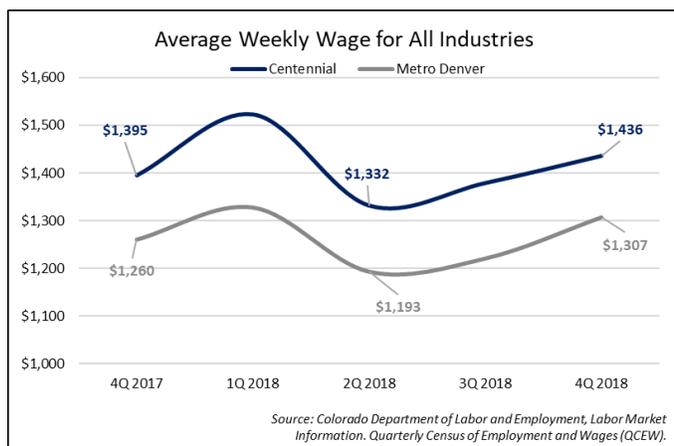
	Centennial						% Change Employment	
	Business Count		Average Weekly Wage		Employment		4Q 2017 - 4Q 2018	
	4Q 2017	4Q 2018	4Q 2017	4Q 2018	4Q 2017	4Q 2018	Centennial	Metro Denver
<b>Total All Industries</b>	4,897	4,974	\$1,395	\$1,436	64,153	64,640	0.8%	2.2%
<b>Private Sector</b>								
Mining & Logging	34	26	\$2,726	\$2,945	118	184	56.4%	5.9%
Construction	417	427	\$1,576	\$1,607	5,589	5,876	5.1%	3.8%
Manufacturing	88	94	\$1,492	\$1,462	1,435	1,546	7.7%	1.8%
Wholesale Trade	433	448	\$2,019	\$1,910	5,515	5,666	2.7%	1.1%
Retail Trade	275	277	\$809	\$844	5,582	5,554	-0.5%	0.2%
Transp., Warehousing & Utilities	61	62	\$937	\$1,235	924	914	-1.1%	7.9%
Information	128	133	\$1,824	\$1,823	4,374	3,891	-11.1%	4.8%
Financial Activities	760	762	\$1,619	\$1,645	8,151	7,911	-2.9%	1.5%
Professional & Business Services	1,522	1,547	\$1,663	\$1,775	16,251	16,604	2.2%	3.1%
Education & Health Services	560	554	\$1,023	\$1,082	6,942	6,900	-0.6%	2.1%
Leisure & Hospitality	281	279	\$441	\$454	5,795	5,965	2.9%	1.4%
Other Services	323	345	\$890	\$923	1,688	1,721	1.9%	2.3%
<b>Government</b>	14	15	\$1,332	\$1,384	1,780	1,890	6.2%	1.0%

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

- Eight of the 13 supersectors reported growth over-the-year, with mining and logging increasing the most (+56.4 percent), followed by manufacturing (+7.7 percent), and government (+6.2 percent). Professional and business services added the most jobs over-the-year, increasing by 353 jobs (+2.2 percent). The information supersector had the largest decrease in employment, falling by 483 jobs, or 11.1 percent, over-the-year. There was a net increase of 487 jobs during the period across all supersectors. All 13 supersectors in Metro Denver reported over-the-year increases, growing by 2.2 percent and adding 36,321 jobs. Transportation, warehousing, and utilities reported the largest growth rate, rising 7.9 percent and adding 4,724 jobs.
- The annual average employment in Centennial in 2018 was 1 percent higher than the annual average in 2017, increasing by 636 to 64,097 individuals employed in Centennial. Metro Denver employment increased 2.5 percent from 2017 to 2018, reaching 1.65 million workers.

**Average Wage**

- The average weekly wage in Centennial for all industries was 9.9 percent higher than the average weekly wage of Metro Denver, representing an additional \$130 per week.
- The mining and logging supersector reported the highest weekly wage at \$2,945 per week, an 8 percent increase over-the-year. Leisure and hospitality reported the lowest weekly wage at \$454 per week.
- Ten of the 13 supersectors in Centennial reported increases in the average weekly wage between the fourth quarters of 2017 and 2018. Transportation, warehousing, and utilities reported the highest percentage and absolute increases, rising by 31.8 percent or \$298 over-the-year. Wholesale trade decreased during the period by 5.4 percent, or \$108 per week, followed by the manufacturing supersector (-2 percent, -\$30 per week).



- The annual average wage in 2018 across all supersectors was \$1,261, which was 3.4 percent higher than the annual average wage in 2017.

### Business Counts

- Centennial added 77 businesses over-the-year, bringing the total to 4,974, but the number fell by 63 businesses over-the-quarter from 5,037.
- The professional and business services supersector had the highest business count in Centennial of 1,547, growing 1.6 percent and adding 25 businesses over-the-year. Financial activities reported 762 businesses and a growth of 2 businesses over-the-year, followed by education and health services which reported 554 businesses during the fourth quarter of 2018.
- Ten of the 13 supersectors reported growth in businesses over-the-year, with the government supersector reporting the largest percentage increase of 7.1 percent (1 business) followed by the manufacturing supersector and the other services supersector, which both rose 6.8 percent during the period.
- Mining and logging contracted by 8 businesses to 26 total over-the-year, a fall of 23.5 percent. Education and health services fell by 1.1 percent to 554 businesses during the period.
- The annual average business count in 2018 was 4,997, which was 2.5 percent higher than the annual average in 2017. This represents an average annual increase of 124 businesses from 2017 to 2018.

### Centennial High Location Quotient Employment Activity

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

#### Total Employment – High LQ's

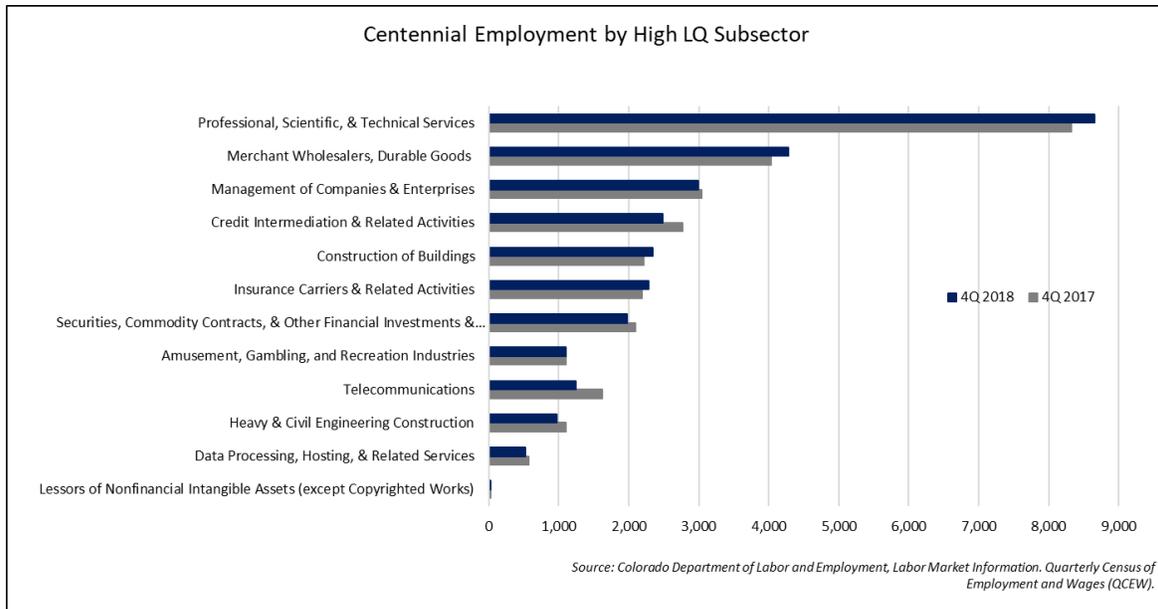
- Of Centennial's total employment, 44.7 percent of the workers are in the identified 12 high location quotient subsectors.
- Professional, scientific, and technical services reported the largest absolute increase, adding 328 people at a rate of 3.9 percent over-the-year. Merchant wholesalers, durable goods added 241 jobs (+6 percent) followed by the construction of buildings (+5.8 percent, or 129 jobs). The subsector with the largest percentage increase was lessors of nonfinancial intangible assets, rising by 14.7 percent over-the-year to 26 employees.

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

	LQ	Business Count		Average Weekly Wage		Employment	
	3Q 2018	4Q 2017	4Q 2018	4Q 2017	4Q 2018	4Q 2017	4Q 2018
Amusement, Gambling, and Recreation Industries	1.7	36	34	\$467	\$466	1,104	1,096
Credit Intermediation and Related Activities	2.1	122	121	\$1,334	\$1,389	2,764	2,484
Professional, Scientific, and Technical Services	2.1	1,109	1,124	\$1,934	\$2,068	8,329	8,656
Heavy and Civil Engineering Construction	2.2	32	34	\$1,504	\$1,435	1,095	970
Insurance Carriers and Related Activities	2.2	216	212	\$1,751	\$1,787	2,186	2,283
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	2.4	4	4	\$1,375	\$1,397	23	26
Management of Companies and Enterprises	2.9	100	107	\$2,146	\$2,196	3,039	2,987
Merchant Wholesalers, Durable Goods	3.1	221	259	\$1,906	\$2,012	4,035	4,276
Construction of Buildings	3.2	127	134	\$1,934	\$2,002	2,212	2,341
Data Processing, Hosting, and Related Services	3.5	41	43	\$3,147	\$3,216	570	527
Telecommunications	3.7	23	21	\$1,677	\$1,392	1,621	1,245
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	4.7	108	106	\$1,890	\$1,807	2,094	1,980

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

- Employment in seven of the 12 subsectors contracted over-the-year, with the largest decreases in telecommunications (-23.2 percent), heavy and civil engineering construction (-11.4 percent), and credit intermediation and related activities (-10.1 percent). Overall, employment contracted by 199 jobs across all subsectors, with telecommunications reporting the largest absolute decrease of 376 jobs.



### Average Wage – High LQ’s

- Eight of the 12 subsectors in Centennial recorded growth in the average weekly wage between the fourth quarters of 2017 and 2018. Professional, scientific, and technical services reported both the largest percentage increase and absolute increase, rising 6.9 percent over-the-year, or by \$134, to \$2,068 per week.
- Telecommunications and heavy and civil engineering construction reported the largest over-the-year decreases, falling 17 percent (-\$285 per week) and 4.6 percent (-\$69 per week), respectively.
- The amusement, gambling, and recreation industries reported the lowest weekly wage at \$466 per week, while the data processing, hosting, and related services subsector reported the highest weekly wage at \$3,216 per week.

### Business Counts – High LQ’s

- The professional, scientific, and technical services subsector had the highest business count in Centennial of 1,124 businesses. This was a 1.4 percent increase over-the-year, but a 2.5 percent decrease over-the-quarter from 1,153 businesses.
- Six of the 12 subsectors reported increases in business count, with merchant wholesalers, durable goods reporting the largest percentage and absolute increases of 17.2 percent, or 38 businesses, over-the-year. The management of companies and enterprises subsector increased 7 percent, followed by the heavy and civil engineering construction subsector which increased 6.3 percent. Telecommunications fell 8.7 percent, decreasing by 2 businesses to 21 throughout Centennial, followed by the amusement, gambling, and recreation industries subsector which fell 5.6 percent over-the-year.

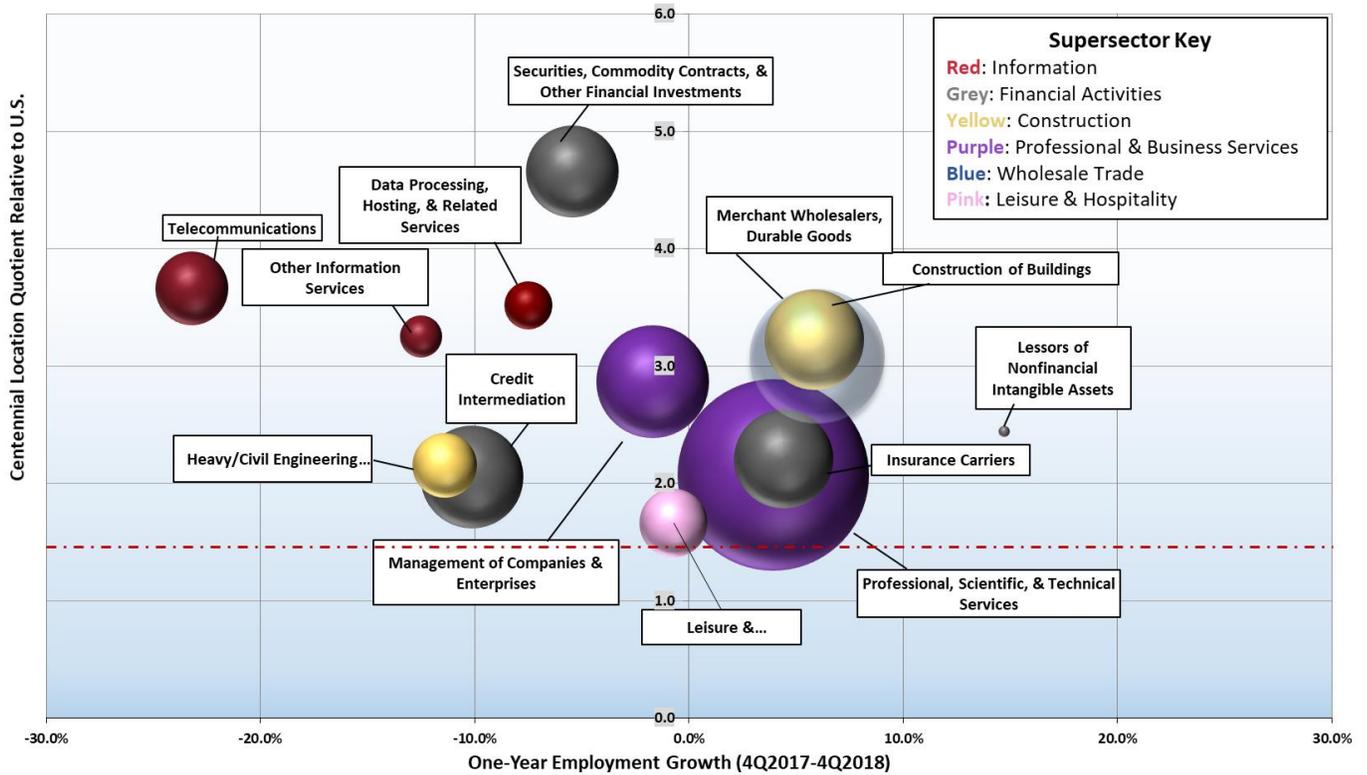
### Analysis – High LQ’s

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

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

- One-year direct employment growth, 4Q 2017 to 4Q 2018, on the x-axis (horizontal);
- The industry’s location quotient on the y-axis (vertical);
- Employment size of the industry, 4Q 2018; indicated by the size of the bubble;
- Subsectors that are included in the same supersector are the same color.

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

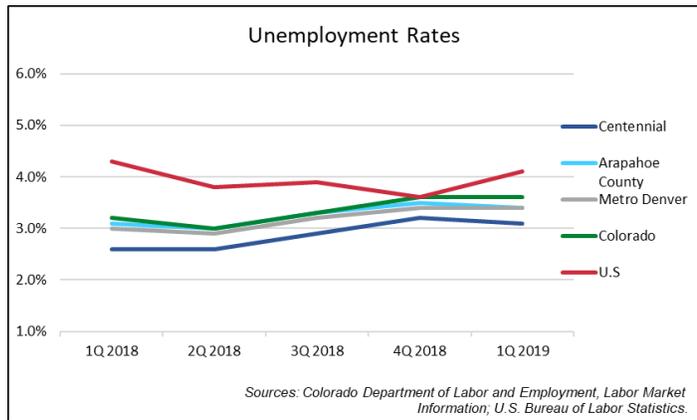


Source: Development Research Partners analysis of Colorado Department of Labor, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

## Labor Force

### Unemployment Rate

- The labor force in Centennial rose 2.7 percent between the first quarter of 2018 and the first quarter of 2019, adding 1,691 people to the labor force. Arapahoe County reported a 2.6 percent increase over-the-year, while Metro Denver increased 2.7 percent, adding 47,499 people to the labor force over-the-year.
- Centennial’s unemployment rate rose 0.5 percentage points over-the-year to 3.1 percent. Unemployment across Colorado increased 0.4 percentage points to 3.6 percent and Metro Denver unemployment rose 0.4 percentage points to 3.4 percent. The unemployment rate in Arapahoe County increased 0.3 percentage points to 3.4 percent over-the-year. The national unemployment level decreased over-the-year by 0.2 percentage points to 4.1 percent.
- Centennial residents represented 17.7 percent of the total labor force in Arapahoe County during the first quarter of 2019.



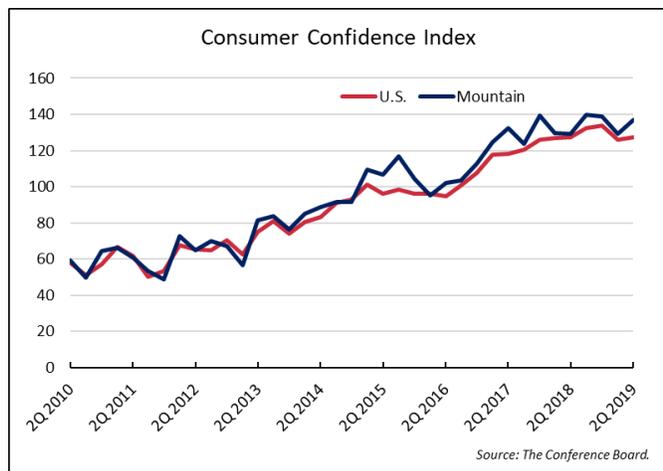
	Labor Force			Unemployment Rate	
	1Q 2018	1Q 2019	Yr/Yr % Change	1Q 2018	1Q 2019
Centennial	63,183	64,874	2.7%	2.6%	3.1%
Arapahoe County	356,971	366,146	2.6%	3.1%	3.4%
Metro Denver	1,776,060	1,823,559	2.7%	3.0%	3.4%
Colorado	3,045,688	3,124,947	2.6%	3.2%	3.6%
U.S. (000s)	161,026	162,573	1.0%	4.3%	4.1%

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

## Consumer Activity

### Consumer Confidence Index

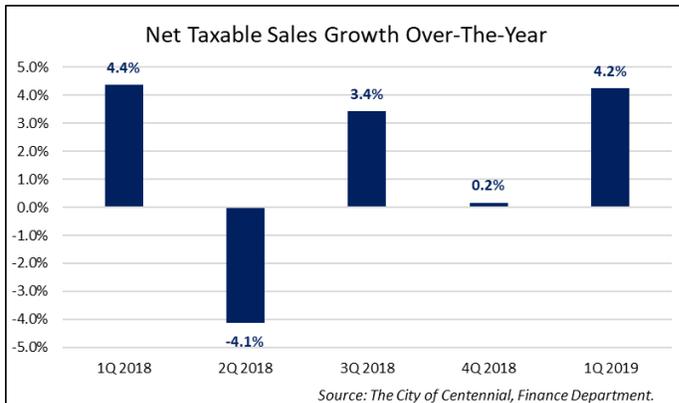
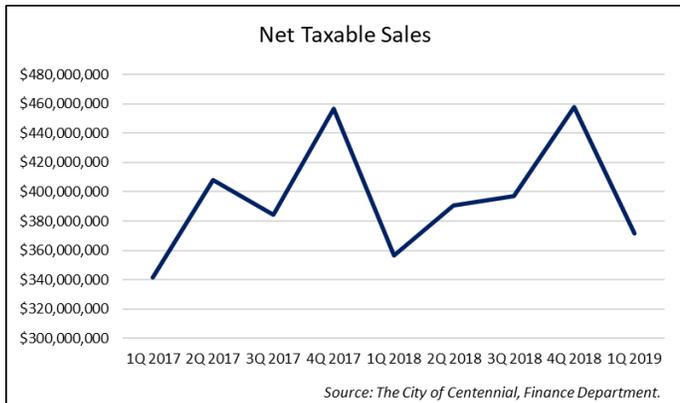
- The Conference Board’s National Consumer Confidence Index increased during the second quarter of 2019, rising 0.1 percent over-the-year to 127.3. Between the first quarter and second quarter of 2019, the national index rose 1.2 percent. According to analysts, consumers have been generally less optimistic about the short-term outlook of the labor market and business conditions, while the escalation in trade and tariff tensions in early June continue to foster uncertainty and potential volatility in the Index.
- Colorado is included in the Mountain Region Index and the area reported a 6.1 percent



increase to 137 between the first and second quarter of 2019. The Mountain Index also recorded a 6 percent increase over-the-year.

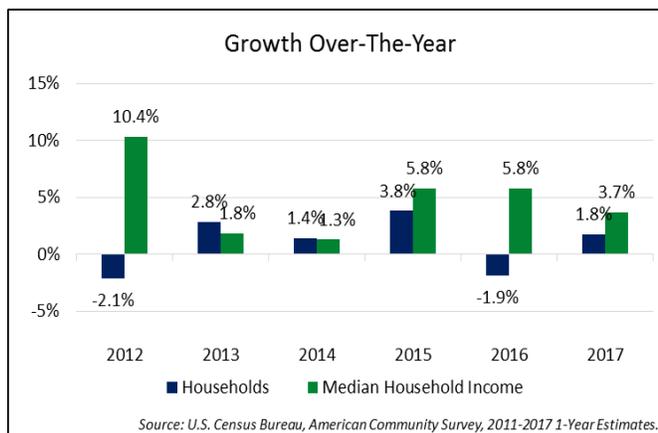
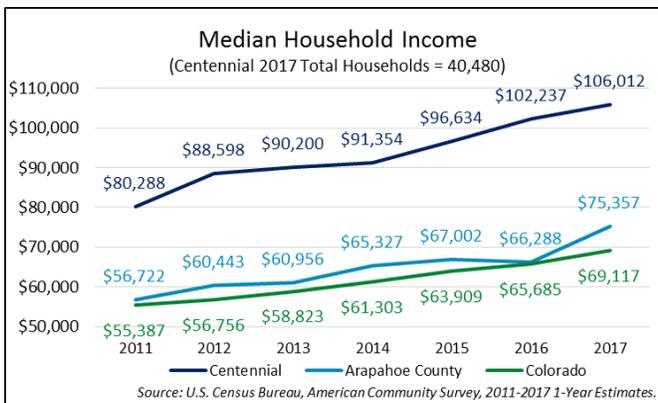
### Local Net Taxable Sales

- Net taxable sales increased 4.2 percent between the first quarter of 2018 and the first quarter of 2019, recording \$371.5 million in net taxable sales.
- Net taxable sales decreased 18.8 percent over-the-quarter, falling from \$457.7 million in the fourth quarter of 2018. This is a typical pattern following the holiday season.

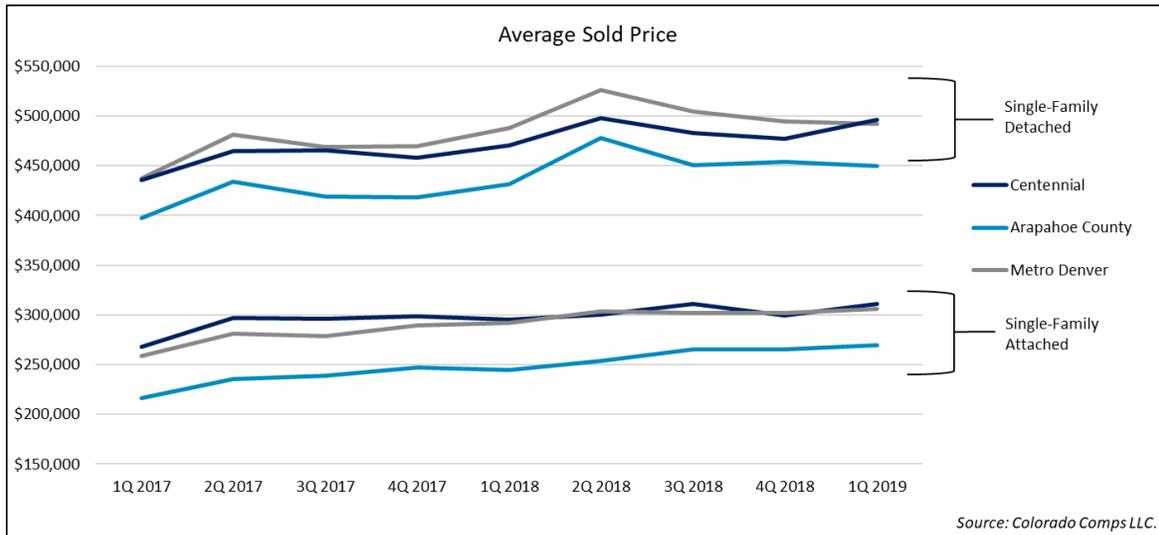


### Median Household Income

- Median household income for Centennial increased 3.7 percent between 2016 and 2017, representing an additional \$3,775 a year. Households in Centennial also increased, rising 1.8 percent over-the-year, representing an additional 703 households.
- Median household income rose 32 percent from 2011 to 2017, while the number of households increased by 5.8 percent during the same period.
- The consumer price index increased 15.8 percent from 2011 to 2017, so the inflation-adjusted increase in median household income was 16.3 percent.



## Residential Real Estate



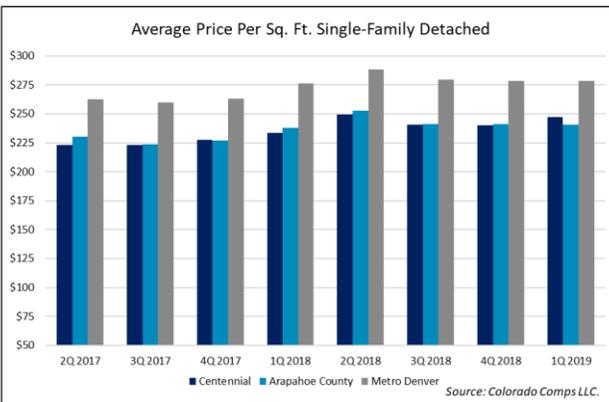
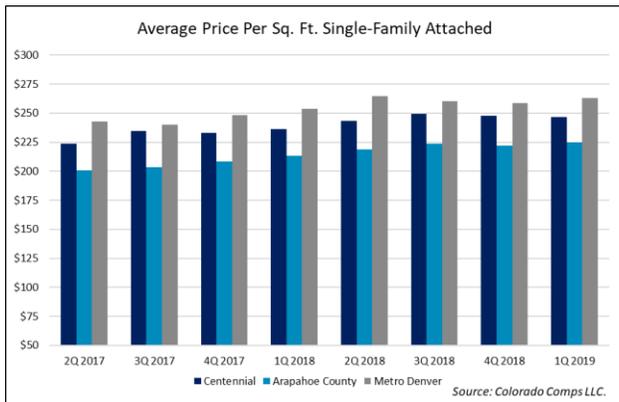
## Existing Home Sales

- The housing market in Centennial rebounded in the first quarter of 2019, with home sales increasing across all three market areas. The single-family attached market in Centennial increased 16.5 percent over-the-year, totaling 99 home sales. The attached market in Arapahoe County increased 5.6 percent to 868 home sales, while Metro Denver single-family attached home sales reported the only decrease across all markets and home types, falling by 11 home sales during the period.
- Centennial reported a 5.2 percent appreciation in attached home prices over-the-year to an average sales price of \$310,834. Arapahoe County prices rose 10.3 percent during the period to \$269,868, while Metro Denver reported an increase of 4.8 percent to an average price of \$306,437.
- The attached home price in Centennial of \$247 per square foot is higher than Arapahoe County (\$225), but lower than Metro Denver (\$263).
- Home sales for single-family detached homes increased across all three market areas, with a 1.4 percent increase in Centennial, a 19.3 percent increase in Arapahoe County, and a 0.9 percent increase in Metro Denver. Home sales in Arapahoe County grew by 278 homes over-the-year, totaling 1,717 single-family detached homes sales.

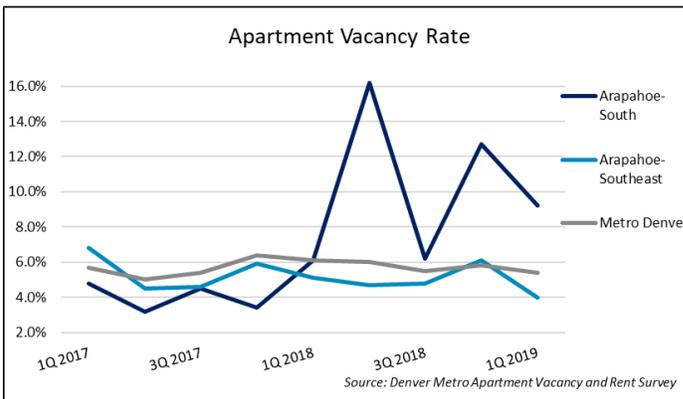
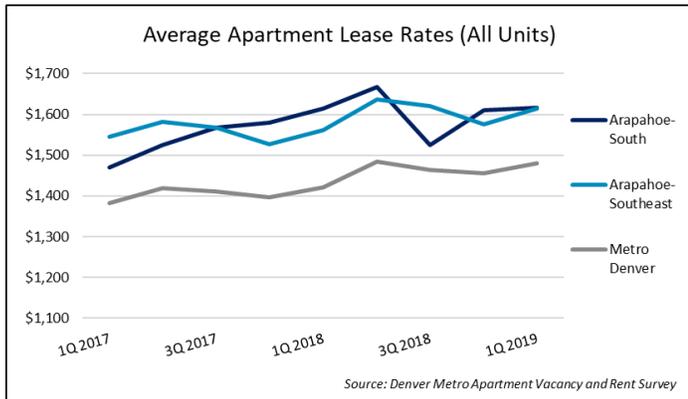
	Centennial	Arapahoe County	Metro Denver
<b>Home Sales</b>			
<i>Single-Family Attached</i>			
1Q 2019	99	868	2,795
1Q 2018	85	822	2,806
% Change	16.5%	5.6%	-0.4%
<i>Single-Family Detached</i>			
1Q 2019	288	1,717	8,066
1Q 2018	284	1,439	7,998
% Change	1.4%	19.3%	0.9%
<b>Average Sold Price</b>			
<i>Single-Family Attached</i>			
1Q 2019	\$310,834	\$269,868	\$306,437
1Q 2018	\$295,365	\$244,571	\$292,310
% Change	5.2%	10.3%	4.8%
<i>Single-Family Detached</i>			
1Q 2019	\$496,166	\$449,463	\$491,961
1Q 2018	\$470,787	\$431,775	\$488,139
% Change	5.4%	4.1%	0.8%
<b>Average Price per. Sq. Ft.</b>			
<i>Single-Family Attached</i>			
1Q 2019	\$247	\$225	\$263
1Q 2018	\$236	\$213	\$254
% Change	4.4%	5.5%	3.6%
<i>Single-Family Detached</i>			
1Q 2019	\$247	\$240	\$278
1Q 2018	\$234	\$238	\$276
% Change	5.8%	1.0%	0.9%

Source: Colorado Comps LLC.

- Sales prices of single-family detached homes rose across all three market areas between the first quarters of 2018 and 2019. Home prices in Centennial increased 5.4 percent, or by \$25,379, to \$496,166. Prices in Arapahoe County increased 4.1 percent to an average price of \$449,463, and prices in Metro Denver increased 0.8 percent to \$491,961.
- The price per square foot of single-family detached homes in Centennial increased 5.8 percent over-the-year, rising at a faster rate than both Arapahoe County (+1 percent) and Metro Denver (+0.9 percent).



### Apartment Market



#### Average Apartment Rents and Vacancy

1Q 2019	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Arapahoe County-South	9.2%	\$1,389	\$1,502	\$1,531	\$1,744	\$2,012	-	\$1,617
Arapahoe County-Southeast	4.0%	\$1,193	\$1,413	\$1,625	\$1,778	\$2,169	\$2,300	\$1,614
Metro Denver	5.4%	\$1,262	\$1,303	\$1,367	\$1,686	\$1,928	\$1,478	\$1,456

Source: Denver Metro Apartment Vacancy and Rent Survey.

- Apartment vacancy rates decreased in two of the three market areas between the first quarters of 2018 and 2019. The Arapahoe County-South<sup>3</sup> market vacancy rate increased 3.1 percentage points over-the-year to 9.2

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

percent due to new units leasing up. The Arapahoe County-Southeast<sup>4</sup> decreased 1.1 percentage points to 4 percent, while the Metro Denver vacancy rate decreased 0.7 percentage points to 5.4 percent during the period.

- The average rental rate for all property types increased in all three markets over-the-year. Metro Denver reported the largest increase, rising 4.3 percent, followed by Arapahoe-Southeast (+3.4 percent) and Arapahoe-South (+0.2 percent) during the period.

### New Residential Building Permits

- New single-family permits decreased from 59 permits issued during the second quarter of 2018 to 25 permits issued during the second quarter of 2019.
- The average valuation for new single-family homes permitted increased 25 percent to \$262,682 between the second quarters of 2018 and 2019.
- Centennial reported one multi-family permit for one unit valued at \$300,000 during the second quarter of 2019. Activity was down from 26 units permitted in 2Q 2018.



## Commercial Real Estate

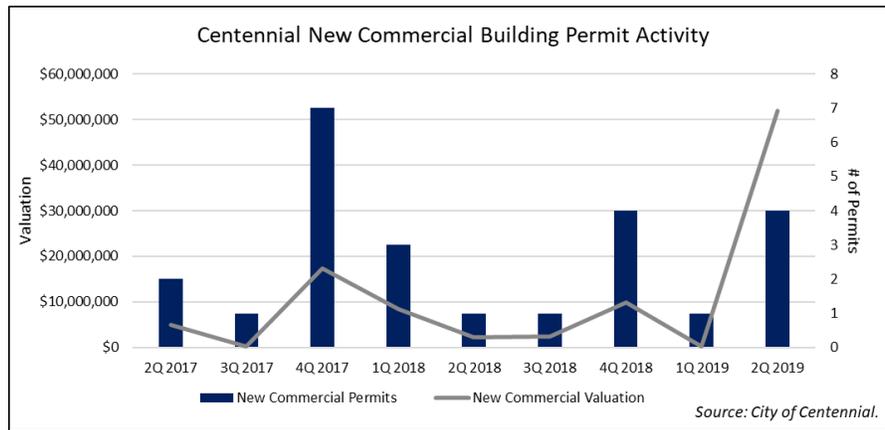
### Commercial Building Permits

- Centennial issued 77 commercial permits during the second quarter of 2019, of which 73 were commercial alteration permits and four were new commercial permits. This was an increase of three permits compared with the second quarter of 2018 and a decrease of six permits over-the-quarter.
- Project valuation increased by 158.4 percent over-the-year due to the sharp increase in new commercial valuation which totaled nearly \$52 million. This is compared with the one new commercial permit from the second quarter of 2018 that was valued at around \$2.3 million, and the one new commercial permit issued last quarter valued at \$180,000.
- Centennial permitted an additional 144,197 square feet of commercial space during the second quarter of 2019, an absolute increase of 104,788 square feet over-the-year and an increase of 265.9 percent. This quarter marks the highest addition of square feet recorded since the first quarter of 2017.

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

	2Q 2017	2Q 2018	2Q 2019	% Change 2018-2019
<b>New Commercial</b>				
No. of Permits	2	1	4	300.0%
Total Valuation	\$4,935,000	\$2,324,233	\$51,908,116	2133.3%
Square Footage	N/A	39,409	144,197	265.9%
<b>Commercial Alteration</b>				
No. of Permits	82	73	73	0.0%
Total Valuation	\$11,721,056	\$22,928,370	\$13,355,875	-41.7%
<b>Total Commercial</b>				
No. of Permits	84	74	77	4.1%
Valuation	\$16,656,056	\$25,252,603	\$65,263,991	158.4%

Source: City of Centennial.



Source: City of Centennial.

### Under Construction/Recently Completed

- There were two commercial buildings recently completed in Centennial. Fulton Valley Professional Offices at 10300 E Easter Ave totals 8,356 square feet and is office space. The other building is located at 6259 S Troy Circle, and is 13,200 square feet of flex space.
- There are three commercial buildings under construction in Centennial. The largest building is at 7151 S Blackhawk, totaling 106,000 square feet of warehouse space. There is 40,000 square feet of warehouse space being constructed at 6281 S Racine Circle, and a veterinarian/kennel building being constructed at 6840 S Kenton St totaling 14,327 square feet.

### Office Market

- Centennial had 149 office buildings offering nearly 5.6 million square feet of space in the second quarter of 2019. The Southeast office market increased by 3 buildings over-the-year, while the Metro Denver office market increased by 0.5 percent, or 32 buildings, during the period.
- The office vacancy rate in Centennial increased 0.7 percentage points to 10.7 percent between the second quarter of 2018 and 2019. The vacancy rate increased 0.2 percentage points in the Southeast office market and decreased 1.1 percentage points to 8.9 percent in Metro Denver.
- The average lease rate in Centennial increased 3.6 percent to \$23.29 per square foot over-the-year. The office lease rate in the Southeast market increased 2 percent, and increased 1.2 percent, or by \$0.31, to \$26.95 in Metro Denver.

- There was negative net absorption in Centennial, falling by 33,294 square feet over-the-year. Nearly 4 million square feet of office space was absorbed in Metro Denver over the past four quarters.

**Commercial Vacancy and Lease Rates Office Market**

Office Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019
Centennial	5,565,572	5,573,928	10.0%	10.7%	\$22.47	\$23.29
Southeast	48,691,518	48,937,874	11.4%	11.6%	\$25.01	\$25.52
Metro Denver	191,504,159	193,853,009	10.0%	8.9%	\$26.64	\$26.95

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

*Source: CoStar Realty Information, Inc.*

**Industrial/Flex Market**

- Centennial added 2 industrial and flex buildings between the second quarter of 2018 and 2019, totaling 135 buildings and 4,160,923 square feet of industrial/flex space. There was 65,200 square feet added over-the-year, an increase of 1.6 percent compared with the same time last year.
- The industrial/flex vacancy rate for Centennial decreased 3.3 percentage points over-the-year, falling to 4.3 percent. The vacancy rate increased 0.1 percentage points in the Southeast industrial/flex market and increased 0.3 percentage points in Metro Denver to 4.6 percent.
- The industrial/flex space average lease rate rose 4.7 percent over-the-year to \$10.46 per square foot. The Southeast market reported a 3.8 percent increase to \$10.68 per square foot, while Metro Denver reported a 1.2 percent increase to \$9.08 over-the-year.
- There was 195,569 square feet of industrial/flex space absorbed in Centennial over the past year, while there was over 4.2 million square feet absorbed in Metro Denver during the period.

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

Industrial/Flex Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019
Centennial	4,095,723	4,160,923	7.6%	4.3%	\$9.99	\$10.46
Southeast	15,560,924	15,946,326	3.7%	3.8%	\$10.29	\$10.68
Metro Denver	264,057,849	269,352,382	4.3%	4.6%	\$8.97	\$9.08

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

*Source: CoStar Realty Information, Inc.*

**Retail Market**

- Centennial had 177 retail buildings offering over 3.9 million square feet of space, representing around 19 percent of the retail space in the Southeast market and 2.3 percent of space in Metro Denver.
- The retail vacancy rate increased 0.2 percentage points in Centennial to 5 percent between the second quarters of 2018 and 2019. The vacancy rate decreased 0.6 percentage points in the Southeast market and increased 0.1 percentage points to 4.4 percent in the Metro Denver retail market.

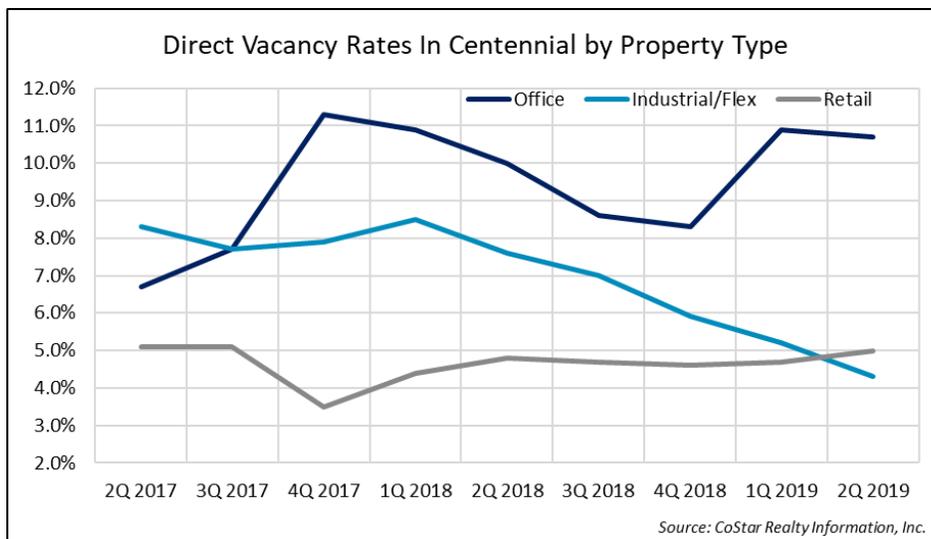
- The average lease rate for the Centennial retail market fell 2.3 percent over-the-year, or 0.43 cents, to \$18.02 per square foot. The Southeast market reported a gain of 0.2 percent to \$19.98 per square foot, while the Metro Denver lease rate increased \$0.44 (+2.4 percent) to \$18.97 per square foot during the period.
- There was negative net absorption of retail space in Centennial of 8,665 square feet between the second quarters of 2018 and 2019. The Southeast and Metro Denver markets had positive net absorption of 194,181 and 1,409,005 square feet, respectively.

**Commercial Vacancy and Lease Rates Retail Market**

Retail Market	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019
Centennial	3,930,660	3,930,660	4.8%	5.0%	\$18.45	\$18.02
Southeast	20,420,422	20,490,941	3.9%	3.3%	\$19.94	\$19.98
Metro Denver	168,114,120	169,646,282	4.3%	4.4%	\$18.53	\$18.97

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

*Source: CoStar Realty Information, Inc.*



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 July 2019