

# Douglas County 3rd Quarter 2016 Economic Development Report

## Summary

The pace of growth in Douglas County increased in the third quarter of 2016, led by positive indicators related to employment, consumer activity, and commercial real estate. Employment in Douglas County rose 3.7 percent between the second quarters of 2015 and 2016, adding more than 4,200 workers over the period. The unemployment rate for Douglas County decreased 0.2 percentage points between the second and third quarters of 2016. Unemployment rates in both Castle Rock and Parker declined 0.2 percentage points and 0.4 percentage points over the quarter, respectively. The Manpower Survey reported that 25 percent of employers in Metro Denver plan to increase employ-

ment levels during the first quarter of 2017, compared to the national average of 19 percent.

Consumers' assessment of current business and employment conditions improved during the third quarter of 2016, which contributed to a 2.4 percent increase over the year and a 6.2 percent increase in national consumer confidence between the second and third quarters of 2016. The Conference Board's Mountain Region Index rose 1.3 percent over the quarter, but reported an over-the-year decrease.

During the third quarter of 2016, the residential housing market recorded

mixed trends throughout Douglas County. Single-family attached home sales fell 9.3 percent between the third quarters of 2015 and 2016, while single-family detached home sales fell 1.4 percent. Average prices continued to increase at a brisk pace. Foreclosures in Douglas County fell 10.5 percent over the year to 77 foreclosure filings in the third quarter. The number of residential units permitted decreased 41.8 percent between the third quarters of 2015 and 2016. Single-family attached units decreased 75.8 percent and multi-family units fell 88.1 percent. Single-family detached units increased 2.8 percent to 482 permits in the third quarter of 2016.

## Economic Headlines

- The Board of Douglas County Commissioners launched a new program called "SparkDC!" that partners directly with the business community in unincorporated Douglas County to help shape economic development programs, inform the County's policy decisions, and refine priorities for County leadership in support of a healthy local economy.
- For the third time in the past year, Douglas County has been recognized nationally for its continued commitment to fiscal accountability and transparency. The Government Finance Officers Association of the U.S. and Canada recognized Douglas County for its 2015 Popular Annual Financial Report, its 2015 Comprehensive Annual Report, and its 2016 Budget.
- Confluence Cos. plans to break ground on the \$60 million Riverwalk mixed-use development in downtown Castle Rock in January. The Riverwalk will include 228 apartments, 30,000 sq. ft. of office space, and 10,000 sq. ft. of retail space. The project will cover two blocks and include 328 underground and street level parking spaces. Completion is expected in 2018.
- Lone Tree was selected as one of 15 cities to participate in a nationwide collaboration to explore how technology from autonomous cars to data management can improve urban mobility. Sidewalk Labs, part of Google parent company Alphabet, is running the Smart Cities Collaborative. The program expects cities to share information with one another, as well as with transportation experts. Information will be used to create pilot programs that also share results on best practices.
- Douglas County-based Starz confirmed that it laid off about 50 workers due to a reorganization that began last spring. The employees were part of Starz' marketing and creative services teams. The company noted that the layoffs were not related to its pending \$4.4 billion merger with Lions Gate Entertainment.
- Highlands Ranch ranked as the seventh-happiest community in the nation by Zippia. To compile the list, Zippia created a "happiness formula" based on population, unemployment rate, commute times, low cost of living, marriage rates, home ownership, and poverty rates. Highlands Ranch had the lowest poverty rate and one of the lowest unemployment rates. Residents also had high marriage rates and high homeownership rates.
- Highlands Ranch ranked sixth among best places to live by *Money* magazine. Rankings were based on 60 criteria, including economic opportunity, taxes, affordable housing, education, and crime. Highlands Ranch was recognized for low crime and top-notch schools.
- According to the American City Business Journals, the Denver-Aurora-Lakewood MSA ranked ninth for expected population growth in the next 25 years. The group projects that the Denver-Aurora-Lakewood MSA population will grow 52.4 percent between 2015 and 2040, rising from 2.8 million to 4.3 million residents.

## Employment Activity

Employment in Douglas County rose 3.7 percent between the second quarters of 2015 and 2016, adding more than 4,200 workers. Ten of the 13 supersectors reported employment increases over the year. The largest percentage increase occurred in the financial activities supersector, rising 15.2 percent or 1,300 jobs. The other services, construction, and education and health services supersectors reported employment growth of at least 6.0 percent over the year, adding more than 1,770 jobs combined. Retail trade is Douglas County's second largest supersector by employment, which increased 3.4 percent over the year or 580 jobs. The leisure and hospitality supersector recorded the slowest growth over the year, rising 1.5 percent. The mining and logging (-11.9 percent), manufacturing (-6.6 percent), and professional and business services (-0.1 percent) supersectors recorded over-the-year declines in employment.

Metro Denver employment rose 2.7 percent in the second quarter of 2016

compared with the same period in 2015. Metro Denver reported over-the-year employment increases in 12 of the 13 supersectors. The largest increases in employment were in the construction and other services supersectors, rising 6.2 percent and 4.7 percent, respectively. Professional and business services is Metro Denver's largest supersector by employment, which increased 2.2 percent or 6,180 jobs over the year. The only supersector to report a decline in employment was mining and logging, decreasing 16.1 percent.

## Unemployment

Douglas County's unemployment rate (2.8 percent) did not change between the third quarters of 2015 and 2016. However, the rate fell 0.2 percentage points between the second and third quarters of 2016. Douglas County's labor force rose 2.9 percent over the year, adding 4,980 workers. Castle Rock's unemployment rate (2.9 percent) also did not change over the year, but declined 0.2 percentage points during the quarter. Parker's

unemployment rate (2.7 percent) fell 0.4 percentage points over the quarter and over the year. Both Castle Rock and Parker recorded over-the-year labor force increases of at least 2.5 percent.

Metro Denver's unemployment rate fell 0.2 percentage points to 3.1 percent between the third quarters of 2015 and 2016. During the same period, Colorado reported a 0.2 percentage point decline to 3.3 percent. The national unemployment rate also fell 0.2 percentage points to 5.0 percent.

Unemployment Rates		
	3rd Qtr 2015	3rd Qtr 2016
Douglas County	2.8%	2.8%
Castle Rock	2.9%	2.9%
Parker	3.1%	2.7%
Metro Denver	3.3%	3.1%
Colorado	3.5%	3.3%
U.S.	5.2%	5.0%

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

## Manpower Employment Outlook Survey

U.S. hiring expectations weakened slightly throughout the first quarter of 2017. Employers planning to increase employment levels fell 3 percentage points between the fourth and first quarter surveys, with 19 percent planning to hire more employees. Similarly, Metro Denver companies planning to increase staffing levels declined 3 percentage points over the quarter. Companies planning to increase staffing levels over the first quarter of 2017 decreased to 25 percent, but increased 2 percentage points between the first quarters of 2016 and 2017. Several Metro Denver companies plan to maintain staff levels through the first quarter of the year, falling 1 percentage point below the prior quarter's level and 6 percentage points below the prior year's level. Companies planning to lay off workers rose 2 percentage points over the quarter to 8 percent during the first quarter of 2017.

Covered Employment by Industry Supersector, 2nd Qtr 2016 <sup>1</sup>				
	Douglas County		Metro Denver	
	2nd Qtr 2016	Yr/Yr % Change	2nd Qtr 2016	Yr/Yr % Change
<b>Total All Industries</b>	<b>117,160</b>	<b>3.7%</b>	<b>1,577,306</b>	<b>2.7%</b>
<b>Private Sector</b>				
Mining & Logging	703	-11.9%	12,577	-16.1%
Construction	8,339	8.0%	91,870	6.2%
Manufacturing	2,361	-6.6%	86,014	1.0%
Wholesale Trade	3,773	2.3%	76,715	2.2%
Retail Trade	17,712	3.4%	153,081	1.9%
Transportation, Warehousing, & Utilities	1,102	2.7%	52,037	2.1%
Information	5,623	3.0%	54,571	2.1%
Financial Activities	9,878	15.2%	108,482	3.4%
Professional & Business Services	21,236	-0.1%	290,061	2.2%
Education & Health Services	13,801	6.3%	203,529	3.7%
Leisure & Hospitality	15,488	1.5%	177,418	3.8%
Other Services	3,977	9.3%	48,774	4.7%
<b>Government</b>	<b>13,153</b>	<b>2.4%</b>	<b>221,834</b>	<b>2.2%</b>

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

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

Manpower Employment Outlook Survey								
Metro Denver	Companies Hiring		Companies Laying Off		Companies No Change		Unsure	
National								
1st Qtr 2017	25%	19%	8%	6%	64%	73%	3%	2%
4th Qtr 2016	28%	22%	6%	6%	65%	69%	1%	3%
1st Qtr 2016	23%	20%	4%	6%	70%	72%	3%	2%

## Consumer Activity

### The Conference Board

The Conference Board's National Consumer Confidence Index increased during the third quarter of 2016, rising 2.4 percent over the year to 100.7. U.S. consumer confidence also rose 6.2 percent between the second and third quarters of 2016. The national index value of 100.7 marked the first time U.S. consumer confidence rose above 100 since the first quarter of 2015.

The Mountain Region Index, which includes Colorado, decreased to 103.5 during the third quarter of 2016, an over-the-year decrease of 11.5 percent. However, the Mountain Region Index reported an over-the-quarter increase of 1.3 percent. Consumer confidence for the Mountain Region Index has reported over-the-year declines for three consecutive quarters.

### Retail Trade Sales

Retail trade sales throughout Douglas County increased between the fourth quarters of 2014 and 2015. Douglas County reported a 9.4 percent increase in total retail trade sales over the year, with the largest increase occurring in the miscellaneous retailers sector (+68.1 percent). All six submarkets in Douglas County reported increases in retail trade sales, with Larkspur (+57.5 percent) recording the largest increase during the period. Castle Pines (+13.1 percent), Parker (+11.6 percent), and Highlands Ranch (+11.5 percent) also recorded strong growth. Lone Tree posted slower growth during the period, rising 4 percent. Castle Rock reported the smallest increase in retail trade sales between the fourth quarters of 2014 and 2015, rising 2.8 percent. Metro Denver reported strong growth in retail trade sales, rising 3.8 percent during the same period.

Retail Trade Sales (\$000s) by Industry & Municipality, 4th Qtr 2015

Industry	Castle Pines	Castle Rock	Highlands Ranch	Larkspur	Lone Tree	Parker	Douglas County	Metro Denver
Motor Vehicles & Auto Parts		36,745	71,602	3	47,735		210,986	2,983,522
Furniture & Home Furnishings	272	9,238	5,369		22,942		70,043	515,877
Electronics & Appliance Stores	482	4,096	5,878	9	26,002		50,463	496,760
Building Materials & Nurseries	17	19,407	2,534				83,424	877,317
Food & Beverage Stores		58,537	82,784		13,040		263,245	2,635,931
Health & Personal Care Stores		12,451	15,419	1	14,067		62,132	789,627
Service Stations		4,242	4,759				34,806	504,034
Clothing & Accessory Stores	39	36,592	6,849		111,208		163,357	801,998
Sports Goods, Hobby, Book, and Music Stores		6,946	4,615		45,615		70,380	518,800
General Merchandisers & Warehouse Stores		41,828	53,126		133,214		321,293	2,000,713
Miscellaneous Stores	692	10,801	11,137	1,317	9,836		112,100	896,978
Non-Store Retailers	170	8,872	8,418	12	13,809	2,572	38,556	306,638
Food & Drinking Services	2,588	31,817	24,691	178	42,849		155,909	1,772,159
<b>Total Retail Trade Sales</b>	<b>24,396</b>	<b>281,572</b>	<b>297,181</b>	<b>2,095</b>	<b>493,429</b>	<b>316,015</b>	<b>1,636,694</b>	<b>15,100,354</b>
<i>Total Retail Trade Sales, 4th Qtr 2014</i>	<i>21,562</i>	<i>273,835</i>	<i>266,596</i>	<i>1,330</i>	<i>474,290</i>	<i>283,172</i>	<i>1,496,305</i>	<i>14,543,537</i>

Note: Data for green shaded categories are suppressed to maintain confidentiality. Source: Colorado Department of Revenue.

## Residential Real Estate

### Existing Home Sales

Between the third quarters of 2015 and 2016, Douglas County single-family detached home sales fell 1.4 percent. Three of the six submarkets reported over-the-year decreases in detached home sales, with Lone Tree (-31.1 percent) recording the largest decrease followed by Castle Pines with a 22.7 percent decline. Detached home sales in Highlands Ranch declined 9.0 percent. Castle Rock recorded the largest increase in single-family detached home sales, rising 11.7 percent, while Parker posted a 4.0 percent increase. Larkspur recorded no sales during the period.

Douglas County single-family attached home sales decreased 9.3 percent in the third quarter of 2016 compared with the previous year. Two of the six submarkets recorded over-the-year increases. Castle Pines reported the largest increase, rising 100 percent, or four additional home sales. Sales in Highlands Ranch increased 6.2 percent. Single-family attached home sales decreased 23.8 percent in Lone Tree, 18.6 percent in Parker, and 10.5 percent in Castle Rock. Larkspur recorded no attached home sales during the third quarter of 2016.

## Residential Real Estate *continued*

### Existing Home - Average Sales Price

The average sales price in Douglas County for single-family detached homes rose 6.2 percent between the third quarters of 2015 and 2016, an increase of \$28,600. The highest average sales price of the six submarkets was in Lone Tree (\$734,010), where prices increased 7.1 percent over the year. Prices rose in the remaining four submarkets that recorded sales, ranging from an 8 percent increase in Highlands Ranch to a 9.4 percent increase in Castle Pines.

The average price of a Douglas County single-family attached home increased 13.6 percent, rising \$35,650 between the third quarters of 2015 and 2016. Highlands Ranch (\$335,690) and Castle Rock (\$266,540) reported the largest over-the-year increases in average sales price, rising 10.3 percent and 11.5 percent, respectively. Lone Tree reported the smallest increase in the average sales price, rising 3.8 percent to \$418,580. Parker and Castle Pines also recorded over-the-year increases in the average sales price, rising 7.5 percent and 6.7 percent, respectively.

Douglas County Existing Home Sales, 3rd Qtr 2016							
Douglas County Submarkets							
	Castle Rock	Castle Pines	Highlands Ranch	Larkspur	Lone Tree	Parker	Douglas County
<b>Home Sales</b>							
Single-Family Detached							
3rd Qtr 2016	410	58	548	-	42	335	1,882
3rd Qtr 2015	367	75	602	-	61	322	1,908
Single-Family Attached							
3rd Qtr 2016	94	8	137	-	16	57	398
3rd Qtr 2015	105	4	129	-	21	70	439
<b>Average Sold Price</b>							
Single-Family Detached							
3rd Qtr 2016	\$430,435	\$650,467	\$484,931	-	\$734,005	\$412,445	\$487,708
3rd Qtr 2015	\$395,107	\$594,308	\$449,013	-	\$685,484	\$378,214	\$459,105
Single-Family Attached							
3rd Qtr 2016	\$266,540	\$356,863	\$335,688	-	\$418,581	\$221,660	\$297,156
3rd Qtr 2015	\$239,057	\$334,375	\$304,450	-	\$403,181	\$206,219	\$261,507

Source: Colorado Comps, LLC

### Foreclosures

Foreclosure filings in Douglas County decreased during the third quarter of 2016, compared with the previous year's level. The County reported 77 total foreclosure filings for the third quarter of 2016, while there were 86 filings the previous year. Foreclosures throughout the county continue to be at some of the lowest levels on record. Douglas County reported a 10.5 percent decrease in filings over the year and a 23 percent decrease over the quarter.

Metro Denver reported an 18.2 percent decrease in foreclosure filings over the year and a 4.9 percent decrease in filings over the quarter.

### Building Permits

The number of residential units permitted in Douglas County decreased during the third quarter of the year. The County posted a 41.8 percent decrease in residential units between the third quarters of 2015 and 2016. Two of the three market types recorded declines in permits over the year, with the largest decrease occurring in the multi-family market (-88.1 percent) followed by a 75.8 percent decrease in single-family attached units. Highlands Ranch (+22.2 percent) and Aurora (+121.1 percent) reported the only over-the-year increases in permits of the eight submarkets. Lone Tree (-89.7 percent) and Parker (-81.2 percent) reported the largest decreases in permits issued between the third quarters of 2015 and 2016.

The average valuation of housing permits in Douglas County rose 4 percent for single-family detached homes (\$306,230), while the average valuation for single-family attached homes fell 7.9 percent. Lone Tree reported the highest average valuation for single-family detached homes at \$455,810, while the lowest valuation was \$238,290 in Castle Rock. The average valuation for single-family attached homes ranged from \$158,960 in Castle Rock to \$269,180 in unincorporated Douglas County.



## Residential Real Estate *continued*

Douglas County Residential Building Permits, 3rd Qtr 2016								
	Castle Pines	Castle Rock	Highlands Ranch	Lone Tree	Parker	Aurora	Unincorporated Douglas County	Total Douglas County
<b>Single-Family Detached Homes</b>								
Number of Permits	-	115	33	3	88	42	201	482
Avg. Valuation per Unit	-	\$238,290	\$351,887	\$455,808	\$363,345	\$254,923	\$321,076	\$306,225
<b>Condominiums/Townhomes</b>								
Number of Permits	-	14	-	-	-	-	2	16
Avg. Valuation per Unit	-	\$158,963	-	-	-	-	\$269,176	\$172,739
<b>Multi-Family</b>								
Number of Permits	-	4	-	-	-	-	-	4
Number of Units	-	48	-	-	-	-	-	48
Avg. Valuation per Unit	-	\$106,925	-	-	-	-	-	\$106,925
<b>Total 3rd Qtr 2016 Building Permits</b>	-	<b>177</b>	<b>33</b>	<b>3</b>	<b>88</b>	<b>42</b>	<b>203</b>	<b>546</b>
<i>Total 3rd Qtr 2015 Building Permits</i>	-	<i>183</i>	<i>27</i>	<i>29</i>	<i>467</i>	<i>19</i>	<i>213</i>	<i>938</i>

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

## Commercial Real Estate

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

### Office Market

Douglas County reported a 0.2 percentage point decrease in the office vacancy rate to 8.1 percent between the third quarters of 2015 and 2016. An additional 405,300 sq. ft. of rentable office space entered the market during the same period. Larkspur and Lone Tree recorded the only declines in vacancy, falling 6.4 percentage points and 3 percentage points, respectively. Parker and Castle Rock recorded the largest increases in vacancy, rising 1.5 percentage points and 2.2 percentage points, respectively. The vacancy rate in Highlands Ranch also increased over the year, rising 0.7 percentage points to 4.8 percent. The Metro Denver vacancy rate decreased 0.6 percentage points to 9.2 percent during the same period.

The average lease rate in Douglas County rose 8.5 percent to \$26.15 per sq. ft. in the third quarter of 2016 compared with the previous year. Highlands Ranch recorded the largest over-the-year increase in average lease rate, rising 16.2 percent to \$25.83 per sq. ft. Castle Rock (+5.6 percent) and Lone Tree (+6.6 percent) also recorded an increase in the average lease rate. Parker (-1.9 percent) reported the only decline in average lease rate during the period. The Metro Denver average lease rate

rose 3.8 percent over the year to \$24.99 per sq. ft. The Douglas County average lease rate was 4.6 percent higher than the Metro Denver rate.

### Industrial Market

The industrial market vacancy rate rose 0.5 percentage points to 2.4 percent in Douglas County between the third quarters of 2015 and 2016. An additional 199,750 sq. ft. of industrial space entered the market during the period. Highlands Ranch, Larkspur, and Lone Tree continued to report a vacancy rate of zero percent during the period. Parker reported a 0.3 percentage point increase in the vacancy rate over the year, while Castle Rock reported a 0.2 percentage point decrease in vacancy. Metro Denver reported a 0.7 percentage point increase to 3.4 percent.

The average lease rate for the industrial market in Douglas County rose 13.4 percent to \$10.43 per sq. ft. in the third quarter of 2016 compared with the previous year. Castle Rock (\$11.85 per sq. ft.) reported a 31.4 percent increase in the average lease rate, while Parker (\$10.29 per sq. ft.) posted a 2.9 percent increase. Metro Denver reported a 6.3 percent increase in the average lease rate to \$7.26 per sq. ft. during the

same period. The Douglas County average lease rate was \$3.17 higher than the Metro Denver rate.

### Flex Market

The flex vacancy rate for Douglas County fell 0.4 percentage points to 5.2 percent in the third quarter of 2016 compared with the previous year. Lone Tree reported the largest over-the-year decrease in the vacancy rate, falling 3.5 percentage points to zero percent vacancy, while Castle Rock recorded a 1 percentage point decline. Parker recorded a 10 percentage point increase to 10 percent vacancy. The Metro Denver vacancy rate declined during the period, falling 0.2 percentage points to 7.3 percent.

The average lease rate in Douglas County rose 9.1 percent to \$11.50 per sq. ft. between the third quarters of 2015 and 2016. Parker recorded a 10 percent increase in average lease rate, while Castle Rock's decreased by 1.3 percent over the year. Lone Tree reported no change in average lease rate between the third quarters of 2015 and 2016. Metro Denver reported a 6.2 percent increase in average lease rate to \$10.91 per sq. ft. during the same period. Douglas County's average lease rate was \$0.59 higher than that of Metro Denver.

## Commercial Real Estate *continued*

### Retail Market

Douglas County reported a 0.1 percentage point decrease in the retail vacancy rate to 2.4 percent between the third quarters of 2015 and 2016 and the county added 395,110 sq. ft. of retail space to the market. Two of the five Douglas County submarkets reported declines in vacancy rate, including Lone Tree (-0.7 percentage points) and Castle Rock (-0.3 percentage points). Highlands Ranch recorded a 0.4 percentage point increase and Parker recorded a 0.5 percentage

point increase, while Larkspur recorded no change in vacancy. The retail vacancy rate in Metro Denver fell 0.4 percentage points to 4.6 percent during the same period.

The average lease rate in the Douglas County retail market rose 0.1 percent to \$18.46 per sq. ft. in the third quarter of 2016 compared with the previous year. Two of the five submarkets recorded increases in the average lease rate

over the year, consisting of Castle Rock (+0.9 percent) and Lone Tree (+17.6 percent). Highlands Ranch (-1.8 percent) and Parker (-2.4 percent) both recorded over-the-year decreases. The Metro Denver average lease rate rose 3.8 percent over the year to \$16.33 per sq. ft. The Douglas County average lease rate was 13 percent higher than the Metro Denver rate.

Douglas County Commercial Vacancy and Lease Rates by Property Type, 3rd Qtr 2016						
	Total Existing Sq. Footage		Vacancy Rate		Avg. Lease Rate (per sq. ft.)	
	3rd Qtr 2016	3rd Qtr 2015	3rd Qtr 2016	3rd Qtr 2015	3rd Qtr 2016	3rd Qtr 2015
<b>Office</b>						
Castle Rock*	1,072,679	994,879	9.4%	7.2%	\$26.19	\$24.81
Highlands Ranch	1,993,137	1,987,512	4.8%	4.1%	\$25.83	\$22.23
Larkspur	24,915	24,915	0.0%	6.4%	-	-
Lone Tree	2,780,551	2,472,051	8.3%	11.3%	\$28.81	\$27.02
Parker	1,163,877	1,150,509	9.4%	7.9%	\$25.34	\$25.82
<b>Total Douglas County</b>	<b>12,666,017</b>	<b>12,260,724</b>	<b>8.1%</b>	<b>8.3%</b>	<b>\$26.15</b>	<b>\$24.11</b>
<b>Industrial</b>						
Castle Rock*	961,720	961,720	1.0%	1.2%	\$11.85	\$9.02
Highlands Ranch	123,121	123,121	0.0%	0.0%	-	-
Larkspur	28,019	28,019	0.0%	0.0%	-	-
Lone Tree	36,686	36,686	0.0%	0.0%	-	-
Parker	596,588	596,588	1.8%	1.5%	\$10.29	\$10.00
<b>Total Douglas County</b>	<b>5,692,323</b>	<b>5,492,573</b>	<b>2.4%</b>	<b>1.9%</b>	<b>\$10.43</b>	<b>\$9.20</b>
<b>Flex</b>						
Castle Rock*	220,689	220,689	10.2%	11.2%	\$13.24	\$13.42
Highlands Ranch	281,439	281,439	0.0%	0.0%	-	-
Larkspur	-	-	-	-	-	-
Lone Tree	90,396	90,396	0.0%	3.5%	\$10.00	\$10.00
Parker	189,486	189,486	10.0%	0.0%	\$11.82	\$10.75
<b>Total Douglas County</b>	<b>2,837,349</b>	<b>2,837,349</b>	<b>5.2%</b>	<b>5.6%</b>	<b>\$11.50</b>	<b>\$10.54</b>
<b>Retail</b>						
Castle Rock*	3,677,829	3,629,763	2.1%	2.4%	\$18.51	\$18.34
Highlands Ranch	3,229,921	3,072,050	2.4%	2.0%	\$18.27	\$18.60
Larkspur	42,613	42,613	0.0%	0.0%	-	-
Lone Tree	3,630,490	3,621,990	0.8%	1.5%	\$23.15	\$19.68
Parker	4,254,611	4,073,934	4.3%	3.8%	\$17.66	\$18.10
<b>Total Douglas County</b>	<b>17,036,072</b>	<b>16,640,958</b>	<b>2.4%</b>	<b>2.5%</b>	<b>\$18.46</b>	<b>\$18.45</b>

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

## Non-Residential Development Activity

Douglas County Commercial Building Permits Issued, 3rd Qtr 2016			
Jurisdiction	Project Description	Valuation	Total Sq. Ft.
Castle Rock	Okinawa Sushi Restaurant	\$925,000	5,859
Castle Rock	Extra Space Mini-Self Storage	\$1,825,000	31,603
Castle Rock	Brooklyn Vet Clinic	\$2,000,000	8,247
Castle Rock	Master Magnetics Foundation Only	\$550,000	5,000
Castle Rock	Imotion Core & Shell	\$480,000	6,020
Castle Rock	Promenade Block 6, Bldg. E	\$408,594	8,417
Castle Rock	Promenade Block 6, Bldg. D	\$398,475	8,208
Castle Rock	Promenade Building 8B	\$387,995	6,351
Castle Rock	Personal Warehouse Bldg. A	\$935,719	14,167
Castle Rock	Personal Warehouse Bldg. B	\$776,287	11,720
Castle Rock	Personal Warehouse Bldg. C	\$766,178	11,600
Castle Rock	Personal Warehouse Bldg. D	\$643,975	9,750
Castle Rock	Limelight Mob	\$1,928,467	21,296
Parker	Care Now Urgent Care	\$557,723	5,633
Lone Tree	Integrated ENT - medical office building	\$1,638,582	9,930
Lone Tree	Sierra Grille	\$6,000,000	8,445
Unincorporated	Equipment Sweeper building; Bldg. #B, S-2	\$629,817	8,617
Unincorporated	Shop building; Bldg. #E	\$697,187	9,410
Unincorporated	Operation Bldg. #A	\$34,236	32,897
Unincorporated	Pinery Pump Station	\$1,500,000	2,822

Source: Douglas County and individual municipalities.

Douglas County Commercial Certificates of Occupancy Issued, 3rd Qtr 2016		
Jurisdiction	Project Description	Total Sq. Ft.
Castle Pines	Douglas County Library Branch	14,424
Castle Rock	Self-Storage Building	5,064
Castle Rock	Shopping Center	5,347
Castle Rock	Goodwill Store	18,023
Castle Rock	The Move Office Building	71,146
Lone Tree	Charles Schwab Office	5,019
Parker	Wendy's Restaurant	3,067
Parker	Advance Auto Store	6,912
Parker	Automotive Services	16,535
Unincorporated	Service Street Automotive Repair	5,400
Unincorporated	University of Colorado Emergency Room	8,498
Unincorporated	Home 2 Suites Hotel	65,841

Source: Douglas County and individual municipalities.

- Douglas County building officials issued permits for 226,000 sq. ft. of non-residential space valued at approximately \$23.1 million during the third quarter of 2016. The Sierra Grille in Lone Tree had the highest valuation at \$6 million. An operations building on government land in unincorporated Douglas County was the largest project in terms of area, spanning 32,900 sq. ft. Other notable projects for which permits were issued included the Brooklyn Vet Clinic building in Castle Rock. It is valued at \$2 million, a \$1.9 million, 21,300-square-foot building by Limelight MOB in Castle Rock, and a medical office building in Lone Tree valued at over \$1.6 million.
- Certificates of completion or occupancy were issued for over 225,276 sq. ft. of non-residential property, a 100 percent increase in square footage between the third quarters of 2015 and 2016.

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