

2023
ANNUAL ECONOMIC INDICATOR REPORT



Centennial
C O L O R A D O

Centennial 2023 Annual Report

Employment growth accelerated throughout Centennial from 2022 to 2023 and total employment in the region surpassed pre-pandemic levels by 1.4 percent. The unemployment rate in Centennial increased to 2.9 percent in 2023, rising above its 2022 rate as well as its 2016-2019 pre-pandemic average. Nevertheless, the unemployment rate in Centennial remained below the Arapahoe County and Metro Denver rate of 3.1 percent.

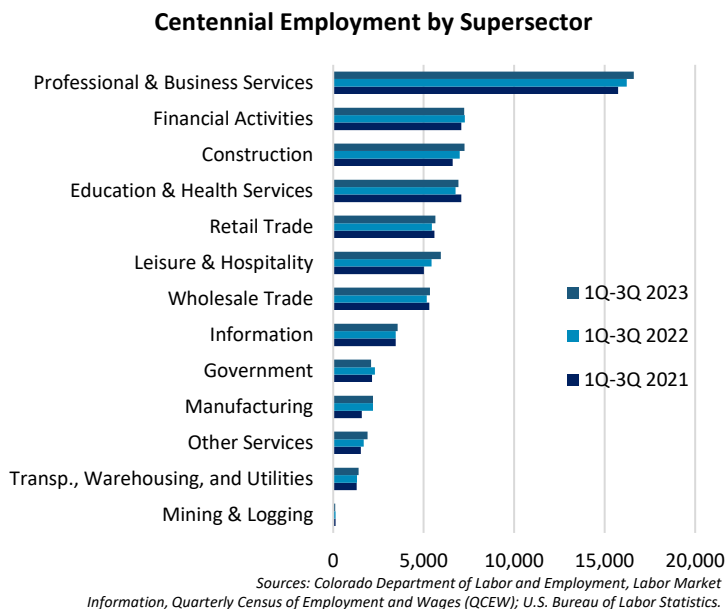
Consumer confidence increased modestly between 2022 and 2023, supported by positive perceptions of current business conditions and less pessimistic views of business, labor market, and personal income over the next six months. Net taxable sales tracked similarly with consumer confidence, rising less than 1 percent between 2022 and 2023 following two years of double-digit growth. With rising interest rates continuing to cool the residential real estate market, existing home sales in Centennial fell 19.3 percent from 2022 to 2023. Although home price appreciation slowed between 2022 and 2023, demand for housing continued to outpace supply, and home prices increased by about 1.8 percent in Centennial during the period. Following three years of elevated multifamily building permit activity in Centennial, 2023 saw a shift away from multifamily as single-family permitting activity increased. Commercial real estate activity was mixed in 2023 as average lease rates fell across all property types, but vacancy rate.

Employment Activity

Total Employment

This report examines the employment data for the first three quarters of 2021, 2022, and 2023. For simplicity, these data periods may be referred to as 2021, 2022, and 2023, respectively.

- Centennial had an average employment base of 66,544 workers in 2023, representing nearly 4.0 percent of total Metro Denver employment.
- Employment in Centennial rose 3.4 percent between 2022 and 2023 which totals an additional 2,162 workers over the period. Over-the-year employment rose 2.9 percent in 2022 and 1.7 percent in 2021.
- Metro Denver employment averaged nearly 1.8 million in 2023, an increase of 2.3 percent from 2022. Employment in Metro Denver increased 5.1 percent in 2022 and 3.1 percent in 2021.
- In Centennial, 10 of the 13 supersectors posted increases from 2022 to 2023. From 2021 to 2022, eight supersectors reported increases.



- The three largest supersectors in Centennial in 2023 were Professional and Business Services, Construction, and Financial Activities.¹ These supersectors represented 46.7 percent of total employment in Centennial. Professional and Business Services represented 25.0 percent of Centennial’s total employment in 2023, compared with 20.2 percent in Metro Denver. The Professional and Business Services supersector was also the largest supersector in Metro Denver.
- Employment in the Professional and Business Services supersector increased 2.4 percent, or by 394 employees between 2022 and 2023. Employment in the second largest supersector, Construction, rose 3.9 percent or by 270 employees in 2023. Construction employment increased 9.5 percent in 2021, increased another 5.9 percent in 2022, and increased 13.5 percent through the fourth quarter of 2023.
- Leisure and Hospitality added the most jobs between 2022 and 2023, adding 515 jobs, while Government Services reported the largest loss of jobs in 2023, falling by 203 jobs. By percentage growth, Other Services reported the largest increase of 13.7 percent, or 229 employees, while Mining and Logging reported the largest percent decline of 13.1 percent, or 16 employees.

Employment Indicators by Supersector

	Centennial					Metro Denver	
	Employment			% Change	% Change	% Change	% Change
	1Q-3Q 2021	1Q-3Q 2022	1Q-3Q 2023	2021-22	2022-23	2021-22	2022-23
Total All Industries	62,575	64,381	66,544	2.9%	3.4%	5.1%	2.3%
Private Sector							
Mining & Logging	131	124	107	-5.4%	-13.1%	-4.1%	-6.3%
Construction	6,596	6,983	7,254	5.9%	3.9%	3.4%	1.6%
Manufacturing	1,586	2,197	2,198	38.5%	0.1%	3.4%	-3.2%
Wholesale Trade	5,318	5,171	5,345	-2.8%	3.4%	5.6%	1.6%
Retail Trade	5,597	5,456	5,644	-2.5%	3.4%	-0.5%	0.9%
Transp., Warehousing & Utilities	1,298	1,320	1,405	1.7%	6.4%	6.8%	4.4%
Information	3,458	3,448	3,551	-0.3%	3.0%	3.9%	-2.8%
Financial Activities	7,083	7,279	7,235	2.8%	-0.6%	3.0%	-1.6%
Professional & Business Services	15,749	16,217	16,612	3.0%	2.4%	8.2%	2.1%
Education & Health Services	7,083	6,768	6,927	-4.4%	2.3%	1.7%	4.6%
Leisure & Hospitality	5,005	5,435	5,950	8.6%	9.5%	15.8%	5.0%
Other Services	1,532	1,676	1,905	9.4%	13.7%	6.9%	4.0%
Government	2,137	2,297	2,094	7.5%	-8.8%	2.1%	4.5%

Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.

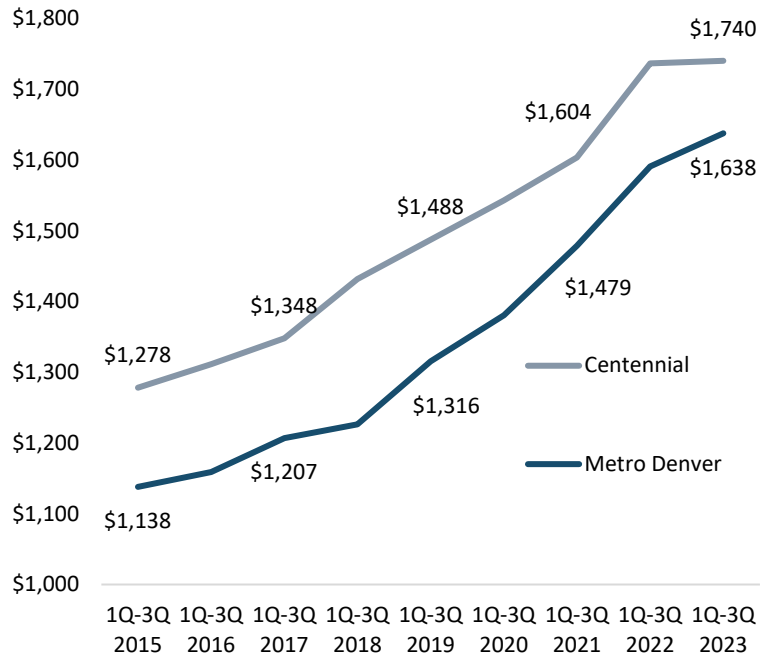
Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

¹ 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/naics/>.

Average Wage

- Centennial’s average weekly wage for all industries was \$1,740 in 2023, an increase of 0.2 percent compared with the 2022 average wage of \$1,736. The 2023 average weekly wage was 6.3 percent higher than the average weekly wage of Metro Denver, representing an additional \$102 per week.
- The Information supersector reported a weekly wage of \$2,739 in Centennial in 2023, the highest weekly wage among supersectors. Leisure and Hospitality reported the lowest weekly wage of \$542.
- Seven of the 13 supersectors in Centennial recorded increases in the average weekly wage between 2022 and 2023. Mining recorded the largest increase, rising 17.9 percent during the period, followed by Transportation, Warehousing, and Utilities (+14.0 percent), and Professional and Business Services (+3.4 percent). The Retail Trade supersector reported the largest year-over-year decrease of 4.7 percent, followed by Wholesale Trade (-4.0 percent).

Average Weekly Wage for All Industries



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

Centennial Business Counts and Average Wage by Supersector

	Business Count					Average Annual Wage				
	1Q-3Q 2021	1Q-3Q 2022	1Q-3Q 2023	% Change 2021-22	% Change 2022-23	1Q-3Q 2021	1Q-3Q 2022	1Q-3Q 2023	% Change 2021-22	% Change 2022-23
Total All Industries	5,400	5,709	5,999	5.7%	5.1%	\$1,604	\$1,736	\$1,740	3.0%	0.2%
Private Sector										
Mining & Logging	20	18	18	-9.8%	-1.8%	\$2,193	\$2,245	\$2,648	2.4%	17.9%
Construction	447	459	471	2.7%	2.7%	\$1,532	\$1,608	\$1,569	5.0%	-2.4%
Manufacturing	89	96	99	7.8%	2.8%	\$1,613	\$1,692	\$1,711	4.9%	1.1%
Wholesale Trade	442	456	459	3.2%	0.7%	\$2,401	\$2,717	\$2,608	13.2%	-4.0%
Retail Trade	277	273	283	-1.3%	3.7%	\$995	\$1,075	\$1,025	8.1%	-4.7%
Transp., Warehousing & Utilities	80	79	85	-0.8%	7.6%	\$824	\$905	\$1,032	9.9%	14.0%
Information	154	158	184	2.8%	16.2%	\$2,438	\$2,669	\$2,739	9.5%	2.6%
Financial Activities	828	870	887	5.2%	1.9%	\$1,951	\$2,123	\$2,174	8.8%	2.4%
Professional & Business Services	1,751	1,919	2,014	9.6%	5.0%	\$1,949	\$2,120	\$2,192	8.8%	3.4%
Education & Health Services	619	649	701	4.8%	7.9%	\$1,079	\$1,112	\$1,135	3.0%	2.1%
Leisure & Hospitality	295	303	322	2.8%	6.4%	\$484	\$553	\$542	14.2%	-2.0%
Other Services	381	403	438	5.8%	8.8%	\$1,009	\$1,083	\$1,062	7.3%	-1.9%
Government	15	15	14	2.2%	-8.7%	\$1,607	\$1,764	\$1,763	9.8%	-0.1%

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

Business Counts

- Centennial added 290 businesses between 2022 and 2023, increasing to 5,999 businesses, a 5.1 percent increase. The number of businesses increased 5.7 percent from 2021 to 2022 as the city added 309 businesses.
- A total of 11 of the 13 supersectors recorded an increase in the number of businesses between 2022 and 2023, with the Professional and Business Services supersector recording the largest increase of 5.0 percent, or 95 businesses. Ten of the 13 supersectors reported an increase in the number of businesses in 2022, led by a 168-business increase in Professional and Business Services (+9.6 percent).
- Mining and Logging remained unchanged and Government was the only supersector to report a decline in businesses in 2023, losing a combined total of one business. In 2022, six businesses were lost across Mining and Logging, Retail Trade, and Transportation, Warehousing, and Utilities.

Largest Employers in Centennial

The largest employers in Centennial represent a diverse mix of industries. Isolating the largest employers to just the city’s primary employers (that is, excluding retail operations), these industries range from financial services to construction and engineering to high technology industries such as telecommunications, bioscience, and computer systems.

Centennial Largest Private Employers 2024			
Rank	Company	Product/Service	Employees
1	Comcast	Telecommunications	4,500
2	UnitedHealthcare	Financial Services	3,620
3	Arrow Electronics	Electronic Component Wholesaler	1,530
4	CommonSpirit Health	Healthcare	1,500
5	United Launch Alliance	Aerospace & Defense Related Systems	1,420
6	Sierra Nevada Corporation	Aerospace & Defense Related Systems	1,000
7	Travelers Indemnity	Insurance	990
8	RingCentral	Telecommunications	660
9	Select A Service	Retail Merchandising Technology	580
10	MasTec Advanced Technologies	Technology Infrastructure	570
11	R & A Home Care	Healthcare	510
12	SEAKR Engineering	Engineering Services	480
13	US Foods	Foodservice Distribution	450
14	Nordstrom Credit Inc.	Credit Card Services	440
14	Allosource	Tissue Allograft Provider	440
16	Amerita	Infusion Services	420
17	Haselden Construction	Construction Services	380
18	Stolle Machinery	Canning Machinery	360
19	Designscapes Colorado	Landscape Design & Architecture	310
20	Travelport	Travel Software	280
21	Life Time Fitness	Recreation Center	270
22	Fast Enterprises	Government Software Solutions	240
23	SEMA Construction	Construction Services	230
24	Plumblin Services	Plumbing Services	230
25	Eurofins VRL, Inc.	Laboratory Testing Services	210

Source: Metro Denver Economic Development Corp., July 2024.

Note: Data are compiled using combination of primary and secondary data sources. Primary data collection includes confirming directly with employers in the area. Secondary data sources include a variety of news articles, research, marketplace data, CoStar, among others. Employment data reflects 2023 employment figures (or current if available).

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. An LQ equal to 1.0 indicates that the region's employment concentration is equal to that of the nation. Where an industry's local employment concentration is greater than the national economy (an LQ greater than 1.0), it is presumed that the production of goods and services is more than sufficient to meet local demand. Therefore, the industry's production is exported, either physically or financially, a key component of a "primary job." These industries drive wealth creation within a region.

LQs were computed for each of the 96 three-digit North American Industry Classification System (NAICS) subsector level code. Centennial focuses on tracking economic activity in those subsectors that have an LQ of 1.5 or more, which are highlighted below.

Total Employment – High LQs

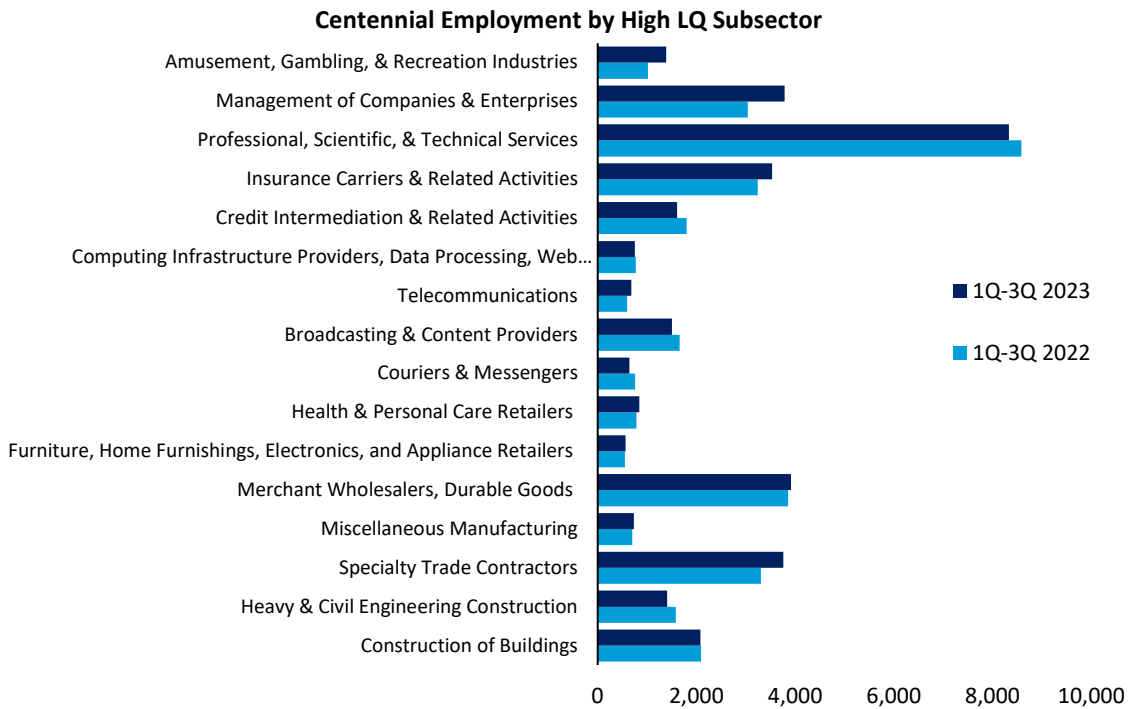
Employment for High Location Quotient Subsectors

	LQ	Employment		
		1Q-3Q 2022	1Q-3Q 2023	% Change 2022-23
	3Q 2023			
Construction of Buildings	2.6	2,094	2,084	-0.5%
Heavy & Civil Engineering Construction	2.8	1,581	1,410	-10.9%
Specialty Trade Contractors	1.7	3,308	3,760	13.7%
Miscellaneous Manufacturing	2.8	699	734	5.0%
Merchant Wholesalers, Durable Goods	2.7	3,859	3,916	1.5%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	1.6	549	561	2.2%
Health & Personal Care Retailers	1.8	785	841	7.1%
Couriers & Messengers	1.5	761	642	-15.5%
Broadcasting & Content Providers	9.7	1,658	1,504	-9.3%
Telecommunications	2.5	593	678	14.3%
Computing Infrastructure Providers, Data Processing, Web Hosting, & Related Services	3.2	770	750	-2.5%
Credit Intermediation & Related Activities	2.1	1,800	1,610	-10.5%
Insurance Carriers & Related Activities	3.2	3,243	3,533	8.9%
Professional, Scientific, & Technical Services	1.7	8,584	8,331	-3.0%
Management of Companies & Enterprises	3.6	3,040	3,783	24.4%
Amusement, Gambling, & Recreation Industries	1.6	1,019	1,389	36.3%

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

Note: Some employment data cannot be reported due to confidentiality issues.

- A total of 16 subsectors are tracked in this analysis. All of these subsectors in Centennial had an LQ of 1.5 or higher in 2023.
- Employment data from 2023 revealed that nearly 53 percent of Centennial's total employment was found in these 16 high LQ subsectors.
- Total employment in the high LQ subsectors reached 35,526 in 2023, up 3.4 percent from 2022.
- Among the high LQ subsectors, the Professional, Scientific, & Technical Services subsector reported the highest employment in Centennial of 8,331 in 2023.
- Nine of the 16 high LQ subsectors in Centennial posted employment increases in 2023. The Amusement, Gambling, and Recreation Industries subsector reported the fastest growth year-over-year, rising 36.3 percent, or an increase of 370 employees, followed by Management of Companies & Enterprises, rising 24.4 percent, or by 743 employees.
- Employment decreases from 2022 to 2023 were led by a decrease in the Couriers & Messengers subsector of 15.5 percent or 118 employees and Heavy & Civil Engineering Construction, which reported an employment decrease of 10.9 percent, or 171 employees.



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

Average Wage – High LQs

- The highest average weekly wage was reported in the Computing Infrastructure Providers, Data Processing, Web Hosting, & Related Services subsector, with an average weekly wage of \$4,965, while the lowest weekly wage of \$516 was reported in the Amusement, Gambling, & Recreation Industries subsector.
- Fourteen of the 16 subsectors in Centennial recorded growth in the average weekly wage between 2022 and 2023. The Telecommunications subsector recorded the largest percentage increase over-the-year of 11.2 percent, followed by Couriers & Messengers (+6.2 percent) and Construction of Buildings (+4.8 percent).
- The two subsectors to report declines in the average wage were the Amusement, Gambling, & Recreation Industries subsector, falling 9.9 percent, followed by Health & Personal Care Retailers (-2.3 percent).

Business Counts – High LQs

- The Professional, Scientific, and Technical Services subsector reported the highest business count in Centennial of 1,516 establishments, followed by Specialty Trade Contractors (294), and Merchant Wholesalers of Durable Goods (285).
- The Professional, Scientific, & Technical Services subsector gained the most businesses between 2022 and 2023, increasing by 86 businesses. Eleven of the 16 High LQ subsectors reported increases between 2022 and 2023.

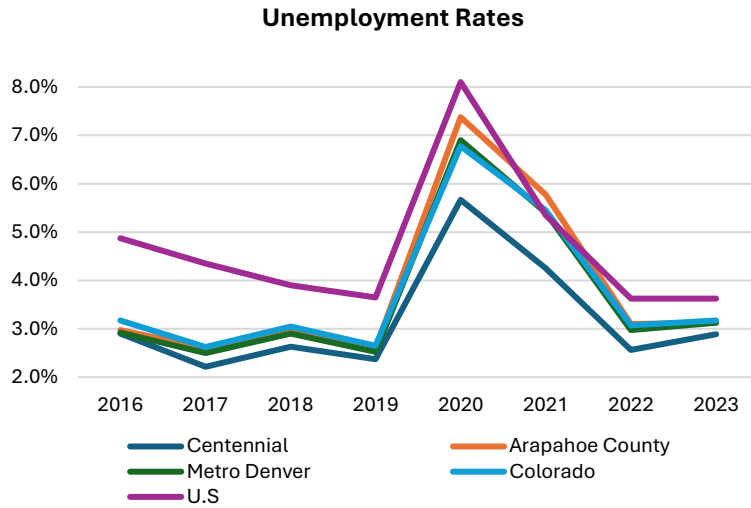
Business Count and Average Wage for High Location Quotient Subsectors

	LQ	Business Count			Average Weekly Wage		
		1Q-3Q 2022	1Q-3Q 2023	% Change 2022-23	1Q-3Q 2022	1Q-3Q 2023	% Change 2022-23
	3Q 2023						
Construction of Buildings	2.6	9	12	29.6%	144	143	-0.2%
Heavy & Civil Engineering Construction	2.8	52	56	9.0%	30	34	12.1%
Specialty Trade Contractors	1.7	28	30	9.6%	285	294	3.2%
Miscellaneous Manufacturing	2.8	197	203	3.0%	21	24	12.5%
Merchant Wholesalers, Durable Goods	2.7	127	126	-0.8%	281	285	1.4%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	1.6	147	144	-2.5%	29	29	-1.1%
Health & Personal Care Retailers	1.8	5	4	-13.3%	33	37	11.1%
Couriers & Messengers	1.5	271	281	3.7%	20	19	-3.3%
Broadcasting & Content Providers	9.7	20	21	6.7%	12	14	20.0%
Telecommunications	2.5	14	18	28.6%	18	21	16.7%
Computing Infrastructure Providers, Data Processing, Web Hosting, & Related Services	3.2	124	128	3.5%	56	55	-3.0%
Credit Intermediation & Related Activities	2.1	1,275	1,430	12.2%	130	130	0.3%
Insurance Carriers & Related Activities	3.2	26	33	26.9%	203	204	0.3%
Professional, Scientific, & Technical Services	1.7	278	285	2.6%	1,430	1,516	6.0%
Management of Companies & Enterprises	3.6	20	20	1.7%	126	119	-5.5%
Amusement, Gambling, & Recreation Industries	1.6	129	130	0.8%	41	44	6.5%

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

Labor Force and Unemployment Rate

- The labor force in Centennial rose 1.5 percent from 2022 to 2023, representing 956 additional people either working or looking for a job during the period compared to a 2.5 percent increase in the labor force from 2021 to 2022. The labor force increased 1.1 percent in Arapahoe County and rose 1.3 percent in Metro Denver from 2022 to 2023. Colorado reported an increase in the labor force of 1.4 percent in 2023, and an increase of 1.7 percent occurred across the U.S. over-the-year.



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

- All five market areas reported either no change or over-the-year increases in the unemployment rate from 2022 to 2023 after decreases were reported between 2021 to 2022 across all regions. Centennial’s unemployment rate grew 0.3 percentage points from 2.6 percent in 2022 to 2.9 percent in 2023, and remained the lowest unemployment rate of the five market areas.
- The Centennial labor force represented 17.3 percent of the total labor force in Arapahoe County in 2023.

Labor Force and Unemployment

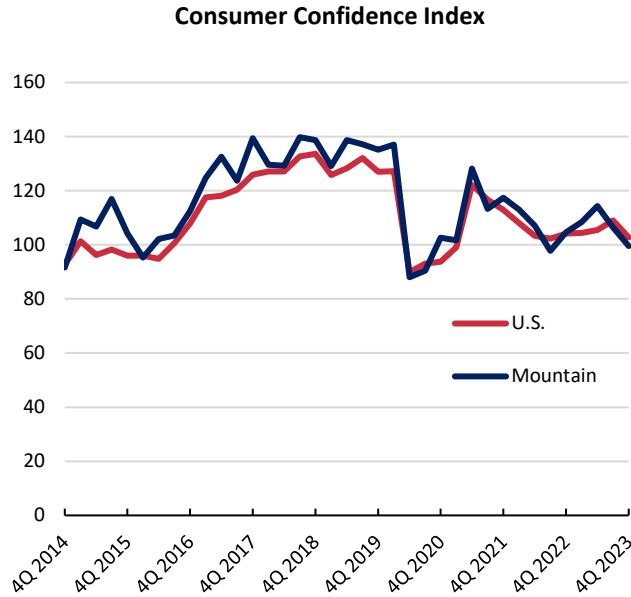
	Labor Force					Unemployment Rate		
	2021	2022	2023	% Change 2021-22	% Change 2022-23	2021	2022	2023
Centennial	63,143	64,704	65,660	2.5%	1.5%	4.3%	2.6%	2.9%
Arapahoe County	369,326	374,389	378,592	1.4%	1.1%	5.8%	3.1%	3.1%
Metro Denver	1,853,815	1,883,079	1,906,890	1.6%	1.3%	5.4%	3.0%	3.1%
Colorado	3,149,673	3,186,932	3,230,482	1.2%	1.4%	5.5%	3.1%	3.2%
U.S. (000s)	161,204	164,287	167,116	1.9%	1.7%	5.4%	3.6%	3.6%

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

Consumer Activity

Consumer Confidence Index

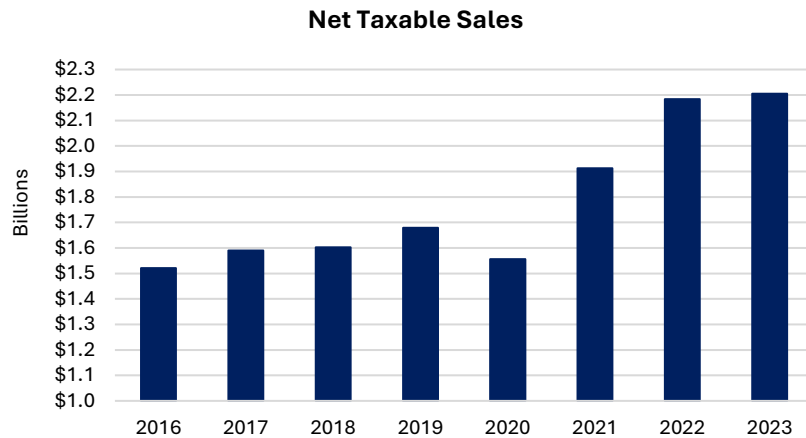
- The Consumer Confidence Index for the U.S. increased 0.9 percent from 2022 to 2023, compared to a 7.3 percent decrease between 2021 and 2022. Analysts noted that while confidence fell in October 2023, the last two months of the year were met with increased consumer confidence, reflecting more positive ratings of current business conditions and job availability, as well as less pessimistic views of business, labor market, and personal income prospects over the next six months.
- Colorado is included in the Mountain Region Index and the area reported an average index of 107.2 in 2023, an increase of 1.4 percent from 2022. In the Mountain Region, consumer confidence generally remained above national confidence through the first half of 2023 but fell below the national average in the third and fourth quarters.



Source: The Conference Board.

Local Net Taxable Sales

- Net taxable sales totaled just over \$2.2 billion in Centennial in 2023, up 0.9 percent, or approximately \$20 million, from 2022. Between 2021 and 2022, sales increased 14.1 percent, or by about \$270 million. From 2015 to 2023, net taxable sales increased every year, except for 2020 when sales fell 7.4 percent.



Source: The City of Centennial, Finance

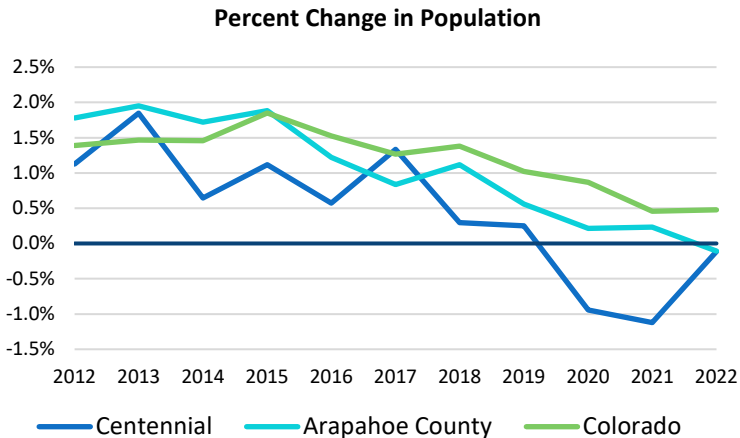
Median Household Income

- Median household income in Centennial was \$126,224 in 2022, up 7.2 percent, or \$17,693 from 2021, and up 13.5 percent from the previous peak of \$111,257 in 2019. The median household income in Centennial in 2022 was 34.6 percent higher than Arapahoe County (\$93,784) and 41.3 percent higher than Colorado (\$89,302).

- Median household income in Centennial rose 30.6 percent from 2015 to 2022, while the consumer price index for the Denver-Aurora-Lakewood MSA increased 26.8 percent during the same period. This suggests that the inflation-adjusted median household income increased 3.8 percent between 2015 and 2022.

Population

- The population of Centennial was 106,818 as of July 1, 2022, a 0.1 percent decrease from 2021 and the third consecutive over-the-year decline in population, according to the Colorado State Demography Office. In 2020, the population declined 0.9 percent and in 2021 the population declined 1.1 percent. Prior to the decline in 2020, the population in Centennial had been growing at an average of 0.9 percent per year from 2010 to 2019.



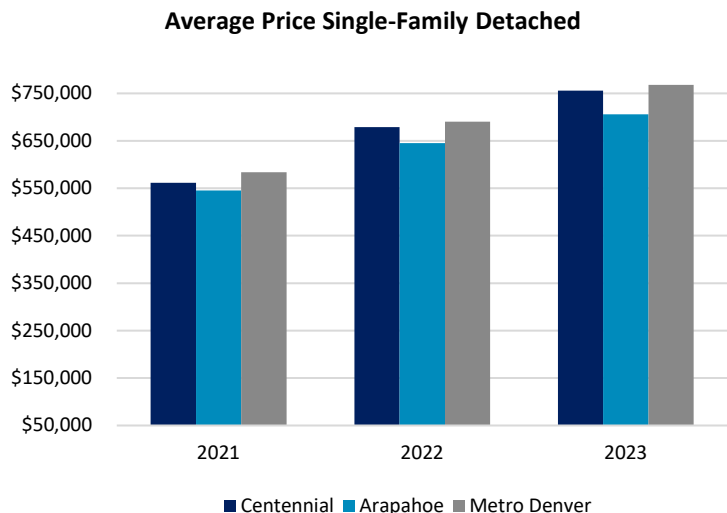
Source: Colorado State Demography Office.

- In Arapahoe County and across the state, population growth has steadily slowed since 2011, but has largely remained positive. From 2021 to 2022, population growth in Arapahoe County dipped into the negative, falling 0.1 percent over the year while the population in Colorado grew at a rate of 0.2 percent.
- Assuming Centennial’s share of the total population in Arapahoe County holds steady at about 16.3 percent, Centennial’s population is likely to reach 110,924 in 2026, based on the Colorado State Demography Office forecasted population increase in Arapahoe County.

Residential Real Estate

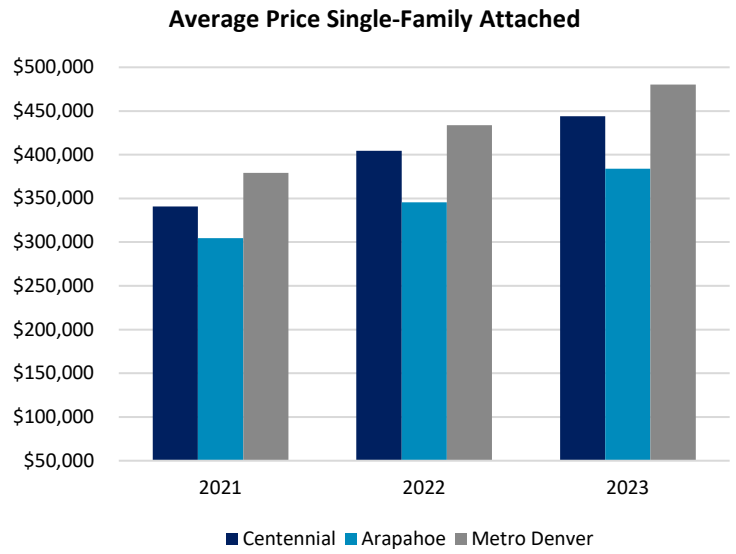
Existing Home Sales

- Between 2022 and 2023, all three market areas reported decreases in detached home sales and both Centennial and Arapahoe County reported sale price increases. detached home sales fell 21.7 percent in Centennial, 19.9 percent in Arapahoe County, and 17.3 percent in Metro Denver. Between 2022 and 2023 attached home sales fell 10.4 percent in Centennial, 18.5 percent in Arapahoe County, and 19.5 percent in Metro Denver.



Source: DMAR

- Centennial and Arapahoe County experienced a modest increase in the average sale price of both attached and detached homes in 2023, while Metro Denver experienced a slight decrease in the average sale price, following strong home sales growth across all three regions between 2021 and 2022. From 2021 to 2022, detached home prices rose 11.3 percent in Centennial, 9.4 percent in Arapahoe County, and 11.2 percent in Metro Denver. Between 2022 to 2023, prices rose 1.8 percent in Centennial and 4.2 percent in Arapahoe County, but decreased 0.4 percent in Metro Denver.



Source: DMAR

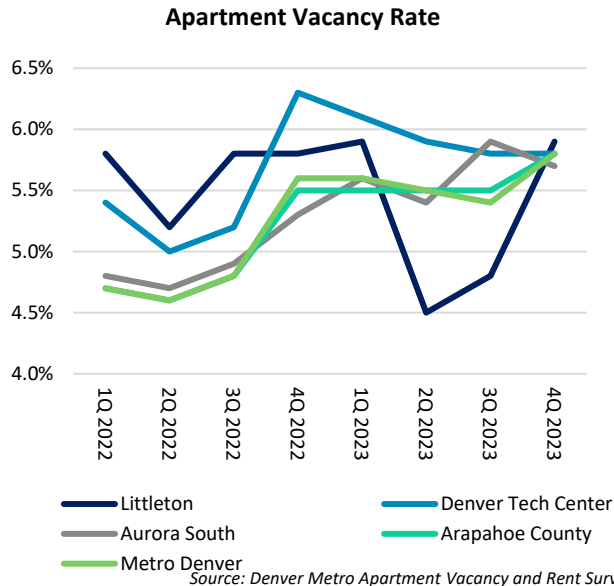
Residential Real Estate Market

	Single-Family Attached			% Change 2021-22	% Change 2022-23	Single-Family Detached			% Change 2021-22	% Change 2022-23
	2021	2022	2023			2021	2022	2023		
Home Sales										
Centennial	419	338	303	-19.3%	-10.4%	1,603	1,277	1,000	-20.3%	-21.7%
Arapahoe County	4,667	3,650	2,973	-21.8%	-18.5%	8,575	6,890	5,521	-19.7%	-19.9%
Metro Denver	19,520	15,446	12,431	-20.9%	-19.5%	44,588	35,570	29,409	-20.2%	-17.3%
Average Sold Price										
Centennial	\$404,499	\$444,008	\$447,031	9.8%	0.7%	\$679,156	\$755,952	\$769,643	11.3%	1.8%
Arapahoe County	\$345,637	\$384,021	\$388,482	11.1%	1.2%	\$645,302	\$705,754	\$735,500	9.4%	4.2%
Metro Denver	\$433,600	\$480,152	\$477,985	10.7%	-0.5%	\$690,714	\$767,888	\$764,977	11.2%	-0.4%

Source: Denver Metro Association of Realtors

Apartment Market

- Apartment vacancy rates increased in two of the three submarket areas² from the fourth quarter of 2022 to the fourth quarter of 2023. The largest increase of 0.4 percentage points was reported in the Aurora South submarket, followed by a 0.1 percentage point increase in the Littleton submarket. Vacancy decreased 0.5 percentage points over the year in the Denver Tech Center submarket to 5.8 percent. The Littleton submarket reported the highest vacancy rate of 5.9 percent and Aurora South had the lowest vacancy rate of 5.7 percent.



- The vacancy rate also increased in Arapahoe County and Metro Denver between Q4 2022 and Q4 2023. The vacancy rate increased 0.3 percentage points to 5.8 percent in Arapahoe County and increased 0.2 percentage points to 5.8 percent in Metro Denver.

Average Apartment Rents and Vacancy			
	Vacancy Rate		
	4Q 2021	4Q 2022	4Q 2023
Littleton	5.7%	5.8%	5.9%
Denver Tech Center	5.1%	6.3%	5.8%
Aurora South	5.1%	5.3%	5.7%
Arapahoe County	4.5%	5.5%	5.8%
Metro Denver	4.7%	5.6%	5.8%

Source: Apartment Association of Metro Denver

- The average apartment rental rate increased in two of the three submarkets in 2023. The Denver Tech Center reported the highest average rental rate of \$1,996 at the end of 2023, down 0.2 percent from the same time in 2022. The average rental rate was \$1,902 in Aurora South (+2.8 percent) and \$1,820 in Littleton (+3.9 percent).

Rental Rate All Property Types			
	4Q 2021	4Q 2022	4Q 2023
Littleton	\$1,635	\$1,751	\$1,820
Denver Tech Center	\$1,867	\$2,001	\$1,996
Aurora South	\$1,794	\$1,851	\$1,902
Arapahoe County	\$1,630	\$1,736	\$1,794
Metro Denver	\$1,726	\$1,838	\$1,840

Source: Apartment Association of Metro Denver

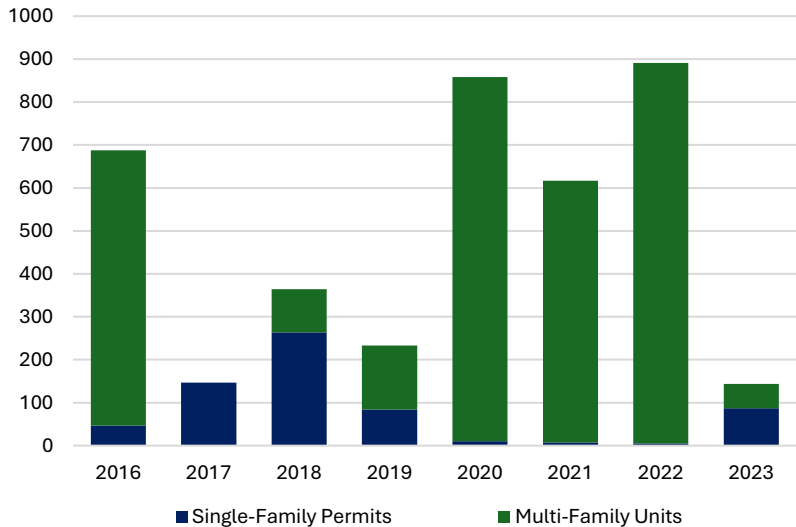
- Metro Denver and Arapahoe County both reported an increase in the average rental rate of 3.3 percent and 0.1 percent, respectively, between the fourth quarters of 2022 and 2023. The average rental rate at the end of 2023 was \$1,794 in Arapahoe County and \$1,840 in Metro Denver.

² The City of Centennial is located within three submarkets of Arapahoe County: Littleton, Denver Tech Center, and Aurora South.

New Residential Building Permits

- Residential permitting activity has been volatile over the last several years. From 2020 to 2022 there was a surge of multifamily permitting activity alongside extremely low levels of single-family permitting activity. In 2023, these trends shifted, with fewer multifamily units permitted and sharp increase in single-family permits.
- There were 87 single-family buildings permitted in 2023, up significantly from 5 in 2022 and from 7 in 2021.
- Between 2022 and 2023 the average valuation of single-family homes permitted fell 50.2 percent from \$585,618 in 2022 to \$291,516 in 2023. The average valuation also fell between 2021 and 2022, down 52.1 percent, however average valuation rose significantly in the preceding years, rising 70.7 percent from 2020 to 2021 and 106.3 percent from 2019 to 2020.
- Centennial issued 19 multi-family building permits for 57 units in 2023, down from 886 units permitted in 2022 and from 610 units permitted in 2021. The valuation per multi-family unit averaged \$84,100 in 2023, down from \$124,604 in 2022, and up from \$78,389 in 2021.

Centennial New Residential Building Permit Activity



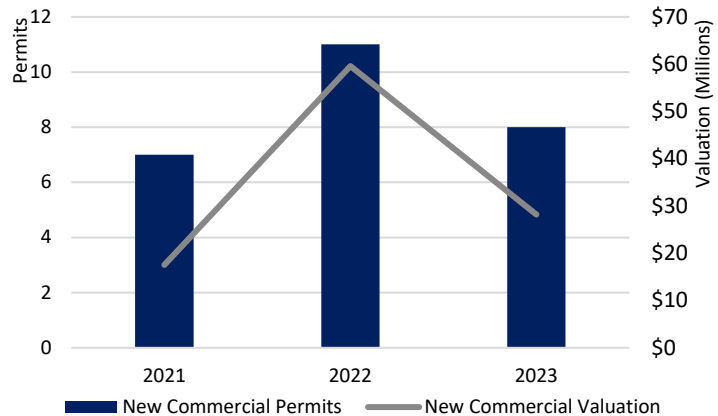
Source: City of Centennial.

Commercial Real Estate

Commercial Building Permits

- Centennial issued 249 commercial permits during 2023, of which 241 were commercial alteration permits and eight were new commercial permits. This represented a 30.6 percent decrease compared with 2022, which had 11 new commercial permits and 348 commercial alteration permits. From 2021 to 2022, total commercial permits grew 24.7 percent from 288 to 359 permits.
- The total valuation for new commercial activity rose 239.9 percent from 2021 to 2022, before falling 52.8 percent from 2022 to 2023.

Centennial Commercial Building Activity



Source: City of Centennial.

- Centennial permitted 204,650 square-feet of new commercial space in 2023, down from 375,059 square feet of space in 2022, and down from 337,101 square feet in 2021.
- Commercial alterations permitted in Centennial fell 30.7 percent between 2022 and 2023, while total valuation of commercial alterations fell 31.2 percent over the same period. Between 2021 and 2022 commercial alterations permitted rose 23.8 percent, while total valuation of commercial alterations rose 115.0 percent.

Centennial Commercial Building Permits

	2021	2022	2023	% Change 2021-22	% Change 2022-23
New Commercial					
No. of Permits	7	11	8	57.1%	-27.3%
Total Valuation	\$17,531,294	\$59,586,878	\$28,151,467	239.9%	-52.8%
Square Footage	337,101	375,059	204,650	11.3%	-45.4%
Commercial Alteration					
No. of Permits	281	348	241	23.8%	-30.7%
Total Valuation	\$42,918,700	\$92,285,287	\$63,492,810	115.0%	-31.2%
Total Commercial					
No. of Permits	288	359	249	24.7%	-30.6%
Valuation	\$60,449,994	\$151,872,165	\$91,644,277	151.2%	-39.7%

Source: City of Centennial.

Office Market

- Centennial had 162 office buildings offering almost 6.2 million square feet of space in the fourth quarter of 2023. This represented 13.3 percent of office space in Arapahoe County and 3.0 percent of space in Metro Denver.
- Centennial had the lowest office vacancy rate of the three market areas. The office vacancy rate fell 0.5 percentage points to 12.2 percent between the fourth quarters of 2022 and 2023 in Centennial. The vacancy rate increased 1.0 percentage points to 13.2 percent in Arapahoe County and increased 1.4 percentage points in Metro Denver to 13.6 percent.
- The office lease rate in Centennial decreased 2.5 percent year-over-year between the fourth quarters of 2022 and 2023 to \$26.22 per square foot. In Arapahoe County, the lease rate increased 0.3 percent to \$26.49 per square foot, while the lease rate in Metro Denver rose 0.8 percent to \$31.31 per square foot between 4Q 2022 and 4Q 2023.
- Net absorption of office space in Centennial totaled approximately 28,119 square feet from the fourth quarter of 2022 to the fourth quarter of 2023 and across Arapahoe County, net absorption was negative 396,553 square feet. Net absorption across Metro Denver was negative more than 2.1 million square feet.

Office Market Commercial Vacancy and Lease Rates

	Total Existing Square Footage			Vacancy Rate			Avg Lease Rate (per sq. ft.)		
	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023
Centennial	6,181,374	6,185,329	6,185,329	16.2%	12.7%	12.2%	\$24.63	\$26.90	\$26.22
Southeast	46,380,351	46,384,306	46,489,606	13.1%	12.2%	13.2%	\$26.34	\$26.40	\$26.49
Metro Denver	202,753,500	203,663,535	204,404,058	12.2%	12.2%	13.6%	\$29.55	\$31.05	\$31.31

*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 had 161 industrial and flex buildings offering over 5.8 million square feet of space. This represented 16.4 percent of the industrial/flex space in Arapahoe County and 1.9 percent of space in Metro Denver.
- The vacancy rate decreased 2.4 percentage points to 8.4 percent in Centennial from the fourth quarter of 2022 to the fourth quarter of 2023. The vacancy rate increased 1.5 percentage points to 7.9 percent in Arapahoe County and increased 1.6 percentage points to 7.5 percent throughout Metro Denver.
- The industrial/flex space average lease rate fell 0.6 percent over-the-year to \$11.59 per square foot in Centennial. Arapahoe County reported an increase in the lease rate of 0.7 percent to \$11.62 per square foot. The lease rate rose 10.3 percent over-the-year to \$12.43 per square foot in Metro Denver.
- There was 140,792 square feet of industrial/flex space absorbed in Centennial between the fourth quarter of 2022 and the fourth quarter of 2023. Net occupied space increased by 421,367 in Arapahoe County and by more than 4.0 million square feet in Metro Denver.

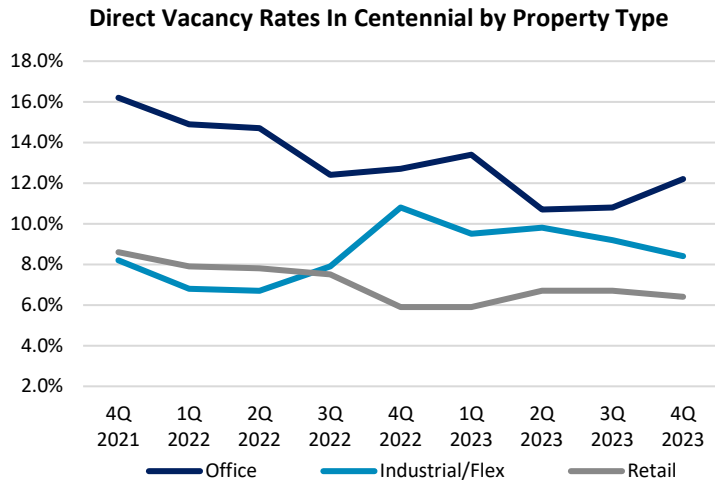
Industrial/Flex Market Commercial Vacancy and Lease Rates

	Total Existing Square Footage			Vacancy Rate			Avg Lease Rate (per sq. ft.)		
	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023
Centennial	5,609,397	5,828,373	5,828,373	8.2%	10.8%	8.4%	\$10.23	\$11.66	\$11.59
Southeast	33,866,975	34,455,286	35,476,031	5.7%	6.4%	7.9%	\$10.81	\$11.54	\$11.62
Metro Denver	294,726,448	303,548,401	313,225,681	5.1%	5.9%	7.5%	\$10.72	\$11.27	\$12.43

*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 219 retail buildings offering more than 4.9 million square feet of space in the fourth quarter of 2023. This represented 12.3 percent of the retail space in the Arapahoe County and 2.7 percent of space in Metro Denver.
- Centennial had the highest retail vacancy rate of the three market areas. The retail vacancy rate increased 0.5 percentage points to 6.4 percent in Centennial from the fourth quarter of 2022 to the fourth quarter of 2023. The vacancy rate fell 0.1 percentage points to 4.1 percent vacancy in Arapahoe County and increased 0.1 percentage points to 3.9 percent vacancy throughout Metro Denver during the period.



Source: CoStar Realty Information, Inc.

- Centennial had the lowest average lease for retail space of the three market areas. The average lease rate for retail space in Centennial was \$19.74 per square foot, down 8.3 percent from the same time last year. The lease rate in Arapahoe County increased 16.1 percent over-the-year to \$21.68 per square foot. Throughout Metro Denver, the retail lease rate rose 5.2 percent to \$21.36 per square foot.
- Net absorption of retail space in Centennial totaled negative 24,915 square feet from the fourth quarter of 2022 to the fourth quarter of 2023. In Arapahoe County net absorption totaled approximately 105,107 square feet and in Metro Denver net occupied space increase by more than 1.0 million square feet.

Retail Market Commercial Vacancy and Lease Rates

Retail Market	Total Existing Square Footage			Vacancy Rate			Avg Lease Rate (per sq. ft.)		
	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023	4Q 2021	4Q 2022	4Q 2023
Centennial	4,926,810	4,932,309	4,932,309	8.6%	5.9%	6.4%	\$18.10	\$21.52	\$19.74
Southeast	39,901,955	39,942,281	39,974,792	4.9%	4.2%	4.1%	\$17.71	\$18.67	\$21.68
Metro Denver	179,924,389	180,716,041	181,851,006	4.3%	3.8%	3.9%	\$19.32	\$20.31	\$21.36

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Retail rates are NNN. Source: CoStar Realty Information, Inc.

Commercial Construction

- There was one building completed in 2023, adding 160,000 square feet of space for a continuing care retirement center on South Holly Street.
- Six commercial buildings were under construction in Centennial at the end of 2023, including three office buildings and three flex buildings. All three office buildings are slated to be delivered in 2025 or 2026, while the flex buildings are expected to be complete in 2024. Once completed, these six buildings will add an additional 745,697 square feet of commercial real estate in Centennial.
- The largest buildings under construction at the end of 2023 were office buildings, including the Westray Tower 1 with 332,775 square feet of space, and The District Buildings 3 and 4, adding 164,312 square feet and 159,672 square feet, respectively.

*Prepared by:
Metro Denver Economic Development Corporation
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