

Final Report

6051 West Alameda Avenue Market and Disposition Strategy

The Economics of Land Use



Prepared for:
City of Lakewood

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1. Introduction and Summary of Findings

Introduction

The Lakewood Reinvestment Authority (LRA) purchased the property at 6051 West Alameda Avenue, the former Chalet Motel. The motel was built in 1951 and included 18 rooms. LRA demolished the motel because it was a nuisance to the community and a safety concern. The 0.83-acre site is now development ready, and the zoning can accommodate a mix of uses including residential, hotel, retail, office, and industrial.



The purpose of this highest and best use study is to evaluate development conditions, market demand, and community benefit to determine a set of development scenarios that are most advantageous in terms of type, amount, and value of development as well as an evaluation to understand the scenarios with potential to serve community need. To estimate demand, the degree of market support is evaluated for residential, hotel, retail, office, industrial and neighborhood services. The scenarios and findings from this report will support the LRA with identifying future plans for the site.

Disclaimer

The analysis and conclusions of this report are Economic & Planning Systems' (EPS) informed judgment on market and economic conditions as of the date of this report. Changes in market conditions or the economy could change or invalidate the report's conclusions.

The contents of this report are based in part on data from secondary sources. While it is believed that these sources are accurate, EPS cannot guarantee their accuracy. Conclusions and recommended actions contained in this report should not be relied on as the sole input for investment decisions regarding the proposed development project, nor used for purposes beyond the scope and objectives of the current study as outlined.

Study Area

The subject property is located along Alameda Avenue in Lakewood. The study area, Alameda Market Area, is defined around the site and along Alameda Avenue extending a half-mile east and west and one to two blocks north and south, as illustrated in **Figure 1**. The Alameda Market Area is bound by Sheridan Boulevard to the east, Pierce Street to the west, Bayaud Avenue to the north, and Nevada Place to the south. This study area is referenced throughout the report to assess market conditions and trends related to the development potentials of the site.

Figure 1. Alameda Market Area



Summary of Findings

The key findings and recommended development scenarios from this report are summarized below. The highest and best use scenarios are delineated into two categories, market driven scenarios and mission driven scenarios, which support citywide goals and offer community benefits. These scenarios are described in more detail in Chapter 6.

1. The market-driven scenarios that will generate revenue for both the developer and LRA include a limited-service hotel, retail, market rate townhomes, and market rate multifamily.

There is market demand in Lakewood and the Alameda Market Area to support the development of hotel, retail, and residential uses.

- A limited-service hotel with about 120 rooms would generate the most development value and tax revenue, but the program will require structured parking to achieve a critical mass of hotel rooms on this relatively small site. The additional cost will add to the challenges of attracting a hotel brand or franchise and may warrant incentives from the LRA or City in the form of land and demolition costs.
- A multitenant retail building with a restaurant anchor will generate sales tax but the amount will vary depending on the retail type and brand. Retail conditions on Alameda are improving and while retail as a standalone use may not change the character of the Market Area, it would be an economically viable use for the site.
- In terms of residential options, approximately 14 to 18 townhome units can fit on the site with an estimated value of \$600,000 per unit. Alternatively, between 25 to 30 multifamily units can fit on the site as a 3-story walk-up with tuck under and surface parking with an estimated value of \$350,000 per unit. The site is too small to achieve critical mass for multifamily (which is approximately 150-units) but may have appeal for a mission-driven nonprofit (as noted below) or unique developer looking for opportunities on the westside of the metro area.

2. Mission driven scenarios with community benefits include retail with local tenants, affordable for-sale housing, and affordable multifamily housing. These uses have been included given the larger mission of the LRA. It is recognized that a public agency such as the LRA has multiple goals that include economic development, community revitalization, project feasibility, and revenue to the agency. The concepts that follow lean towards addressing community need.

Development that increases the supply of affordable housing and prioritizes supporting local businesses in Lakewood are community and economic needs and goals. The development programs for these mission driven scenarios are the same as their market scenario counterpart. Development values and tax revenue are reduced due to lower rental rates and prices.

- The retail concept differs as the goal would be to attract locally owned retailers that offer merchandise not found in national retailers. The multitenant retail building will require subsidized rents and/or tenant improvements to be viable for local restaurants and businesses.

- Residential uses would be geared to affordable housing. A for-sale townhome development that is deed restricted will require a nonprofit partner, such as Habitat for Humanity. Similarly, the multifamily scenario with affordable rents tied to an area median income (AMI) will require a partnership with Foothills Regional Housing and/or an affordable housing fee developer.

3. As Lakewood reaches buildout, infill opportunity sites are becoming more important to attract new investment and generate economic growth. Residential growth is part of an economically viable city.

From 2010 to 2023, Lakewood gained an average of over 500 households per year. Based on recent building permit data (from 2015 to 2023) over 70 percent of new housing units were apartments and 16 percent were attached/townhome units. Recent residential development has largely occurred near major corridors and light rail lines in Lakewood (**Figure 14**). In the Alameda Market Area, the recent affordable housing development, Fifty Eight Hundred, has a very low vacancy rate of 0.5 percent and illustrates the demand for multifamily and affordable housing. Additionally, the price of new for-sale townhomes in Lakewood increased by an annual average of 10.4 percent since 2019 to reach an average price of \$629,600. This steady price appreciation indicates there is continuing demand for this type of housing product (**Table 19**).

4. Low retail vacancy rates and low amounts of new retail development indicate there is demand for new development.

In 2023, the average retail vacancy rate in the Alameda Market Area was extremely low at 1.6 percent. This is lower than the City and County averages at 3.4 percent and 3.2 percent respectively, which are, in fact, also low relative to an industry recognized vacancy rate of 10 to 12 percent that represents equilibrium. This indicates there is demand for additional retail space. The Market Area experienced minimal new retail development over the past decade, which has restricted the supply. The site location offers proximity to Belmar and has direct access to Alameda Avenue which has strong Average Daily Traffic (ADT) counts, making it an appealing location for general retail and restaurant tenants.

5. Lakewood's hotel market has fully recovered from the COVID-19 pandemic and is back to pre-pandemic levels with occupancy rates suggesting there is demand for new hotel development.

Occupancy rates are a signal for when there is market demand for additional hotel development, typically an occupancy rate of 70 percent or higher is required. In 2023, the occupancy rate in Lakewood and Belmar was 67.8 percent and 68.3 percent respectively (**Figure 20**). The site is one mile from Belmar where Hyatt House currently has an ADR of \$130.54 and occupancy rate of 66.8 percent. Based on the occupancy rates and the property's proximity to Belmar, the market would support new hotel development. The site's location and direct access along a major corridor could draw a significant hotel franchise.

2. Economic and Demographic Trends

This section documents economic and demographic conditions and trends in the Alameda Market Area, City of Lakewood, and Jefferson County including population, housing inventory, employment, and commuting patterns.

Population and Households

The Alameda Market Area experienced significant growth between 2010 and 2023 with a total of 269 residents or an average of 21 residents per year to reach a total of 2,532 residents. In comparison, the Market Area experienced minimal growth from 2000 to 2010 with a total of 52 residents or an average of five residents per year (**Table 1**). Between 2000 and 2010, the population decreased in Lakewood by 1,419, or 142 residents annually, but increased in Jefferson County by 8,817, or 882 residents annually. In the following years, the population of Lakewood and Jefferson County increased by 11,564 residents (890 residents annually) and 41,293 residents (3,176 residents annually), respectively. The population growth in Lakewood between 2010 and 2023 accounted for 28 percent of countywide population growth in the same period. Population in the Alameda Market Area in 2023 accounted for only 1.6 percent of the city's population.

Similar to population trends, the number of households in the Alameda Market Area minimally increased between 2000 and 2010, but grew by 156 households, or an average of 12 households annually, between 2010 and 2023. This growth can be attributed to new multifamily development within the Market Area. The number of households in Lakewood increased by 883 or 88 annually, between 2000 and 2010, and more significantly by 5,833 households, or 449 annually between 2010 and 2023 for a total of 67,841 households in 2023. Household growth in Lakewood from 2010 to 2023 accounted for approximately 25 percent of the countywide household growth.

Table 1. Population and Households, 2000-2023

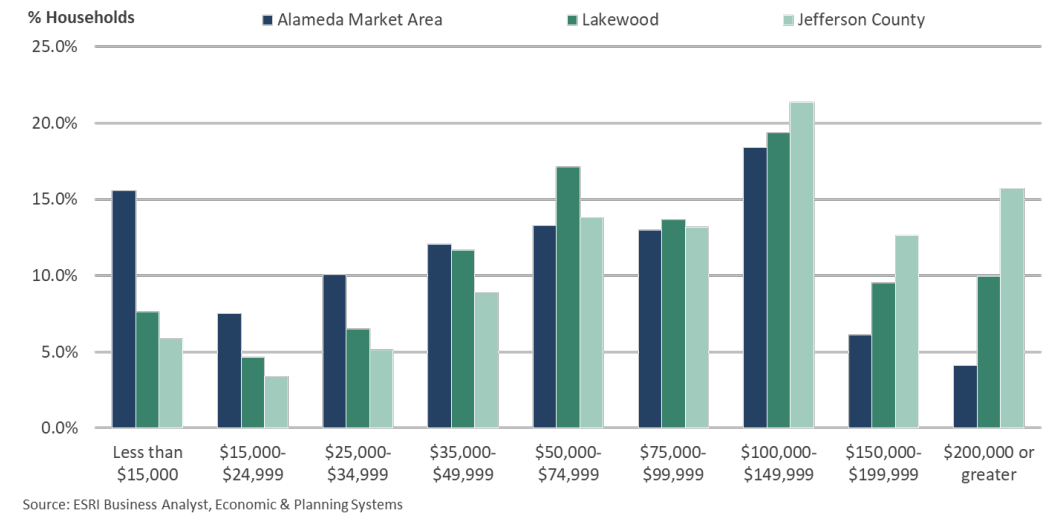
Description	2000	2010	2023	2000-2010			2010-2023		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Alameda Market Area	2,211	2,263	2,532	52	5	0.2%	269	21	0.9%
Lakewood	144,486	143,067	154,631 ¹	-1,419	-142	-0.1%	11,564	890	0.6%
Jefferson County	525,826	534,643	575,936 ¹	8,817	882	0.2%	41,293	3,176	0.6%
Households									
Alameda Market Area	1,032	1,039	1,195	7	1	0.1%	156	12	1.1%
Lakewood	61,125	62,008	67,841 ¹	883	88	0.1%	5,833	449	0.7%
Jefferson County	205,660	218,215	241,879 ¹	12,555	1,256	0.6%	23,664	1,820	0.8%

¹ 2022 data due to availability

Source: ESRI Business Analyst, U.S. Census, CO Dept. of Local Affairs, Economic & Planning Systems

The median household income in the Alameda Market Area in 2023 was approximately \$57,240, lower than that of Lakewood at \$78,549 and Jefferson County at \$99,328. Over a third of the households within the Market Area earn less than \$35,000 annually, while only 18 and 15 percent of households earn the same in Lakewood and Jefferson County respectively (**Figure 2**). Meanwhile, 20 percent of Lakewood households and 28 percent of county households earn over \$150,000 annually, while only 10 percent of households in the Market Area earn the same amount. This household income distribution indicates both a concentration of low-income households within the Market Area and a significant income disparity from Lakewood and Jefferson County.

Figure 2. Household Income Distribution, 2023



Housing Characteristics

In 2023, 1,262 housing units were located within the Alameda Market Area, comprising 2 percent of the 72,369 units in Lakewood (**Table 2**). The number of housing units within the Market Area increased by 114 units or an average of 9 units annually between 2010 and 2023. In the same period, Lakewood added 6,567 units, or 505 units annually, comprising 27 percent of the countywide increase of 24,416 units.

Lakewood and Jefferson County maintained vacancy rates of 6 percent and 5 percent respectively, in 2010 and 2023, while vacancy rates in the Market Area reduced from 9 percent in 2010 to 5 percent in 2023, indicating a strong absorption of residential units within the Market Area.

Table 2. Housing Inventory, 2000-2023

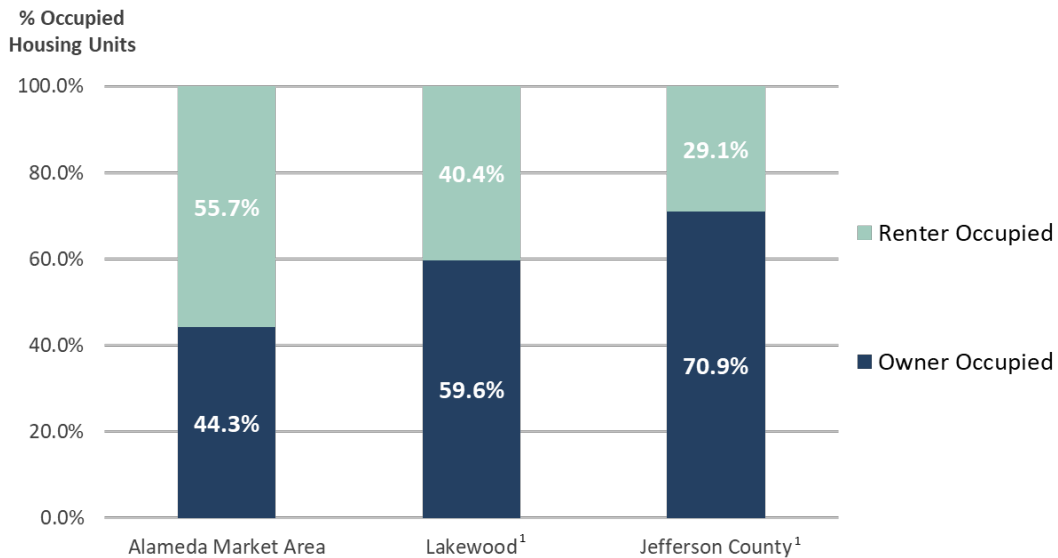
Description	2000	2010	2023	2000-2010			2010-2023		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area									
Owner Occupied	543	529	529	-14	-1	-0.3%	0	0	0.0%
Renter Occupied	489	510	666	21	2	0.4%	156	12	2.1%
Vacant	<u>53</u>	<u>109</u>	<u>67</u>	<u>56</u>	<u>6</u>	<u>7.5%</u>	<u>-42</u>	<u>-3</u>	<u>-3.7%</u>
Total	1,085	1,148	1,262	63	6	0.6%	114	9	0.7%
Lakewood									
Owner Occupied	37,195	36,730	40,437 ¹	-465	-47	-0.1%	3,707	285	0.7%
Renter Occupied	23,930	25,282	27,404 ¹	1,352	135	0.6%	2,122	163	0.6%
Vacant	<u>1,919</u>	<u>3,790</u>	<u>4,528</u> ¹	<u>1,871</u>	<u>187</u>	<u>7.0%</u>	<u>738</u>	<u>57</u>	<u>1.4%</u>
Total	63,044	65,802	72,369 ¹	2,758	276	0.4%	6,567	505	0.7%
Jefferson County									
Owner Occupied	149,010	154,192	171,609 ¹	5,182	518	0.3%	17,417	1,340	0.8%
Renter Occupied	56,650	64,026	70,270 ¹	7,376	738	1.2%	6,244	480	0.7%
Vacant	<u>6,411</u>	<u>11,807</u>	<u>12,562</u> ¹	<u>5,396</u>	<u>540</u>	<u>6.3%</u>	<u>755</u>	<u>58</u>	<u>0.5%</u>
Total	212,071	230,025	254,441 ¹	17,954	1,795	0.8%	24,416	1,878	0.8%

¹ 2022 data due to availability

Source: ESRI Business Analyst, Economic & Planning Systems

Over half of the occupied housing units within the Market Area are rental units, a higher proportion than the City and County whose renter occupied units comprise 40 percent and 30 percent of the overall occupied units respectively (**Figure 3**).

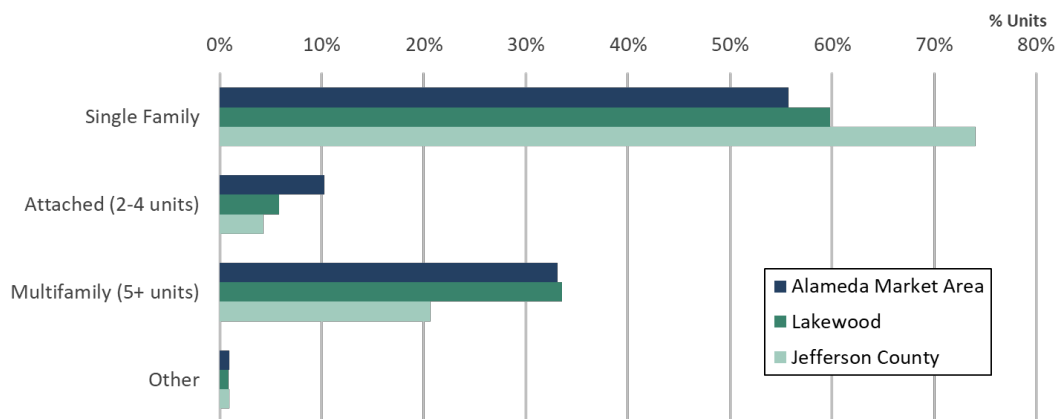
Figure 3. Housing Tenure, 2023



¹ 2022 data due to availability
 Source: ESRI Business Analyst, Economic & Planning Systems

Over 55 percent of the housing units within the Market Area are single family homes, while nearly a third of the housing inventory is located within multifamily buildings (**Figure 4**). These rates are similar to Lakewood where 60 percent of the City’s housing units are single family homes. Countywide, 74 percent of the units are single family homes, while only 20 percent are multifamily units.

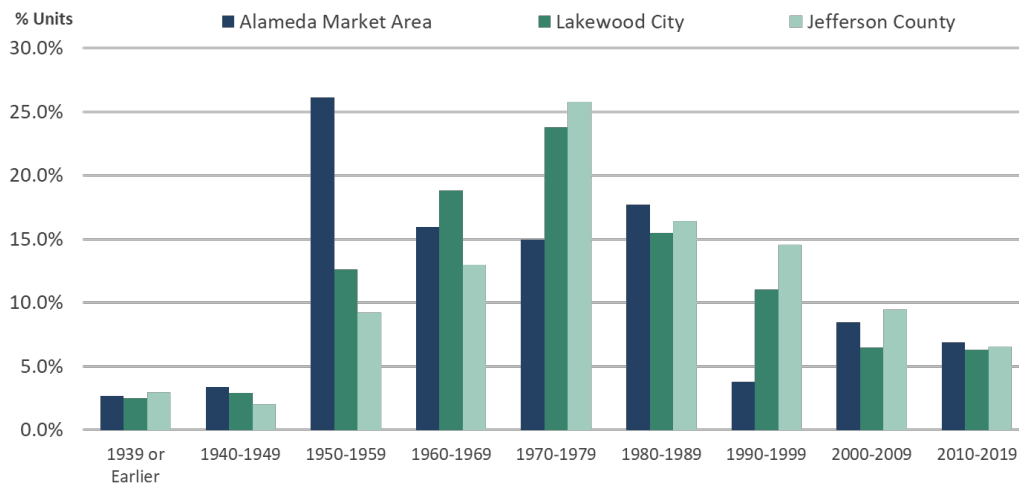
Figure 4. Housing Units by Structure Type, 2021



Source: ESRI Business Analyst, Economic & Planning Systems

The median year structures were built in Jefferson County was 1979, 1976 in Lakewood, and 1972 in the Alameda Market Area. Over a quarter of residential inventory within the Market Area were built between 1950 and 1959, and only 15 percent of the units were built since 2000, indicating an aging housing stock (**Figure 5**). While less than 5 percent of the units within the Market Area were built between 1990 and 1999, development increased since 2000 with the development of Belmar and the surrounding area. Conversely, development of residential units within Lakewood peaked between 1970 and 1979 and has been gradually decreasing since, with 13 percent of the units being developed in the last two decades.

Figure 5. Housing Units by Year Built, 2021



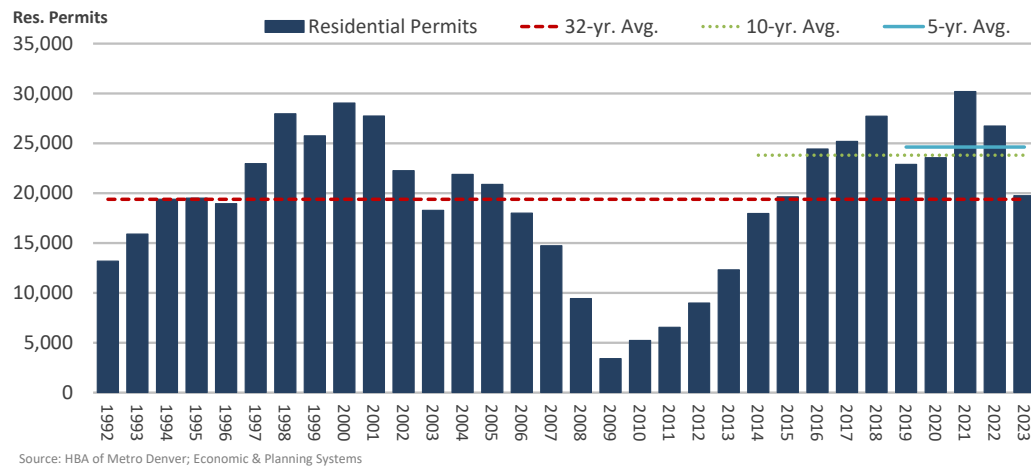
Source: ESRI Business Analyst, Economic & Planning Systems

Residential Building Permits

A residential building permit is equivalent to one housing unit. Permits are categorized by housing type (single family, attached, apartment, and condominium) and each permit counts as a single unit within that product type.

In 2021, Denver Metro reached an all-time high of over 30,000 building permits for new housing units, shown in **Figure 6**, surpassing the housing boom in the late 1990s and early 2000s, which had reached similar peaks. The demand for housing within Denver Metro is still quite high, but with high interest rates and rising labor costs, builders pulled fewer permits in 2022 and 2023 than in 2021. In 2023, the Denver Metro area issued only 19,742 new residential permits. This is similar to the 32-year average of 19,382 permits per year, which includes an extreme low during the Great Recession in 2009 and the slow recovery thereafter.

Figure 6. Denver Metro Residential Building Permits, 1992-2023



Residential permit activity in Lakewood and Denver Metro is summarized by product type from 2015 to 2023 in **Table 3**. Over this timeframe, Denver Metro issued 220,052 permits or an average of 24,450 permits per year. Nearly half of these permits, 47.7 percent, were for apartment units, which averaged 11,665 units per year. Single family homes accounted for 38.3 percent of the permit activity with an average of 9,354 units per year. Attached product accounted for 11.7 percent with an average of 2,851 units annually and condominium units represented 2.4 percent with an average of 581 units annually. Of all residential permit activity that occurred in the Denver metro area from 2015 to 2023, about 3 percent was located in Lakewood.

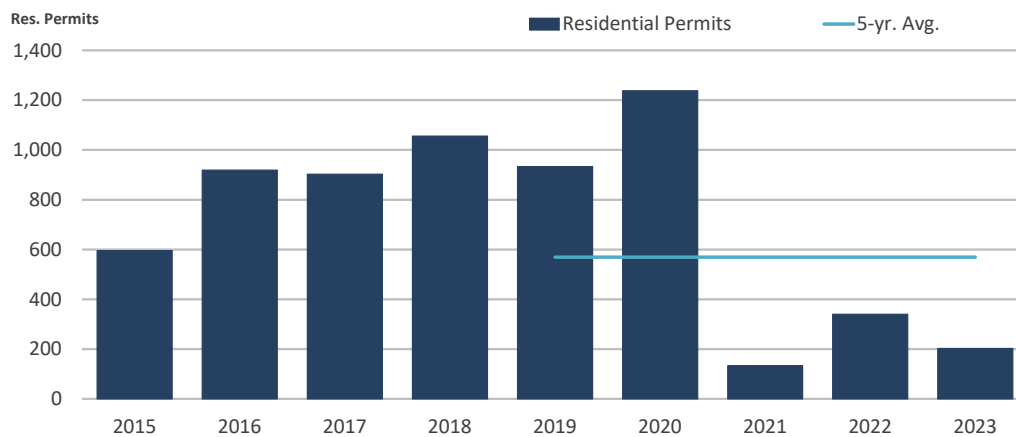
Table 3. Residential Building Permits by Type, 2015-2023

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2015-2023			
										Total	% Total	Avg.	
Lakewood													
Single Family	169	141	114	31	31	23	48	36	70	663	10.5%	74	
Attached	78	49	99	177	187	174	67	55	108	994	15.7%	110	
Condo	0	0	0	0	0	0	0	0	0	0	0.0%	0	
Apartment	<u>349</u>	<u>729</u>	<u>690</u>	<u>848</u>	<u>715</u>	<u>1,041</u>	<u>19</u>	<u>249</u>	<u>25</u>	<u>4,665</u>	<u>73.8%</u>	<u>518</u>	
Total	596	919	903	1,056	933	1,238	134	340	203	6,322	100.0%	702	
Denver Metro													
Single Family	8,652	9,222	9,897	10,567	9,563	9,714	10,692	8,133	7,745	84,185	38.3%	9,354	
Attached	1,918	2,482	2,641	2,904	2,816	2,444	3,972	3,561	2,919	25,657	11.7%	2,851	
Condo	160	491	748	423	691	733	425	1,298	260	5,229	2.4%	581	
Apartment	<u>8,901</u>	<u>12,227</u>	<u>11,902</u>	<u>13,828</u>	<u>9,806</u>	<u>10,669</u>	<u>15,097</u>	<u>13,733</u>	<u>8,818</u>	<u>104,981</u>	<u>47.7%</u>	<u>11,665</u>	
Total	19,631	24,422	25,188	27,722	22,876	23,560	30,186	26,725	19,742	220,052	100.0%	24,450	

Source: Home Builders Association of Metro Denver; Economic & Planning Systems

From 2015 to 2023, Lakewood issued 6,322 residential building permits, averaging 702 building permits per year, shown in **Table 3** and **Figure 7**. The majority of these permits (73.8 percent) were apartment units. The remaining permits were for attached units (15.7 percent) such as townhomes and duplexes, and single family homes (10.5 percent). Lakewood did not issue condo permits from 2015 to 2023. From 2016 to 2020, Lakewood had strong residential building activity with an average of over 1,000 units per year. The majority of the permits issued during this timeframe were for apartments. The significant decline in residential permits from 2021 to 2023 is due to Lakewood’s Growth Limitations Ordinance passed by voters in 2019. The ordinance limits residential development to 1.0 percent annually. The ordinance will be phased out due to House Bill 1255, which prohibits cities from imposing residential growth caps and requires municipalities with existing caps to remove them. HB 1255 went into effect in 2023 and gives municipalities two years to come into compliance.

Figure 7. Lakewood Residential Permits, 2015-2023



Source: Home Builders Association of Denver Metro; Economic & Planning Systems

Employment

More than half of the industry sectors in Jefferson County shrunk between 2000 and 2010, contributing to an overall 0.4 percent annual reduction in employment in the county, or 796 jobs per year (**Table 4**). Of those industries that shrunk, many recovered between 2010 and 2022, but industries like Mining and Finance continued to shrink in the following decade. However, Jefferson County experienced an overall growth in employment of 1.5 percent each year or 3,372 jobs annually for a total of 243,028 county jobs in 2022. Health Care, Professional and Technical Services, and Retail Trade were the top industries in the County in 2022, constituting nearly 36 percent of total jobs (**Figure 8**).

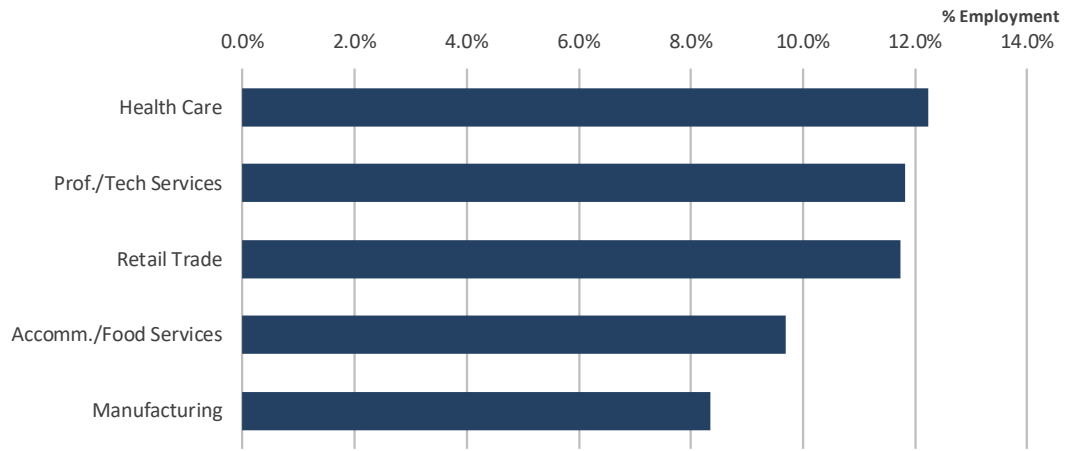
Between 2010 and 2022, Professional and Technical Services, Construction, and Health Care industries grew the most, adding a total of over 24,000 jobs. Meanwhile, Public Administration and Finance lost 959 and 1,239 jobs in the same period (**Figure 9**).

Table 4. Jefferson County Employment by Industry, 2000-2022

Description	2000	2010	2022	2000-2010			2010-2022		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	485	306	576	-179	-18	-4.5%	270	23	5.4%
Mining	480	402	392	-78	-8	-1.8%	-10	-1	-0.2%
Utilities	778	1,040	982	262	26	2.9%	-58	-5	-0.5%
Construction	16,970	10,867	18,502	-6,103	-610	-4.4%	7,635	636	4.5%
Manufacturing	23,529	17,345	20,284	-6,184	-618	-3.0%	2,939	245	1.3%
Wholesale Trade	6,262	6,610	7,940	348	35	0.5%	1,330	111	1.5%
Retail Trade	29,616	28,047	28,550	-1,569	-157	-0.5%	503	42	0.1%
Transport/Warehousing	2,867	3,020	3,828	153	15	0.5%	808	67	2.0%
Information	4,461	3,697	4,576	-764	-76	-1.9%	879	73	1.8%
Finance	8,209	7,791	6,552	-418	-42	-0.5%	-1,239	-103	-1.4%
Real Estate	3,862	3,499	4,086	-363	-36	-1.0%	587	49	1.3%
Prof./Tech Services	16,011	19,481	28,742	3,470	347	2.0%	9,261	772	3.3%
Management	1,235	2,581	3,038	1,346	135	7.6%	457	38	1.4%
Admin. and Waste Services	16,548	10,970	14,720	-5,578	-558	-4.0%	3,750	313	2.5%
Education	14,872	16,889	17,565	2,017	202	1.3%	676	56	0.3%
Health Care	18,272	22,563	29,755	4,291	429	2.1%	7,192	599	2.3%
Arts/Rec.	4,037	4,201	4,885	164	16	0.4%	684	57	1.3%
Accomm./Food Services	19,884	19,335	23,540	-549	-55	-0.3%	4,205	350	1.7%
Other (ex. Public Admin.)	6,449	6,193	7,747	-256	-26	-0.4%	1,554	130	1.9%
Public Admin.	<u>15,699</u>	<u>17,727</u>	<u>16,768</u>	<u>2,028</u>	<u>203</u>	<u>1.2%</u>	<u>-959</u>	<u>-80</u>	<u>-0.5%</u>
Total	210,526	202,564	243,028	-7,962	-796	-0.4%	40,464	3,372	1.5%

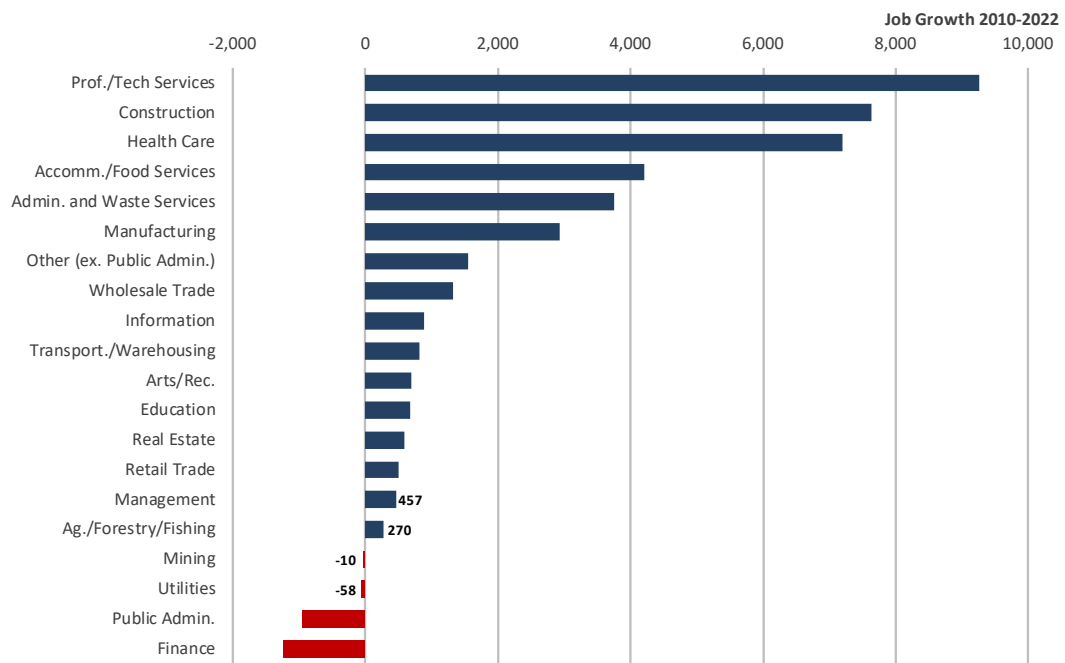
Source: Colorado Dept. of Labor and Employment, Economic & Planning Systems

Figure 8. Jefferson County Top Industries by Employment, 2022



Source: Colorado Dept. of Labor and Employment, Economic & Planning Systems

Figure 9. Jefferson County Employment Growth by Industry, 2010-2022



Source: Colorado Dept. of Labor and Employment, Economic & Planning Systems

Overall, the County had an average annual wage of \$82,006, up from \$54,015 in 2010, and an average increase of \$2,333 or 3.5 percent annually (**Table 5**). In 2022, the Mining industry had the highest average annual wages at \$161,226, followed by Management with an average annual wage of \$143,445. Health Care, the largest industry, had an average annual wage of \$64,970, and Professional, Scientific, and Technical Services, which is the second largest industry and the fastest growing, had an average annual wage of \$110,752.

Table 5. Jefferson County Average Wage by Industry, 2000-2022

Description	2000	2010	2022	2000-2010			2010-2022		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	\$22,786	\$25,759	\$45,573	\$2,972	\$297	1.2%	\$19,814	\$1,651	4.9%
Mining	\$55,167	\$96,934	\$161,226	\$41,766	\$4,177	5.8%	\$64,292	\$5,358	4.3%
Utilities	\$49,692	\$81,291	\$116,383	\$31,599	\$3,160	5.0%	\$35,092	\$2,924	3.0%
Construction	\$38,534	\$47,294	\$77,484	\$8,760	\$876	2.1%	\$30,191	\$2,516	4.2%
Manufacturing	\$56,262	\$78,475	\$109,239	\$22,213	\$2,221	3.4%	\$30,764	\$2,564	2.8%
Wholesale Trade	\$56,262	\$81,134	\$131,348	\$24,872	\$2,487	3.7%	\$50,214	\$4,184	4.1%
Retail Trade	\$22,630	\$26,384	\$42,444	\$3,754	\$375	1.5%	\$16,060	\$1,338	4.0%
Transport./Warehousing	\$44,269	\$53,446	\$78,371	\$9,177	\$918	1.9%	\$24,924	\$2,077	3.2%
Information	\$52,560	\$59,756	\$108,040	\$7,196	\$720	1.3%	\$48,284	\$4,024	5.1%
Finance	\$41,871	\$55,636	\$94,587	\$13,766	\$1,377	2.9%	\$38,951	\$3,246	4.5%
Real Estate	\$29,513	\$37,021	\$68,881	\$7,509	\$751	2.3%	\$31,859	\$2,655	5.3%
Prof./Tech Services	\$53,916	\$78,423	\$110,752	\$24,507	\$2,451	3.8%	\$32,329	\$2,694	2.9%
Management	\$68,672	\$110,022	\$143,445	\$41,349	\$4,135	4.8%	\$33,424	\$2,785	2.2%
Admin. and Waste Services	\$34,571	\$34,884	\$55,845	\$313	\$31	0.1%	\$20,961	\$1,747	4.0%
Education	\$30,139	\$40,515	\$55,011	\$10,376	\$1,038	3.0%	\$14,496	\$1,208	2.6%
Health Care	\$31,703	\$43,435	\$64,970	\$11,732	\$1,173	3.2%	\$21,535	\$1,795	3.4%
Arts/Rec.	\$13,818	\$17,051	\$26,958	\$3,233	\$323	2.1%	\$9,907	\$826	3.9%
Accomm./Food Services	\$12,149	\$16,112	\$29,096	\$3,963	\$396	2.9%	\$12,984	\$1,082	5.0%
Other (ex. Public Admin.)	\$23,359	\$32,275	\$50,324	\$8,916	\$892	3.3%	\$18,050	\$1,504	3.8%
Public Admin.	<u>\$47,659</u>	<u>\$64,553</u>	<u>\$86,244</u>	<u>\$16,894</u>	<u>\$1,689</u>	<u>3.1%</u>	<u>\$21,691</u>	<u>\$1,808</u>	<u>2.4%</u>
Total	\$39,266	\$54,015	\$82,006	\$14,749	\$1,475	3.2%	\$27,991	\$2,333	3.5%

Source: Colorado Dept. of Labor and Employment, Economic & Planning Systems

Many industries in Lakewood, most notably Construction and Administrative and Waste Services, shrunk between 2001 and 2010 in terms of employment (**Table 6**). However, in the same period, Health Care added 2,783 jobs (309 jobs annually), Public Administration added 1,511 jobs (168 jobs annually) and Retail Trade added 1,039 jobs (115 jobs annually), contributing to overall job growth of 0.1 percent in the city. Although only minimal, it indicates that Lakewood was able to retain more jobs in that decade than the county.

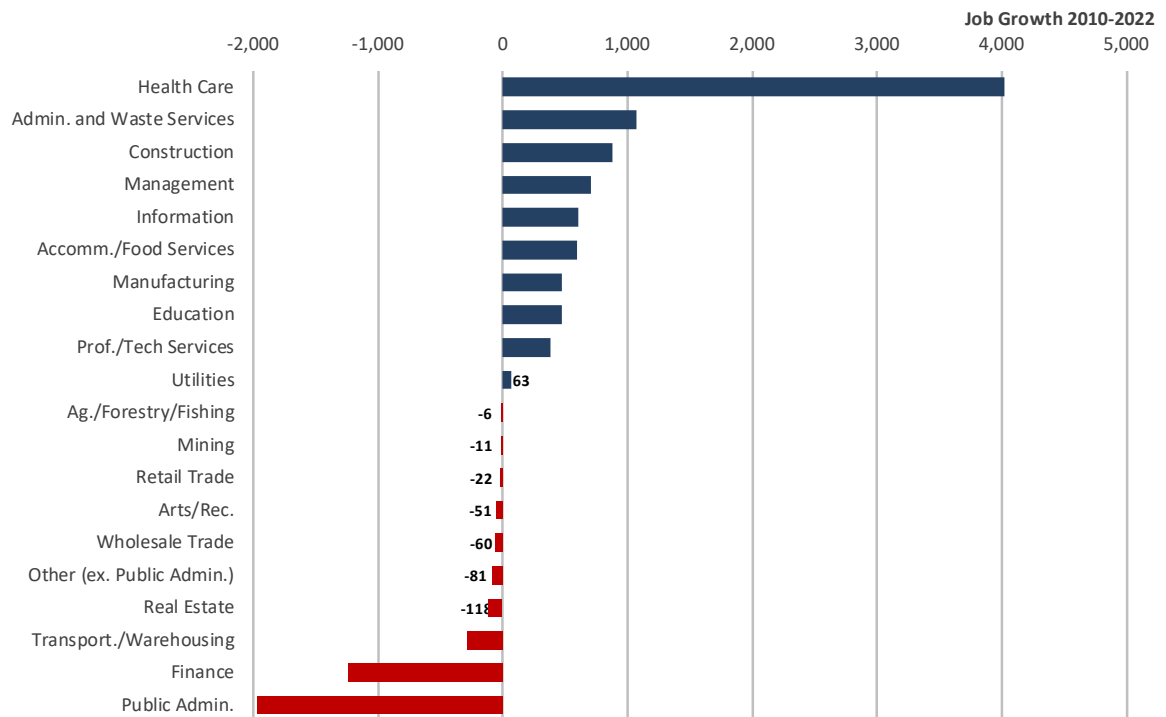
Table 6. Lakewood Employment by Industry, 2001-2022

Description	2001	2010	2022	2001-2010			2010-2022		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	70	84	78	14	2	2.1%	-6	-1	-0.6%
Mining	242	164	153	-78	-9	-4.3%	-11	-1	-0.6%
Utilities	160	248	311	88	10	5.0%	63	5	1.9%
Construction	5,997	4,861	5,741	-1,135	-126	-2.3%	880	73	1.4%
Manufacturing	3,227	2,674	3,148	-552	-61	-2.1%	473	39	1.4%
Wholesale Trade	2,089	1,468	1,408	-621	-69	-3.8%	-60	-5	-0.3%
Retail Trade	9,508	10,547	10,525	1,039	115	1.2%	-22	-2	0.0%
Transport/Warehousing	1,269	1,683	1,400	415	46	3.2%	-283	-24	-1.5%
Information	2,457	1,626	2,226	-831	-92	-4.5%	600	50	2.7%
Finance	4,348	3,683	2,441	-664	-74	-1.8%	-1,243	-104	-3.4%
Real Estate	2,265	1,810	1,692	-455	-51	-2.5%	-118	-10	-0.6%
Prof./Tech Services	8,807	9,594	9,972	787	87	1.0%	378	31	0.3%
Management	633	931	1,636	298	33	4.4%	705	59	4.8%
Admin. and Waste Services	8,631	6,821	7,890	-1,810	-201	-2.6%	1,069	89	1.2%
Education	6,300	6,218	6,689	-82	-9	-0.1%	471	39	0.6%
Health Care	6,918	9,701	13,718	2,783	309	3.8%	4,017	335	2.9%
Arts/Rec.	1,040	887	836	-153	-17	-1.8%	-51	-4	-0.5%
Accomm./Food Services	7,149	7,630	8,220	481	53	0.7%	590	49	0.6%
Other (ex. Public Admin.)	3,427	3,234	3,153	-194	-22	-0.6%	-81	-7	-0.2%
Public Admin.	<u>10,458</u>	<u>11,969</u>	<u>10,001</u>	<u>1,511</u>	<u>168</u>	<u>1.5%</u>	<u>-1,968</u>	<u>-164</u>	<u>-1.5%</u>
Total	84,996	85,836	91,238	840	93	0.1%	5,403	450	0.5%

Source: JobsEQ, Economic & Planning Systems

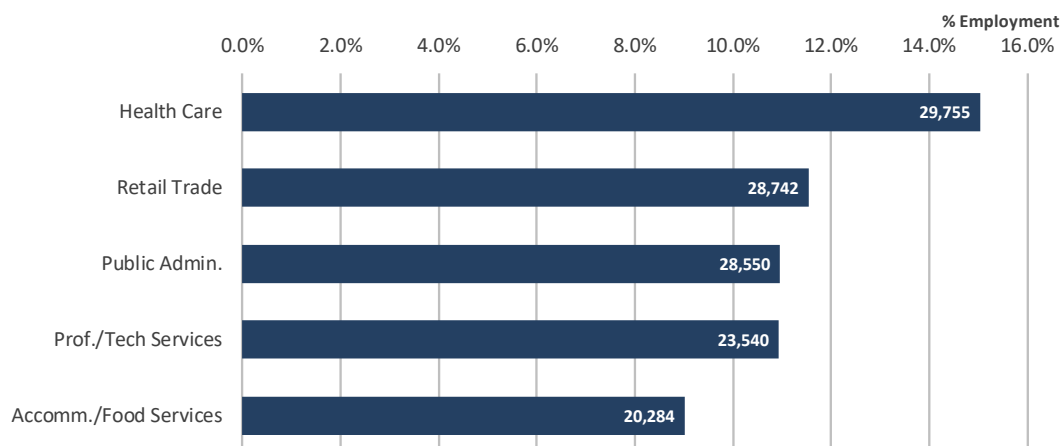
Between 2010 and 2022, Lakewood added 5,403 jobs, or an average of 450 jobs each year at a 0.5 percent annual growth rate. The primary industry contributors to this change include Health Care, which added 4,017 jobs and Administrative and Waste Services, which added 1,069 jobs (**Figure 10**). In 2022, the largest industries in the city were Health Care, Retail Trade, and Public Administration, together accounting for over 37 percent of total jobs (**Figure 11**).

Figure 10. Lakewood Employment Growth by Industry, 2010-2022



Source: JobsEQ, Economic & Planning Systems

Figure 11. Lakewood Top Industries by Employment, 2022



Source: JobsEQ, Economic & Planning Systems

In 2022, the average wage in Lakewood was \$72,564, a 3.3 percent annual increase since 2010, when the average wage was \$49,102. The Mining industry had the highest wages at an average of \$146,569, while Arts and Recreation had the lowest at \$28,386. Health care, which was the largest industry in 2022 and fastest growing industry since 2010, had an average wage of \$64,256 in Lakewood. Retail Trade, which was the second largest industry, had an average annual wage of \$41,840.

Table 7. Lakewood Annual Average Wage by Industry, 2001-2022

	2001	2010	2022	2001	2010	2022	2001	2010	2022
Ag./Forestry/Fishing	\$16,437	\$17,883	\$29,570	\$1,446	\$161	0.9%	\$11,687	\$974	4.3%
Mining	\$56,369	\$94,538	\$146,569	\$38,169	\$4,241	5.9%	\$52,031	\$4,336	3.7%
Utilities	\$51,846	\$79,310	\$116,255	\$27,464	\$3,052	4.8%	\$36,945	\$3,079	3.2%
Construction	\$38,298	\$42,247	\$71,335	\$3,949	\$439	1.1%	\$29,088	\$2,424	4.5%
Manufacturing	\$56,809	\$74,926	\$106,043	\$18,117	\$2,013	3.1%	\$31,116	\$2,593	2.9%
Wholesale Trade	\$57,241	\$78,429	\$128,533	\$21,188	\$2,354	3.6%	\$50,104	\$4,175	4.2%
Retail Trade	\$21,617	\$23,265	\$41,840	\$1,648	\$183	0.8%	\$18,575	\$1,548	5.0%
Transport./Warehousing	\$47,086	\$53,542	\$65,855	\$6,456	\$717	1.4%	\$12,312	\$1,026	1.7%
Information	\$51,665	\$57,317	\$104,798	\$5,652	\$628	1.2%	\$47,481	\$3,957	5.2%
Finance	\$46,834	\$57,417	\$95,317	\$10,583	\$1,176	2.3%	\$37,901	\$3,158	4.3%
Real Estate	\$33,535	\$38,301	\$70,645	\$4,766	\$530	1.5%	\$32,344	\$2,695	5.2%
Prof./Tech Services	\$54,909	\$75,167	\$105,634	\$20,258	\$2,251	3.6%	\$30,467	\$2,539	2.9%
Management	\$61,012	\$109,730	\$143,244	\$48,718	\$5,413	6.7%	\$33,514	\$2,793	2.2%
Admin. and Waste Services	\$34,865	\$33,705	\$54,033	-\$1,161	-\$129	-0.4%	\$20,328	\$1,694	4.0%
Education	\$31,450	\$39,046	\$53,794	\$7,597	\$844	2.4%	\$14,747	\$1,229	2.7%
Health Care	\$34,343	\$43,129	\$64,256	\$8,786	\$976	2.6%	\$21,127	\$1,761	3.4%
Arts/Rec.	\$15,178	\$19,402	\$28,386	\$4,224	\$469	2.8%	\$8,984	\$749	3.2%
Accomm./Food Services	\$12,941	\$16,422	\$29,048	\$3,481	\$387	2.7%	\$12,625	\$1,052	4.9%
Other (ex. Public Admin.)	\$23,633	\$28,160	\$42,783	\$4,527	\$503	2.0%	\$14,622	\$1,219	3.5%
Public Admin.	<u>\$53,142</u>	<u>\$71,250</u>	<u>\$94,822</u>	<u>\$18,108</u>	<u>\$2,012</u>	<u>3.3%</u>	<u>\$23,572</u>	<u>\$1,964</u>	<u>2.4%</u>
Total	\$38,540	\$49,102	\$72,564	\$10,563	\$1,174	2.7%	\$23,461	\$1,955	3.3%

Source: JobsEQ, Economic & Planning Systems

Commuting

In-Commuting

Over 85 percent of workers within Lakewood commuted into the city from surrounding areas in 2021, an increased share from 2002 and 2010 when 80 percent and 83 percent of workers commuted into the city respectively (**Table 8**). Between 2002 and 2021, the number of in-commuters also increased at an annual rate of 1.2 percent, or 826 commuters per year. While the majority share of Lakewood workers has been commuting in from other areas, the data indicates that this share is gradually increasing.

Table 8. Lakewood In-Commuting, 2002-2021

Lakewood Workers						
Live in Lakewood	15,720	15,409	13,472	-2,248	-118	-0.8%
In-Commuters	<u>63,861</u>	<u>78,776</u>	<u>79,556</u>	<u>15,695</u>	<u>826</u>	<u>1.2%</u>
Total	79,581	94,185	93,028	13,447	708	0.8%
Lakewood Workers						
Live in Lakewood	19.8%	16.4%	14.5%			
In-Commuters	<u>80.2%</u>	<u>83.6%</u>	<u>85.5%</u>			
Total	100.0%	100.0%	100.0%			

Source: U.S. Census Longitudinal Employer-Household Dynamics, Economic & Planning Systems

Out-Commuting

Nearly 82 percent of Lakewood residents commuted outside the city for work in 2021 (**Table 9**). The number of working residents in Lakewood reduced between 2002 and 2021 at an annual rate of 0.3 percent, or 240 residents each year. Even so, residents that lived and worked within Lakewood reduced by 0.8 percent annually, while residents who worked outside of Lakewood reduced at a rate of 0.2 percent annually, indicating a trend of out-commuting in the city. The majority of the out-commuters are traveling to other areas of Denver metro for work.

Table 9. Lakewood Out-Commuting, 2002-2021

Description	2002	2010	2021	2002-2021		
				Total	Ann. #	Ann. %
Lakewood Residents						
Work in Lakewood	15,720	15,409	13,472	-2,248	-118	-0.8%
Out-Commuters	<u>63,237</u>	<u>53,339</u>	<u>60,922</u>	<u>-2,315</u>	<u>-122</u>	<u>-0.2%</u>
Total	78,957	68,748	74,394	-4,563	-240	-0.3%
Lakewood Residents						
Work in Lakewood	19.9%	22.4%	18.1%			
Out-Commuters	<u>80.1%</u>	<u>77.6%</u>	<u>81.9%</u>			
Total	100.0%	100.0%	100.0%			

Source: U.S. Census Longitudinal Employer-Household Dynamics, Economic & Planning Systems

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3. Residential Market Conditions

This section documents the strength of the market for residential products, with a focus on rental and for-sale residential development. It includes pricing trends and absorption rates to provide guidance on potential future development.

Multifamily Market Rate

In 2023, the Alameda Market Area had 267 market rate multifamily units and neighboring Belmar had 842 units (**Table 10**). No recent multifamily units were developed within the Market Area, while Belmar added 350 units between 2010 and 2023. Since 2015, Lakewood added 502 units each year at an annual rate of 2.9 percent, to reach a total of 19,508 units in 2023. Jefferson County grew at a slightly higher rate by adding 1,332 units each year since 2015, at an annual rate of 3.3 percent. The increase of market rate multifamily units in Lakewood contributed to 37 percent of countywide growth. Approximately 42 percent of the county's 46,074 market rate multifamily units are located within Lakewood.

Table 10. Market Rate Multifamily Inventory (Units), 2010-2023

Inventory (Units)	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	267	267	267	267	0	0	0.0%	0	0	0.0%
Belmar	492	842	842	842	350	27	4.2%	0	0	0.0%
Lakewood	14,788	15,492	18,165	19,508	4,720	363	2.2%	4,016	502	2.9%
Jefferson County	33,536	35,418	41,709	46,074	12,538	964	2.5%	10,656	1,332	3.3%

Source: CoStar, Economic & Planning Systems

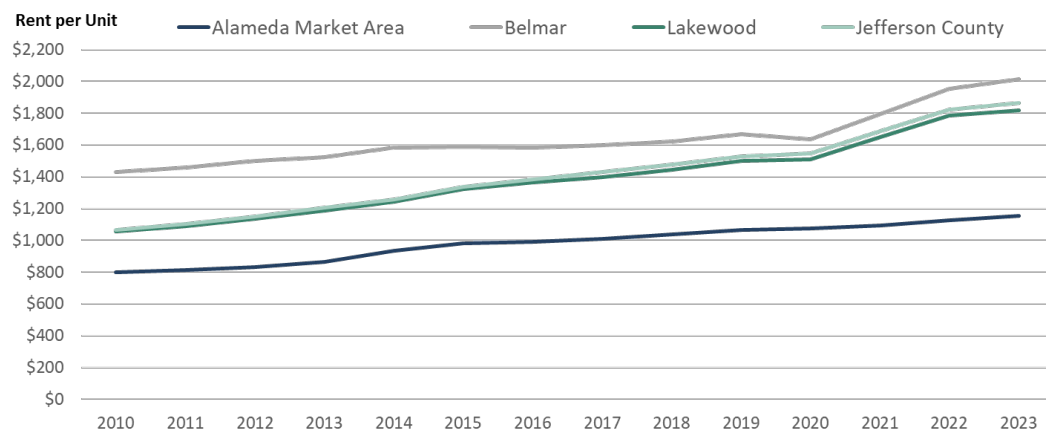
In 2023, market rate multifamily units in the Alameda Market Area were more affordable than an average unit in the city or county. An average market rate multifamily unit within the Market Area rented for \$1,156 per unit, while in Lakewood the average rent was \$1,818 and in Jefferson County it was \$1,865 (**Table 11**). Meanwhile, units secured a higher rental rate in Belmar at \$2,011 per unit. Since 2015, market rate multifamily rents within the Market Area increased by an average of \$22 each year, or 2 percent annually. In the same period, rents in Belmar increased by an average of \$53 each year (3 percent annually), in Lakewood by an average of \$62 each year (4.1 percent annually), and in Jefferson County by an average of \$66 each year (4.2 percent annually).

Table 11. Market Rate Multifamily Rent per Unit, 2010-2023

Alameda Market Area	\$798	\$983	\$1,074	\$1,156	\$358	\$28	2.9%	\$172	\$22	2.0%
Belmar	\$1,428	\$1,586	\$1,636	\$2,011	\$584	\$45	2.7%	\$425	\$53	3.0%
Lakewood	\$1,054	\$1,323	\$1,509	\$1,818	\$765	\$59	4.3%	\$495	\$62	4.1%
Jefferson County	\$1,066	\$1,337	\$1,544	\$1,865	\$799	\$61	4.4%	\$528	\$66	4.2%

Source: CoStar, Economic & Planning Systems

Figure 12. Market Rate Multifamily Rent per Unit, 2010-2023



Source: CoStar, Economic & Planning Systems

Market rate multifamily vacancy rates in the Alameda Market Area were comparable to the city and county. In 2023, market rate multifamily vacancy rates were at 5.2 percent in the Market Area, 5.4 percent in Lakewood, and 5.7 percent in Jefferson County (**Table 12**). Belmar experienced lower vacancy rates at 4.3 percent. Market multifamily vacancy peaked in Belmar in 2015 with the addition of new inventory but were quickly absorbed (**Figure 13**).

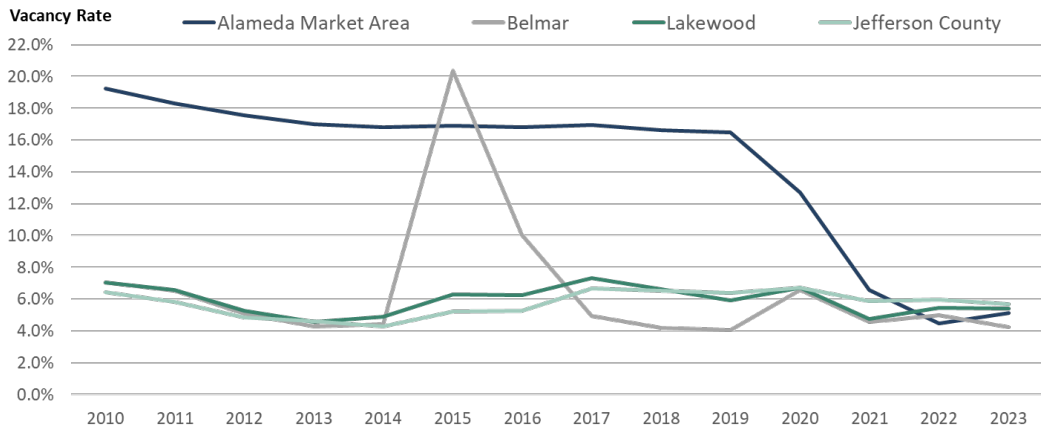
Between 2015 and 2023, Alameda Market Area vacancy rates were reduced by 1.5 percent each year, at an annual rate of 13.8 percent even though no new inventory was added. This indicates a strong market demand for housing in the Market Area. In the same period, multifamily vacancies were reduced by 0.1 percent each year in the City and increased by 0.1 percent each year in the County.

Table 12. Market Rate Multifamily Vacancy Rates, 2010-2023

	2010-2014				2015-2019			2020-2023		
Alameda Market Area	19.2%	16.9%	12.7%	5.2%	-14.1%	-1.1%	-9.6%	-11.8%	-1.5%	-13.8%
Belmar	7.1%	20.4%	6.6%	4.3%	-2.8%	-0.2%	-3.8%	-16.1%	-2.0%	-17.8%
Lakewood	7.1%	6.3%	6.7%	5.4%	-1.7%	-0.1%	-2.0%	-0.9%	-0.1%	-1.9%
Jefferson County	6.4%	5.3%	6.7%	5.7%	-0.7%	-0.1%	-0.9%	0.5%	0.1%	1.0%

Source: CoStar, Economic & Planning Systems

Figure 13. Market Rate Multifamily Vacancy Rates, 2010-2023



Source: CoStar, Economic & Planning Systems

Multifamily Affordable

Affordable rental units are summarized using CoStar to track trends in rental and vacancy rates. In 2023, Alameda Market Area had 152 affordable multifamily units, all within one development built in 2018. There were 2,157 affordable multifamily units in Lakewood and 4,677 units in Jefferson County (**Table 13**). Since 2015, Lakewood added an average of 85 units of affordable multifamily housing each year, at a rate of 4.9 percent annually, comprising 60 percent of the county's affordable multifamily growth. Approximately 46 percent of Jefferson County's affordable multifamily inventory is located within Lakewood.

Table 13. Affordable Multifamily Inventory (Units), 2010-2023

Alameda Market Area	0	0	152	152	152	12	---	152	19	---
Lakewood	1,274	1,474	2,090	2,157	883	68	4.1%	683	85	4.9%
Jefferson County	3,111	3,544	4,405	4,677	1,566	120	3.2%	1,133	142	3.5%

Source: CoStar, Economic & Planning Systems

In 2023, an affordable multifamily unit within the Alameda Market Area had an average rent of \$1,545 per unit (**Table 14**). This is higher than the average market rate rent in the Market Area because there is naturally occurring affordable housing of dated market rate units. Furthermore, the affordable rental rate is for a single property that was recently built and is tied to specific area median income (AMI) levels.

In Lakewood and Jefferson County, the average affordable rental rate is \$1,202 and \$1,232 respectively. Since 2015, affordable multifamily rent has increased by an average of \$43 each year (4.3 percent annually) in Lakewood, and by an average of \$44 each year (4.2 percent annually) in Jefferson County.

Table 14. Affordable Multifamily Rent per Unit, 2010-2023

Rent per Unit	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	---	---	\$1,210	\$1,545	---	---	---	---	---	---
Lakewood	\$740	\$857	\$1,037	\$1,202	\$462	\$36	3.8%	\$345	\$43	4.3%
Jefferson County	\$768	\$884	\$1,084	\$1,232	\$465	\$36	3.7%	\$348	\$44	4.2%

Source: CoStar, Economic & Planning Systems

Vacancy in affordable multifamily housing in the Alameda Market Area was 3.5 percent in 2023, down from 6.9 percent in 2020, indicating absorption of the newly developed units (**Table 15**). Vacancy observed within the Market Area was lower than Lakewood, which had a vacancy rate of 4.6 percent and Jefferson County, which had a vacancy rate of 4 percent. Between 2015 and 2023, affordable multifamily vacancy rates have increased in Lakewood by 0.3 percent each year and by 0.1 percent each year in the county.

Table 15. Affordable Multifamily Vacancy Rates, 2010-2023

Alameda Market Area	---	---	6.9%	3.5%	---	---	---	---	---	---
Lakewood	5.1%	2.2%	7.0%	4.6%	-0.6%	0.0%	-0.9%	2.4%	0.3%	9.4%
Jefferson County	5.1%	3.2%	5.3%	4.0%	-1.1%	-0.1%	-1.8%	0.9%	0.1%	3.0%

Source: CoStar, Economic & Planning Systems

Recent Multifamily Development

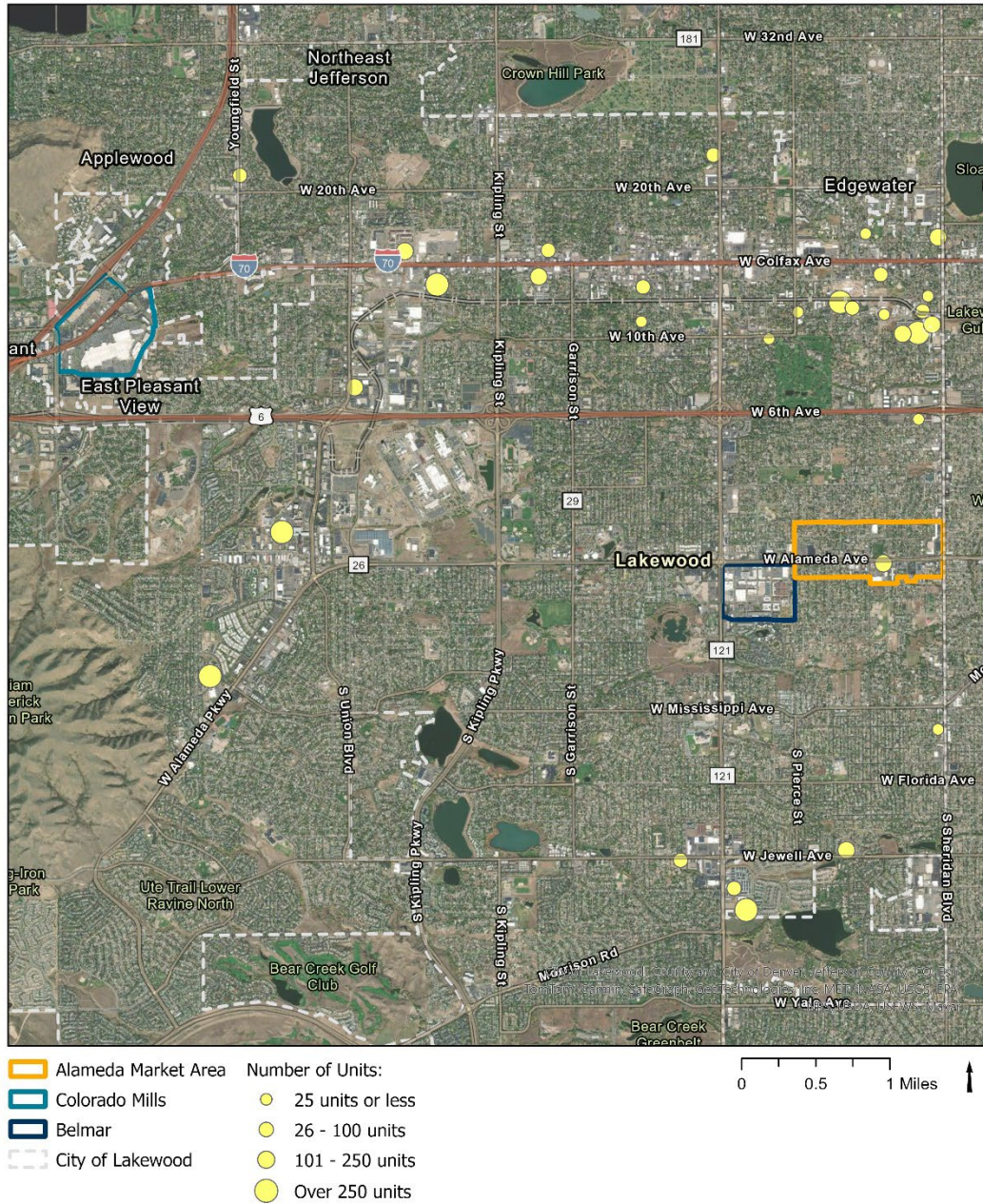
Recently constructed multifamily units (market rate and affordable) are summarized below **Table 16** and illustrated in **Figure 14**. Since 2018, Lakewood gained 3,872 new multifamily units, of which 152 units are located within the Alameda Market Area. This is an affordable development located at 5800 West Alameda Avenue and was built in 2018. It currently has a vacancy rate of 0.5 percent, which is far below the 5.0 percent rate that represents equilibrium and reflects very high market demand for this product at this location. Affordable housing developments tend to have a lower vacancy rate due to the high demand for below market rents.

Table 16. Recent Multifamily Development, 2018-2024

Description	Total Units	Rent Per Unit	Vacancy Rate
Alameda Market Area			
5800 W Alameda Ave	<u>152</u>	<u>\$1,580</u>	<u>0.5%</u>
Subtotal	152	\$1,580	0.5%
Lakewood	3,872	\$1,820	8.5%

Source: CoStar, Economic & Planning Systems

Figure 14. Recent Lakewood Multifamily Development, 2018-2024



Notable recent market rate multifamily developments in the area include Traverse Apartments, Alta Sloan’s Lake, and Sheridan Station Apartments. The largest and most recent of the selected market rate projects, Traverse Apartments, has 281 units, an average monthly rent of \$1,921 per unit, and a current vacancy rate of 10.7 percent.

Table 17. Comparable Multifamily Development



Traverse Apartments

5495 W 10th Ave
Lakewood, CO 80214

Units:	281
Year Built:	2022
Rent Type:	Market
Avg. Rent per Unit:	\$1,921
Avg. Unit Size:	715 Sq. Ft.



Alta Sloan's Lake

1605 Sheridan Blvd
Lakewood, CO 80214

Units:	200
Year Built:	2022
Rent Type:	Market
Avg. Rent per Unit:	\$1,762
Avg. Unit Size:	691 Sq. Ft.



Sheridan Station Apartments

5330 W 11th Ave
Lakewood, CO 80214

Units:	133
Year Built:	2021
Rent Type:	Market
Avg. Rent per Unit:	\$1,523
Avg. Unit Size:	844 Sq. Ft.



The Flats at Two Creeks

5885 W 14th Ave
Lakewood, CO 80214

Units: 78
Year Built: 2020
Rent Type: Affordable
Avg. Rent per Unit: \$1,157
Avg. Unit Size: 720 Sq. Ft.



Fifty Eight Hundred

5800 W Alameda Ave
Lakewood, CO 80226

Units: 152
Year Built: 2018
Rent Type: Affordable
Avg. Rent per Unit: \$1,584
Avg. Unit Size: 833

For-Sale Residential

For-sale residential products were evaluated for townhome (attached) and condominium units. The urban, infill location could be suitable for either product type. Recent sales volume and average price are summarized for each.

Townhome

From 2019 to 2023, there were 461 new townhome units sold in Lakewood for an average of 92 units per year, shown below in **Table 18**. There were 3,306 total townhome sales citywide over this time period or an average of 661 sales per year. The Alameda Market Area had 14 existing townhome sales from 2019 to 2023 for an average of 3 sales per year. Belmar experienced more activity with a total of 86 existing townhome sales or an average of 17 sales per year.

Table 18. Townhome Sale Volume, 2019-2023

Townhome	2019	2020	2021	2022	2023	2019-2023	
						Total	Avg.
Alameda Market Area							
New	0	0	0	0	0	0	0
Existing	<u>0</u>	<u>9</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>14</u>	<u>3</u>
Total	0	9	1	4	0	14	3
Belmar							
New	0	0	0	0	0	0	0
Existing	<u>20</u>	<u>28</u>	<u>13</u>	<u>15</u>	<u>10</u>	<u>86</u>	<u>17</u>
Total	20	28	13	15	10	86	17
Lakewood							
New	145	77	150	31	58	461	92
Existing	<u>567</u>	<u>599</u>	<u>662</u>	<u>584</u>	<u>433</u>	<u>2,845</u>	<u>569</u>
Total	712	676	812	615	491	3,306	661

Source: Jefferson County Assessor, Zonda, Economic & Planning Systems

In 2023, the average price of a townhome in Lakewood was \$440,400, shown in **Table 19**. The average price of an existing unit was \$415,000 while new units sold for 52 percent higher at an average price of \$629,600. From 2019 to 2023, the price of new townhomes in Lakewood increased by an average of 10.4 percent annually. Belmar had no new townhomes in the past five years, although the average price of existing units in 2023 were similar to the price of new product citywide at \$618,900. The location and walkability of Belmar establishing a higher premium for housing. There were fewer townhome sales in the Alameda Market Area with the most recent occurring in 2022 with an average price of \$411,300, which is similar to the average price of existing units citywide.

Table 19. Townhome Average Price, 2019-2023

	2019	2020	2021	2022	2023	2019-2023 Avg	2023 vs 2019	% Change
Alameda Market Area								
New	---	---	---	---	---	---	---	---
Existing	---	\$282,527	\$370,000	\$411,250	---	---	---	---
Total	---	\$282,527	\$370,000	\$411,250	---	---	---	---
Belmar								
New	---	---	---	---	---	---	---	---
Existing	\$504,675	\$527,602	\$588,838	\$624,117	\$618,880	\$114,205	\$28,551	5.2%
Total	\$504,675	\$527,602	\$588,838	\$624,117	\$618,880	\$114,205	\$28,551	5.2%
Lakewood								
New	\$424,376	\$410,224	\$483,037	\$547,215	\$629,636	\$205,260	\$51,315	10.4%
Existing	\$302,848	\$327,236	\$374,135	\$432,411	\$415,034	\$112,186	\$28,047	8.2%
Total	\$327,597	\$336,688	\$394,252	\$438,198	\$440,384	\$112,787	\$28,197	7.7%

Source: Jefferson County Assessor, Zonda, Economic & Planning Systems

Comparable Townhome Development

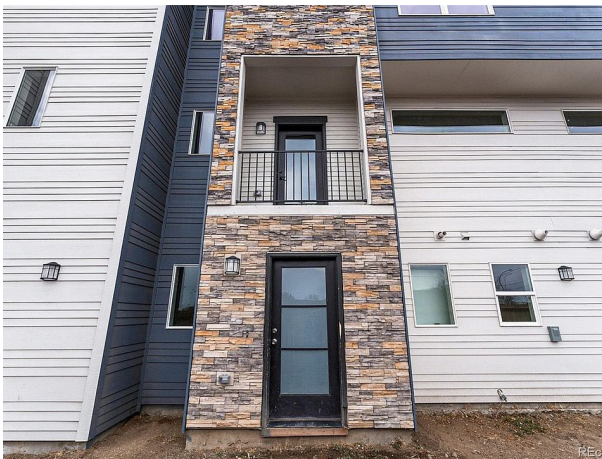
1512-1528 Ingalls Street is a recent development of eight attached townhomes near Colfax Avenue ranging from 2 to 4 bedrooms and currently listed for sale between \$725,000 and \$845,000 (**Table 20**). Other recent townhome developments include 5570 West 10th Place south of the subject site and neighboring the Lakewood Country Club. It is a 3-bedroom townhome that was developed in 2019 and is currently listed for sale for \$599,900. 5657 West 10th Avenue was built in 2018 with 3 bedrooms and is listed for sale for \$535,000.

Table 20. Comparable For-Sale Townhome Development



1518 Ingalls St
Lakewood, CO 80214

Year Built: 2023
Sale Price: \$845,000
Unit Type: 4BR - 4BA
Unit Size: 2,330 Sq. Ft.



1516 Ingalls St
Lakewood, CO 80214

Year Built: 2023
Sale Price: \$725,000
Unit Type: 2BR - 4BA
Unit Size: 1,789 Sq. Ft.



5570 W 10th Place
Lakewood, CO 80214

Year Built: 2019
Sale Price: \$599,900
Unit Type: 3BR - 3BA
Unit Size: 1,294 Sq. Ft.



5657 W 10th Ave
Lakewood, CO 80214

Year Built: 2018
Sale Price: \$535,000
Unit Type: 3BR - 3BA
Unit Size: 1,269 Sq. Ft.

Condominium

From 2019 to 2023, there was little new condominium development in Lakewood. Of existing condominium units, a total of 54 units were sold in the Alameda Market Area or an average of 11 units per year, shown in **Table 21**. Adjacent to the Market Area, Belmar had a total of 81 condominium units sold over this timeframe or an average of 16 units per year. Citywide there was a total of 2,166 condominium sales, including 18 new units, over the past five years for an average of 433 sales per year.

Table 21. Condominium Sales Volume, 2019-2023

Condominium	2019	2020	2021	2022	2023	2019-2023	
						Total	Avg.
Alameda Market Area							
New	0	0	0	0	0	0	0
Existing	<u>5</u>	<u>14</u>	<u>13</u>	<u>11</u>	<u>11</u>	<u>54</u>	<u>11</u>
Total	5	14	13	11	11	54	11
Belmar							
New	0	0	0	0	0	0	0
Existing	<u>21</u>	<u>16</u>	<u>21</u>	<u>14</u>	<u>9</u>	<u>81</u>	<u>16</u>
Total	21	16	21	14	9	81	16
Lakewood							
New	0	0	0	18	0	18	4
Existing	<u>423</u>	<u>469</u>	<u>511</u>	<u>410</u>	<u>335</u>	<u>2,148</u>	<u>430</u>
Total	423	469	511	428	335	2,166	433

Source: Jefferson County Assessor, Zonda, Economic & Planning Systems

Lakewood had only 18 new condominium units built and sold in the past five years, all of which sold in 2022 with an average price of \$356,300, shown below in **Table 22**. In 2022, the price differential between a new unit versus an existing unit was minimal with a new unit costing on average 12 percent more. In 2023, the average price of an existing condominium was \$324,100. In the Alameda Market Area, the average price of an existing unit in 2023 was lower than the citywide average at \$214,500 and Belmar had the highest average price of the three geographies at \$501,200. This illustrates the premium the Belmar location offers with walkable retail and restaurant amenities.

Table 22. Condominium Average Price, 2019-2.023

Condominium	2019	2020	2021	2022	2023	2019-2023		
						Total	Ann. #	Ann. %
Alameda Market Area								
New	---	---	---	---	---	---	---	---
Existing	<u>\$154,460</u>	<u>\$172,657</u>	<u>\$262,838</u>	<u>\$176,682</u>	<u>\$214,545</u>	<u>\$60,085</u>	<u>\$15,021</u>	<u>8.6%</u>
Total	\$154,460	\$172,657	\$262,838	\$176,682	\$214,545	\$60,085	\$15,021	8.6%
Belmar								
New	---	---	---	---	---	---	---	---
Existing	<u>\$466,577</u>	<u>\$413,739</u>	<u>\$427,964</u>	<u>\$531,611</u>	<u>\$501,222</u>	<u>\$34,645</u>	<u>\$8,661</u>	<u>1.8%</u>
Total	\$466,577	\$413,739	\$427,964	\$531,611	\$501,222	\$34,645	\$8,661	1.8%
Lakewood								
New	---	---	---	\$356,315	---	---	---	---
Existing	<u>\$240,648</u>	<u>\$244,557</u>	<u>\$283,929</u>	<u>\$317,775</u>	<u>\$324,142</u>	<u>\$83,494</u>	<u>\$20,874</u>	<u>7.7%</u>
Total	\$240,648	\$244,557	\$283,929	\$319,396	\$324,142	\$83,494	\$20,874	7.7%

Source: Jefferson County Assessor, Zonda, Economic & Planning Systems

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4. Commercial Market Conditions

This section examines recent trends in industrial/flex, office, retail, and hotel development, including data on existing conditions for inventory, rental rates, and vacancy rates. Market demand for each land use is determined by examining the recent growth trends and absorption of new product.

Industrial/Flex

In 2023, Lakewood had approximately 3.45 million square feet of industrial and flex inventory, representing 10 percent of Jefferson County's 33.6 million inventory (**Table 23**). Lakewood added 10,700 square feet of industrial and flex inventory each year between 2015 and 2023, growing at a rate of 0.3 percent annually. In the same period, Jefferson County added 323,340 square feet of industrial and flex inventory each year, at a rate of 1 percent annually.

The Alameda Market Area had 9,134 square feet of industrial and flex inventory, representing only 0.2 percent of the city's inventory, indicating that the Market Area does not have significant industrial and flex inventory. There has not been any recent growth in industrial and flex inventory within the Market Area.

Table 23. Industrial and Flex Inventory (Sq. Ft.), 2010-2023

Inventory (Sq.Ft.)	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Study Area	436,570	436,570	471,570	471,570	35,000	2,692	0.6%	35,000	4,375	1.0%
Alameda Market Area	9,134	9,134	9,134	9,134	0	0	0.0%	0	0	0.0%
Colfax Market Area	55,448	55,448	55,448	55,448	0	0	0.0%	0	0	0.0%
Lakewood	3,181,347	3,363,847	3,409,443	3,449,443	268,096	20,623	0.6%	85,596	10,700	0.3%
Jefferson County	30,436,895	31,039,005	32,634,650	33,625,724	3,188,829	245,295	0.8%	2,586,719	323,340	1.0%

Source: CoStar, Economic & Planning Systems

In 2023, industrial and flex space rented for \$10.91 and \$12.75 per square foot in Lakewood and Jefferson County, respectively (**Table 24**). Since 2015, industrial and flex rent increased by \$0.54 per square foot each year in Lakewood, at a rate of 6.5 percent annually, and by \$0.51 per square foot in the county, at a rate of 5 percent annually.

Table 24. Industrial and Flex Rental Rates per Square Foot, 2010-2023

Alameda Market Area	\$10.27	---	---	---	---	---	---	---	---	---
Lakewood	\$6.28	\$6.61	\$10.86	\$10.91	\$4.63	\$0.36	4.3%	\$4.30	\$0.54	6.5%
Jefferson County	\$7.16	\$8.66	\$11.55	\$12.75	\$5.59	\$0.43	4.5%	\$4.09	\$0.51	5.0%

Source: CoStar, Economic & Planning Systems

Industrial and flex vacancy rates were higher in Lakewood in 2023 at 3.2 percent, than in the county at 2.4 percent (**Table 25**). Since 2015, industrial and flex vacancy rate in Lakewood increased by 1.1 percent and by 0.5 percent in Jefferson County. Although data is limited, industrial and flex vacancy within the Market Area has typically been significantly higher than city and county averages. In 2020, the industrial and flex vacancy was 20.8 percent within the Market Area, down from 27.4 percent in 2015.

Table 25. Industrial and Flex Vacancy Rates, 2010-2023

Vacancy Rate	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	44.9%	27.4% ¹	20.8% ²	---	---	---	---	---	---	
Lakewood	7.5%	2.1%	1.7%	3.2%	-4.3%	-0.3%	-6.4%	1.1%	0.1%	5.3%
Jefferson County	5.3%	1.9%	2.5%	2.4%	-2.8%	-0.2%	-5.8%	0.5%	0.1%	2.9%

¹Based on 2016 data

²Based on 2019 data

Source: CoStar, Economic & Planning Systems

Recent Industrial Development

There have been three industrial and flex developments in Lakewood since 2018 ranging from 10,596 to 40,000 square feet in size and renting between \$10.15 to \$15.50 per square foot (**Table 26**). The largest development is located at 15503 Denver West Parkway, which is 40,000 square feet in size, rents at approximately \$10.15 per square foot, and reports full occupancy. 5495 West 6th Avenue is a 35,000 square foot industrial development built in 2020 and houses Coated Metals Group, a pre-finished steel manufacturer (**Table 27**).

Table 26. Recent Industrial and Flex Development, 2018-2024



Lakewood			
3455 S Vance St	10,596	\$15.50 ¹	0.0%
5495 W 6th Ave	35,000	\$11.18 ¹	0.0%
15503 Denver West Pky	<u>40,000</u>	<u>\$10.15</u> ¹	<u>0.0%</u>
Total	85,596	\$10.66	0.0%

¹ Estimated by CoStar
 Source: CoStar, Economic & Planning Systems

Table 27. Comparable Industrial and Flex Development



5495 W 6th Ave
 Lakewood, CO 80214

Size: 35,000 Sq. Ft.
Year Built: 2020
Rent per Sq. Ft.: \$11.18
Tenant(s):
 Coated Metals Group

Office

In 2023, the Alameda Market Area had 113,779 square feet of office inventory, which constituted 1 percent of Lakewood’s 10.8 million square feet of office inventory (**Table 28**). In comparison, the commercial nodes of Belmar and Colorado Mills had 332,381 square feet and 145,422 square feet of office inventory respectively. Since 2015, office inventory grew by 13,000 square feet each year, or 0.1 percent annually in Lakewood, and by 101,280 square feet, or 0.4 percent annually in Jefferson County. No new office space was added recently in the Market Area.

Table 28. Office Inventory (Sq. Ft.), 2010-2023

	2010	2015	2020	2023	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	113,779	113,779	113,779	113,779	0	0	0.0%	0	0	0.0%
Belmar	332,381	332,381	332,381	332,381	0	0	0.0%	0	0	0.0%
Colorado Mills	145,422	145,422	145,422	145,422	0	0	0.0%	0	0	0.0%
Lakewood	10,381,951	10,715,544	10,819,544	10,819,544	437,593	33,661	0.3%	104,000	13,000	0.1%
Jefferson County	23,290,842	24,084,209	24,686,545	24,894,451	1,603,609	123,355	0.5%	810,242	101,280	0.4%

Source: CoStar, Economic & Planning Systems

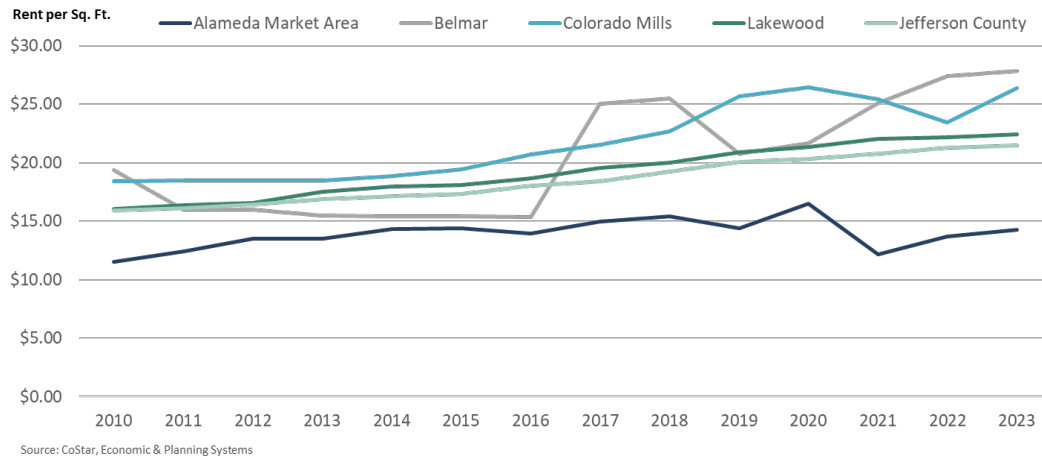
Offices in the Alameda Market Area rented at \$14.29 per square foot in 2023, lower than other regions in the area and the city and county (**Table 29**). The highest rents are observed in Belmar, where offices rented for \$27.82 per square foot in 2023. In the city and county, office rental rates averaged at \$22.43 and \$21.48 in 2023. Since 2015, office rental rates in the Market Area have decreased by \$0.01 each year but have increased by \$1.55 each year in neighboring Belmar, or a 7.7 percent annual increase. Office rental rates increased at an annual rate of 2.7 percent in Lakewood and Jefferson County since 2015, equivalent to \$0.54 and \$0.52 each year respectively.

Table 29. Office Rental Rates per Square Foot, 2010-2023

Rent per Sq. Ft.	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	\$11.51	\$14.38	\$16.50	\$14.29	\$2.79	\$0.21	1.7%	-\$0.09	-\$0.01	-0.1%
Belmar	\$19.38	\$15.40	\$21.69	\$27.82	\$8.44	\$0.65	2.8%	\$12.42	\$1.55	7.7%
Colorado Mills	\$18.41	\$19.41	\$26.47	\$26.36	\$7.95	\$0.61	2.8%	\$6.96	\$0.87	3.9%
Lakewood	\$16.08	\$18.07	\$21.37	\$22.43	\$6.35	\$0.49	2.6%	\$4.36	\$0.54	2.7%
Jefferson County	\$15.90	\$17.32	\$20.32	\$21.48	\$5.58	\$0.43	2.3%	\$4.17	\$0.52	2.7%

Source: CoStar, Economic & Planning Systems

Figure 15. Office Rental Rates per Square Foot, 2010-2023



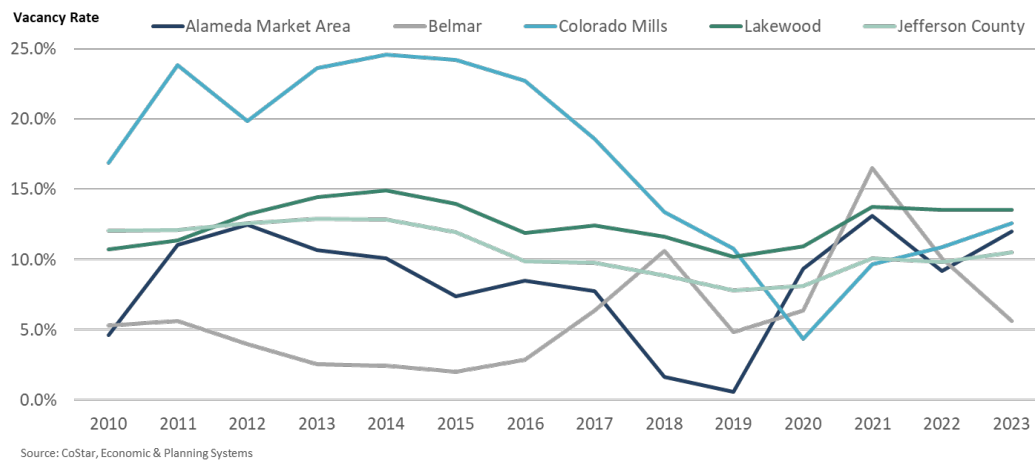
Office vacancy rates were 12 percent in the Alameda Market Area in 2023, which is comparable to Colorado Mills, Lakewood, and Jefferson County, which had vacancy rates of 12.6 percent, 13.5 percent, and 10.5 percent respectively (**Table 30**). In contrast, office vacancies in Belmar were only 5.6 percent. Historically, office vacancies within the Market Area have been significantly lower than the city and county. However, since 2015, vacancies increased by 0.6 percent each year, while they have reduced by 0.1 percent and 0.2 percent each year in the city and county respectively. Office vacancies in Belmar peaked in 2021 at 16.5 percent, higher than the other geographies, potentially indicating that office uses in the other geographies were critical services, such as medical offices.

Table 30. Office Vacancy Rates, 2010-2023

Vacancy Rate	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	4.6%	7.4%	9.3%	12.0%	7.4%	0.6%	7.6%	4.6%	0.6%	6.2%
Belmar	5.3%	2.0%	6.4%	5.6%	0.3%	0.0%	0.4%	3.6%	0.5%	13.6%
Colorado Mills	16.9%	24.2%	4.4%	12.6%	-4.3%	-0.3%	-2.2%	-11.6%	-1.5%	-7.9%
Lakewood	10.7%	14.0%	10.9%	13.5%	2.8%	0.2%	1.8%	-0.5%	-0.1%	-0.4%
Jefferson County	12.1%	11.9%	8.1%	10.5%	-1.5%	-0.1%	-1.0%	-1.4%	-0.2%	-1.5%

Source: CoStar, Economic & Planning Systems

Figure 16. Office Vacancy Rates, 2010-2023



Recent Office Development

There are no recent office developments in the area. However, some older developments with offices include 14143 Denver West Parkway, 355 South Teller Street, and 651 Garrison Street (**Table 31**). 14143 Denver West Parkway is an office development, built in 2007 and has 185,920 square feet of rentable area. 355 South Teller Street is a mixed-use development built in 2004, with nearly 200,000 square feet of office rentable building area renting at \$28.50 per square foot. In comparison, 651 Garrison Street was developed in 2001, is smaller with approximately 14,700 square feet of rentable building area renting at \$21.00 per square foot.

Table 31. Comparable Office Development



14143 Denver West Pkwy

Lakewood, CO 80401

Size: 185,920 Sq. Ft.

Year Built: 2007

Rent per Sq. Ft.: \$22.00

Tenant(s):

CoorsTek, Wipfli LLP, ME Engineers, Office Evolution, Absence Soft, Equitable Advisors, Chlumsky Armburst & Meyer, Destiny Capital



355 S Teller St

Lakewood, CO 80226

Size: 197,686 Sq. Ft.

Year Built: 2004

Rent per Sq. Ft.: \$28.50

Tenant(s):

The Integer Group, Office Evolution, Consova Corp., Movement Mortgage, Open Automation Software



651 Garrison St

Lakewood, CO 80215

Size: 14,772 Sq. Ft.

Year Built: 2001

Rent per Sq. Ft.: \$21.00

Tenant(s):

Express Employment Professionals, The Stroller Group, House of Imports, Affordable American Insurance, Blossoming, Linked

Retail

There was 490,987 square feet of retail inventory in 2023 within the Alameda Market Area (**Table 32**). In comparison, Belmar and Colorado Mills had 1.16 million and 1.63 million of retail inventory. Since 2015, the Market Area added 419 square feet of office inventory each year, or 0.1 percent annually, while Belmar and Colorado Mills added 3,092 and 5,039 square feet each year, at an annual rate of 0.3 percent. Lakewood had 10.46 million square feet of retail inventory in 2023, an annual increase of 14,659 square feet each year since 2015. Retail inventory in Lakewood in 2023 comprised 28 percent of the county's 37.15 million square feet of retail inventory.

Table 32. Retail Inventory (Sq. Ft.), 2010-2023

	2010	2015	2020	2023	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	487,632	487,632	490,987	490,987	3,355	258	0.1%	3,355	419	0.1%
Belmar	921,749	1,141,248	1,165,982	1,165,982	244,233	18,787	1.8%	24,734	3,092	0.3%
Colorado Mills	1,504,214	1,591,535	1,631,843	1,631,843	127,629	9,818	0.6%	40,308	5,039	0.3%
Lakewood	9,979,113	10,351,478	10,429,180	10,468,751	489,638	37,664	0.4%	117,273	14,659	0.1%
Jefferson County	34,450,005	35,330,700	36,808,874	37,158,709	2,708,704	208,362	0.6%	1,828,009	228,501	0.6%

Source: CoStar, Economic & Planning Systems

In 2023, retail rental rates in the Market Area were \$13.63 per square foot, which is comparable to city and county averages at \$15.57 and \$16.27 per square foot respectively, but significantly lower than rental rates of \$28 per square foot in Colorado Mills (**Table 33**). Additionally, while data is limited for Belmar, retail space rented at \$41.67 per square foot in 2015, significantly higher than the other geographies. Since 2015, retail rental rates have decreased by \$0.23 per square foot in the Market Area, at a 1.5 percent annual rate. In contrast, rental rates have increased each year by \$1.13 (5 percent) in Colorado Mills, by \$0.26 (1.8 percent) in Lakewood, and \$0.31 (2.1 percent) in the county.

Table 33. Retail Rental Rates per Square Foot, 2010-2023

Rent per Sq. Ft.	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Alameda Market Area	\$16.10	\$15.43	\$13.81	\$13.63	-\$2.47	-\$0.19	-1.3%	-\$1.80	-\$0.23	-1.5%
Belmar	\$19.00 ¹	\$41.67 ²	---	---	---	---	---	---	---	---
Colorado Mills	\$21.53	\$19.00	\$27.16	\$28.00	\$6.47	\$0.50	2.0%	\$9.00	\$1.13	5.0%
Lakewood	\$13.90	\$13.53	\$12.44	\$15.57	\$1.67	\$0.13	0.9%	\$2.04	\$0.26	1.8%
Jefferson County	\$14.21	\$13.78	\$15.08	\$16.27	\$2.05	\$0.16	1.0%	\$2.49	\$0.31	2.1%

¹ Based on 2009 data

² Based on 2014 data

Source: CoStar, Economic & Planning Systems

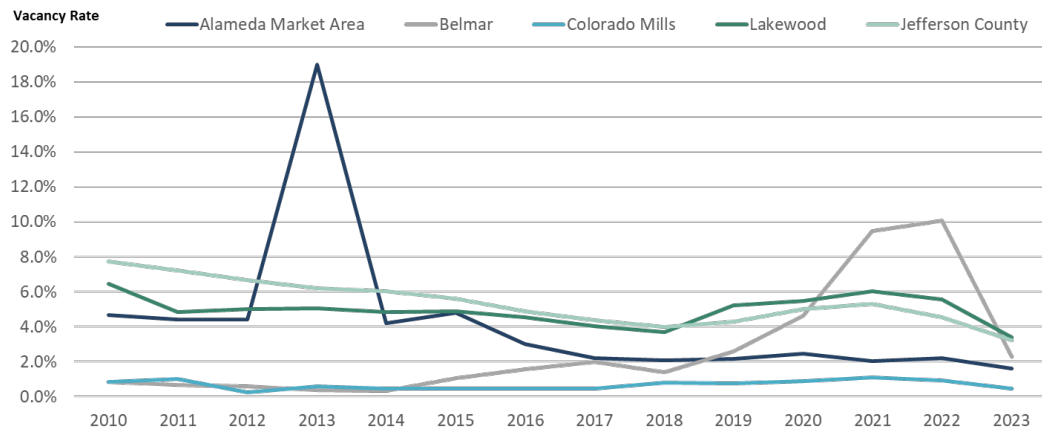
In 2023, retail vacancy within the Alameda Market Area was 1.6 percent, lower than city and county averages (3.4 percent and 3.2 percent respectively) and Belmar at 2.3 percent, but higher than Colorado Mills at 0.5 percent (**Table 34**). Since 2015, retail vacancy rates in the Market Area have reduced by 0.4 percent each year, indicating that any new inventory added since 2015 has been absorbed. Likewise, retail vacancies in the city and county have also dropped since 2015 by 0.2 percent and 0.3 percent each year. In contrast, retail vacancy in Belmar were high in 2021 and 2022 at 9.5 percent and 10.1 percent respectively but have since recovered to pre-pandemic levels, although still higher than the 1.1 percent vacancy rate observed in 2015 (**Figure 17**).

Table 34. Retail Vacancy Rates, 2010-2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Alameda Market Area	4.7%	4.8%	2.5%	1.6%	-3.1%	-0.2%	-7.8%	-3.2%	-0.4%	-12.7%				
Belmar	0.9%	1.1%	4.6%	2.3%	1.5%	0.1%	8.0%	1.3%	0.2%	10.3%				
Colorado Mills	0.9%	0.5%	0.9%	0.5%	-0.4%	0.0%	-4.4%	0.0%	0.0%	0.7%				
Lakewood	6.5%	4.9%	5.5%	3.4%	-3.1%	-0.2%	-4.8%	-1.5%	-0.2%	-4.4%				
Jefferson County	7.7%	5.6%	5.0%	3.2%	-4.5%	-0.3%	-6.5%	-2.4%	-0.3%	-6.7%				

Source: CoStar, Economic & Planning Systems

Figure 17. Retail Vacancy Rates, 2010-2023



Source: CoStar, Economic & Planning Systems

Recent Retail Development

Since 2018, 98,035 square feet of retail space has been developed in Lakewood, 24,734 square feet of which are located within Belmar, an area neighboring the Alameda Market Area (**Table 35**). The largest recent development within Belmar was 325 South Saulsbury Street built in 2019 that has 9,734 square feet of retail and estimated to rent at \$22.88 per square foot. All recent retail developments in Lakewood are nearly fully occupied.

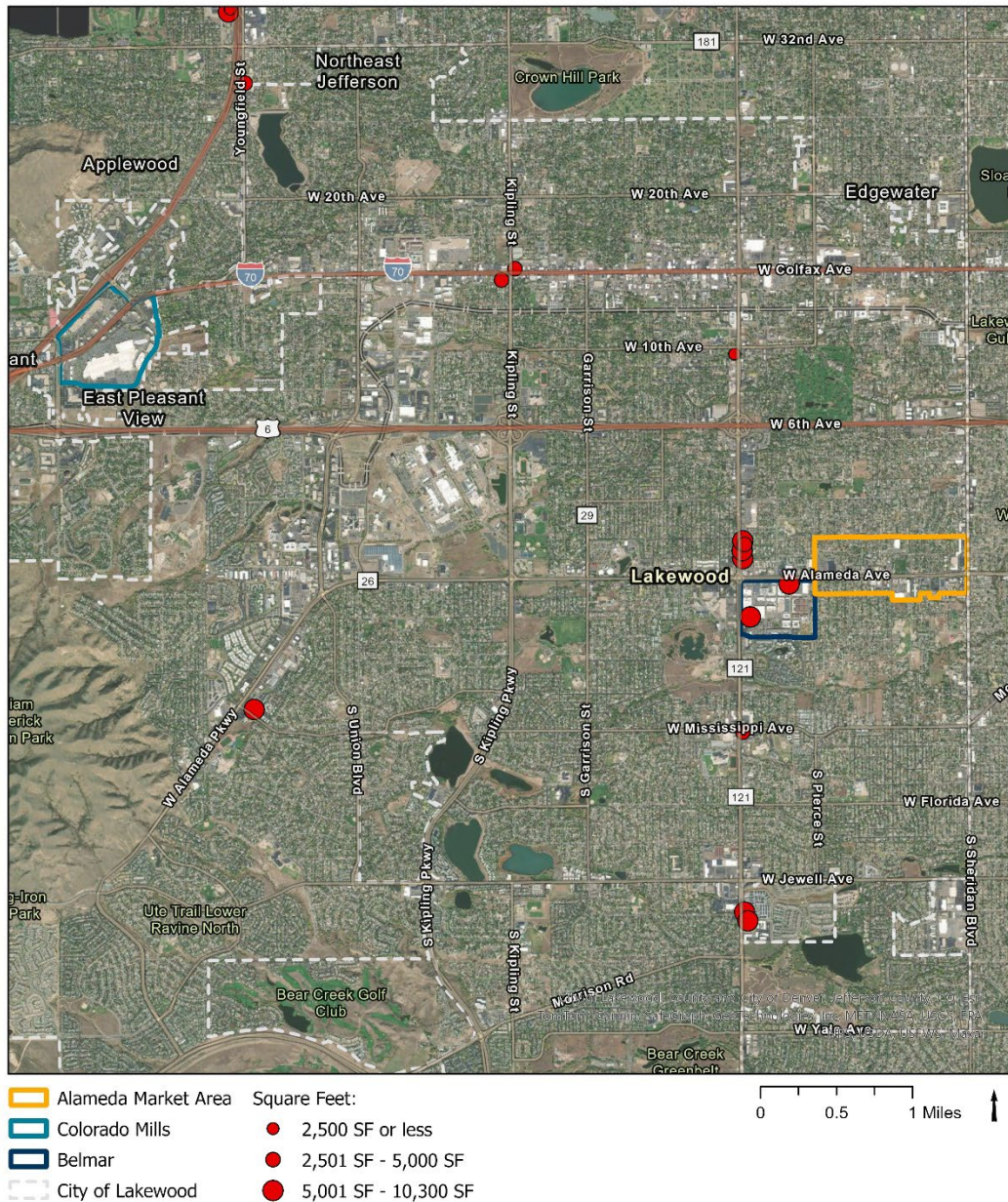
Table 35. Recent Retail Development, 2018-2024

Description	Area (Sq. Ft.)	¹ Rent Per Sq. Ft.
Belmar		
325 S Saulsbury St	9,734	\$22.88
499 S Vance St	8,000	\$23.64
448 S Wadsworth Blvd	<u>7,000</u>	<u>\$28.83</u>
Subtotal	24,734	\$25.12
Lakewood		
12870 W Alameda Pky	8,800	\$24.24
3432 Clear Creek Dr	5,669	\$18.49
9995 W Colfax Ave	3,500	\$25.21
10044 W Colfax Ave	5,000	\$23.68
975-999 Wadsworth Blvd	2,400	\$19.61
110 S Wadsworth Blvd	5,150	\$24.58
120 S Wadsworth Blvd	3,900	\$28.81
130 S Wadsworth Blvd	5,621	\$23.18
150 S Wadsworth Blvd	9,300	\$22.77
1110 S Wadsworth Blvd	4,650	\$23.80
2055 S Webster St	5,200	\$18.53
2125 S Webster St	5,135	\$19.81
2900 Youngfield St	2,959	\$23.34
3478 Clear Creek Dr	1,117	\$18.58
5060 S Wadsworth Way	3,400	\$26.04
6671 W Colfax Ave	<u>1,500</u>	<u>\$27.08</u>
Subtotal	73,301	\$22.98
Total	98,035	\$23.32

¹ Estimated by CoStar

Source: CoStar, Economic & Planning Systems

Figure 18. Recent Lakewood Retail Development, 2018-2024



A comparable mixed-use development is located at 1523 Quitman Street. It has approximately 55,700 square feet of gross leasable area estimated to rent at \$23.00 per square foot (**Table 36**). Other comparable developments include 455 South Saulsbury Street and 330-390 South Teller Street, which are both mixed-used developments that were built in 2004. They have 260,453 square feet and 81,674 square feet of gross leasable area and rent at \$44 and \$55 per square foot respectively.

Table 36. Comparable Retail Development



1523 Quitman St
Denver, CO 80204

Size: 55,756 Sq. Ft.
Year Built: 2023
Rent per Sq. Ft.: \$23.00
Tenant(s):
(New)



455 S Saulsbury St
Lakewood, CO 80226

Size: 260,453 Sq. Ft.
Year Built: 2004
Rent per Sq. Ft.: \$44.00
Tenant(s):
Cinemark, Bath & Body Works,
Painting with a Twist, Vito Pini
Salon, Menya Noodle Bar, Stack
Subs, Sharetea, Claire's



330-390 S Teller St
Lakewood, CO 80226

Size: 81,674 Sq. Ft.
Year Built: 2004
Rent per Sq. Ft.: \$55.00
Tenant(s):
Lane Bryant, LOFT, Garage Sale
Vintage, Lens Crafters, Evereve,
Chico's, White House Black Market,
The Gift House, Lady Nomada

Hotel

In 2024, there are no hotels within the Alameda Market Area. In 2023, Belmar had 135 hotel rooms and Colorado Mills had 127, together comprising approximately 9 percent of Lakewood’s 3,049 hotel rooms (**Table 37**). No hotels existed in Belmar and Colorado Mills until 2016 and 2019 respectively. Since 2015, Lakewood added 49 rooms each year, at an annual rate of 1.7 percent. Meanwhile, Jefferson County added 146 rooms each year at an annual rate of 2.2 percent. 41 percent of the county’s 7,410 rooms are located within Lakewood.

Table 37. Hotel Room Inventory, 2010-2023

	2010	2015	2020	2023	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Belmar	0	0	135	135	135	10	---	135	17	---
Colorado Mills	0	0	127	127	127	10	---	127	16	---
Lakewood	2,666	2,660	3,058	3,049	383	29	1.0%	389	49	1.7%
Jefferson County	5,651	6,245	7,046	7,410	1,759	135	2.1%	1,165	146	2.2%

Source: CoStar, Economic & Planning Systems

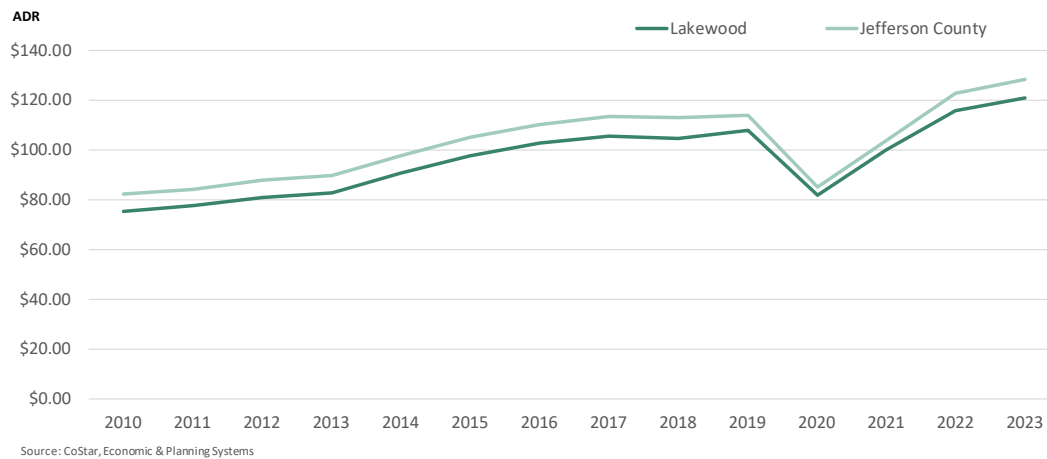
The average daily rate in Belmar and Colorado Mills is significantly higher than city and county averages (**Table 38**). In 2023, hotels in Belmar and Colorado Mills had similar average daily rates of \$162.26 and \$162.27 respectively, while the city and county hotels had average daily rates of \$120.93 and \$128.49 respectively, indicating that hotels in Lakewood were generally more affordable than the remaining county. Since 2015, average daily rates of hotels in Lakewood have increased by \$2.88 each year, or 2.7 percent annually, and by \$2.92 each year (2.5 percent annually) in the county. Hotel average daily rates dipped sharply in 2020 during the COVID-19 pandemic but have since recovered to higher than pre-pandemic levels (**Figure 19**).

Table 38. Hotel Room Average Daily Rate, 2010-2023

Average Daily Rate	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Belmar	---	---	\$101.24	\$162.26	---	---	---	---	---	---
Colorado Mills	---	---	\$103.79	\$162.27	---	---	---	---	---	---
Lakewood	\$75.61	\$97.87	\$81.94	\$120.93	\$45.32	\$3.49	3.7%	\$23.06	\$2.88	2.7%
Jefferson County	\$82.18	\$105.14	\$85.04	\$128.49	\$46.32	\$3.56	3.5%	\$23.35	\$2.92	2.5%

Source: CoStar, Economic & Planning Systems

Figure 19. Hotel Room Average Daily Rate, 2010-2023



Hotel occupancies are comparable across all geographies (**Table 39**). In 2023, hotel occupancy in both Belmar and Colorado Mills was 68.3 percent, while Lakewood and Jefferson County reported slightly lower occupancy rates of 67.8 percent and 67 percent respectively. Since 2015, occupancy across all the geographies have been comparable, reducing by 0.9 percent each year. Hotel occupancy declined in 2020, but unlike average daily rates, are yet to recover to pre-pandemic levels (**Figure 20**).

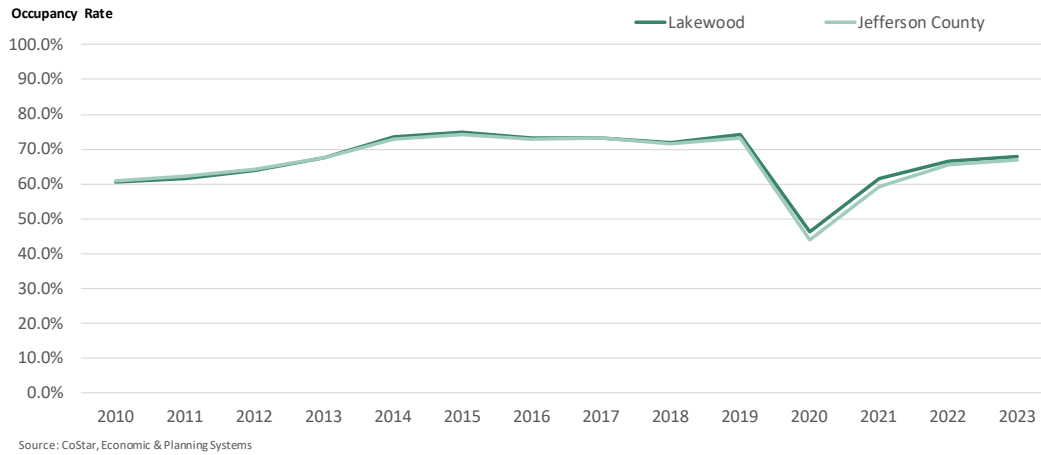
Table 39. Hotel Occupancy Rate, 2010-2023

Occupancy Rate	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Belmar	---	75.5% ¹	41.3%	68.3%	---	---	---	-7.2%	-0.9%	-1.2%
Colorado Mills	---	---	46.1%	68.3%	---	---	---	---	---	---
Lakewood	60.6%	74.8%	46.4%	67.8%	7.2%	0.6%	0.9%	-7.0%	-0.9%	-1.2%
Jefferson County	60.8%	74.1%	44.0%	67.0%	6.2%	0.5%	0.7%	-7.1%	-0.9%	-1.3%

¹ Based on 2016 data

Source: CoStar, Economic & Planning Systems

Figure 20. Hotel Occupancy Rate, 2010-2023



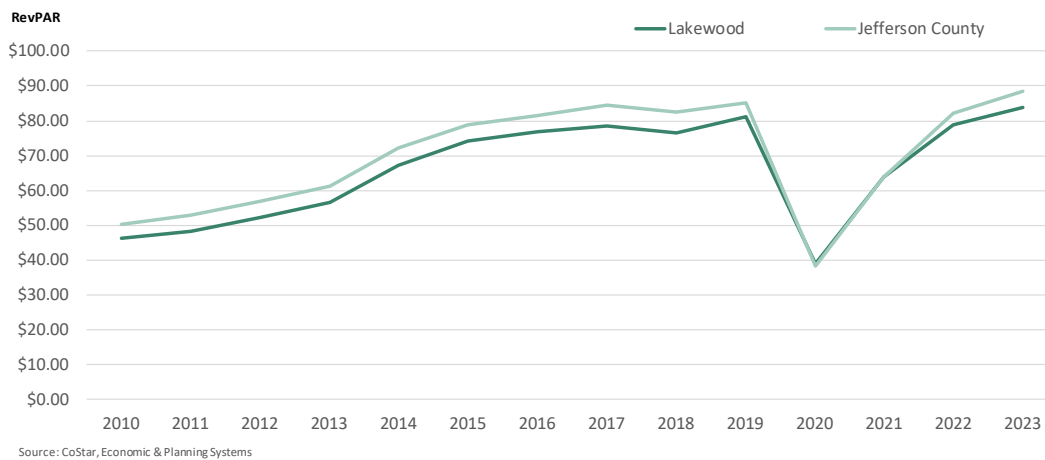
Hotel revenue per available room (RevPAR) was higher in Belmar and Colorado Mills at \$114.05 than in Lakewood at \$83.86 and Jefferson County at \$88.31 (**Table 40**). However, since 2015, revenue within Belmar has increased at a slower rate than in the city and county. Revenue per available room has increased by \$1.13 each year since 2015 in Belmar, at an annual rate of 1 percent, while it has increased by \$1.21 each year (1.6 percent annually) in Lakewood, and by \$1.17 each year (1.4 percent annually) in the county. As other indicators suggest, hotels were heavily impacted during the COVID-19 pandemic, and hotel revenue per available room in 2020 were the lowest at \$38.91 and \$38.46 in the city and county respectively (**Figure 21**).

Table 40. Hotel Revenue per Available Room, 2010-2023

RevPAR	2010	2015	2020	2023	2010-2023			2015-2023		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Belmar	---	\$105.03 ¹	\$43.03	\$114.05	---	---	---	\$9.02	\$1.13	1.0%
Colorado Mills	---	---	\$48.53	\$114.05	---	---	---	---	---	---
Lakewood	\$46.18	\$74.15	\$38.91	\$83.86	\$37.69	\$2.90	4.7%	\$9.72	\$1.21	1.6%
Jefferson County	\$50.39	\$78.97	\$38.46	\$88.31	\$37.92	\$2.92	4.4%	\$9.34	\$1.17	1.4%

¹ Based on 2016 data
 Source: CoStar, Economic & Planning Systems

Figure 21. Hotel Revenue per Available Room, 2010-2023



Recent Hotel Development

There have been two new hotel developments since 2018 in Lakewood, both comparable in size, and one of which is located within the Colorado Mills (**Table 41**). The Spring Hill Suites located at 1315 Colorado Mills Parkway was developed with 127 hotel rooms and consists of 70,254 square feet. Fairfield Inn & Suites is located at 140 South Union Boulevard and has 128 rooms and a total of 96,000 square feet. Both hotels were built in 2019 and are estimated to have an average daily rate of \$130 and an occupancy of 67 percent (**Table 42**).

Table 41. Recent Hotel Development, 2018-2024

Description	Rooms
Colorado Mills	
1315 Colorado Mills Pky	<u>127</u>
Subtotal	127
Lakewood	
140 S Union Blvd	<u>128</u>
Subtotal	128
Total	255

Source: CoStar, Economic & Planning Systems

Figure 22. Recent Lakewood Hotel Development, 2018-2024

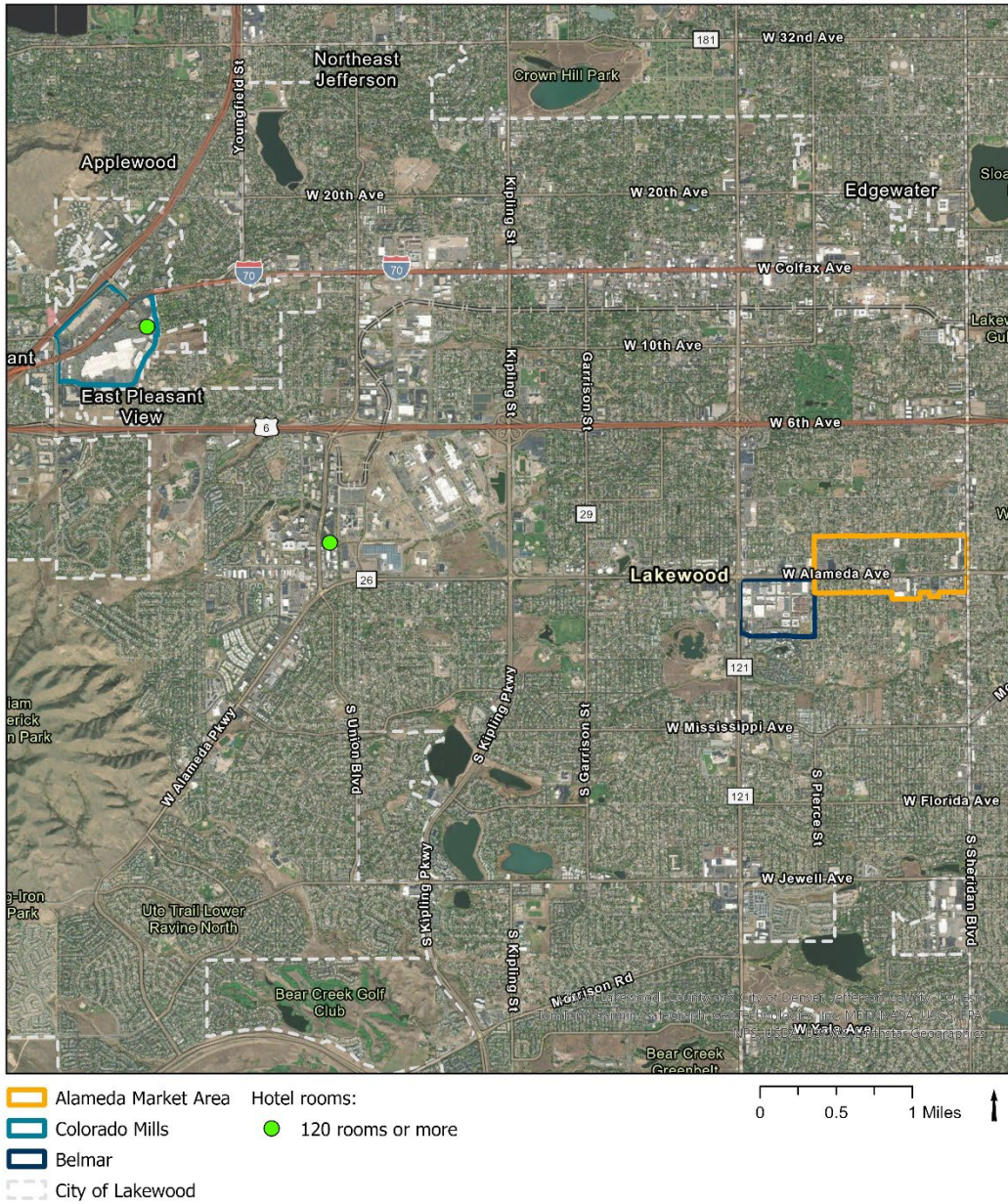


Table 42. Comparable Hotel Development



SpringHill Suites Denver West

1315 Colorado Mills Pkwy
Lakewood, CO 80401

Rooms:	127
¹ADR:	\$130
¹Occupancy:	67.00%
Size:	70,254 Sq. Ft.
Year Built:	2019



Fairfield Inn & Suites Denver West

140 S Union Blvd
Lakewood, CO 80228

Rooms:	128
¹ADR:	\$130
¹Occupancy:	67.00%
Size:	96,000 Sq. Ft.
Year Built:	2019



HomeTowne Studios

715 Kipling St
Lakewood, CO 80215

Rooms:	147
¹ADR:	\$130
¹Occupancy:	67.00%
Size:	80,120 Sq. Ft.
Year Built:	2017

¹ Based on CoStar Market Estimates

Neighborhood Services

Neighborhood services include necessary services and amenities for everyday living such as health care, dentists, daycare, and gym/fitness centers. These types of services were evaluated to determine the level of demand for them within the Alameda Market Area. **Figure 23** illustrates the neighborhood services within the Alameda Market Area, 0.5-mile radius, and 1-mile radius.

Healthcare

Within the Alameda Market Area, there are two healthcare providers, Federal Health Care and Comprehensive Healthcare Center. Furthermore, two healthcare providers are located in Belmar, and more are located along Wadsworth Boulevard and further west on Alameda Avenue. With this clustering of healthcare and medical clinics within a half-mile and one mile of the property, there is not a need for additional healthcare facilities.

Dentist

Simple Smiles, a family dentistry, is located at the corner of Sheridan Boulevard and Alameda Avenue in the Market Area. Additionally, Belmar has four dentist offices and there are three dentists at the edge of the 1-mile radius. This clustering of dental offerings along the major corridors shows there is not a need for additional dentist facilities.

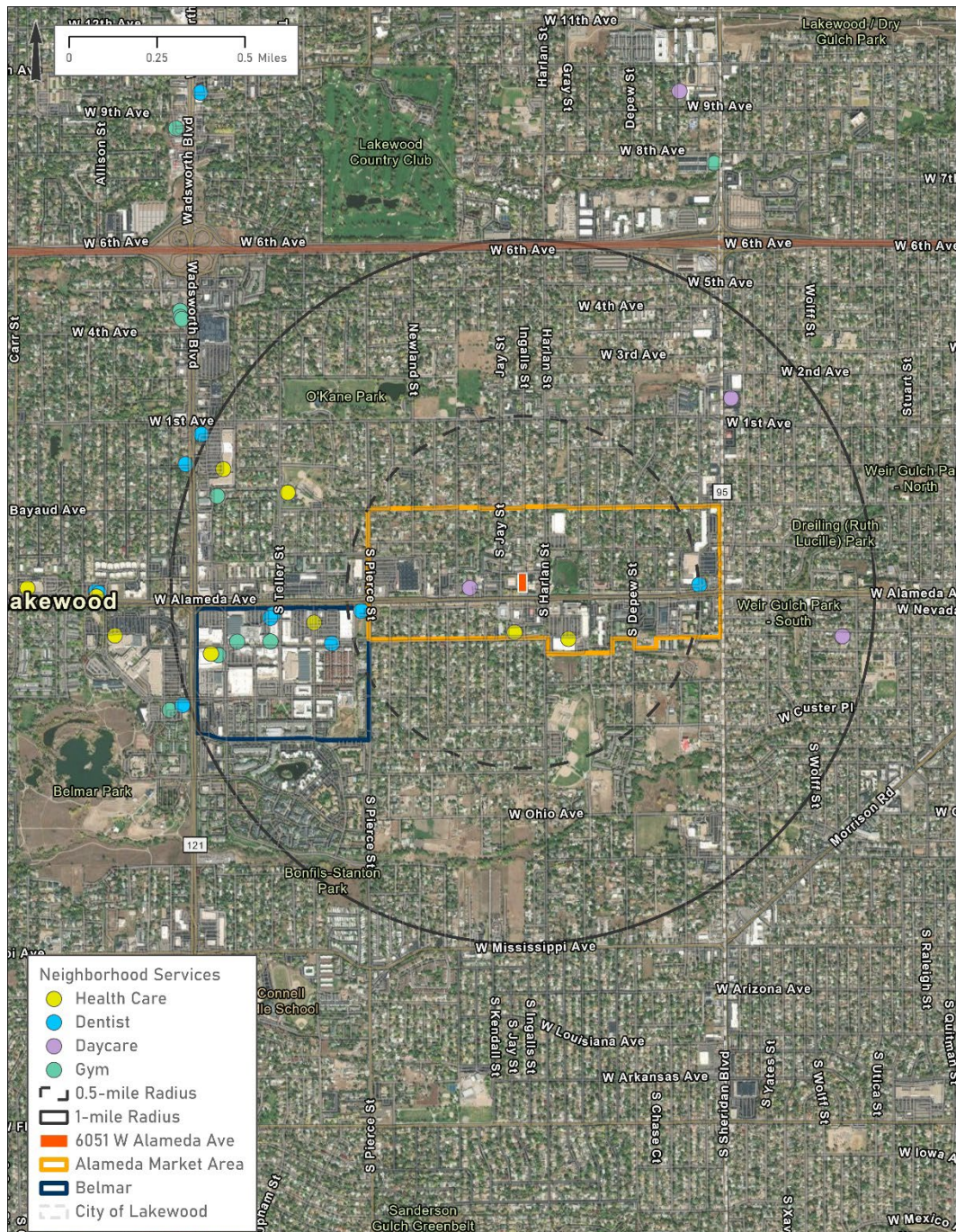
Daycare

The daycare facility, Little Harvard Academy, is within the Alameda Market Area and offers programs for infants through pre-kindergarten and kindergarten prep. This is the only daycare center within a half-mile of the site. Within one mile of the site, there are two daycares located in Denver, Grow and Learn Child Care and Little Hands Learning Center. Based on the proximity of the three daycare facilities, there is not a direct need for additional daycare facilities at this time. Alternatively, if these facilities are at capacity with additional demand in the area (i.e., waitlists) then there is potential for a new daycare facility on-site.

Gym/Fitness

The Alameda Market Area does not include gym or fitness facilities. Within one mile of the site there is a Pure Barre, F45 Training, and gymnastic center in Belmar, and a Planet Fitness, Orange Theory Fitness, and Club Pilates along Wadsworth Boulevard. There is potential for a gym or fitness facility on-site if it develops with a multitenant retail space.

Figure 23. Neighborhood Services



5. Demand Estimates

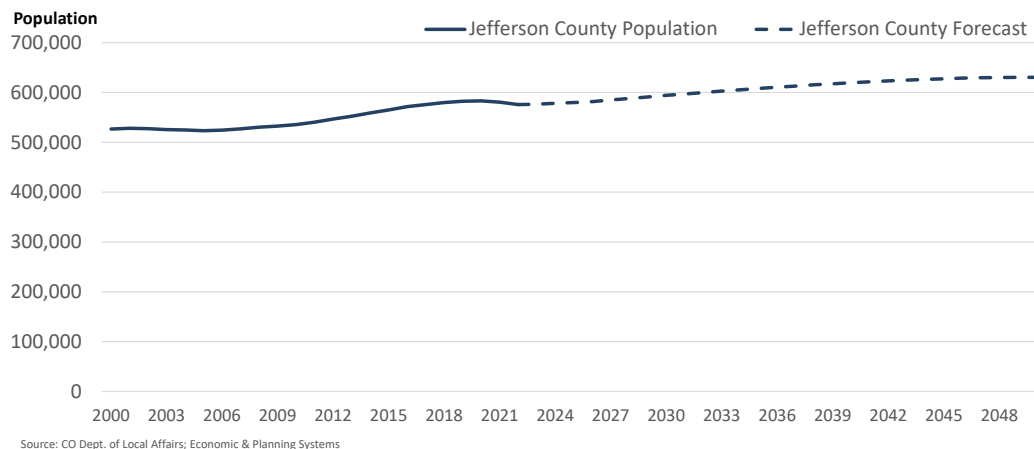
This section builds on previous chapters to estimate market demand for residential and commercial uses and community demand for affordable housing and neighborhood services. Population and household projections are estimated at the county level with capture rates applied to estimate demand at the city. The demand estimates derived in this chapter are the basis for the highest and best uses scenarios in the last chapter.

Population and Household Forecasts

Jefferson County is anticipated to grow at slower rates than other counties in the Denver Metro area due to its location, geographic constraints, and capacity for new development. Jefferson County is constrained geographically by the urban center of Denver and the Rocky Mountains. In addition to state parks and national forest, Jefferson County has preserved large amounts of open space, trails, and parks. The County is largely built out with most new development occurring as infill development and redevelopment of older properties.

Jefferson County population is forecasted by the Colorado Department of Local Affairs (DOLA) to increase to 630,559 residents by 2050, as shown in **Figure 24** and **Table 43**. Population growth is estimated at an average of 1,951 residents per year or an annual growth rate of 0.3 percent. This results in a projected increase of approximately 54,623 residents in Jefferson County by 2050.

Figure 24. Jefferson County Population Forecast, 2022-2050



The DOLA household forecast estimates 18,281 new households in Jefferson County between 2022 and 2050, shown in **Figure 25** and **Table 43**. Households are projected to grow at the same rate as the population at 0.3 percent annually, resulting in an average of 653 new households per year. By 2050, Jefferson County is anticipated to reach a total of 260,160 households.

Figure 25. Jefferson County Household Forecast, 2022-2050

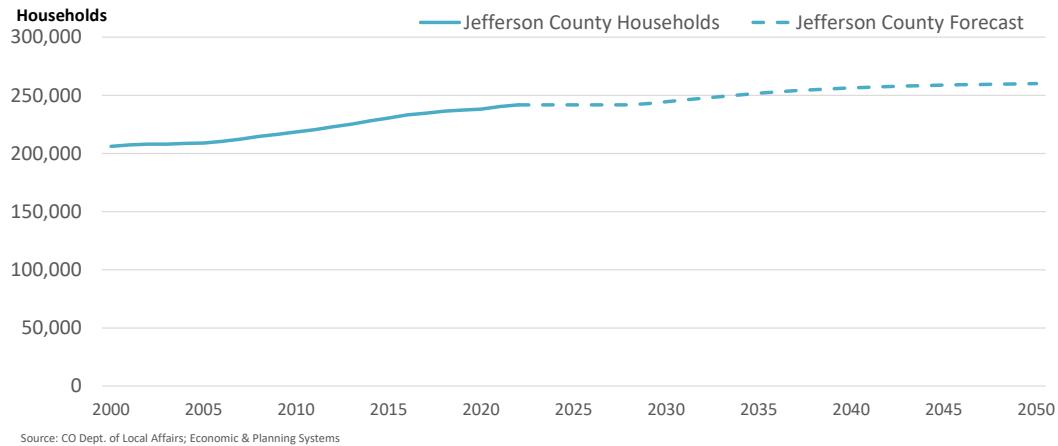


Table 43. Jefferson County Population and Household Forecast, 2022-2050


Jefferson County	2022	2030	2040	2050	2022-2050		
					Total	Ann. #	Ann. %
Population	575,936	594,181	619,626	630,559	54,623	1,951	0.3%
Households	241,879	244,535	256,409	260,160	18,281	653	0.3%

Source: CO Dept. of Local Affairs (DOLA); Economic & Planning Systems

Residential Development Potential

Lakewood captured 25 percent of countywide household growth from 2010 to 2022. This household growth capture is expected to continue and results in a total of 4,570 new households over the 28-year timeframe, which is an average of 163 households per year, shown in **Table 44**.

Table 44. Lakewood Residential Demand Capture, 2022-2050



Jefferson County		18,281	653
Lakewood	25%	4,570	163

Source: DOLA; Esri; Economic & Planning Systems

Recent multifamily residential development has largely occurred near major corridors and light rail lines in Lakewood (**Figure 14**). Notably, in northern Lakewood near Colfax Avenue and the RTD W light rail. The Alameda Market Area is largely built out with older, single family neighborhoods. The recent affordable housing development, Fifty Eight Hundred, a block away from the site has a very low vacancy rate of 0.5 percent and illustrates the demand for multifamily and affordable housing in the Market Area. Additionally, the site is near Belmar, which includes a mix of amenities including shopping, restaurants, and entertainment. The site is adjacent to a bus stop with Bus Route 3 Alameda Avenue that connects the Federal Center in Lakewood to City Center in Aurora. The site location, amenities, and transportation options make it a desirable place to live and generates demand for residential development. Based on recent residential development in the city, multifamily and attached units are most likely to develop.

Commercial Development Potential

The current market conditions and trends in the Alameda Market Area and City of Lakewood suggest there is demand and opportunity for retail and hotel uses. Alternatively, the market conditions do not support office and industrial/flex development.

Retail Potential

The current retail vacancy rate in the Alameda Market Area is extremely low at 1.6 percent (**Table 34**). This indicates there is demand for additional retail space. The Market Area experienced minimal new retail development over the past decade, which has restricted the supply. The site location offers proximity to existing retail centers, including Belmar and retailers along Alameda Avenue. The property also has direct access to Alameda Avenue, making it an appealing location for general retail and restaurant tenants. Depending on the size and type of retail users, the property could accommodate a single tenant or multitenant building with surface parking.

There is specific demand for restaurant uses from the sports complex, Gold Crown Foundation, for families. There are only a few restaurants in walking distance to the sports complex, many of which are fast food or Mexican. A family friendly restaurant would serve demand from the sports complex as well as businesses along the corridor and residents in the nearby neighborhoods. A local retailer is more desirable for the community than a national brand or franchise.

Hotel Potential

Across the Denver Metro area, dated motel properties are being demolished or rehabilitated into other uses. These old properties are often a nuisance to the community and lend themselves to crime. With the removal of motel units, creates an opportunity for new, budget and family-friendly hotels. There is potential for the subject parcel to redevelop as a limited-service hotel.

The Lakewood hotel market has recovered from Covid-19 and is back to pre-pandemic levels. In 2023, Lakewood's ADR was \$121, which exceeds the ADR in 2019 by approximately \$13 (**Figure 19**) and the average revenue per available room was \$83.86, which is slightly higher than 2019 (**Figure 21**). Occupancy rates are a signal for when there is market demand for additional hotel development, typically an occupancy rate of 70 percent or higher is required. In 2023, the occupancy rate in Lakewood and Belmar was 67.8 percent and 68.3 percent respectively (**Figure 20**). The site is one mile from Belmar where Hyatt House currently has an ADR of \$130.54 and occupancy rate of 66.8 percent. Based on the occupancy rates and the property's proximity to Belmar, the market would support new hotel development of substantial size with over 40 rooms. The site's location and direct access along a major corridor could draw a major hotel franchise.

6. Highest and Best Use Scenarios

This chapter provides a summary of the analysis for the highest and best use for the subject property, 6051 West Alameda Avenue, the former Chalet Motel. This site was purchased and demolished by the Lakewood Reinvestment Authority (LRA). This chapter contains considerations about the likely highest and best use for the property and economic challenges and opportunities.

Highest and Best Use Considerations

The site, 6501 West Alameda Avenue, is 0.83 acres with direct access to Alameda Avenue. The site is zoned Mixed-Use General Urban (M-G-U) allowing a variety of residential and commercial uses. According to the Lakewood Zoning Code, the Mixed-Use General District is intended to provide for mixed-use and community commercial development along arterial streets. The Urban context reflects a more pedestrian-oriented environment, and the context requires buildings located within a short distance to public streets with parking located behind or to the side of buildings. The maximum height is 90 feet. There is no minimum residential density requirement, and the maximum nonresidential building footprint is 75,000 square feet.

The market demand in the previous chapter identified demand for residential (townhome and multifamily) in the Market Area. Demand for commercial land uses includes retail, restaurant, gym/fitness, and a limited-service hotel. There are cost implications for higher density uses, such as condominiums, multifamily, and a hotel in which structured parking is required. Structured parking is expensive and will require a higher density development (and possibly financial incentives in the form of land and demolition costs) to offset the costs. Due to the size of the site and narrow lot configuration, high density multifamily and condominiums uses may not be able to achieve a critical mass and are therefore less likely to develop. If there is opportunity to purchase the two properties directly east, 6045 West Alameda Avenue and 6001 West Alameda Avenue, it is recommended to aggregate the properties together for greater development potential.

The highest and best use scenarios include options that are market driven and mission driven. Market driven scenarios are uses that will generate more revenue for both the developer and LRA. These scenarios will make efficient use of the site and allow LRA to use the profit received from the site to make a larger impact elsewhere in Lakewood. Mission driven scenarios are uses that fulfill community needs and benefits. These will generate community value albeit with less revenue for a developer and may require a subsidy from the LRA or City in the form of land and/or financial assistance.

Market Driven Scenarios

The estimated development yield, development value, annual City tax revenue, and direct job generation are shown below in **Table 45**. Each scenario is described in detail below noting challenges and additional economic benefits.

- Limited-Service Hotel:** A hotel is estimated at 40,000 square feet with 120 rooms. The construction cost of a hotel will be much greater than the other scenarios due to the cost of structured parking. Lakewood meets the minimum demand requirement for new hotel development with occupancy rates at approximately 70 percent, but it will be challenging to ensure project feasibility in terms of cost and attracting a hotel franchise. The value of a hotel development is estimated at \$10.8 million based on \$90,000 per room. In terms of City revenue from the site, property tax is estimated at \$9,900 annually. This is calculated from an appraised value that applies 70 percent of the market (development) value. Lakewood has a 3.0 percent sales tax and a 3.0 percent lodging tax. Based on an average daily rate of \$120 and a 70 percent occupancy rate, annual sales tax revenue is estimated at \$110,400 and annual lodging tax revenue is estimated at \$110,400. A hotel has the added economic benefit of net new tourism spending and job formation, which is expected to generate approximately 60 new jobs for Lakewood.
- Retail with Restaurant Anchor:** A multitenant retail building for the site is estimated between 10,000 to 15,000 square feet depending on site configuration and parking layout. A 15,000 square foot space would likely include two to five retail tenants, ideally with a restaurant anchor. The value of a retail building is estimated at \$4.5 million based on \$300 per square foot. The City's property tax is estimated at \$5,000 annually based on an appraised value that applies 85 percent of the market value. Retail users' average annual sales per square foot vary widely with restaurants at the high end and service retail (gym/fitness, salon, office, etc.) generating minimal taxable sales. Sales for the development are estimated at \$400 per square foot with a restaurant, but actual sales will depend on the tenants. This will generate approximately \$180,000 annually in sales tax for Lakewood. The retail development will generate about 30 new jobs for the City based on an average of 500 square feet per employee for retail businesses.
- Market Rate Townhomes:** Between 14 to 18 townhome units with tuck under parking could fit on the site. Applying a factor of 19 dwelling units per acre, the site can accommodate 16 townhome units. It is estimated that each unit has a value of \$600,000 for a total development value of \$9.6 million. This will generate approximately \$2,900 annually in City property taxes. The property tax is calculated based on an appraised value that is 95 percent of market value.

- Market Rate Multifamily:** A 3-story walk-up, multifamily development with surface parking can fit between 25 to 30 units on-site. Applying a factor of 34 dwelling units per acre can accommodate 28 multifamily units. Each unit has an estimated value of \$350,000 for a total development value of \$9.8 million. This will generate approximately \$2,900 annually in City property taxes. The property tax is calculated based on an appraised value that is 95 percent of market value.

Table 45. Market Driven Development Yield, Value, and Revenue

Description	Factor	Hotel	Retail	Townhome	Multifamily
Development Yield					
Size (sq. ft.)		40,000	15,000	---	---
Units/Rooms		120	---	16	28
FAR		1.11	0.41	---	---
DU per Acre		---	---	19	34
Est. Dev. Value					
		\$10,800,000	\$4,500,000	\$9,600,000	\$9,800,000
Per Sq. Ft.		\$270	\$300	---	---
Per Unit/Room		\$90,000	---	\$600,000	\$350,000
Annual City Property Tax					
Appraised Value		\$7,560,000	\$3,825,000	\$9,120,000	\$9,310,000
Assessment Rate		27.9%	27.9%	6.7%	6.7%
Assessed Value		\$2,109,240	\$1,067,175	\$611,040	\$623,770
Property Tax	4.7110 mills	\$9,937	\$5,027	\$2,879	\$2,939
Annual City Sales Tax					
Sales per sq. ft.		---	\$400	---	---
Sales Tax	3.0%	\$110,376	\$180,000	---	---
Annual City Lodging Tax					
ADR	70.0%	\$120	---	---	---
Lodging Tax	3.0%	\$110,376	---	---	---
Jobs					
		60	30	---	---

Source: Economic & Planning Systems

Mission Driven Scenarios

Mission driven scenarios are shown below in **Table 46**. These are fairly similar to their market rate counterparts in terms of development programs. In addition, they support citywide goals and offer community benefits that will require support and subsidies from LRA to make them feasible.

- **Retail with Local Tenants:** This scenario is the same as the market rate in terms of development size, but with an intention to secure local restaurants and businesses as tenants. In order to achieve this, subsidized rents and tenant improvements will likely be required. Smaller businesses often cannot afford to pay as much as a national brand or franchise for new space. This is also an opportunity to support a business that currently does not have a brick-and-mortar space by offering subsidized rent or helping a local business that has outgrown its current space and wants to stay in Lakewood. The development value would be the same as the market rate scenario at \$3.8 million. The average annual sales per square foot are expected to be lower at \$200 per square foot. This is caused by potentially less demand and brand awareness for a local restaurant compared to a national food and beverage retailer. This reduces the annual city sales tax to \$90,000 per year.
- **Affordable For-Sale Housing:** This option requires a nonprofit partner, such as Habitat for Humanity, to develop and sell townhomes below market rate to low-income households. This increases the supply of housing in Lakewood, while creating an opportunity for homeownership in an affordable way. This scenario is the same number of units, 16, but with a lower value estimated at \$400,000 per unit for a total value of \$6.1 million. This generates approximately \$1,900 in annual property tax revenue for the City.
- **Affordable Rental Housing:** The development program for the affordable multifamily development is the same as the market rate scenario at 28 units. The units will be income restricted and tied to a specific area median income (AMI) level. This scenario requires a partnership with Foothills Regional Housing and/or an affordable housing fee developer. The value of the development is estimated at \$8.4 million based on a value of \$300,000 per unit. If it is owned by a housing authority or government entity, the property is tax exempt.

Table 46. Mission Driven Development Yield, Value, and Revenue

Description	Factor	Retail	Townhome	Multifamily
Development Yield				
Size (sq. ft.)		15,000	---	---
Units/Rooms		---	16	28
FAR		0.41	---	---
DU per Acre		---	19	34
Est. Dev. Value		\$4,500,000	\$6,400,000	\$8,400,000
Per Sq. Ft.		\$300	---	---
Per Unit/Room		---	\$400,000	\$300,000
Annual City Property Tax				
Appraised Value		\$3,825,000	\$6,080,000	\$7,980,000
Assessment Rate		27.9%	6.7%	Exempt
Assessed Value		\$1,067,175	\$407,360	\$0
Property Tax	4.7110 mills	\$5,027	\$1,919	---
Annual City Sales Tax				
Sales per sq. ft.		\$200	---	---
Sales Tax	3.0%	\$90,000	---	---
Jobs		30	---	---

Source: Economic & Planning Systems