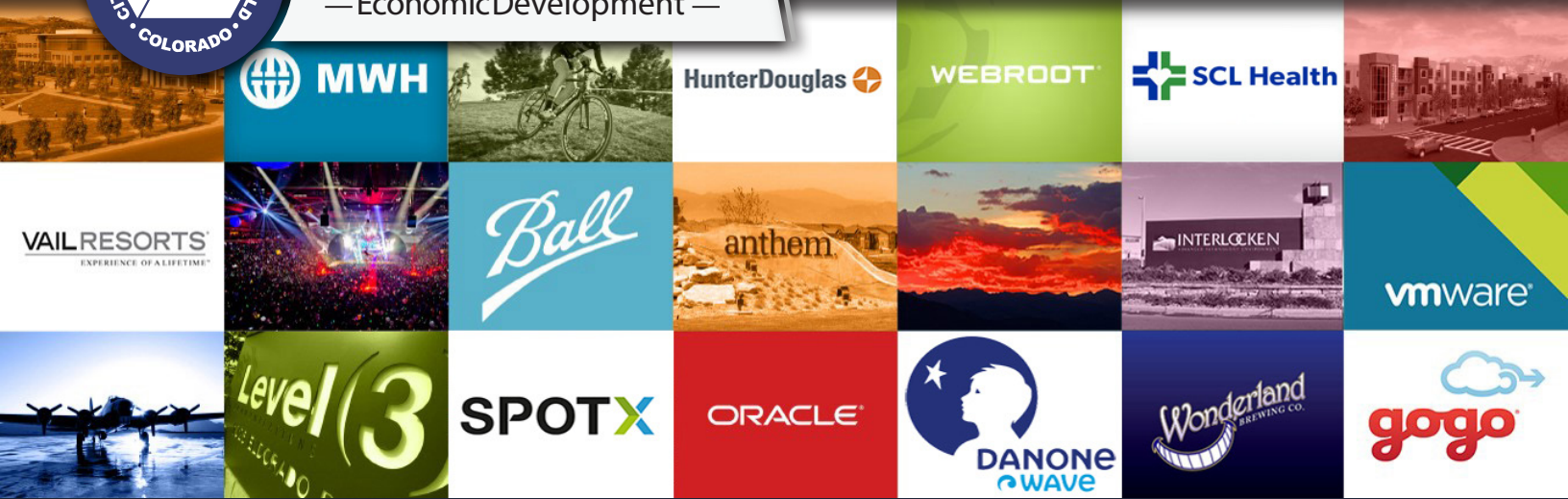




BROOMFIELD

—EconomicDevelopment—



2017 Mid-Year Economic Update

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Economic Dashboard



BUSINESSES

2,668
Up 2.2% from 4Q 2015



EMPLOYMENT

37,069
Up 1.4% from 4Q 2015



LABOR FORCE

37,513
Up 3.1% from 2Q 2016



UNEMPLOYMENT

2.2%
Down 0.9 percentage points from 2Q 2016



CONSUMER CONFIDENCE

132.5
Up 29.6% from 2Q 2016



SALES TAX COLLECTIONS

\$26.3MM
Up 2.7% from first half of 2016



RESIDENTIAL BUILDING PERMITS

58 Units
Down 64.8% from 2Q 2016



OFFICE VACANCY

7.5%
Up 0.6 percentage points from 2Q 2016



INDUSTRIAL VACANCY

0.4%
Down 3.2 percentage points from 2Q 2016



RETAIL VACANCY

9.6%
Down 0.4 percentage points from 2Q 2016



2017 Mid-Year Overview

The most current economic indicators for the City and County of Broomfield show generally increasing economic trends. Broomfield welcomed 100 net new businesses, 3.5 percent employment growth, but mixed wage growth from 2015 to 2016. The unemployment rate in Broomfield averaged 2.5 percent in the first half of 2017, which was 0.1 percentage points lower than the seven-county Metro Denver average.

The Mountain Region consumer confidence index increased 30.3 percent between the first halves of 2016 and 2017. Sales tax collections in Broomfield totaled nearly \$26.3 million during the first half of 2017, up 2.7 percent from the previous year's level of \$25.6 million. In addition to resident spending, sales tax collections were likely bolstered by visitor activity as the hotel occupancy rate along the Highway 36 corridor reached 90.1 percent in June 2017, 1.1 percentage points higher than the prior year's occupancy rate.

The residential real estate market remains hot in Broomfield. From the first half of 2016 to the first half of 2017, sales of single-family detached homes increased 6.4 percent while single-family attached home sales rose 21.7 percent. Both product types posted strong price increases, with the average sales price of single-family detached homes rising 10.8 percent and single-family attached homes increasing 15.7 percent. The apartment vacancy rate fell 1.4 percentage points to 5.5 percent between the second quarters of 2016 and 2017 and the average apartment rental rate rose 2.7 percent over-the-year to \$1,545 per month.

Indicators were mixed in the commercial real estate market during the second quarter of 2017, with the vacancy rate decreasing in the industrial and retail markets, but increasing for all three classes of office space. Average lease rates increased across the board, with particularly strong increases in the industrial and retail markets.

ECONOMIC HEADLINES

- Colorado ranked No. 6 on CNBC's list of "America's Top States for Business", down from No. 3 in 2016 and No. 4 in 2015. Of the 10 ranking categories, Colorado's highest rankings were in the quality of workforce (#4), technology and innovation (#7), and business friendliness (#8). Washington ranked No. 1 followed by Georgia, Minnesota, Texas, and North Carolina.
- Colorado ranked No. 5 on a list of the "Most Innovative States" compiled by the personal finance website WalletHub. The report measured each state's contribution to the United States' innovative success, and was measured across 18 key metrics such as STEM professionals, research and development spending, and average internet speed. Colorado was the most innovative in eighth-grade math and science performance, followed by No. 4 in the share of technology companies, and No. 6 in both share of STEM professionals and projected STEM-job demand by 2020.
- U.S. News & World Report named Colorado as the ninth best state in their 2017 best states ranking. To compile the rankings, U.S. News used McKinsey & Co.'s Leading States Index, which combines thousands of data points across 68 specific metrics. The metrics calculated consist of health care, education, infrastructure, crime and corrections, opportunity, economy, and government. With strong employment and growth, Colorado ranked No. 1 in the nation for its economy, 7th in infrastructure, 11th in health care, 13th in government, and 18th in education.
- According to the 2017 Kauffman Index of Startup Activity, Colorado ranked No. 5 among the largest 25 states. The Kauffman Index examines four separate indicators, consisting of beginnings of entrepreneurship, the rate of new entrepreneurs, opportunity share of new entrepreneurs, and startup density. The rate of new entrepreneurs was 0.35 percent, meaning that 350 people out of every 100,000 adults became entrepreneurs each month. The opportunity share of new entrepreneurs was 87.2 percent, meaning that slightly more than eight out of every 10 entrepreneurs in the state had other jobs or were in school before they opened their business, and less than two out of every 10 started their business while they were unemployed. Metro Denver ranked No. 10 out of 40 metropolitan areas, had a rate of entrepreneurs at 0.39 percent, and an opportunity share of new entrepreneurs at 82.9 percent. Startup activity across the nation has increased three years in a row and is reaching the peak that was recorded before the Great Recession.
- Colorado ranked No. 5 on the list of the happiest, healthiest states, according to a report from Gallup-Healthways. The rankings were based on interviews of more than 177,000 adults in 50 states. The well-being scores were based on the participants' answers to questions that pertained to different aspects of well-being such as social relationships, sense of purpose, financial lives, physical health, and community involvement. Hawaii ranked first, followed by Alaska, South Dakota, and Maine.

2017 Mid-Year Overview

- According to Headlight Data, Douglas County has the fifth highest median household income of \$109,926 in the nation. The Austin-based firm looked at U.S. Bureau of Economic Analysis data for 2015, looking at median household income, percent growth, and net change between the periods of 2010 and 2015. Broomfield County reported a median household income of \$86,548, followed by Boulder County (\$72,392), Jefferson County (\$71,209), Arapahoe County (\$67,062), Denver County (\$57,886), and Adams County (\$52,785). The national median household income was \$55,775.

COMPANY ANNOUNCEMENTS

- Fortune magazine released their latest edition of the world's "most admired companies" with a few Colorado-based companies making the list. Broomfield-based Ball Corp. ranked fifth in the "packaging, containers" category.
- The latest Fortune 500 list included 10 Metro Denver companies among the nation's largest public and private corporations. Two companies headquartered in Broomfield made the list, as Ball Corp. ranked #306 and Level 3 Communications Inc. ranked #336.
- Forbes magazine released their first rankings of "America's Top Public Companies," with 11 Colorado companies making the list of 500. To compile the list, Forbes weighed four key financial data points consisting of revenue, profits, assets, and market value. Two Broomfield-based companies made the list, with Level 3 Communications Inc. ranking #215 and Ball Corp. ranking #311.
- Conga, a Broomfield-based software company, looks to expand further in 2017, estimating it will grow 50 to 60 percent. The company, which acquired three businesses and more than quadrupled its workforce in 2016 from 60 to 250 employees, plans to hire 50 people due to significant revenue growth and international expansion.
- Gravity One, a \$6 million, 20,000 square-foot climbing gym will be opening in Broomfield in 2018. The facility will be built on a two-acre parcel at 8701 Uptown Ave. in Broomfield's Arista neighborhood.
- French multinational dairy company Danone has completed its \$10 billion purchase of Broomfield-based WhiteWave. The combined company will operate under the name DanoneWave in North American and retain two headquarters, in Broomfield and in White Plains, N.Y.
- Synergy North America Inc., a British firm that helps small sellers with inventory and logistics, opened their U.S. headquarters in Broomfield. The small office currently has four employees with expectations of aggressive growth. The company opened the U.S. office in order to be closer to its U.S. customers.
- Minneapolis-based United Properties has begun construction on a mixed-use project called Interpark in Broomfield that will include two buildings totaling 228,000 square feet of flex/industrial space. Swisslog Healthcare Solutions, which automates healthcare systems, warehouses, and distribution centers, will be the first tenant of the development, taking 67,779 square feet. The project is expected to be completed during the second quarter of 2018.
- Off-Site Garages Broomfield Ltd. raised more than \$2.5 million to construct luxury storage units in Broomfield. The funding will go towards the purchase of the \$1.7 million piece of land on U.S. Highway 36 near the Wadsworth Blvd. bridge, and the rest will go towards construction. The units will be sold rather than rented, costing between \$125,000 and \$235,000 per unit.
- IKEA, the Swedish home-furnishings retailer, has made its second Colorado store official by submitting plans to Broomfield to construct a 400,000 square-foot store at the northwest corner of State Highway 7 & I-25.
- Butterfly Pavilion announced plans to build a new 60,000 square-foot facility in Broomfield that will serve as a global hub for invertebrate research, conservation, and education.

Business, Employment, and Wages

BUSINESS

Business counts in Broomfield increased between the fourth quarters of 2015 and 2016, rising 2.2 percent to 2,668 total businesses, as shown in Table 1.1. Six of the 13 supersectors recorded increases in businesses during the period, while five recorded decreases and two remained unchanged. The wholesale trade sector recorded the largest loss of businesses between the fourth quarters of 2015 and 2016, falling 6.5 percent to 216 businesses. The information sector recorded the largest percentage increase over-the-year, rising 17.2 percent to 68 total businesses, while the professional and business services supersector (+3.3 percent) recorded the smallest increase. The largest absolute increase occurred in the professional and business services supersector, creating 28 new businesses during the period.

Broomfield averaged over 2,670 businesses in 2016, an increase of 3.9 percent from 2015. The area welcomed an additional 100 businesses between 2015 and 2016. Nine of the 13 supersectors recorded growth in businesses between 2015 and 2016. The professional and business services supersector represented about one-third of businesses in Broomfield in 2015 and 2016, recording a 3.3 percent increase and creating an additional 28 businesses. The fastest growing supersector was the information sector between 2015 and 2016 (+17.2 percent). The professional and business services and education and health services supersectors recorded the smallest increases in businesses during the period, rising 3.3 percent and 4 percent, respectively.

Table 1.1 - Businesses by Supersector for the City and County of Broomfield

	4Q 2015	4Q 2016	YR/YR % CHANGE	ANNUAL 2015	ANNUAL 2016	YR/YR % CHANGE
Total All Industries	2,611	2,668	2.2%	2,572	2,672	3.9%
Private Sector						
<i>Mining & Logging</i>	8	8	0.0%	10	8	-17.5%
<i>Construction</i>	159	167	5.0%	157	167	6.2%
<i>Manufacturing</i>	115	114	-0.9%	112	117	4.7%
<i>Wholesale Trade</i>	231	216	-6.5%	227	224	-1.3%
<i>Retail Trade</i>	268	258	-3.7%	266	263	-1.2%
<i>Transportation and Warehousing</i>	31	29	-6.5%	32	31	-3.1%
<i>Information</i>	58	68	17.2%	55	65	17.2%
<i>Financial Activities</i>	272	296	8.8%	266	289	8.7%
<i>Professional & Business Services</i>	847	875	3.3%	838	866	3.3%
<i>Education & Health Services</i>	231	239	3.5%	227	236	4.0%
<i>Leisure & Hospitality</i>	189	198	4.8%	187	198	5.7%
<i>Other Services</i>	182	180	-1.1%	177	187	5.5%
Government	19	19	0.0%	18	19	4.1%

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 Marketing Information. Quarterly Census of Employment and Wages (QCEW)

AVERAGE WEEKLY WAGES

Workers across all industries in Broomfield earned an average weekly wage of \$1,440 in the fourth quarter of 2016, as shown in Figure 1.2 on the next page, a 2.9 percent decrease compared with the fourth quarter of 2015 level of \$1,483 per week. This decrease represented \$43 less per week or \$2,238 per year. Mining and logging employees (\$2,500 per week) earned the highest wage during the fourth quarter of 2016, a 7.1 percent decrease compared with the previous year's average. Six other supersectors also recorded declines in the average weekly wage over-the-year. The financial activities and education and health services supersectors recorded the largest increases in wages during the period, rising 12.5 percent and 7.5 percent, respectively. The construction sector recorded the smallest increase in wages between the fourth quarters of 2015 and 2016, rising 0.2 percent to \$1,423 per week.

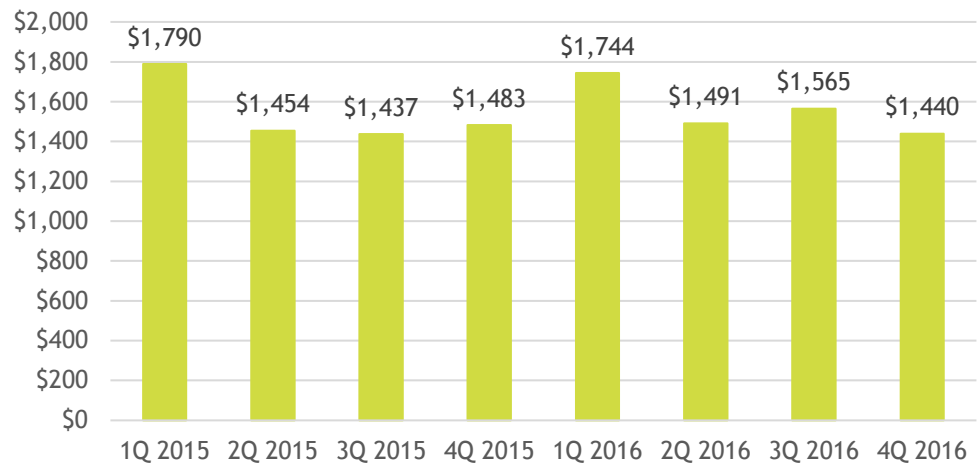
Business, Employment, and Wages

AVERAGE WEEKLY WAGES (CONTINUED)

Workers across all industries in Broomfield earned an average weekly wage of \$1,559 in 2016, as shown in Table 1.3, a 1.4 percent increase over the 2015 level. This increase represented an additional \$22 per week or about \$1,123 per year. Information employees (\$2,686) recorded the highest wage in 2016, but this was 3.8 percent below the 2015 average. Four other supersectors also recorded declines in the average weekly wage between 2015 and 2016. The financial activities supersector recorded the largest increase in average weekly wages during the period, rising 16.2 percent, while the manufacturing sector recorded no change. The leisure and hospitality supersector recorded the lowest average weekly wage of the 13 supersectors in 2016.

Figure 1.2

Average Weekly Wage
(All Industries)



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

Table 1.3 - Average Weekly Wage by Supersector for the City and County of Broomfield

	4Q 2015	4Q 2016	YR/YR % CHANGE	ANNUAL 2015	ANNUAL 2016	YR/YR % CHANGE
Total All Industries	\$1,483	\$1,440	-2.9%	\$1,537	\$1,559	1.4%
Private Sector						
<i>Mining & Logging</i>	\$2,693	\$2,500	-7.1%	\$2,829	\$2,463	-12.9%
<i>Construction</i>	\$1,420	\$1,423	0.2%	\$1,374	\$1,361	-1.0%
<i>Manufacturing</i>	\$1,852	\$1,680	-9.3%	\$1,936	\$1,936	0.0%
<i>Wholesale Trade</i>	\$1,936	\$1,761	-9.0%	\$1,860	\$1,811	-2.6%
<i>Retail Trade</i>	\$530	\$514	-3.0%	\$508	\$521	2.6%
<i>Transportation and Warehousing</i>	\$1,140	\$1,016	-10.8%	\$1,071	\$957	-10.6%
<i>Information</i>	\$2,466	\$2,390	-3.1%	\$2,793	\$2,686	-3.8%
<i>Financial Activities</i>	\$1,370	\$1,541	12.5%	\$1,418	\$1,647	16.2%
<i>Professional & Business Services</i>	\$2,088	\$2,011	-3.7%	\$2,144	\$2,209	3.0%
<i>Education & Health Services</i>	\$760	\$817	7.5%	\$700	\$736	5.2%
<i>Leisure & Hospitality</i>	\$401	\$405	1.2%	\$385	\$390	1.4%
<i>Other Services</i>	\$826	\$835	1.2%	\$729	\$772	5.9%
Government	\$882	\$905	2.6%	\$887	\$888	0.2%

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 Marketing Information. Quarterly Census of Employment and Wages (QCEW)

Business, Employment, and Wages

EMPLOYMENT

Employment in Broomfield increased 1.4 percent between the fourth quarters of 2015 and 2016, as shown in Table 1.4, representing 505 additional jobs. The wholesale trade sector recorded the largest over-the-year percentage increase in employment, rising 8.5 percent or about 113 jobs. The professional and business services supersector, the largest supersector by employment, reported the smallest increase over-the-year, increasing 0.7 percent and representing 65 more jobs over-the-year. Four of the supersectors recorded declines in employment, with the steepest decline occurring in mining and logging (-13.4 percent). The information sector recorded the largest number of jobs during the period, adding 134 positions. Figure 1.5 on the next page shows quarterly employment in Broomfield from first quarter 2015 to fourth quarter 2016.

Employment in Broomfield increased 3.5 percent between 2015 and 2016, representing 1,250 additional jobs. The construction sector recorded the largest percentage increase in employment, rising 10.9 percent or 147 jobs. The professional and business services supersector generated the largest number of jobs between 2015 and 2016, adding 211 positions. The retail trade sector recorded the smallest over-the-year percentage increase, rising 0.4 percent. The mining and logging supersector recorded the only decline during the period, decreasing 8 percent, representing 6 fewer jobs.

The Metro Denver area recorded moderate employment growth between 2015 and 2016, rising 2.7 percent to nearly 1.6 million jobs. Metro Denver generated an additional 40,985 jobs over-the-year. The largest absolute increases in employment were in the education and health services (+3.6 percent) and the leisure and hospitality supersectors (+4 percent), creating 7,090 jobs and 6,790 jobs, respectively. The construction sector recorded the largest percentage increase in employment between 2015 and 2016, rising 6.2 percent. The manufacturing sector recorded the smallest employment increase over-the-year, rising 1.1 percent, while the mining and logging supersector (-12.9 percent) recorded the only decline in employment during the period.

Table 1.4 - Employment by Supersector

	CITY AND COUNTY OF BROOMFIELD						METRO DENVER		
	4Q 2015	4Q 2016	YR/YR % CHANGE	ANNUAL 2015	ANNUAL 2016	YR/YR % CHANGE	ANNUAL 2015	ANNUAL 2016	YR/YR % CHANGE
Total All Industries	36,564	37,069	1.4%	35,729	36,979	3.5%	1,536,766	1,577,752	2.7%
Private Sector									
<i>Mining & Logging</i>	67	58	-13.4%	69	63	-8.0%	14,385	12,527	-12.9%
<i>Construction</i>	1,389	1,503	8.2%	1,352	1,499	10.9%	86,468	91,845	6.2%
<i>Manufacturing</i>	4,984	5,042	1.2%	4,947	5,074	2.6%	85,356	86,267	1.1%
<i>Wholesale Trade</i>	1,329	1,442	8.5%	1,309	1,443	10.2%	75,408	76,982	2.1%
<i>Retail Trade</i>	4,823	4,860	0.8%	4,618	4,637	0.4%	151,934	154,353	1.6%
<i>Transportation and Warehousing</i>	228	222	-2.6%	235	240	2.5%	51,650	52,905	2.4%
<i>Information</i>	3,897	4,031	3.4%	3,829	4,024	5.1%	53,394	54,515	2.1%
<i>Financial Activities</i>	2,230	2,080	-6.7%	2,000	2,066	3.3%	105,640	108,909	3.1%
<i>Professional & Business Services</i>	9,380	9,445	0.7%	9,275	9,486	2.3%	284,480	290,604	2.2%
<i>Education & Health Services</i>	2,407	2,467	2.5%	2,380	2,443	2.7%	196,944	204,034	3.6%
<i>Leisure & Hospitality</i>	3,637	3,630	-0.2%	3,539	3,726	5.3%	169,170	175,959	4.0%
<i>Other Services</i>	716	734	2.5%	697	721	3.4%	46,797	48,824	4.3%
Government	1,477	1,554	5.2%	1,481	1,554	4.9%	214,936	219,770	2.2%

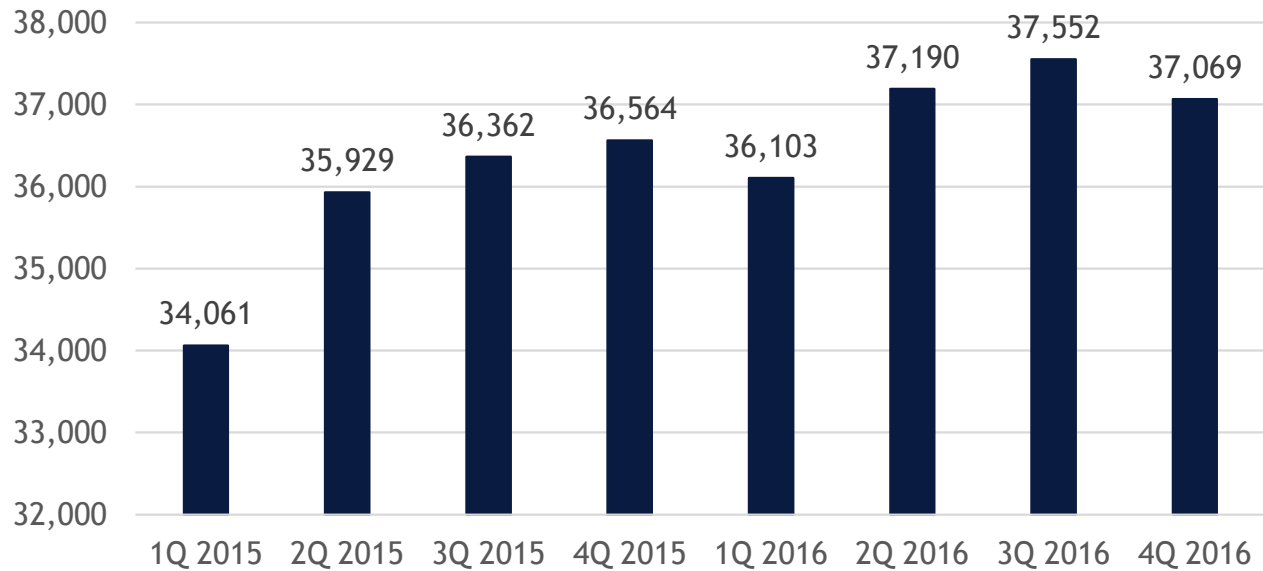
Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.
Source: Colorado Department of Labor and Employment, Labor Marketing Information. Quarterly Census of Employment and Wages (QCEW)

Business, Employment, and Wages

EMPLOYMENT (CONTINUED)

Figure 1.5

Broomfield Employment (All Industries)



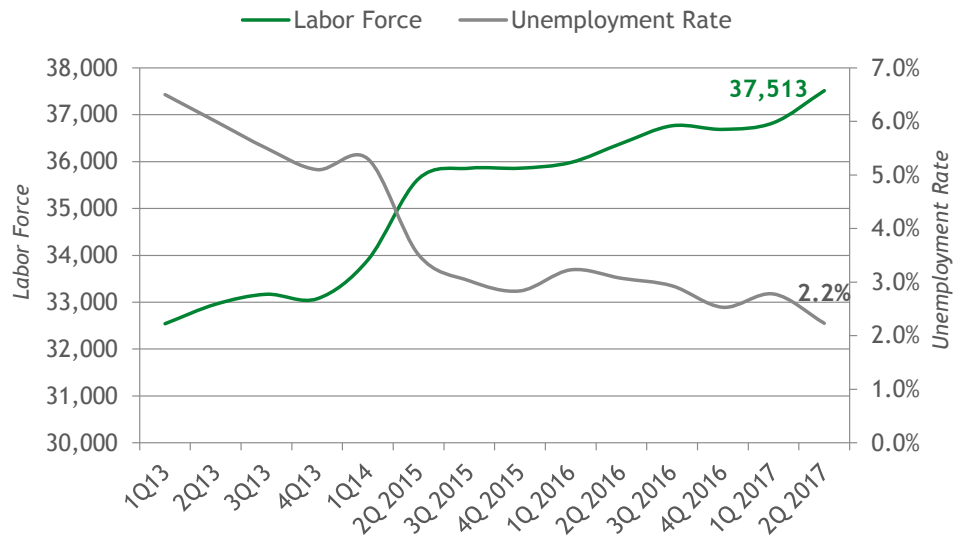
Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

LABOR FORCE AND UNEMPLOYMENT

Broomfield had a labor force of 37,513 people in the second quarter of 2017, as shown in Figure 1.6, a 3.1 percent increase compared with the previous year's level (36,388). Broomfield's labor force represented about 2.2 percent of the total Metro Denver labor force during the period. There were an additional 1,125 people employed or looking for a job between the second quarters of 2016 and 2017. The unemployment rate of 2.2 percent in the second quarter of 2017 was 0.9 percentage points lower than the previous year's level. This was the lowest quarterly unemployment rate since the fourth quarter of 2000 when the rate was also 2.2 percent. Of the seven Metro Denver counties, the City and County of Broomfield tied with Jefferson County for the third lowest unemployment rate during the second quarter of 2017.

Figure 1.6

Broomfield Labor Force & Unemployment Rate



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

The labor force and unemployment situation during the first half of 2017 followed a similar trend as the second quarter of 2016. The labor force maintained a level of 37,171 people, rising 2.7 percentage points compared with the first half

Business, Employment, and Wages

LABOR FORCE AND UNEMPLOYMENT (CONTINUED)

of 2016, as shown in Table 1.7. There were an additional 987 people employed or looking for a job in the first half of 2017 compared with the previous year. The unemployment rate during the first half of 2017 was 2.5 percent, falling 0.7 percentage points below the first half of 2016 level of 3.2 percent. The Broomfield unemployment rate was 0.1 percentage points below the Metro Denver level in the first half of the year, as shown in Figure 1.8.

The labor force in Metro Denver increased 3.1 percent between the second quarters of 2016 and 2017 to over 1.7 million workers, representing about 59 percent of the Colorado labor force. Metro Denver's unemployment rate of 2.3 percent in the second quarter of 2017 was 0.9 percentage points below the prior year's level. During the first half of 2017, the Metro Denver labor force increased 2.6 percent compared with the previous year and the unemployment rate fell 0.8 percentage points to 2.6 percent.

The Colorado labor force increased 2.8 percent between the second quarters of 2016 and 2017 to nearly 3 million workers. The unemployment rate in Colorado declined 1.1 percentage points over-the-year to 2.4 percent. The national labor force increased 0.8 percent in the second quarter of 2017 to over 160 million workers. The unemployment rate in the U.S. declined 0.6 percentage points between the second quarters of 2016 and 2017 to 4.2 percent.

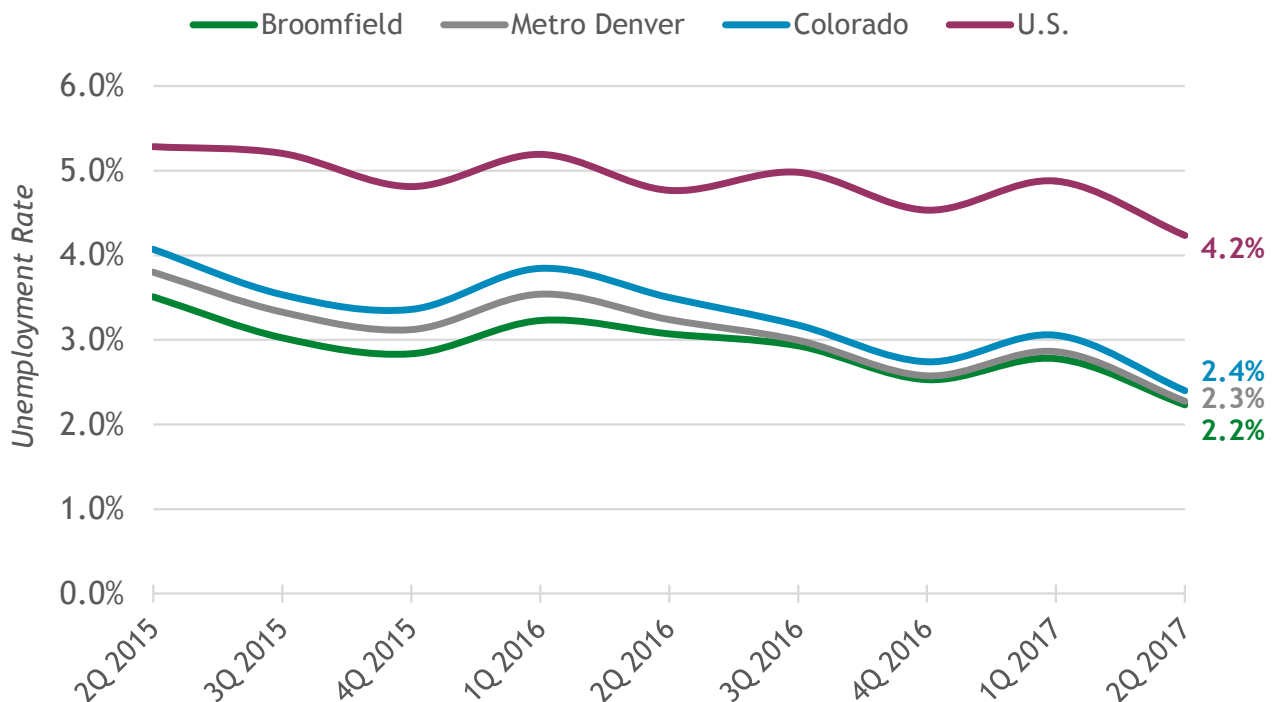
Table 1.7 - Labor Force and Unemployment by Area

	LABOR FORCE						UNEMPLOYMENT RATE			
	2Q 2016	2Q 2017	YR/YR % CHANGE	FIRST HALF 2016	FIRST HALF 2017	YR/YR % CHANGE	2Q 2016	2Q 2017	FIRST HALF 2016	FIRST HALF 2017
Broomfield	36,388	37,513	3.1%	36,185	37,171	2.7%	3.1%	2.2%	3.2%	2.5%
Metro Denver	1,686,591	1,738,212	3.1%	1,679,426	1,722,935	2.6%	3.2%	2.3%	3.4%	2.6%
Colorado	2,884,896	2,966,578	2.8%	2,874,724	2,943,163	2.4%	3.5%	2.4%	3.7%	2.7%
U.S. (000's)	159,141	160,378	0.8%	158,651	159,867	0.8%	4.8%	4.2%	5.0%	4.6%

Source: Colorado Department of Labor and Employment, Labor Marketing Information; U.S. Bureau of Labor Statistics

Figure 1.8

Unemployment Rate



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

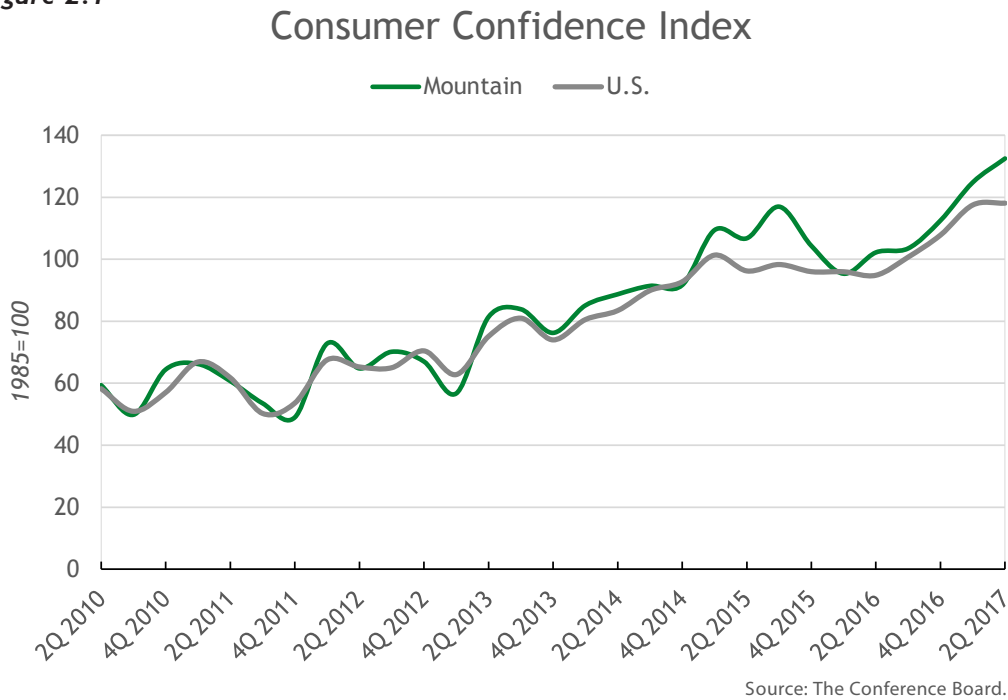
Consumer Activity

CONSUMER CONFIDENCE

The Conference Board's National Consumer Confidence Index showed increasing confidence between the second quarters of 2016 and 2017, as shown in Figure 2.1. The U.S. index rose 24.5 percent over-the-year to 118.1 and was up 0.5 percent from the previous quarter. The index rose 23.5 percent to 117.8 during the first half of 2017 from 95.4 during the first half of 2016.

The Mountain Region index, which includes Colorado, also reported increases in consumer confidence between the second quarters of 2016 and 2017. The mountain region index was 132.5 in the second quarter of 2017, up 29.6 percent from the prior year's level of 102.2. Also, the second quarter level was 6.2 percent above the previous quarter's level. The index rose 30.3 percent to 128.7 during the first half of 2017 compared with 98.8 in the first half of 2016.

Figure 2.1

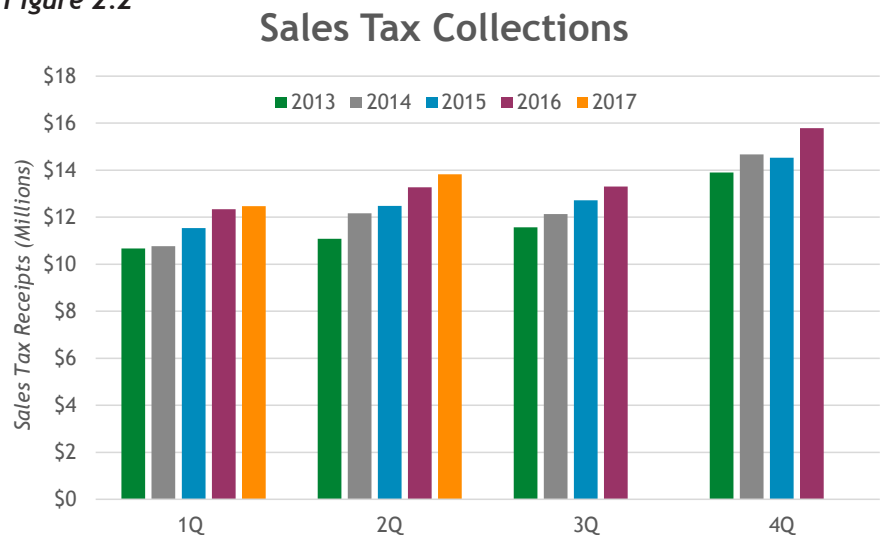


SALES TAX COLLECTIONS

Sales tax collections in Broomfield were 4.2 percent higher during the second quarter of 2017 than the second quarter of 2016, as shown in Figure 2.2. The second quarter of 2017 collection level was also 10.9 percent higher than the previous quarter's level. Sales tax collections in Broomfield reached over \$13.8 million in the second quarter of 2017, representing an additional \$555,800 in sales tax compared with the previous year.

Sales tax collections were nearly \$26.3 million during the first half of 2017, up 2.7 percent from the previous year's level of \$25.6 million. Broomfield collected an additional \$681,500 in sales tax between the first halves of 2016 and 2017.

Figure 2.2



Consumer Activity & Real Estate

HOTEL AND LODGING

According to the Rocky Mountain Lodging Report, the Highway 36 corridor recorded an occupancy rate of 90.1 percent in June 2017, as shown in Figure 2.3. This rate was 1.1 percentage points higher than the prior year's occupancy rate. The average room rate for the Highway 36 corridor market was \$152.94 per night in June, a 7.6 percent increase from the previous June (\$142.13 per night). The average occupancy rate in Metro Denver increased to 89 percent in June, up from 88.8 percent in the same month last year, and the average room rate rose 3.8 percent to \$160.09 per night.

EXISTING HOME SALES

Existing home sales in the Broomfield single-family detached market declined 5 percent between the second quarters of 2016 and 2017, as shown in Table 3.1, reflecting the limited inventory of homes available for purchase. The average sales price for a single-family detached home was \$465,929 in the second quarter of 2017, 5.7 percent higher than the prior year, but \$15,321 below the Metro Denver average.

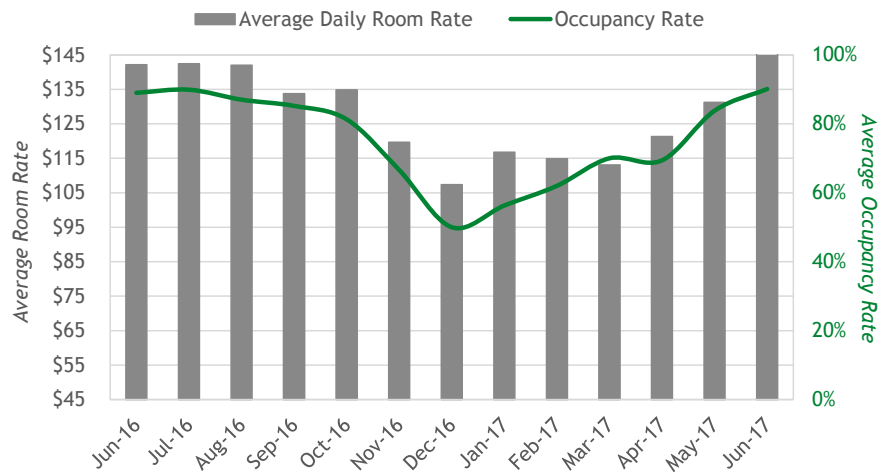
Broomfield recorded 501 single-family detached home sales during the first half of 2017, a 6.4 percent increase or 30 more homes sold compared with the first half of 2016. The average sales price for a single-family detached home was \$471,871 in the first half of 2017, a 10.8 percent increase compared with the previous year. The Broomfield average sales price was \$8,046 above the Metro Denver average.

The Metro Denver single-family detached market recorded stronger trends in home sales than Broomfield between the second quarters of 2016 and 2017. Metro Denver recorded 12,912 single-family detached home sales in the second quarter of 2017, a 2.3 percent increase compared with the second quarter of 2016 level of 12,622 sales. The average sales price for a single-family detached home was \$481,250 in the second quarter of 2017, a 9.3 percent increase compared with the second quarter of 2016 price.

Metro Denver reported 21,274 sales in the single-family detached market in the first half of 2017, a 2.1 percent increase compared with the prior year. This represented 445 more homes sold between the first halves of 2016 and 2017. The average sales price for a single-family detached home in Metro Denver increased 8.5 percent over-the-year to \$463,825 in the first half of 2017.

Figure 2.3

Hotel & Lodging Indicators for the Highway 36 Corridor



Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report.

Table 3.1 - Existing Single-Family Detached Home Sales

	2Q 2016	2Q 2017	% CHANGE	FIRST HALF 2016	FIRST HALF 2017	% CHANGE
Home Sales						
<i>Broomfield</i>	321	305	-5.0%	471	501	6.4%
<i>Metro Denver</i>	12,622	12,913	2.3%	20,829	21,274	2.1%
Average Sold Price						
<i>Broomfield</i>	\$440,635	\$465,929	5.7%	\$425,858	\$471,871	10.8%
<i>Metro Denver</i>	\$440,396	\$481,250	9.3%	\$427,584	\$463,825	8.5%

Source: Colorado Comps, LLC

Real Estate

EXISTING HOME SALES (CONTINUED)

Existing home sales in the Broomfield single-family attached market increased 48.1 percent between the second quarters of 2016 and 2017, rising from 27 sales to 40 sales. The average sales price for a single-family attached home was \$292,145 in the second quarter of 2017, a 12.5 percent increase compared with the prior year and \$11,102 higher than the Metro Denver average.

Broomfield recorded 56 single-family attached home sales during the first half of 2017, a 21.7 percent increase compared with the first half of 2016. This represented 10 more homes sold over-the-year. The average sales price for a single-family attached home was \$293,684 in the first half of 2017, which was 15.7 percent higher than last year and \$21,953 above the Metro Denver average.

The Metro Denver single-family attached market recorded weaker sales trends than Broomfield. Metro Denver recorded 4,253 single-family attached home sales in the second quarter of 2017, a 1.5 percent increase in sales compared with the second quarter of 2016 level of 4,192 sales. The average sales price for a single-family attached home increased 11 percent over-the-year to \$281,043 in the second quarter of 2017.

Metro Denver reported 7,289 single-family attached home sales in the first half of 2017, a 1.9 percent increase or 136 more homes sold compared with the same time last year. The average sales price for a single-family attached home in Metro Denver was \$271,731 in the first half of 2017, a 9.8 percent over-the-year increase.

Table 3.2 - Existing Single-Family Attached Home Sales

	2Q 2016	2Q 2017	% CHANGE	FIRST HALF 2016	FIRST HALF 2017	% CHANGE
Home Sales						
<i>Broomfield</i>	27	40	48.1%	46	56	21.7%
<i>Metro Denver</i>	4,192	4,253	1.5%	7,153	7,289	1.9%
Average Sold Price						
<i>Broomfield</i>	\$259,730	\$292,145	12.5%	\$253,939	\$293,684	15.7%
<i>Metro Denver</i>	\$253,253	\$281,043	11.0%	\$247,462	\$271,731	9.8%

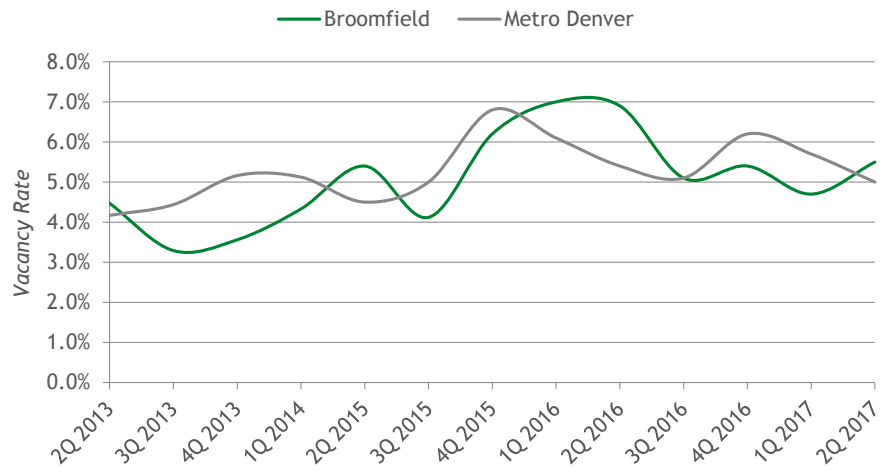
Source: Colorado Comps, LLC

APARTMENTS

Broomfield reported an apartment vacancy rate of 5.5 percent during the second quarter of 2017, which was 1.4 percentage points below the second quarter of 2016 level (6.9 percent). However, the vacancy rate was 0.8 percentage points above the previous quarter's level. The Broomfield vacancy rate was 0.5 percentage points above the Metro Denver level in the second quarter of 2017, as shown in Figure 3.3. The Metro Denver vacancy rate was 5 percent in the second quarter of 2017, down 0.4 percentage points from the previous year's level. Of the six market areas in Metro Denver, the Boulder/Broomfield submarket recorded the third highest vacancy rate during the second quarter of 2017.

Figure 3.3

Broomfield vs. Metro Denver Apartment Vacancy



Source: Denver Metro Apartment Vacancy and Rent Survey

Real Estate

APARTMENTS (CONTINUED)

Broomfield reported an average lease rate of \$1,545 per month during the second quarter of 2017, as shown in Table 3.4, which was 2.7 percent higher than the second quarter of 2016 level (\$1,504 per month). The average lease rate in Metro Denver increased 3.6 percent over-the-year to \$1,420 per month in the second quarter of 2017. Of the six market areas in Metro Denver, the Boulder/Broomfield submarket recorded the highest average lease rate during the second quarter of 2017.

Table 3.4 - Average Apartment Rents and Vacancy

	VACANCY RATE		AVERAGE APARTMENT RENT		
	OQ 2016	2Q 2017	2Q 2016	2Q 2017	% CHANGE
<i>Broomfield</i>	6.9%	5.5%	\$1,504	\$1,545	2.7%
<i>Metro Denver</i>	5.4%	5.0%	\$1,371	\$1,420	3.6%

Source: Denver Metro Apartment Vacancy and Rent Survey

BUILDING PERMITS

Broomfield issued permits for 58 new single-family detached units during the second quarter of 2017, as shown in Table 3.5, a 60.5 percent decrease from the second quarter of 2016 level (147 units). The average valuation for single-family detached homes was \$300,266 in the second quarter of 2017, which was 13.2 percent below the previous year's level (\$345,862). Broomfield did not issue building permits for either single-family attached units or apartment/condominium units during the second quarter of 2017.

Permits for 170 single-family detached units were issued in Broomfield during the first six months of 2017, a 38.2 percent decrease compared with the previous year's level (275 units). The average valuation of single-family detached units declined 5.6 percent over-the-year to \$326,092 in the first half of 2017. There were 28 single-family attached units permitted in the first half of 2017, 17 fewer than the prior year (-37.8 percent). The average valuation of single-family attached units increased 12.6 percent over-the-year to \$213,107 in the first half of 2017. Broomfield did not issue permits for apartment/condominium units in the first half of 2017.

Metro Denver issued 7,102 permits in the second quarter of 2017, a 22.1 percent increase over the same quarter the prior year. Multi-family development continues to dominate the market, resulting in a 33.5 percent increase in permits over-the-year to 4,021 units. Single-family attached permits declined 1.4 percent to 137 units. There were 2,944 single-family detached units permitted, a 10.4 percent increase.

There were 13,273 units permitted in Metro Denver during the first half of 2017, a 26 percent increase compared with the previous year's level (10,543 units). All property types increased, with the multi-family market recording the largest increase of 46 percent over-the-year to 7,378 units. Single-family attached units increased 37.9 percent over-the-year to 269 units and single-family detached units rose 6.2 percent to 5,626 units.

Table 3.5 - Broomfield Residential Building Permits

	SINGLE-FAMILY DETACHED		SINGE-FAMILY ATTACHED		APARTMENTS AND CONDOMINIUMS			TOTAL UNITS
	UNITS	AVERAGE VALUATION PER UNIT	UNITS	AVERAGE VALUATION PER UNIT	PERMITS	UNITS	AVERAGE VALUATION PER UNIT	
<i>2Q 2016</i>	147	\$345,862	18	\$210,314	-	-	-	165
<i>2Q 2017</i>	58	\$300,266	-	-	-	-	-	58
<i>Yr/Yr % Change</i>	-60.5%	-13.2%	-	-	-	-	-	-64.8%
<i>First Half 2016</i>	275	\$345,513	45	\$189,312	8	216	\$105,052	536
<i>First Half 2017</i>	170	\$326,092	28	\$213,107	-	-	-	198
<i>Yr/Yr % Change</i>	-38.2%	-5.6%	-37.8%	12.6%	-	-	-	-63.1%

Source: The City and County of Broomfield, Building Division

Real Estate

OFFICE MARKET

There was over 6.5 million square feet of office space in Broomfield during the second quarter of 2017, as shown in Table 3.6 on the next page. All three classes of office space reported increasing vacancy rates and increasing average lease rates during the second quarter of 2017 compared with the prior year. The Class A and Class B office markets are similarly sized in Broomfield, and posted a similar increase in the vacancy rate over-the-year. However, the Class B vacancy rate of 8.1 percent is 1 percentage point higher than the Class A rate. The Class C market, which is relatively small in Broomfield, posted the largest increase in vacancy rate compared to last year, rising to 5.4 percent. Despite the increase in vacancy, the Class C market posted a 12.9 percent increase in the average lease rate, the fastest increase of the three classes. The average Class A lease rate increased 0.9 percent over-the-year to \$28.73 per square foot, while the Class B market posted a larger increase of 7.7 percent to \$25.15 per square foot.

The Metro Denver office market recorded mixed trends between the second quarters of 2016 and 2017. The vacancy rate for Class A office space rose 2.7 percentage points over-the-year to 12.3 percent vacancy and the average lease rate fell 1.5 percent to \$30.07 per square foot. This average lease rate was \$1.34 per square foot more than the Broomfield rate. Class B office space recorded a vacancy rate of 9.5 percent, 0.6 percentage points lower than the previous year, and the average lease rate rose 4.1 percent to \$23.15 per square foot during the period. Class C space in Metro Denver reported no change in the vacancy rate over-the-year at 4.1 percent but an 8.8 percent increase in the average lease rate.

INDUSTRIAL MARKET

The Broomfield industrial market had over 3.4 million square feet of space during the second quarter of 2017, but limited availability as the vacancy rate was just 0.4 percent, as shown in Table 3.6 on the next page. As a result of the tight market, the average lease rate increased 14.8 percent between the second quarters of 2016 and 2017, rising to \$6.90 per square foot. Despite the increasing lease rate, the Broomfield average lease rate was \$0.66 per square foot lower than the Metro Denver average lease rate during the period.

There was nearly 213 million square feet of industrial space in Metro Denver during the second quarter of 2017. The industrial vacancy rate rose 0.5 percentage points between the second quarters of 2016 and 2017 to 3.9 percent. This was 3.5 percentage points higher than the Broomfield vacancy rate during the period. The average lease rate increased 1.1 percent over-the-year to \$7.56 per square foot.

RETAIL MARKET

The retail market in Broomfield totaled nearly 4.8 million square feet of space during the second quarter of 2017, representing 2.9 percent of the retail space in Metro Denver, as shown in Table 3.6 on the next page. The retail vacancy rate decreased to 9.6 percent during the second quarter of 2017, a 0.4 percentage point decrease in vacancy compared with the previous year's level. The average lease rate for the retail market in Broomfield rose 64.5 percent over-the-year to \$18.31 per square foot, with the large increase due to an unusually low average lease rate posted last year at this time.

Metro Denver had nearly 166 million square feet of retail space during the second quarter of 2017, 1.6 million square feet more than last year at this time. The retail vacancy rate fell 0.1 percentage points to 4.5 percent as the average lease rate increased 5.7 percent to \$17.42 per square foot. The retail average lease rate was \$0.89 per square foot lower throughout Metro Denver than Broomfield during the second quarter of 2017.

Real Estate

Table 3.6 - Broomfield Real Estate Markets 4Q-2016

	TOTAL EXISTING SQUARE FOOTAGE		VACANCY RATES		AVERAGE LEASE RATE (PER SQ. FOOT)	
	2Q 2016	2Q 2017	2Q 2016	2Q 2017	2Q 2016	2Q 2017
Office						
<i>Broomfield</i>						
Class A	3,068,913	3,171,782	6.5%	7.1%	\$28.48	\$28.73
Class B	3,115,493	3,175,318	7.6%	8.1%	\$23.36	\$25.15
Class C	179,630	179,630	1.4%	5.4%	\$17.90	\$20.21
<i>Metro Denver</i>						
Class A	63,948,231	65,999,895	9.6%	12.3%	\$30.53	\$30.07
Class B	94,224,209	95,042,507	10.1%	9.5%	\$22.23	\$23.15
Class C	21,788,208	21,788,208	4.1%	4.1%	\$17.57	\$19.12
Industrial						
<i>Broomfield</i>	3,402,721	3,402,721	3.6%	0.4%	\$6.01	\$6.90
<i>Metro Denver</i>	208,769,762	212,994,310	3.4%	3.9%	\$7.48	\$7.56
Retail						
<i>Broomfield</i>	4,763,288	4,772,889	10.0%	9.6%	\$11.13	\$18.31
<i>Metro Denver</i>	164,405,967	165,986,470	4.6%	4.5%	\$16.48	\$17.42

Source: CoStar, Inc.

COMMERCIAL BUILDING PERMITS

There were seven commercial real estate permits issued during the first half of 2017, representing 189,741 square feet of space, as shown in Table 3.7. The Legend at Broomfield project was valued at \$12.3 million, the largest and most expensive of the projects, and will be located near the intersection of E. Midway Blvd and Lowell Blvd. Permits for three Lowell Self Storage buildings were issued, totaling 98,750 square feet and valued at \$6.3 million. The smallest project by square footage was Popeyes Chicken, spanning 2,297 square feet and valued at \$1.2 million.

Table 3.7 - Commercial Real Estate Permits, Second Half 2016

PROJECT DESCRIPTION	VALUATION	TOTAL SQUARE FOOTAGE
<i>The Legend At Broomfield - Assisted Living Facility</i>	\$12,289,738	82,912
<i>Lowell Self Storage - Bldg B</i>	\$4,096,711	63,216
<i>Lowell Self Storage - Bldg C</i>	\$1,505,756	23,446
<i>Popeyes Chicken</i>	\$1,236,745	2,297
<i>Arby's</i>	\$1,025,000	2,738
<i>Lowell Self Storage - Bldg A</i>	\$691,168	12,107
<i>Empire Petroleum</i>	\$512,900	3,025

Source: The City and County of Broomfield, Building Division



BROOMFIELD

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