

2023/2024
State of
Cherry Creek
Report

CCA
Cherry
Creek
Alliance





Letter from the CEO

Denver's Standout Neighborhood

Cherry Creek is a thriving community tucked within the heart of Metro Denver and flanked by majestic views of the Colorado Rockies. The area stands out as Colorado's most appealing district to work, live, and visit, attracting upscale businesses and Class A developers. Located approximately three miles from Downtown Denver, Cherry Creek continues to prosper from robust development.

Cherry Creek is Flourishing

Underlying the pulse of this community is a vibrant, well-educated workforce, several new commercial and residential projects, and strong tenant occupancy. In 2023, Cherry Creek continued to build on its well-earned reputation as a mature and progressive business environment. Businesses and employees appreciate the value and benefit of the area's ease of walkability and lively design elements, which lend an air of urban style and sophistication. Well-maintained tree-lined streets, bustling pedestrian activity, and top-notch amenities are elements that are hard to match.

Where Denver Does Business

Cherry Creek is refreshingly unique in many aspects. With more than 3.4 million sq. ft. of office space and 16,300 employees, the area continues to be recognized as a favored business hub locally, statewide, and nationally. Its ideal location, further enhanced by first-class amenities and close attention to thoughtful growth, are at the core of Cherry Creek's strong appeal.

Tourism – An Added Bonus

With top-tier amenities ranging from charming boutique hotels to upscale restaurants and innovative local shops, Cherry Creek is a beacon for tourism. Fabulous offerings and ample parking entice visitors to enjoy the area's myriad offerings, and retail establishments reap the benefit of a vibrant, bustling local economy. New development promises to add even more exciting perks to this unique area, keeping Cherry Creek highlighted among Denver's must-see attractions.

Cherry Creek's Contribution to Denver's Economy

The greater Cherry Creek area generated more than \$112 million in tax revenue for the City and County of Denver in 2023 and attracted more than 14 million visitors each year. Cherry Creek's growth forecast remains strong – and the leadership behind the Cherry Creek Alliance is committed to advocating for the policies to keep this special area in position to continue its considerable contributions.

Sincerely,

Nick LeMasters

President & CEO

Cherry Creek Alliance | Cherry Creek North



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About Cherry Creek Alliance

The Cherry Creek Alliance is a partnership designed to advocate on behalf of our vibrant business community and is committed to ensuring that the needs and interests of the area's business community are considered in City and Statewide decision-making.

As one of Colorado's largest economic centers, Cherry Creek is a headquarters for wealth management as well as home to Denver's largest concentration of independent businesses. Overall, Cherry Creek encompasses 1,770 businesses and 24,000 employees.

No other area in Colorado is like Cherry Creek - its volume of amenities including elevated shopping, dining, services, boutique hotels, wellness, walkability, and location make it attractive to consumers, employees and visitors alike.

Cherry Creek Alliance's Mission:

Bring Cherry Creek Together with One Voice

Advocate on behalf of the Cherry Creek business community

Amplify the area's important impact on both the Denver and Colorado economies.

Create improvements and opportunities for the growth of Cherry Creek through:

- Business Engagement - Serving as a resource for new and existing business owners through education, networking, and advocacy.
- Public Policy - Ensuring the needs and interests of the Cherry Creek business community are considered in city- and state-wide decision-making.
- Economic Development - Strategically attracting new businesses and development to further the area.

Key Initiatives Include:

Advocacy

Economic Development

Mobility

Public Safety



Cherry Creek by the Numbers

2023

14.2M Visitors

\$112M Tax Revenue



Spaces.

| | |
|-----------|-------------------|
| 3,473,698 | SF Office Space |
| 2,124,223 | SF Retail Space |
| 6,401 | Residential Units |
| 1,770 | Businesses |
| 1,148 | Hotel Rooms |

People.

| | |
|------------|-----------------|
| 14,200,000 | Annual Visitors |
| 16,300 | Employees |
| 12,900 | Residents |

Places

| | |
|-----|----------------------------|
| 230 | Retailers |
| 64 | Personal Care Services |
| 63 | Restaurants, Bars, & Cafes |
| 10 | Fitness Studios |
| 6 | Hotels |

Sources: placer.ai, CoStar Realty Information Inc., Colorado Department of Labor and Employment, QCEW



Commercial Real Estate

A Hot Office & Retail Market

Bucking state and national trends of low tenancy and weak lease values in many commercial sectors, Cherry Creek benefits from a winning combination of higher-than-average lease rates, low vacancies, state-of-the-art developments and top-notch amenities.

Investors continue development in the vibrant Cherry Creek market, with commercial real estate development outpacing much of the nation's urban sectors in both the office and retail markets.

Currently, more than 360,000 sq. ft. of office space is under construction; a stark contrast to the nationwide decline in new office builds. More than 54% of all office space in Cherry Creek is Class A compared with the Metro Denver average of 39% Class A builds.

Lease rates remained strong in 2023, averaging more than \$28.31 per square foot - significantly higher than other metro Denver areas.

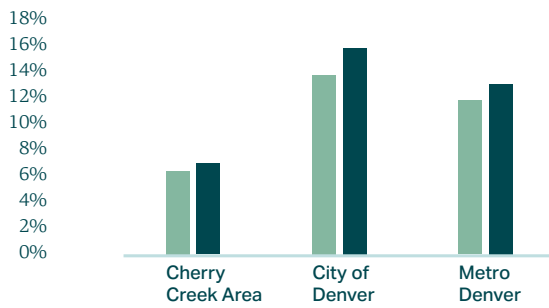
Cherry Creek recorded a record low of .9% retail vacancies in 2023, while average lease rates continued to rise.

Working toward the development phase, Cherry Creek West hopes to bring a planned pedestrian-oriented redevelopment project adjacent to Cherry Creek Shopping Center that will add coveted retail, residential and commercial space.

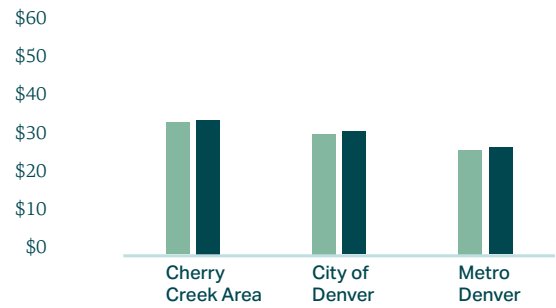




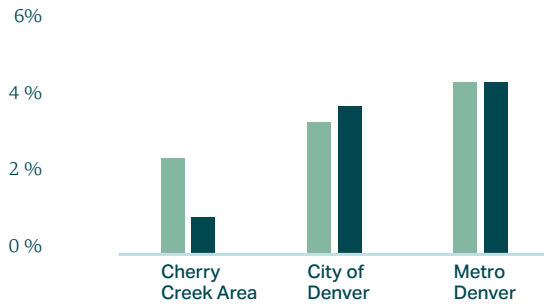
Office Vacancy Rate



Office Average Lease Rate



Retail Vacancy Rate



Retail Average Lease Rate



■ 4Q 2022 ■ 4Q 2023

Source: CoStar Realty Information, Inc.

Hotspot:

New Developments in Cherry Creek

Newly planned major projects will add remarkable economic growth to the area as upscale retail, restaurants, and other new businesses plan to be part of Cherry Creek's future.

Development Projects Completed 2023:

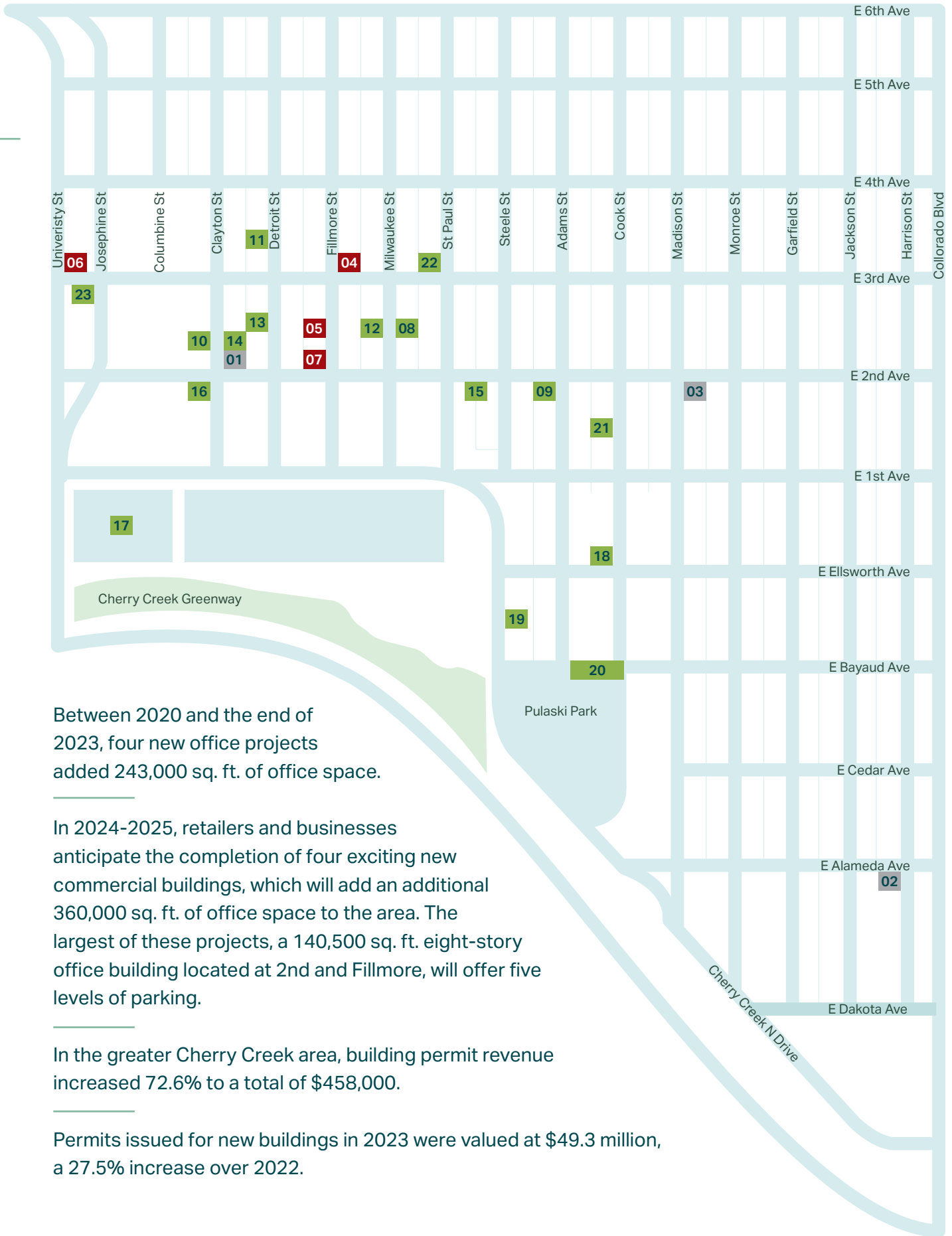
| | Project Name | Address | Use | Description | Completed |
|----|---------------------|-------------------|--------------|-----------------------|-----------|
| 01 | 200 Clayton St | 200 Clayton St | Office | 76,715 SF Office | 2023 |
| 02 | Acoya Cherry Creek | 301 S Harrison St | Multi-Family | 136 Senior Residences | 2023 |
| 03 | Modera Cherry Creek | 180 Madison St | Multi-Family | 94 Residences | 2023 |

Development Projects Under Construction:

| | Project Name | Address | Use | Description | Completed |
|----|--------------------------|-----------------------|--------|--------------------------|-----------|
| 04 | Fillmore @ Third | 320 Fillmore St | Office | 59,054 SF Office/Retail | 2024 |
| 05 | 255 Fillmore | 255 Fillmore St | Office | 101,214 SF Office/Retail | 2024 |
| 06 | 300 University Boulevard | 300 N University Blvd | Office | 59,713 SF Office/Retail | 2024 |
| 07 | 201 Fillmore | 201 Fillmore St | Office | 140,500 SF Office/Retail | 2025 |

Development Projects Announced:

| | Project Name | Address | Use | Description | Completed |
|----|-----------------------------------|--|---------------------------|--|-----------|
| 08 | 242 Milwaukee | 240, 242, 244 Milwaukee St | Office/Retail | 90,000 SF Office / 10,000 SF Retail | 2025 |
| 09 | 3250 East 2nd Ave | 3250 E 2nd Ave | Office/Retail | 5 stories, 90,000 SF Office & Retail | 2025 |
| 10 | Cherry Cricket Office Development | 2645 E. 2nd Ave | Office/Retail | 8 stories, 97,000 SF Class A Office | 2025 |
| 11 | 329 Detroit | 329 Detroit St | Residential/Retail | 9 Condo, 3 Retail, 2 Office Spaces | 2026 |
| 12 | 299 Milwaukee St | 231,233,299 Milwaukee | Residential/Retail | 156 Luxury / 30,000 SF Retail | 2026 |
| 13 | 210 Detroit | 219,231,239, 255 Detroit St | Residential/Retail | 88 Apartment Homes with Retail on Ground Floor | 2027 |
| 14 | 250 Clayton | 250 Clayton St | Office | 215,000 SF Office | TBD |
| 15 | 185 Steele | 185 Steele St, 162 & 190 Saint Paul St | Residential/Retail | 38 Condo Homes | TBD |
| 16 | Clayton Lane | E 1st Ave & Josephine St | Retail/Residential | TBD | TBD |
| 17 | Cherry Creek West | SW Corner of S University Blvd & E 1st Ave | Office/Retail/Residential | TBD | TBD |
| 18 | 5 Cook Street | S Cook St | Residential/Retail | TBD | TBD |
| 19 | 50 South Steele | 50 S Steele St | Residential/Retail | TBD | TBD |
| 20 | Bayaud & Madison | 3400 E Bayaud Ave & 121 S Madison St | Residential/Retail | TBD | TBD |
| 21 | Modera Cook Street | 155 & 16S N Cook St | Residential | 110 Apartment Homes | TBD |
| 22 | 3035 East 3rd Ave. | 3035 E 3rd Avenue | Office/Retail | 3 floors of Office Space, 47,000 SF | TBD |
| 23 | 210 University | 210 University | Office/Retail | 4 stories of Office/Retail | TBD |



Between 2020 and the end of 2023, four new office projects added 243,000 sq. ft. of office space.

In 2024-2025, retailers and businesses anticipate the completion of four exciting new commercial buildings, which will add an additional 360,000 sq. ft. of office space to the area. The largest of these projects, a 140,500 sq. ft. eight-story office building located at 2nd and Fillmore, will offer five levels of parking.

In the greater Cherry Creek area, building permit revenue increased 72.6% to a total of \$458,000.

Permits issued for new buildings in 2023 were valued at \$49.3 million, a 27.5% increase over 2022.

Coming Soon to Cherry Creek

Projects to Watch for Completion in 2024, 2025, and Beyond

255 Fillmore



255 Fillmore St
Type: Office/Retail
Developer: BMC Investments
Stats: 100,000 SF Office and 9,500 SF Retail
Completion: 2024

201 Fillmore



201 Fillmore St
Type: Office
Developer: Schnitzer West
Stats: 140,500 SF Office
Completion: 2025

Clayton Lane



West side of Clayton Lane between 1st & 2nd Ave
Type: Retail/Residential
Developer: BMC Investments, Invesco
Stats: 8 stories, 482 apartments units, over 126,000 SF Retail
Completion: TBD

Cherry Creek West



SW Corner of S University Blvd & E 1st Ave
Type: Office/Retail/Residential
Developer: East West Partners
Stats: 13-acre lot
Completion: TBD



50 South Steele



50 S. Steele St

Type: Retail/Residential
Developer: Broe Real Estate Group
Stats: 450 +/- Housing Units
Completion: TBD

Cherry Creek Office Development



2645 E 2nd Ave

Type: Office/Retail
Developer: Alpine Investments & Breckenridge-Wynkoop LLC
Stats: 8 stories, 97,000 SF Class A office, 4,600 SF Retail & Restaurant Space
Completion: TBD

Total Tax Revenue:

A \$112 Million Force in 2023

Retail Sales Tax, Property Tax, Lodger's Tax, and Parking Revenue drove Cherry Creek's total contribution to the City of Denver. This is thanks largely to the area's high employment, robust retail offering, low vacancy rates, and valuable tourism overnight stays.



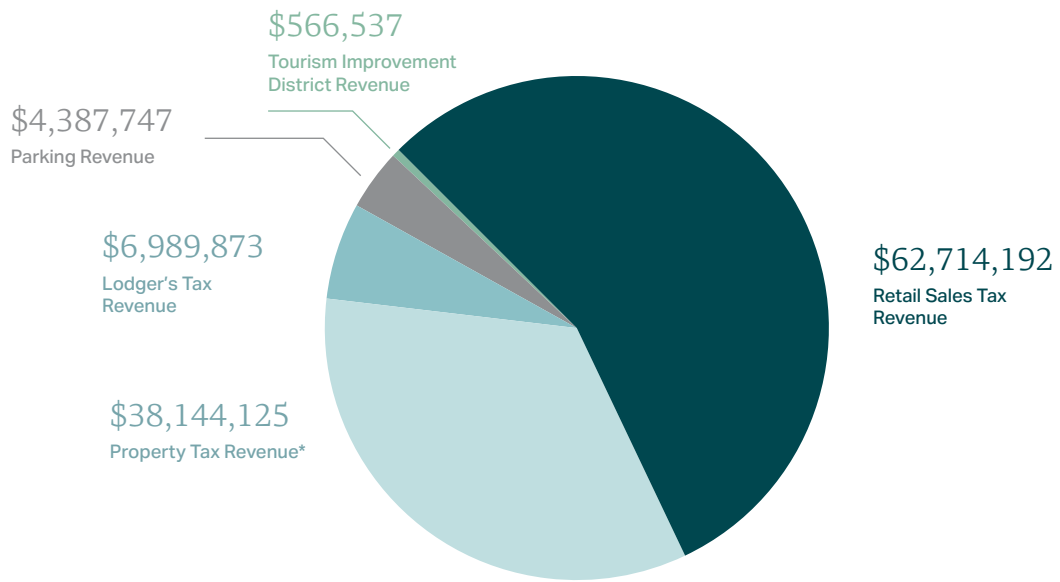
Cherry Creek remained one of the City and County's top economic drivers, accounting for nearly 5% of the city's total retail sales tax revenue.

Across the Cherry Creek area, Property Tax Revenue reached \$38.4 million in 2023, an increase of 49.4% from 2022.

Parking Revenue in Cherry Creek reached an estimated \$4.4 million in 2023, an increase of 5.7% from 2022. Between 2021 and 2022, parking revenue more than doubled due to an increase in parking meter rates from \$1 per hour to \$2 per hour.

Lodger's Tax Revenue in Cherry Creek increased 10.8% between 2022 and 2023, reaching nearly \$7 million, while Tourism Improvement District (TID) revenue increased 14.6% to more than \$556,500 over the same period. The increase in Lodger's Tax and TID revenue is consistent with a 9.4% increase in hotel occupancy and a 5% increase in average room rate across South and Southeast Denver between November 2022 and 2023.

Cherry Creek Area Tax Revenue, 2023



* Estimate | Source: Various Sources



Retail Sales Tax Growth

A \$62 Million Force in 2023

Cherry Creek contributed significantly to Denver’s retail tax revenue. New planned development will add even greater economic strength to the area, as upscale restaurants, & retail, hotels, and new businesses enter the market. A well-educated workforce, solid employment numbers, strong retail sales, low office vacancies contribute to strong and enthusiastic economic growth. Additionally, robust tourism translates into greater sales tax revenue and additional revenue streams.

Cherry Creek generated nearly 5% of Denver’s retail tax revenue, thanks largely to high employment, strong retail sales, low office vacancies.

Cherry Creek remained one of the City and County’s top economic drivers, representing 4.7% of total office and retail square footage in Denver.

Businesses in the area generated an impressive \$62.7 million in retail sales, a slight decline from 2022. Although retail sales tax and sales tax revenue dipped slightly from 2022 levels, retail sales growth remains strong in the context of highs of 2020-2022.

Cherry Creek Shopping Center, a hugely popular destination for both locals and tourists, helped generate 41% of Cherry Creek’s sales tax revenue – while restaurants, leisure, and hospitality generated 20%.

Cherry Creek remains Denver’s most lucrative retail hubs. Cherry Creek North has Denver’s highest concentration of locally owned businesses, and combined with the Cherry Creek Shopping Center, the area offers the gamut of top-notch goods and services.

Retail Sales Tax Revenue

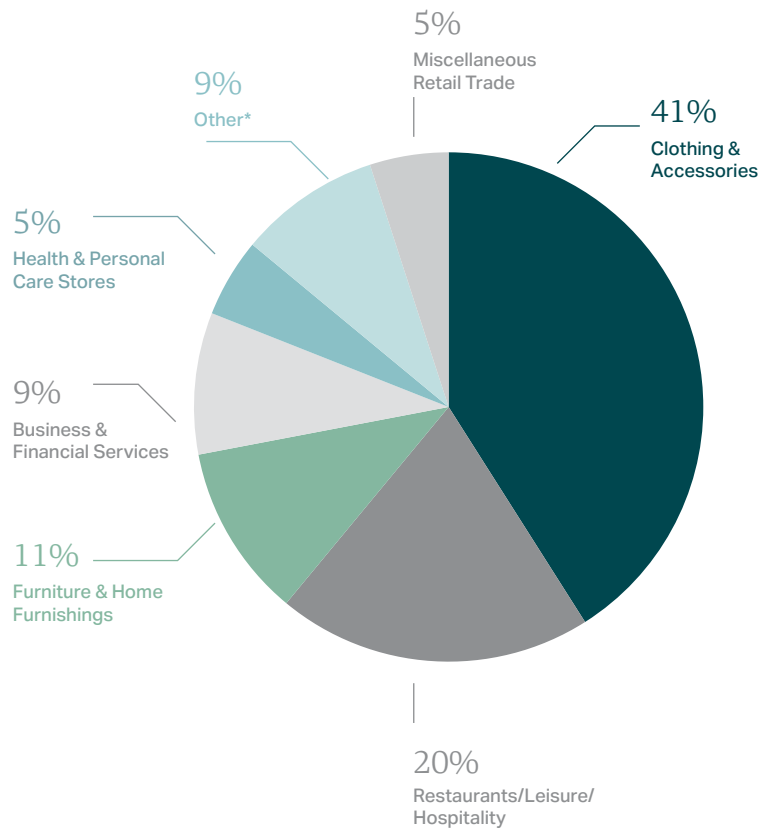


■ Cherry Creek Area

Source: Colorado Department of Revenue

Retail Sales Tax by Component

Cherry Creek Area, YTD Q3 2023



Source: Colorado Department of Revenue



Employment:

More than 16,000 People Come to Work in Cherry Creek

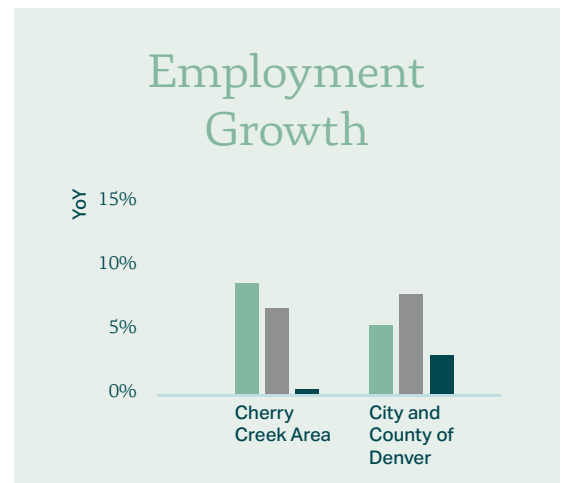
The pandemic altered the business landscape, evidenced by a sharp decline in the five-day, in-office work week. Creative ways to repurpose vacant commercial space signaled that less space meant stronger impact on a company's bottom line. Like business districts everywhere, Cherry Creek felt the impact of this trend, with employment numbers remaining steady after a two-year rise. Cherry Creek stood strong in 2023, evidenced by robust employment numbers as businesses continued to attract new workers migrating from other areas.

In 2023, 16,369 employees worked in the Cherry Creek area, a 2.5% increase over 2022. This is a slower growth rate than previous years but not surprising in light of national economic activity.

Hospitality, retail and service industries in Cherry Creek accounted for nearly 50% of employee jobs in 2023, compared with the metro Denver average of 26% in the same year.

Although record-low home sales translated into diminished employment in the furniture industry, this loss was offset by an increase in employment in clothing and accessories stores, which rebounded to pre-pandemic levels in 2023.

Wages among office workers outpaced the greater metro Denver area, averaging \$118,470 annually. This upward trend was tempered by a decline in lower wage growth in the retail, wholesale, and service-related sectors.



■ 2021 ■ 2022 ■ 2023e

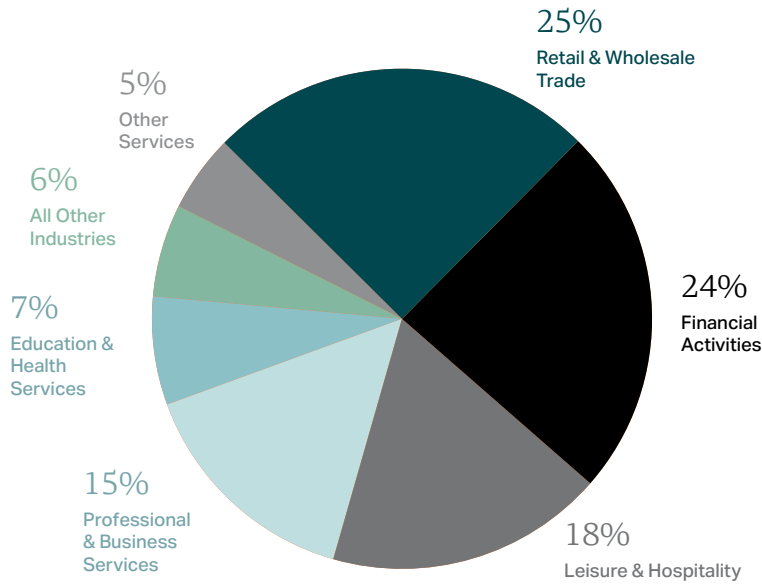
Note:
2023 employment includes forecast for H2 2023
Source: QCEW



■ Cherry Creek ■ City & County Of Denver

*Data through June 2023 | Source: QCEW

Employment by Category*



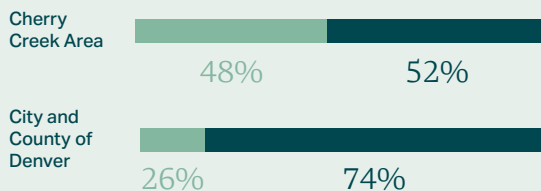
Source: QCEW

Wages in the Cherry Creek area rose 20.8% between H1 2022 and H1 2023 to an average annual wage of \$118,470.

Wages were highest in Financial Activities and Wholesale Trade, while wages were lowest in Leisure and Hospitality.

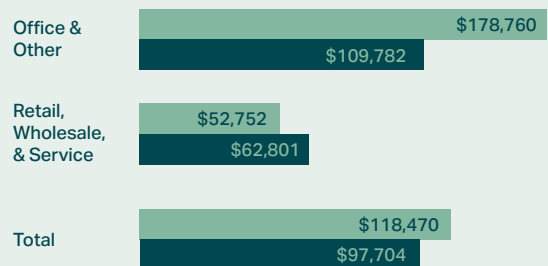
Wage growth in Cherry Creek was driven by office and other employment, particularly Financial Activities, but held back by a decline in wages among retail, wholesale, and service-related jobs.

Employment by Type*



■ Retail, Hospitality, & Service ■ Office & Other

Annual Wages 2023*



■ Cherry Creek ■ City & County of Denver

Tourism:

Cherry Creek is One of Denver’s Most Popular Tourist Destinations

Drawing business and leisure travelers from around the globe, Cherry Creek is recognized as a true destination. In 2023, the area hosted over 156,700 overnight visitors, an increase of 13.7% over 2022. With the Rocky Mountain region’s best collection of indoor and outdoor shopping and dining, visitors continue to make Cherry Creek one of Denver’s leading communities to stay and play.

Top Five US

Feeder Markets:

- Los Angeles
- Chicago
- Dallas
- Houston
- New York

2023:

156.7K Overnight Visitors

328.4K Visit Nights

Hotel Stats:

6 Hotels

1,059 Guest Rooms

39,607 SF of Meeting Space

source: Placer.ai



Clayton Hotel & Members Club

245 Columbine St
6,500 SF Total Event Space
63 Guest Rooms

DoubleTree by Hilton Denver Cherry Creek

4545 S Colorado Blvd
6,715 SF Total Event Space
270 Guest Rooms

Halcyon, a Hotel in Cherry Creek

245 Columbine St
6,500 SF Total Event Space
154 Guest Rooms

Hotel Clio

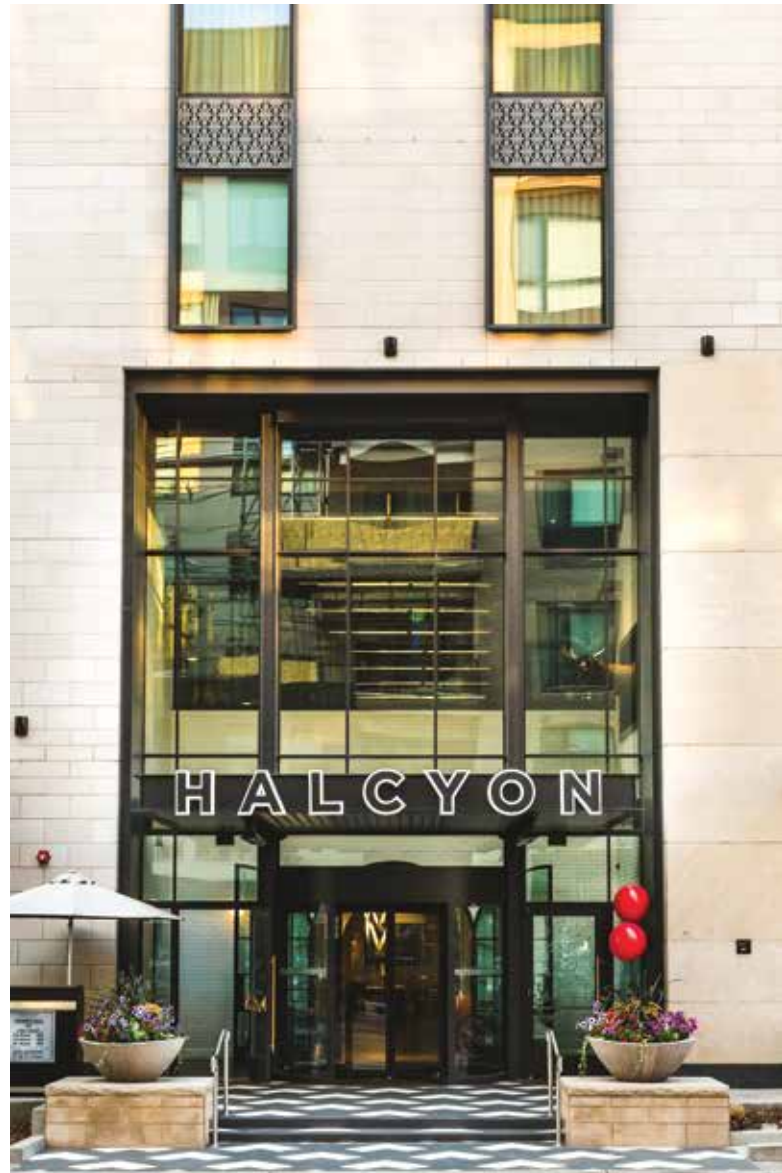
150 Clayton Ln
9,700 SF Total Event Space
199 Guest Rooms

The Jacquard Hotel & Rooftop

222 Milwaukee St
12,000+ SF Total Event Space
203 Guest Rooms

Moxy Denver Cherry Creek

240 Josephine St
692 SF Total Event Space
170 Guest Rooms





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