

# Neighborhood Planning Initiative (NPI) Near Southeast Area

## Market Conditions and Opportunities

February 2021

*Prepared for:*

Community Planning and Development,  
City and County of Denver

*Prepared by:*



ArLand Land Use Economics  
(t) 720.244.7678  
[www.arlandllc.com](http://www.arlandllc.com)



Root Policy Research  
(t) 970.880.1715  
[www.rootpolicy.com](http://www.rootpolicy.com)

*In Association with:*



DAVID EVANS  
AND ASSOCIATES INC.

David Evans and Associates  
(t) 720.946.0929  
[www.deainc.com](http://www.deainc.com)



Contents

- Introduction..... 3
  - Summary of Findings..... 5
- Employment, Workforce and Training Conditions ..... 7
  - Existing Employment Conditions..... 7
    - Earnings ..... 9
    - Commuting ..... 9
  - Educational Attainment ..... 12
    - Educational Attainment ..... 12
    - Educational and Training Opportunities ..... 13
    - Poverty..... 20
- Supply Factors..... 23
  - Planned Developments ..... 23
  - Residential ..... 26
    - Existing General Conditions..... 26
  - Housing Conditions..... 27
    - Housing Characteristics ..... 27
    - Housing Affordability ..... 29
    - Inventory of Planned and Under Construction Affordable Housing Projects..... 32
- Retail..... 36
  - Existing General Conditions..... 36
  - Groceries ..... 39
  - Health Care..... 42
  - Small Businesses ..... 44
- Office ..... 48
- Industrial ..... 51
- Demand Factors and Drivers ..... 54
  - Residential ..... 54
    - Rental Housing Gaps ..... 55
    - Ownership Housing Gaps ..... 56
    - Addressing Housing Gaps and Employment Growth..... 58
  - Retail..... 59
  - Office ..... 61
  - Industrial ..... 63

Focus Areas .....	70
-------------------	----

## Tables

Table 1. Current Estimated Job Distribution by Sector .....	7
Table 2. Occupational Distribution of Area Residents .....	8
Table 3. Labor Force Participation and Employment .....	8
Table 4. Median Earnings by Occupation Type .....	9
Table 5. Where Residents Work .....	9
Table 6. Educational Attainment .....	12
Table 7. Share of Population with High School Diploma by Race/Ethnicity .....	12
Table 8. Share of Population with Bachelor’s Degree by Race/Ethnicity .....	13
Table 9. Primary Schools .....	14
Table 10. Secondary Schools .....	16
Table 11. Postsecondary Education in/near Near Southeast Neighborhoods .....	19
Table 12. Poverty Rate by Neighborhood .....	20
Table 13. Housing Summary by Neighborhood .....	26
Table 14. Change in Units in Structure .....	27
Table 15. Units in Structure by Neighborhood .....	27
Table 16. Units in Structure by Tenure .....	28
Table 17. Household Size by Neighborhood .....	28
Table 18. Homeownership Rates by Race and Ethnicity .....	29
Table 19. Income Range and Maximum Affordable Rent and Home Prices .....	29
Table 20. Cost Burden and Severe Cost Burden, 2019 .....	30
Table 21. Inventory of Affordable Housing .....	32
Table 22. Multifamily Market Summary .....	32
Table 23. Median Rent by Neighborhood, 2010-2019 .....	34
Table 24. Distribution of Renter Households and Rental Housing Units by Size in Multifamily Properties .....	35
Table 25. Retail Summary Statistics, Near Southeast and City of Denver .....	37
Table 26. Near Southeast Corridor Businesses .....	45
Table 27. Office Summary Statistics: Near Southeast and City of Denver .....	49
Table 28. Industrial Summary Statistics: Near Southeast and City of Denver .....	52
Table 29. Near Southeast Residential Demand Forecast .....	54
Table 30. Rental Housing Gaps by AMI for a Two Person Household .....	55
Table 31. Renter Household Projections by AMI, 2020-2050 .....	56
Table 32. Median Home Value by Neighborhood, 2010-2019 .....	57
Table 33. Renter Households and Homes Affordable to Purchase .....	57
Table 34. Near Southeast Retail Demand and Supply .....	60
Table 35. Existing and Planned Office Development .....	62
Table 36. Near Southeast Industrial Demand .....	68

## Figures

Figure 1. Near Southeast Neighborhoods .....	4
Figure 2. Where Near Southeast Area Residents Work .....	10
Figure 3. Job Locations .....	10

Figure 4. Estimated Percentage Distribution of 2018-2025 Job Growth by Sector .....	11
Figure 5. Primary Schools.....	15
Figure 6. Secondary Schools.....	17
Figure 7. Student Forecast .....	18
Figure 8. Poverty Rate by Census Tract .....	21
Figure 9. Near Southeast Planned Redevelopments.....	23
Figure 10. Cost Burden by Census Tract .....	31
Figure 11. Multifamily Rental Units .....	33
Figure 12. Near Southeast Retail .....	36
Figure 13. Retail Deliveries, Absorption and Vacancy Rates.....	38
Figure 14. Retail Market Rents and Occupancy Rates.....	39
Figure 15. Near Southeast Grocery Stores .....	40
Figure 16. Near Southeast Small, Specialty, Ethnic Markets.....	41
Figure 17. Near Southeast Health Care .....	43
Figure 18. Near Southeast Corridor Businesses .....	44
Figure 19. Near Southeast Office.....	48
Figure 20. Office Deliveries, Absorption and Vacancy Rates .....	50
Figure 21. Office Market Rents and Occupancy Rates .....	50
Figure 22. Near Southeast Industrial / Flex .....	51
Figure 24. Industrial Deliveries, Absorption and Vacancy Rates .....	53
Figure 25. Industrial Market Rents and Occupancy Rates .....	53
Figure 25. Industrial Zoned Districts.....	63
Figure 26. Near Southeast Industrial Zoning.....	64
Figure 27. Market Threat and Industrial Values.....	66

# Introduction

This market conditions and opportunities report has been prepared as part of the Neighborhood Planning Initiative for the Near Southeast planning area in Denver, comprised of the Washington Virginia Vale, Virginia Village, Indian Creek, Goldsmith, and University Hills North neighborhoods (Figure 1). This market analysis is intended to provide background information on existing and potential economic and market conditions and is an important input into the neighborhood planning process scheduled to begin in 2021. While this document provides background information, and in some cases, provides recommendations to help inform the neighborhood plan, a number of planning considerations, including upcoming neighborhood feedback should also be taken into consideration when determining the future of the neighborhoods in the Near Southeast planning area.

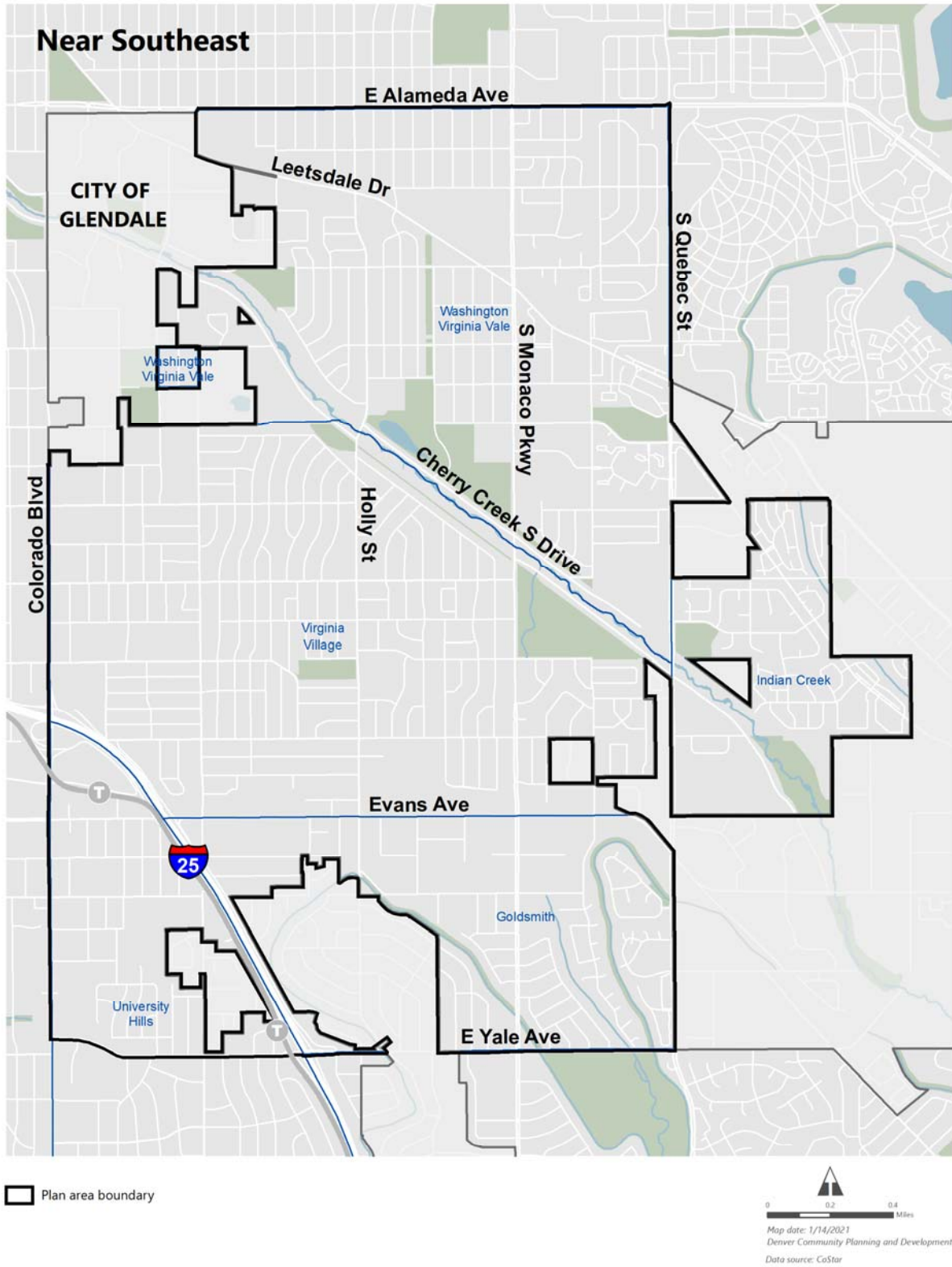
This report is outlined as follows:

- *Summary of Findings* summarizes key findings from the market study.
- *Employment Conditions* discusses relevant employment and workforce trends and projections.
- *Supply Factors* discusses existing conditions and current inventory, rents, and vacancy trends for residential, retail, office, and industrial real estate.
- *Demand Drivers* outlines trends in demand for residential and commercial development, gaps in services that can potentially be fulfilled in these neighborhoods, site selection criteria where appropriate, and causal factors of potential barriers to improvements.
- *Focus Areas* focuses on specific opportunity areas and outlines potential redevelopment/reuse potentials for these areas.

The Community Planning and Development department staff is analyzing demographic trends, which can be found under separate cover.

This analysis was undertaken in the midst of the 2020-2021 Covid-19 pandemic. Some of the data shown reflects effects of the pandemic while other data (such as data from the US Census) lags. It is also unclear how housing, commercial, and office markets will respond, long term, to the post-pandemic world. In general, trends that appeared to be underway have been exacerbated by the pandemic. Our analysis relies on basic market fundamentals, understanding that some markets have been more impacted by the pandemic than others, and acknowledging that there is a need for flexibility in navigating the future of the post-pandemic environment.

Figure 1. Near Southeast Neighborhoods



Source: City of Denver

## Summary of Findings

The post-war neighborhoods that comprise the Near Southeast neighborhoods have long provided housing for families and relatively affordable and diverse housing opportunities. Businesses along the corridors in the Near Southeast neighborhoods provide the surrounding neighborhoods with needed goods and services. These neighborhoods are also unique for their access to employment and quality educational environments. The planning area contains 6% of Denver's jobs and is adjacent to the City of Glendale, which houses many large retailers and the Colorado Department of Public Health and the Environment. Residents work in both high- and low-wage industries and most have short commutes; the majority commute less than 10 miles to jobs downtown, the Anschutz Medical Center, Glendale, and the Cherry Creek area.

1. **The Near Southeast neighborhoods are at moderate to high risk for displacement of low income residents. As Denver continues to be an attractive location for new employers and residents, the Near Southeast neighborhoods are an area of the city to watch, as displacement risk is likely to increase.**

Compared to Denver overall, the planning area is unique for the presence of naturally occurring affordable housing. The neighborhoods have a smaller share of single-unit detached housing; higher shares of single-unit attached homes; and higher shares of small and large multifamily units. Continued increases in housing costs throughout the city could compromise the ability of workers to live near the many lower-wage jobs in the area. The strong schools and diversity of both public and private educational options are likely to draw higher income families into the neighborhoods, especially as existing housing units, occupied by older residents and investors renting the units, turn over.

As such, the housing strategy (to be more fully fleshed out in the NPI process) should include preserving existing income-restricted housing and naturally occurring affordable housing, assisting low-income homeowners so that they can stay in their homes, incentives to small landlords to maintain rental affordability and more aggressively developing income restricted rental units and diverse housing stock in new developments while also encouraging and supporting homeownership for those who want to own but cannot.

2. **The retail landscape is changing. The Covid-19 pandemic has exacerbated retail trends which has seen the decline of the "middle" end of retailers or those that are neither luxury or value-oriented. Sales of consumer goods including household goods, books, and office supplies are increasingly migrating on-line. Prior to the pandemic, experiential retail and restaurants were growing sectors, while some on-line retailers were also opening bricks and mortar stores. There are likely to be additional changes in the post-pandemic world.**

There is a significant amount of strip commercial space in the Near Southeast neighborhoods. A few of those centers with more significant vacancies are identified. Transitioning some of the less competitive retail space into mixed use commercial and housing may help the properties and businesses remain competitive as well as help address future city housing needs.

3. **The Near Southeast area includes a number of future high speed transit corridors including Leetsdale Drive and Colorado Boulevard. Other major corridors in the planning area includes Evans Avenue, Quebec Street and Monaco Parkway.**

These corridors provide opportunities for adding a mix of uses to help serve the community in the future. The Federal Boulevard and Speer Boulevard corridors are designated as future high speed transit corridors. Future potential transit nodes along these corridors can help provide mixed-income, affordable housing as well as needed services in close proximity to residents.

4. **Evans Avenue is the primary industrial corridor in the Near Southeast neighborhoods. It is an important corridor, and industrial uses are important for the city's future competitiveness. Nationwide, industrial areas are repositioning to respond to the increased demand for industrial space, primarily from e-commerce.**

Blueprint Denver determined that some of the industrial along the Evans Avenue corridor, however, was "lower value" (relatively fewer manufacturing and logistics jobs) compared to other industrial areas of the city. An important next step for the NPI process would be to creatively address the areas' challenges to enable it and the businesses located along the corridor to thrive in the future.

# Employment, Workforce and Training Conditions

## Existing Employment Conditions

According to 2020 estimates from the Denver Regional Council of Governments (DRCOG) and data from Denver’s Department of Economic Development and Opportunity’s (DEDO) Emsi database, the Near Southeast neighborhoods have 33,680 jobs. In the Near Southeast neighborhoods, there is a significantly higher share of Health Care and Social Assistance; Administrative and Support and Waste Management and Remediation Services jobs compared to the city distribution. Retail Trade is moderately higher. The Southeast neighborhoods have a lower share of Government, Manufacturing, and Transportation and Warehousing jobs than in the city overall. It should be noted that the neighboring City of Glendale houses the Colorado Department of Public Health and the Environment (Government sector) and is home to many big box retailers.

Table 1. Current Estimated Job Distribution by Sector

NAICS	Description	Near Southeast Neighborhoods	Denver	Difference in Proportions
11	Agriculture, Forestry, Fishing and Hunting	0%	0%	0%
21	Mining, Quarrying, and Oil and Gas Extraction	0%	1%	(1%)
22	Utilities	0%	0%	0%
23	Construction	3%	5%	(2%)
31	Manufacturing	1%	4%	(3%)
42	Wholesale Trade	3%	5%	(2%)
44	Retail Trade	10%	6%	4%
48	Transportation and Warehousing	1%	5%	(4%)
51	Information	1%	3%	(2%)
52	Finance and Insurance	7%	5%	2%
53	Real Estate and Rental and Leasing	4%	3%	1%
54	Professional, Scientific, and Technical Services	11%	12%	(1%)
55	Management of Companies and Enterprises	1%	2%	(1%)
56	Administrative and Support and Waste Management and Remediation Services	16%	6%	10%
61	Educational Services	3%	4%	(1%)
62	Health Care and Social Assistance	16%	9%	7%
71	Arts, Entertainment, and Recreation	2%	2%	0%
72	Accommodation and Food Services	9%	10%	(1%)
81	Other Services (except Public Administration)	5%	5%	0%
90	Government	7%	13%	(6%)
	<b>Total Employment</b>	<b>33,680</b>	<b>582,179</b>	

Source: DRCOG, Emsi, City of Denver (DEDO)

In the planning area, almost half of area residents who are in the labor force are working in the Management, Business, Science, and Art occupations which have relatively high median earnings relative to the other professions shown (Table 2). However, almost one fifth of area

residents who are in the labor force are working in Service occupations, which have the lowest median earnings. New employees working in these fields who seek to live in the Near Southeast neighborhoods will need to access below market rate housing. These higher concentrations of Service occupations are found in the Virginia Village and Goldsmith neighborhoods.

Table 2. Occupational Distribution of Area Residents

	Total Occupations	Management, business, science, and arts occupations	Service occupations	Sales and office occupations	Natural resources, construction, and maintenance occupations	Production, transportation, and material moving occupations
Denver	402,046	195,292	63,252	79,237	30,387	33,878
% of Total	100.00%	48.60%	15.70%	19.70%	7.60%	8.40%
Near Southeast	23,715	10,834	4,260	4,842	1,551	2,228
% of Total	100.00%	45.70%	18.00%	20.40%	6.50%	9.40%
Washington Virginia Vale	8,409	3,812	1,370	1,706	552	969
Virginia Village	8,841	3,965	1,789	1,807	422	858
Indian Creek	2,575	1,425	208	518	248	176
Goldsmith	3,123	1,260	751	669	255	188
University Hills	767	372	142	142	74	37

Source: 2019 5-year ACS and Root Policy Research

About 75% of residents age 16 and over are in the labor force. The unemployment rate (before the pandemic) among area residents was relatively low and on par with the unemployment rate in the City of Denver. The unemployment rate in University Hills was higher at 7%. Indian Creek's was much lower at 1%. The labor force participation rate is lowest in the Goldsmith and University Hills neighborhoods (68% and 61% respectively, compared to 72% in Denver). The higher unemployment rate and lower labor force participation rate in University Hills is likely driven by the high concentration of residents over age 65 in the neighborhood (29.5% compared to 11.5% in Denver overall).

Table 3. Labor Force Participation and Employment

	Population age 16 and over	Population age 16 and over in the labor force	Population age 16 and over in civilian labor force	Population age 16 and over employed	Population age 16 and over unemployed	Percent of population age 16 and over unemployed	Population age 16 and over not in labor force
Denver	578,596	418,232	417,715	402,046	15,669	4%	160,364
Near Southeast	33,991	24,789	24,776	23,715	1,061	4%	9,202
Washington Virginia	12,186	8,838	8,838	8,409	429	5%	3,348
Virginia Village	12,234	9,219	9,206	8,841	365	4%	3,015
Indian Creek	3,376	2,607	2,607	2,575	32	1%	769
Goldsmith	4,836	3,300	3,300	3,123	177	5%	1,536
University Hills	1,359	825	825	767	58	7%	534

Source: 2019 5-year ACS and Root Policy Research

## Earnings

### Existing conditions

The Management, Business, Science, and Art occupations have relatively high median earnings relative to the other professions shown in Table 4, while services have the lowest earnings. Workers in Service occupations in the Near Southeast earn less than half (46%) of what workers in the Management, Business, Science, and Art occupations earn. The disparity in earnings is highest in the Indian Creek neighborhood, where Service workers earn 36% of what workers in the Management, Business, Science, and Art occupations earn.

Table 4. Median Earnings by Occupation Type

	Average management, business, science, and arts median earnings	Average service median earnings	Average sales and office median earnings	Average natural resources, construction, and maintenance median earnings	Average production, transportation, and material moving median earnings
Denver	\$64,111	\$24,227	\$38,710	\$37,020	\$30,487
Near Southeast	\$54,784	\$25,161	\$36,917	\$38,636	\$28,104
Washington Virginia Vale	\$50,757	\$25,989	\$38,472	\$50,560	\$21,107
Virginia Village	\$55,107	\$22,785	\$40,458	\$31,098	\$29,766
Indian Creek	\$61,269	\$22,206	\$40,580	\$47,222	\$22,667
Goldsmith	\$59,500	\$25,057	\$30,170	\$30,938	\$35,428
University Hills	\$54,375	\$35,238	\$21,172	\$32,130	\$40,563

Source: 2019 5-year ACS and Root Policy Research

## Commuting

### Existing conditions

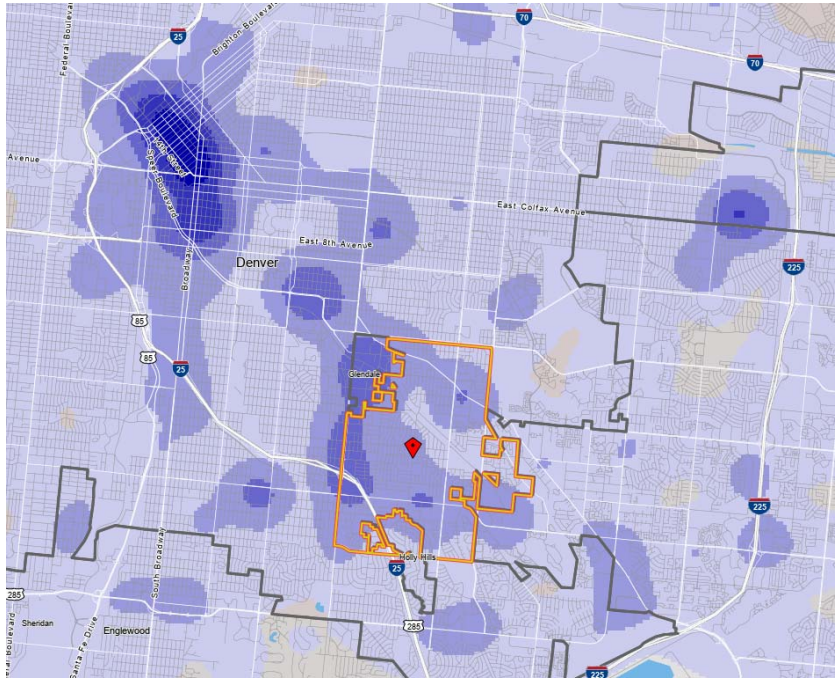
According to the US Census Longitudinal Employment and Household Survey, the majority of Near Southeast residents commute less than 10 miles. Residents tend to be employed downtown, with other smaller clusters in the Anschutz Medical Center, Glendale, and the Cherry Creek area as shown in Figure 2.

Table 5. Where Residents Work

Where Residents Work	
Less than 10 miles	76%
10 to 24 miles	16%
25 to 50 miles	3%
> 50 miles	6%

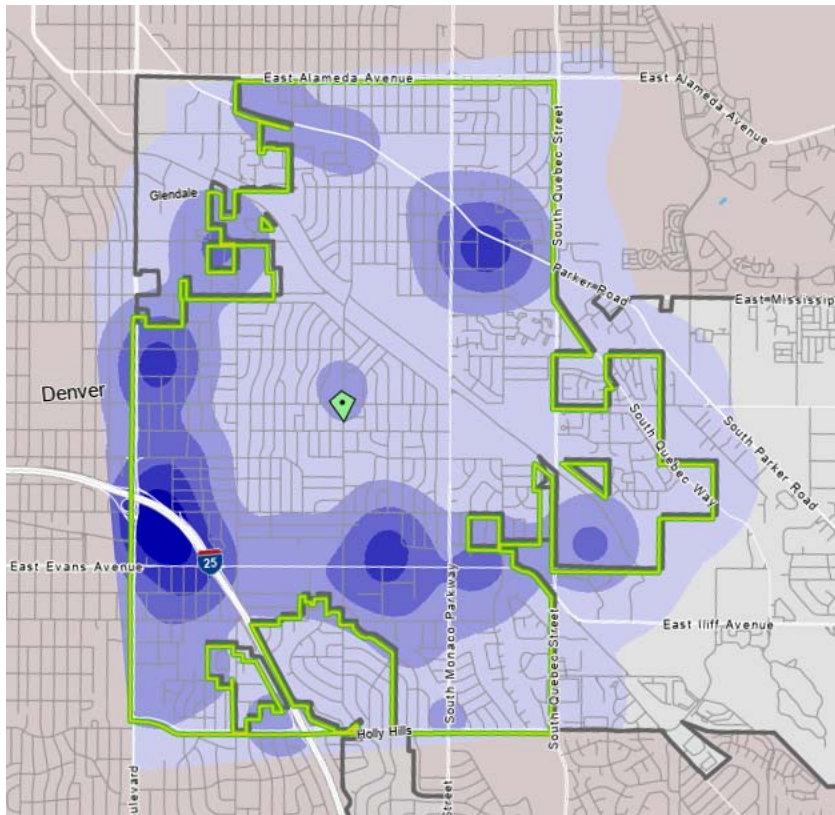
Source: US Census, LEHD

Figure 2. Where Near Southeast Area Residents Work



Source: US Census, LEHD

Figure 3. Job Locations



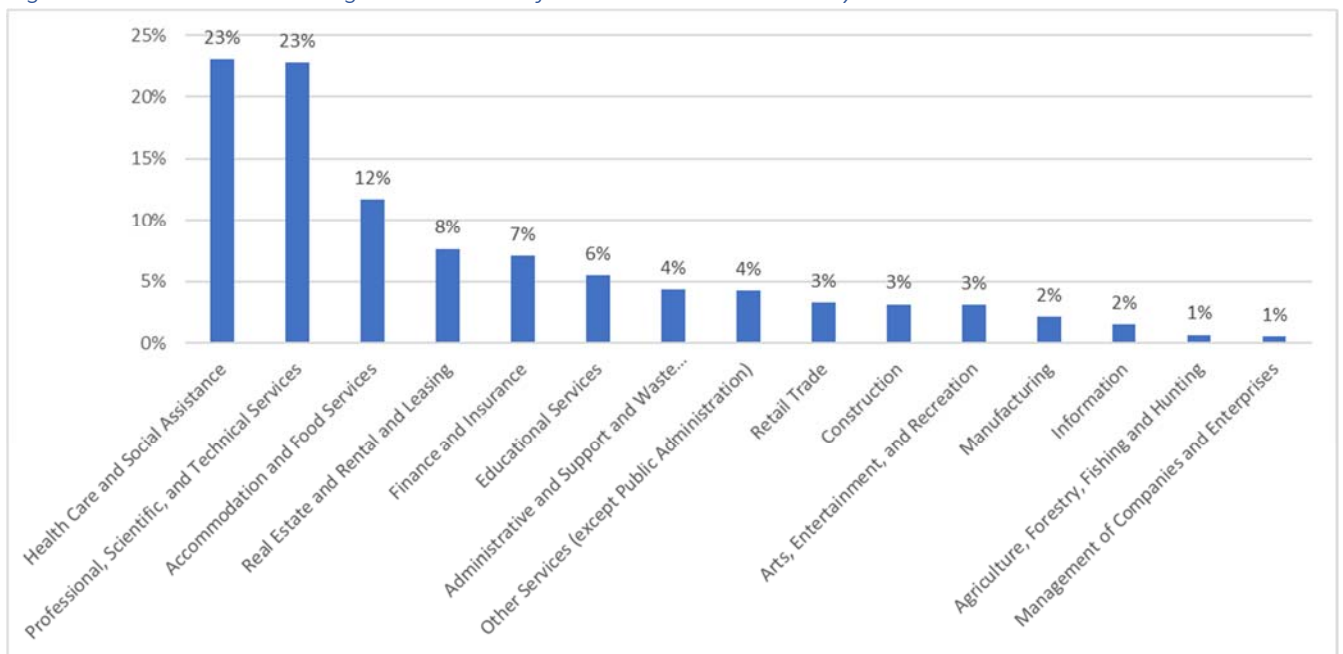
Source: US Census, LEHD

Figure 3 shows the location of jobs which represent areas of major office, industrial, and commercial development in the Near Southeast neighborhoods (depicted further in this report). It also shows that there is some alignment with residences and jobs and that some residents work in relatively close proximity to where they live.

*Projections*

According to DRCOG employment forecasts, the Near Southeast neighborhoods are forecast to add 4,500 jobs by 2040 and 7,200 jobs by 2050. Figure 4 is based on the breakdown of Emsi’s employment forecasts broken out by industry sector through 2025. It should be noted that capturing the impact of unexpected shocks such as the Covid-19 pandemic is always challenging in forecasts. However, a significant share of future occupational growth (46%) will be concentrated in the Health Care and Social Assistance; and Professional, Scientific, and Technical Services sectors—industries which have not been negatively impacted by the pandemic and are likely to continue to grow. Other sectors such as Retail Trade; Accommodation and Food Services; and Transportation and Warehousing face more uncertain futures. However, changes in trends for those sectors are not discernible in the current data available.

*Figure 4. Estimated Percentage Distribution of 2018-2025 Job Growth by Sector*



Source: Emsi, City of Denver (DED0), Root Policy Research

## Educational Attainment

### *Educational Attainment*

#### *Existing conditions*

More than 90% of Southeast residents ages 25 years and older have High School Diplomas. Almost half have Bachelor's Degrees with Virginia Village and Indian Creek having the highest percentages of residents with these degrees. The Goldsmith neighborhood has the lowest share of residents with Bachelor's Degrees.

*Table 6. Educational Attainment*

	Population Age 25+	Percent of Population Age 25+ with High School Diploma	Percent of Population Age 25+ with Bachelor's Degree
Denver	508,718	88%	49%
Near Southeast	30,634	93%	49%
Washington Virginia Vale	10,963	93%	46%
Virginia Village	10,992	92%	53%
Indian Creek	3,161	95%	53%
Goldsmith	4,328	92%	41%
University Hills	1,190	93%	46%

Source: 2019 5-year ACS and Root Policy Research

As shown in Table 7 and Table 8 below, the Near Southeast area has a similar educational attainment distribution across different races/ethnicities as Denver, except for Hispanic residents: those living in the planning area are more likely to be high school graduates and more likely to have Bachelor's degrees than Hispanic residents living in Denver overall.

*Table 7. Share of Population with High School Diploma by Race/Ethnicity*

	Percent of White Population Age 25+ with High School Diploma	Percent of Black Population Age 25+ with High School Diploma	Percent of Asian Population Age 25+ with High School Diploma	Percent of Hispanic Population Age 25+ with High School Diploma
Denver	97%	87%	83%	65%
Near Southeast	97%	80%	86%	80%
Washington Virginia Vale	97%	86%	87%	83%
Virginia Village	97%	69%	90%	70%
Indian Creek	98%	97%	92%	79%
Goldsmith	94%	66%	76%	93%
University Hills	95%	88%	40%	55%

Source: 2019 5-year ACS and Root Policy Research

Table 8. Share of Population with Bachelor’s Degree by Race/Ethnicity

	Percent of White Population Age 25+ with Bachelor's Degree	Percent of Black Population Age 25+ with Bachelor's Degree	Percent of Asian Population Age 25+ with Bachelor's Degree	Percent of Hispanic Population Age 25+ with Bachelor's Degree
Denver	66%	25%	54%	16%
Near Southeast	55%	27%	52%	29%
Washington Virginia Vale	55%	29%	56%	20%
Virginia Village	58%	26%	45%	30%
Indian Creek	58%	26%	59%	40%
Goldsmith	44%	20%	46%	40%
University Hills	48%	21%	40%	48%

Source: 2019 5-year ACS and Root Policy Research

### Educational and Training Opportunities

#### Existing Conditions

There are eight primary schools and six secondary public schools in the Near Southeast area (Table 9 and Table 10). Enrollment across all primary schools was 3,661 during the 2019-2020 school year. Four of the six schools for which data are available meet School Performance Framework (SPF) standards, while Ellis Elementary is “Accredited on Probation”, and Place Bridge Academy is “Accredited on Watch”. It should be noted that Place Bridge Academy has the highest share of minority students and offer programs to address the unique needs of newly arriving refugee and immigrant students. It also has a relatively high mobility rate—the share of children moving in and out of schools each year—that is likely linked to its unique programs. Other schools have relatively low mobility rates.

These schools draw from beyond the planning area, with between one-quarter and all of the student population “choicing in” to the school from outside of the district defined boundary. Except for the Denver Green School Southeast, the wait lists for choice-in students are relatively small.

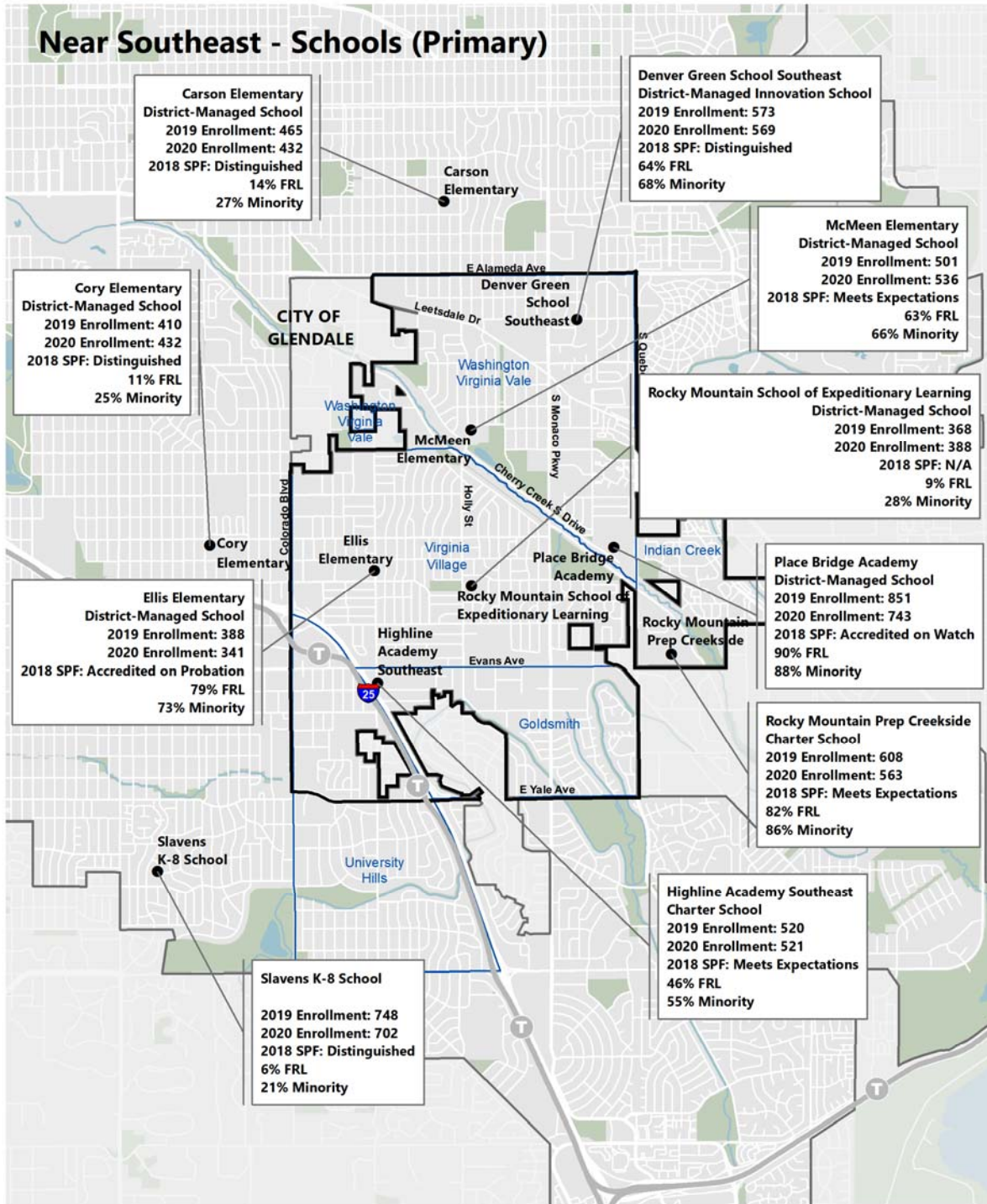
The planning area also contains or is in close proximity to several very high performing public schools within DPS (Carson Elementary, Denver School of the Arts) and numerous private schools and has easy access to the well-regarded Cherry Creek School district. Six of the 13 private K-12 schools in Denver are in or adjacent to the planning area and include Graland Country Day (K-8), Stanley British Primary (K-8), the Logan School for Creative Learning (K-8), the International School of Denver (preK-8), Denver Academy of Torah (K-12), and the Montessori School of Denver (preK-8).

If the Green School continues to be in demand, its and other schools’ draw—in addition to the relative affordability and large size of homes and yards in the Near Southeast area—is likely to increase overall demand for families to settle in the area.

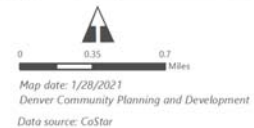
Table 9. Primary Schools

Denver Green School Southeast	Rocky Mountain School of Expeditionary Learning
District-Managed Innovation School Boundary School 2019 Enrollment: 573 2020 Enrollment: 569 2018 SPF: Distinguished FRL: 64% Minority: 68% Choice In: 24% Mobility: 17% Waitlist: 253	District-Managed School Non-Boundary 2019 Enrollment: 368 2020 Enrollment: 388 2018 SPF: N/A FRL: 9% Minority: 28% Choice In: 100% Mobility: N/A Waitlist: N/A
McMeen Elementary	Place Bridge Academy
District-Managed School Boundary School 2019 Enrollment: 501 2020 Enrollment: 536 2018 SPF: Meets Expectations FRL: 63% Minority: 66% Choice In: 24% Mobility: 15% Waitlist: 66	District-Managed School Boundary 2019 Enrollment: 851 2020 Enrollment: 743 2018 SPF: Accredited on Watch FRL: 90% Minority: 88% Choice In: 33% Mobility: 19% Waitlist: 32
Ellis Elementary	Highline Academy Southeast
District-Managed School Boundary School 2019 Enrollment: 388 2020 Enrollment: 341 2018 SPF: Accredited on Probation FRL: 79% Minority: 73% Choice In: 29% Mobility: 16% Waitlist: 78	Charter School Non-Boundary 2019 Enrollment: 520 2020 Enrollment: 521 2018 SPF: Meets Expectations FRL: 46% Minority: 55% Choice In: 100% Mobility: 4% Waitlist: 83
Rocky Mountain School of Expeditionary Learning	Rocky Mountain Prep Creekside
District-Managed School Non-Boundary 2019 Enrollment: 368 2020 Enrollment: 388 2018 SPF: N/A FRL: 9% Minority: 28% Choice In: 100% Mobility: N/A Waitlist: N/A	Charter School Non-Boundary 2019 Enrollment: 608 2020 Enrollment: 563 2018 SPF: Meets Expectations FRL: 82% Minority: 86% Choice In: 89% Mobility: 11% Waitlist: 153

Figure 5. Primary Schools



Plan Area Boundary



Source: DPS

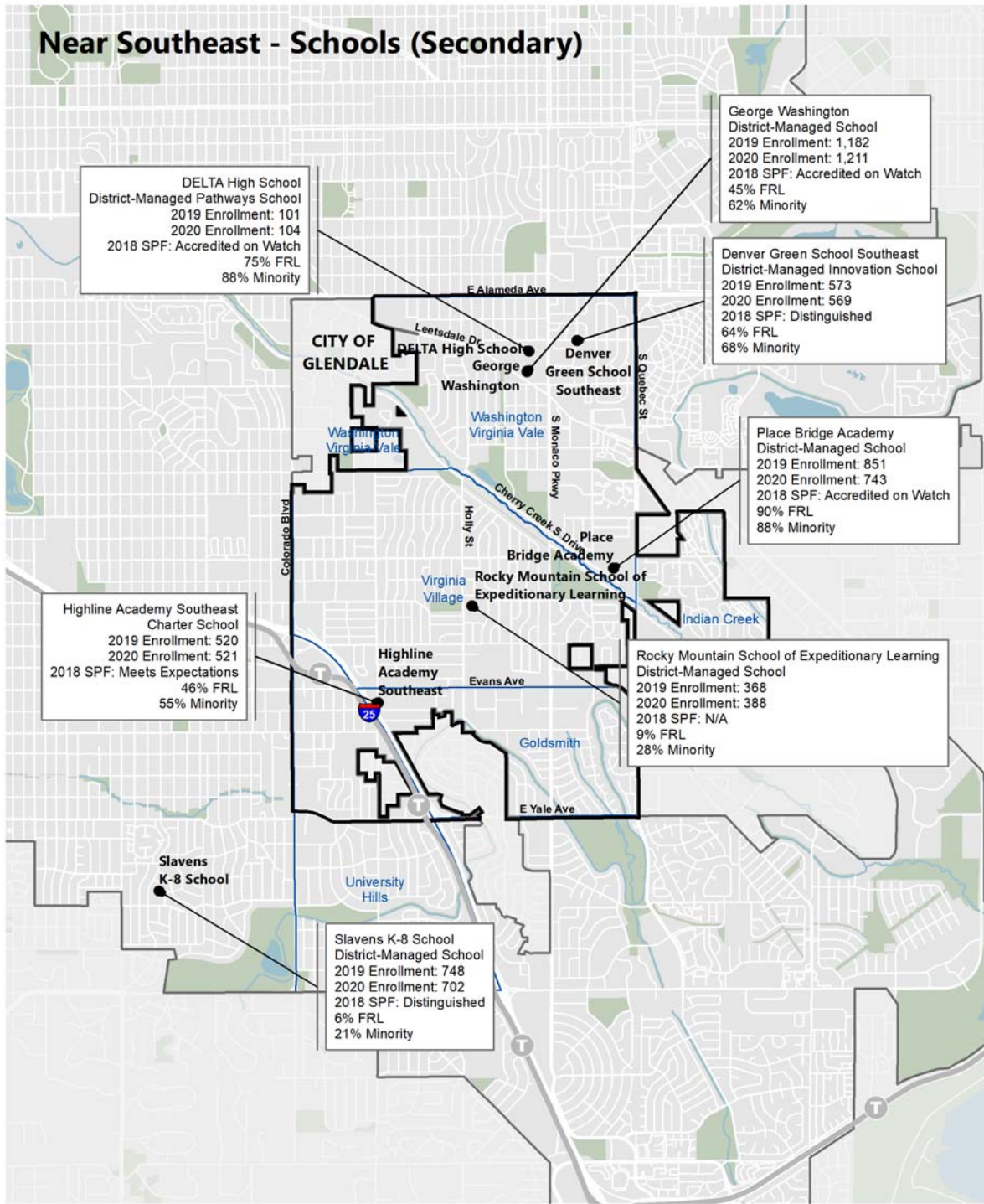
Among secondary schools, DELTA High School, Place Bridge Academy, and George Washington are “Accredited on Watch.” Mobility is low to moderate except for Delta High School, which is a unique program within George Washington High School. Choice In is high among these schools.

Table 10. Secondary Schools

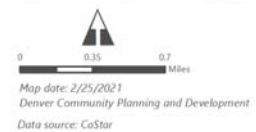
<b>Denver Green School Southeast</b>	<b>Place Bridge Academy</b>
District-Managed Innovation School Boundary School 2019 Enrollment: 573 2020 Enrollment: 569 2018 SPF: Distinguished FRL: 64% Minority: 68% Choice In: 24% Mobility: 17% Waitlist: 253	District-Managed School Boundary 2019 Enrollment: 851 2020 Enrollment: 743 2018 SPF: Accredited on Watch FRL: 90% Minority: 88% Choice In: 33% Mobility: 19% Waitlist: 32
<b>George Washington</b>	<b>Highline Academy Southeast</b>
District-Managed School Boundary School 2019 Enrollment: 1,182 2020 Enrollment: 1,211 2018 SPF: Accredited on Watch FRL: 45% Minority: 62% Choice In: 48% Mobility: 15% Waitlist: 1	Charter School Non-Boundary 2019 Enrollment: 520 2020 Enrollment: 521 2018 SPF: Meets Expectations FRL: 46% Minority: 55% Choice In: 100% Mobility: 4% Waitlist: 83
<b>Rocky Mountain School of Expeditionary Learning</b>	<b>DELTA High School</b>
District-Managed School Non-Boundary 2019 Enrollment: 368 2020 Enrollment: 388 2018 SPF: N/A FRL: 9% Minority: 28% Choice In: 100% Mobility: N/A Waitlist: N/A	District-Managed Pathways School Non-Boundary 2019 Enrollment: 101 2020 Enrollment: 104 2018 SPF: Accredited on Watch FRL: 75% Minority: 88% Choice In: 100% Mobility: 54% Waitlist: N/A

Source: DPS

Figure 6. Secondary Schools



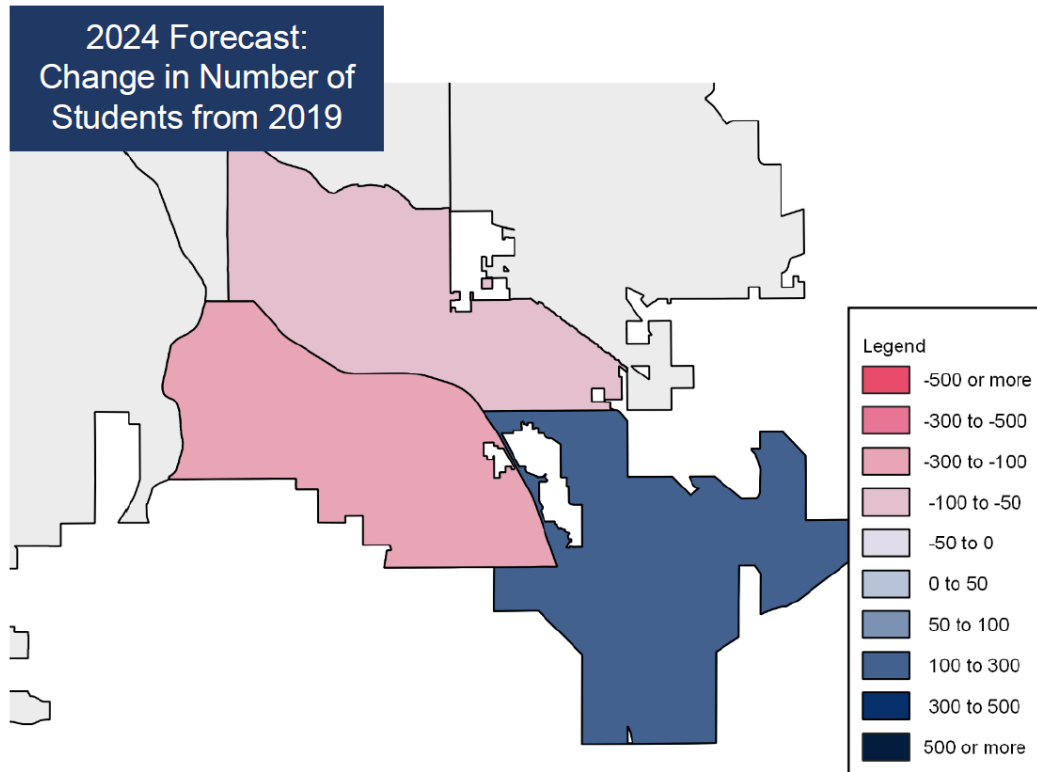
□ Plan Area Boundary



Source: DPS

The Near Southeast neighborhoods are part of DPS' Southeast Planning Region. According to the 2019 Strategic Regional Analysis conducted by DPS, overall in the Southeast Planning Region, enrollment is forecast to remain relatively stable through 2024. Moderate enrollment declines at the elementary level will be mostly balanced out by slight growth at the middle and high school levels. The current capacity for the Southeast Planning Region is 13,325.

Figure 7. Student Forecast



Source: DPS

### Postsecondary Education

The Near Southeast area is reasonably close to numerous postsecondary educational institutions. Many of them offer online opportunities and are geared toward certifications in the medical health related fields.

Table 11. Postsecondary Education in/near Near Southeast Neighborhoods

Name	Address	Degrees, Programs, Certificates Offered
American Sentinel University	10065 E Harvard Ave Suite 450, Denver, CO 80231	Online programs are focused exclusively on healthcare.
Aspen University	1660 S Albion St #525, Denver, CO 80222	Aspen University offers online certificates, and online associate's, bachelor's, master's, and doctoral degrees in three schools: School of Nursing and Health Sciences, School of Business and Technology, and School of Education.
Community College of Aurora	Lowry Campus 710 Alton Way Denver, CO 80230	Associate degrees in a variety of subject matter, including paramedicine and early childhood education.  Certificates are available in health-related occupations such as Emergency Medical Technician, Nurse Aide, Patient Care Technician, and Phlebotomy. Certificates are also available in numerous Early Childhood Education focus areas.
Center for Health Sciences at Lowry, Community College of Denver	Center for Health Sciences at Lowry 1070 Alton Way Denver, CO 80230	Ability to earn certificates and degrees in several career areas, including the following:  Computed Tomography, Dental Hygiene, Food, Nutrition & Wellness, Integrated Nursing Pathway, Mammography, Nurse Aide, Practical Nursing, Radiologic Technology, Surgical Technology, and Veterinary Technology.
Center for Urban Education located at the University of Northern Colorado Denver Center at Lowry	1059 Alton Way Denver, CO 80230	Bachelor of Arts Degree in Early Childhood Education, Elementary Education, and Special Education
University of Denver	2199 S University Blvd, Denver, CO 80208	Private University with over 100 undergraduate degree programs and over 120 graduate programs.

Source: ArLand

### Projections

As shown in Figure 4, the Health Care and Social Assistance; and Professional, Scientific, and Technical Services sectors are projected to make up the largest share of job growth in the Near Southeast area. In the City overall, the Professional, Scientific, and Technical Services sector is projected to account for 29% of the expected job growth.

Occupations in these sectors fall into the “Management, Business, Science, and Arts” category; currently around 45% of the Near Southeast workers are employed in those occupations. These occupations tend to require a higher educational attainment, including Bachelor’s and Associate’s Degrees. These trends highlight the importance of educational attainment in improving earning potential. Currently 49% of residents over age 25 in the Near

Southeast area have a Bachelor’s Degree or higher, while these residents are well positioned to take advantage of growth in these paying sectors, educational attainment levels vary widely by race/ethnicity. The share of Hispanic and Black residents over age 25 with a Bachelor’s Degree in the Near Southeast area is around half that of White residents. Access to job training and educational opportunities for these residents will be crucial for the Near Southeast area to meet the increase demand in higher skilled workers.

### Poverty

#### Existing conditions

In the Near Southeast area, the percentage of impoverished individuals ranges from a low of 4.2% in Indian Creek to a high of 15.7% in Washington Virginia Vale and 15.0% in Virginia Village. Households are in poverty if their income is less than about \$13,000 annually for an individual, or about \$26,000 annually for a family of four. The poverty rate in the Southeast area is 13.8%, higher than the overall Denver rate of 12.9%.

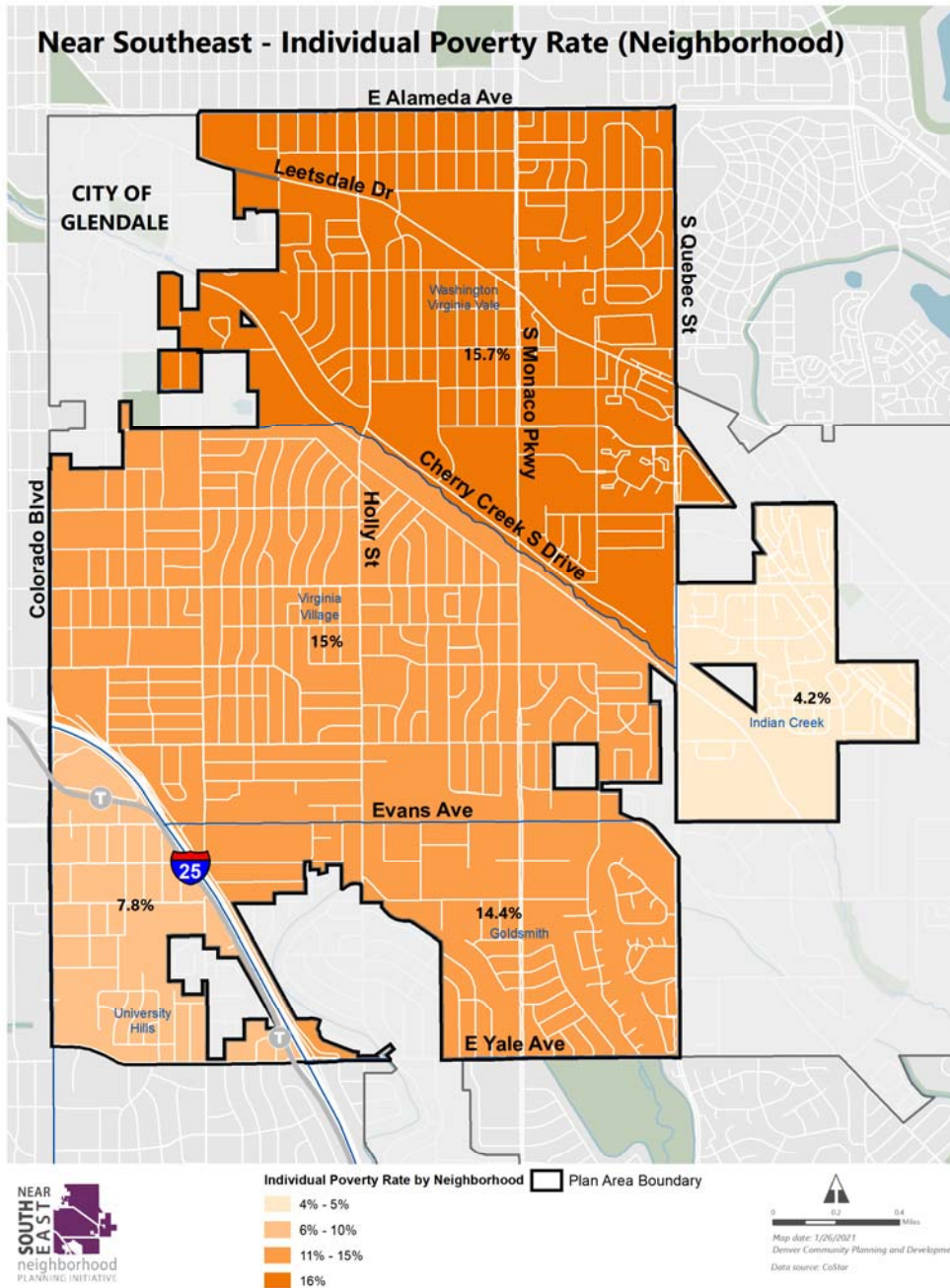
Table 12. Poverty Rate by Neighborhood

	Poverty Rate
Denver	12.9%
Near Southeast	13.8%
Washington Virginia Vale	15.7%
Virginia Village	15.0%
Indian Creek	4.2%
Goldsmith	14.4%
University Hills	7.8%

Source: 2019 5-year ACS and Root Policy Research

Figure 8, below shows poverty rates in the planning area by Census Tract. In the Washington Virginia Vale neighborhood, higher poverty rates are found east of Monaco Parkway, and in the Virginia Village neighborhood, higher poverty rates are found in the southwest corner of the neighborhood, along I-25.

Figure 8. Poverty Rate by Census Tract



Source: 2019 5-year ACS and Root Policy Research

### Causal Factors

The characteristics of the planning area are influenced by a concentration of employment opportunities within and adjacent to Colorado Boulevard and Leetsdale Drive; access to strong schools with a diversity of programs, some of which assist under-served youth; availability of a diversity of housing types throughout the neighborhood and concentration of income-restricted rental units in Washington Virginia Vale (discussed below); and the auto-

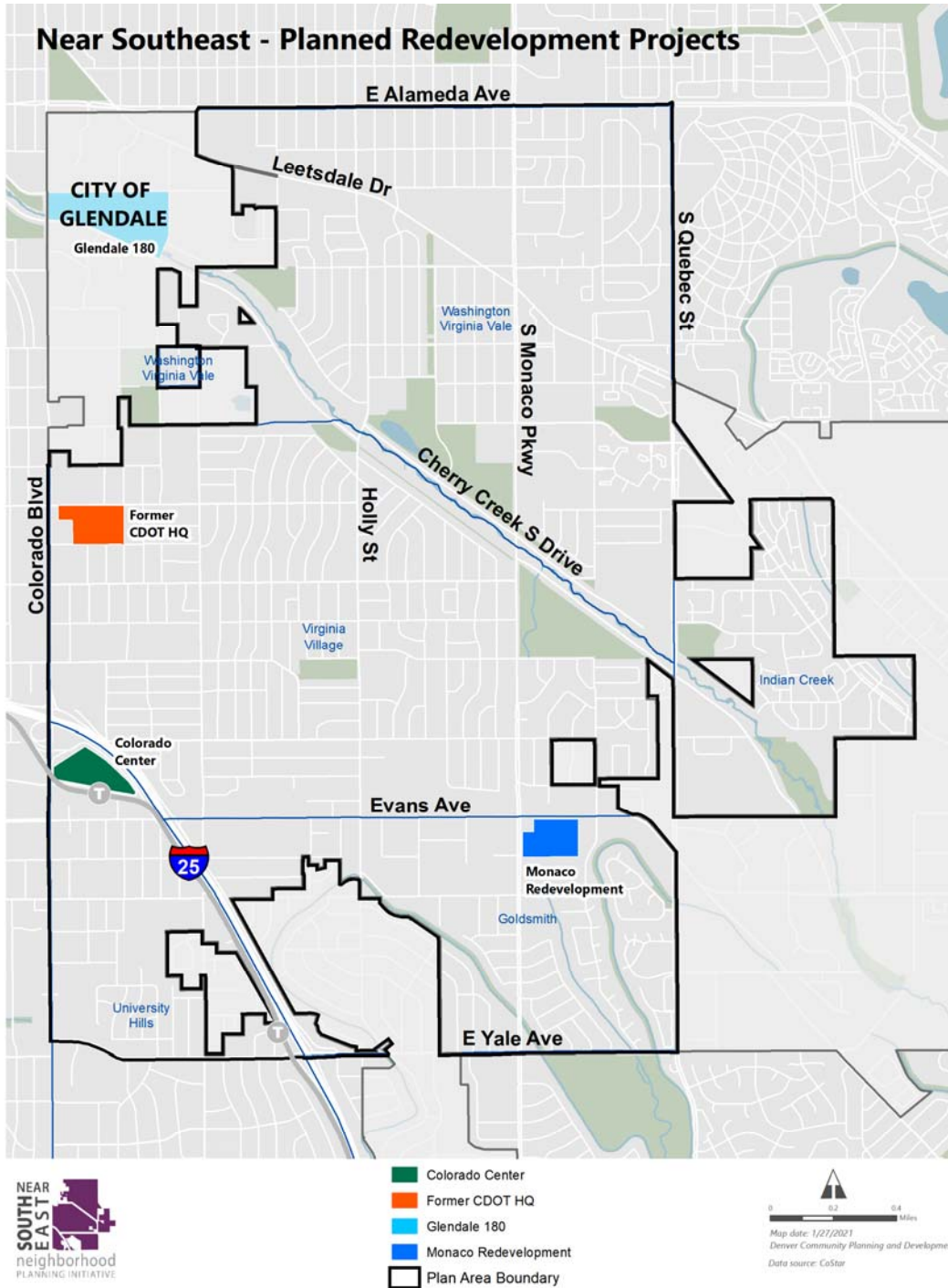
oriented nature and design of the neighborhood which has made it more immune to redevelopment pressures than other parts of Denver.

# Supply Factors

This section discusses existing conditions for industry sectors including residential (with a focus on affordable housing needs), retail, office, and industrial real estate.

## Planned Developments

Figure 9. Near Southeast Planned Redevelopments



Source: City of Denver, ArLand

The Near Southeast area has a number of redevelopment projects (larger than 5-acres), some of which can help to fulfill future demands in the Near Southeast neighborhoods. Their locations are shown in Figure 9 and are described as follows:

### **Glendale 180**

Developer: Lincoln Property Company

Location: Virginia Avenue to the north, Cherry Creek South Drive to the south

Redevelopment Size: 300,000 Square Feet: 21,000 square feet of office space, 134,000 square feet of restaurant and retail space, a 160-key hotel, and a 43,000-square-foot movie theater,

Formerly known as the Glendale Riverwalk, Glendale 180 is planned to be an experiential entertainment center with a mix of retail and dining, movie theater, lodging, and office space. The development site sits along the Cherry Creek Trail, and project plans intend to maximize pedestrian and bicyclist connectivity. There will also be ample greenspace to encourage community gatherings such as festivals, concerts, and fairs. This project hopes to create a new downtown for Glendale. While the project has faced numerous setbacks, it is slated to move forward.

### **Former CDOT HQ**

Developer: Kentro Group

Location: 4201 E. Arkansas Avenue.

Property Size: 13.2 Acres

The Kentro Group is redeveloping the former Colorado Department of Transportation Headquarters. The project is a multi-phased, pedestrian-oriented development and will feature a mix of residential, commercial, and retail spaces. The goals are to (1) create vibrant community spaces through open space, art, and programming; (2) provide employment opportunities by incorporating grocery stores, neighborhood-serving retail, and restaurants and cafes; and, lastly, (3) build a diverse community by providing a variety of housing types that meet the needs of different demographics.

According to the development agreement, the new development will provide over 800 residential units, of which 150 must be affordable for no less than twenty years, and 200 permanent jobs. The proposed project will devote 10% of the property to accessible park space. The project is slated to break ground in fall 2021 and is projected to take four to five years to complete.

### **Colorado Center**

Developer: Lincoln Property Company & ASB Real Estate Investments

Location: 2000 South Colorado Blvd.

Property Size: 1 million square feet

The Colorado Center campus is a thirty-year-long transit-oriented development project adjacent to the Colorado Station on the RTD light rail systems at Interstate 25 and Colorado Boulevard. The Colorado Center serves as a central business hub providing office space, retail, dining, and open space. As the complex has grown, developers have incorporated a main street to connect the towers and theater complexes.

The first tower was completed in 1987, and the complex has added two additional towers since, completing Tower 3 in 2017. The latest project involved constructing a 12,220 SF food hall that includes ten dining options, a 40-foot bar, and a coffee shop. Construction began in 2019 and was completed in spring 2020.

Future plans include adding more retail space, a hotel, and residential development to build on the concept of transit-oriented mixed development. There is no clear timeline for the future expansion of the complex.

### **Monaco & Evans Redevelopment**

Developer: Forum Real Estate Group

Location: 2150 S. Monaco Parkway

Property Size: 13-Acres

The Forum Real Estate Group is proposing new residential development for the former Kmart building site. The proposal divides the property into four lots, of which three are devoted to residential development and one to open space. The preliminary site plan includes three three-story multi-family apartment buildings, followed by a second phase of two three-to-five-story apartments. Overall, the project would provide 450 to 650 multi-family units to support the surrounding retail and increase neighborhood density.

The design emphasizes street-activation through improved landscaping, narrow setbacks and building frontage, and smaller block sizes. Community open space is also included to add greenery to the concrete-heavy landscape and help with stormwater management. Construction is anticipated to begin in summer 2021 and be completed by fall 2022.

All projects are either ongoing or are in advanced stages of the entitlement process. While Glendale 180 is in the City of Glendale, its location close to the northern portion of the Near Southeast neighborhoods will have an impact on future redevelopment potential within the City of Denver, and traffic generation, among a variety of concerns.

## Residential

### *Existing General Conditions*

The median rent and home value within the planning area are consistent with the city overall. In the planning area, the median rent in 2019 was \$1,342 and median home value was \$385,050—compared to the city overall with a median rent of \$1,311 and median home value of \$390,600. Indian Creek, University Hills, and Virginia Village have the highest rents in the planning area likely due to the composition of the rental stock in these neighborhoods, comprised of single unit homes and townhomes. Indian Creek has a median home value much lower than any other neighborhood due the presence of older, attached homes. Washington Virginia Vale and Goldsmith have relatively low rents, which is likely a factor of concentrations of older 2-3 story walk up rental units within these neighborhoods and the concentration of income-restricted units in Washington Virginia Vale.

*Table 13. Housing Summary by Neighborhood*

	Washington Virginia Vale	Virginia Village	Indian Creek	Goldsmith	University Hills	Near Southeast
Median rent	\$1,299	\$1,455	\$1,557	\$1,130	\$1,488	\$1,342
Median home value	\$348,267	\$392,800	\$274,600	\$431,500	\$407,500	\$385,050
% overcrowding	3%	4%	1%	2%	2%	3%
% owner households	41%	43%	68%	31%	36%	43%
% cost burdened	42%	35%	27%	41%	52%	38%

Source: 2019 5-year ACS and Root Policy Research.

## Housing Conditions

### *Housing Characteristics*

The housing stock in the Near Southeast area is a nearly equal mix among single-unit detached homes (32% of all housing units), larger multifamily buildings (35%), and smaller attached homes/duplexes-triplexes/small multifamily buildings. Since 2010, the composition of the housing stock has changed minimally, mostly through the addition of larger multifamily buildings.

*Table 14. Change in Units in Structure*

	2010		2019	
	#	%	#	%
<b>Total housing units</b>	<b>19,327</b>	<b>100%</b>	<b>19,926</b>	<b>100%</b>
1-unit, detached	6,403	33%	6,461	32%
1-unit, attached	1,797	9%	1,688	8%
2 units	213	1%	174	1%
3 or 4 units	918	5%	831	4%
5 to 9 units	1,323	7%	1,335	7%
10 to 19 units	2,457	13%	2,515	13%
20 or more units	6,181	32%	6,902	35%
Mobile home	35	0%	20	0%
Boat, RV, van, etc.	0	0%	0	0%

Source: 2019 5-year ACS and Root Policy Research.

Table 15 shows a strong variation among neighborhoods. Except for Virginia Village, the neighborhoods have a smaller share of single-unit detached housing than in the city overall. Indian Creek stands out for its very high share of single-unit attached homes and small multifamily units. Most neighborhoods have higher shares of larger multifamily housing than the city overall. In sum, these neighborhoods are characteristic of naturally occurring affordable housing, much of which is older, which has allowed the planning area to retain some affordability.

*Table 15. Units in Structure by Neighborhood*

	Washington Virginia Vale	Virginia Village	Indian Creek	Goldsmith	University Hills	Near Southeast	Denver Overall
<b>Total housing units</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
1-unit, detached	27%	50%	8%	21%	39%	32%	45%
1-unit, attached	5%	2%	49%	4%	8%	8%	8%
2 units	1%	0%	1%	3%	1%	1%	2%
3 or 4 units	6%	2%	5%	6%	1%	4%	3%
5 to 9 units	9%	1%	22%	5%	1%	7%	4%
10 to 19 units	21%	9%	13%	4%	6%	13%	8%
20 or more units	32%	36%	3%	57%	43%	35%	29%
Mobile home	0%	0%	0%	0%	2%	0%	0%
Boat, RV, van, etc.	0%	0%	0%	0%	0%	0%	0%

Source: 2019 5-year ACS and Root Policy Research.

Compared to Denver overall, owners in Near Southeast are less likely to occupy single-unit detached units and are more likely to occupy multifamily units and attached single units, due to the higher concentration of condominium multifamily development within the Near Southeast compared with the rest of the city. Renters also occupy fewer single-unit homes as a percent of units occupied by renter households. Again, this is likely due to the presence of multifamily development in the study area compared to the city.

Table 16. Units in Structure by Tenure

	Near Southeast		Denver Overall	
	Owner	Renter	Owner	Renter
1 Detached Unit Owner	64%	9%	73%	19%
1 Attached Unit Owner	15%	4%	10%	6%
2 Units Owner	1%	1%	1%	4%
3 to 4 Units Owner	3%	5%	1%	5%
5 to 9 Units Owner	7%	6%	2%	7%
10 to 19 Units Owner	5%	19%	2%	14%
20 to 49 Units Owner	2%	20%	5%	17%
50 or More Units Owner	3%	35%	5%	30%
Mobile Homes Owner	0%	0%	0%	0%
Boat, RV, Van, etc. Owner	0%	0%	0%	0%

Source: 2019 5-year ACS and Root Policy Research.

Compared to the household distribution of Denver overall, Indian Creek, Goldsmith, and University Hills have higher proportions of 1-person households and lower proportions of larger households. And, overall, Near Southeast household sizes are smaller than the city overall. This may be due to the demographic composition of these neighborhoods, comprised of older homeowners without children living in the home.

Table 17. Household Size by Neighborhood

	Washington Virginia Vale	Virginia Village	Indian Creek	Goldsmith	University Hills	Near Southeast	Denver Overall
1-person household	38%	39%	43%	46%	51%	41%	38%
2-person household	34%	35%	37%	32%	30%	34%	34%
3-person household	16%	13%	13%	8%	5%	13%	12%
4+ person household	11%	14%	7%	14%	14%	12%	16%

Source: 2019 5-year ACS and Root Policy Research.

Homeownership rates in the Near Southeast are lower than Denver overall for most all racial and ethnic groups—with the exception of residents who identify as two or more races. Non-Hispanic White residents have the highest rate of homeownership in the Near Southeast and Denver. Hispanic or Latino households have far lower rates of homeownership in the Near Southeast (25%) compared to Denver overall (42%). Similarly, Asian (36%), Black (30%), American Indian (12%), and Other Race (8%) all have lower rates of homeownership.

Table 18. Homeownership Rates by Race and Ethnicity

	Near Southeast	Denver Overall
Non-Hispanic White	49%	55%
Two or More Race	46%	39%
Asian	36%	46%
Black	30%	37%
Hispanic or Latino	25%	42%
American Indian	12%	39%
Other Race	8%	36%

Source: 2019 5-year ACS and Root Policy Research.

### Housing Affordability

Table 19 illustrates the maximum affordable rent and affordable purchase price by household income. In order to afford the median rent in the planning area, household income would need to exceed \$35,000. To purchase the median priced home in the planning area, however, household income would need to exceed \$75,000.

Table 19. Income Range and Maximum Affordable Rent and Home Prices

Income Range	Maximum Affordable Rent	Income Range	Maximum Affordable Home Price
Less than \$5,000	\$125		
\$5,000 to \$9,999	\$250		
\$10,000 to \$14,999	\$375		
\$15,000 to \$19,999	\$500		
\$20,000 to \$24,999	\$625		
\$25,000 to \$34,999	\$875	Less than \$35,000	\$132,347
\$35,000 to \$49,999	\$1,250	\$35,000 to \$49,999	\$189,068
\$50,000 to \$74,999	\$1,875	\$50,000 to \$74,999	\$283,605
More than \$75,000	\$1,875+	\$75,000 to \$99,999	\$378,141
		\$100,000 to \$149,999	\$567,213
		\$150,000 or more	\$567,213+

Source: 2019 5-year ACS and Root Policy Research

The most common measure of affordability assesses the “burden” housing costs put on a household. If a household pays more than 30% of their gross income in rent or mortgage payment, taxes, and basic utilities, they are considered to have a housing need. The higher the cost burden, the greater the need. “Severe” cost burden occurs when a household pays more than 50% of their gross income on housing costs.

Cost burden is important because it also indicates how well a household can manage other expenses—e.g., child care, transportation, health care—and how much disposable income they have to contribute to the economy.

It is important to note that cost burden exists in nearly every community because demand exceeds the supply of housing at various price points. Some residents—e.g., persons with disabilities living on fixed incomes—cannot avoid cost burden unless they occupy publicly

subsidized housing or receive Housing Choice Vouchers. Unless an adequate supply of affordable housing is available, being cost burdened may be the only option for certain residents.

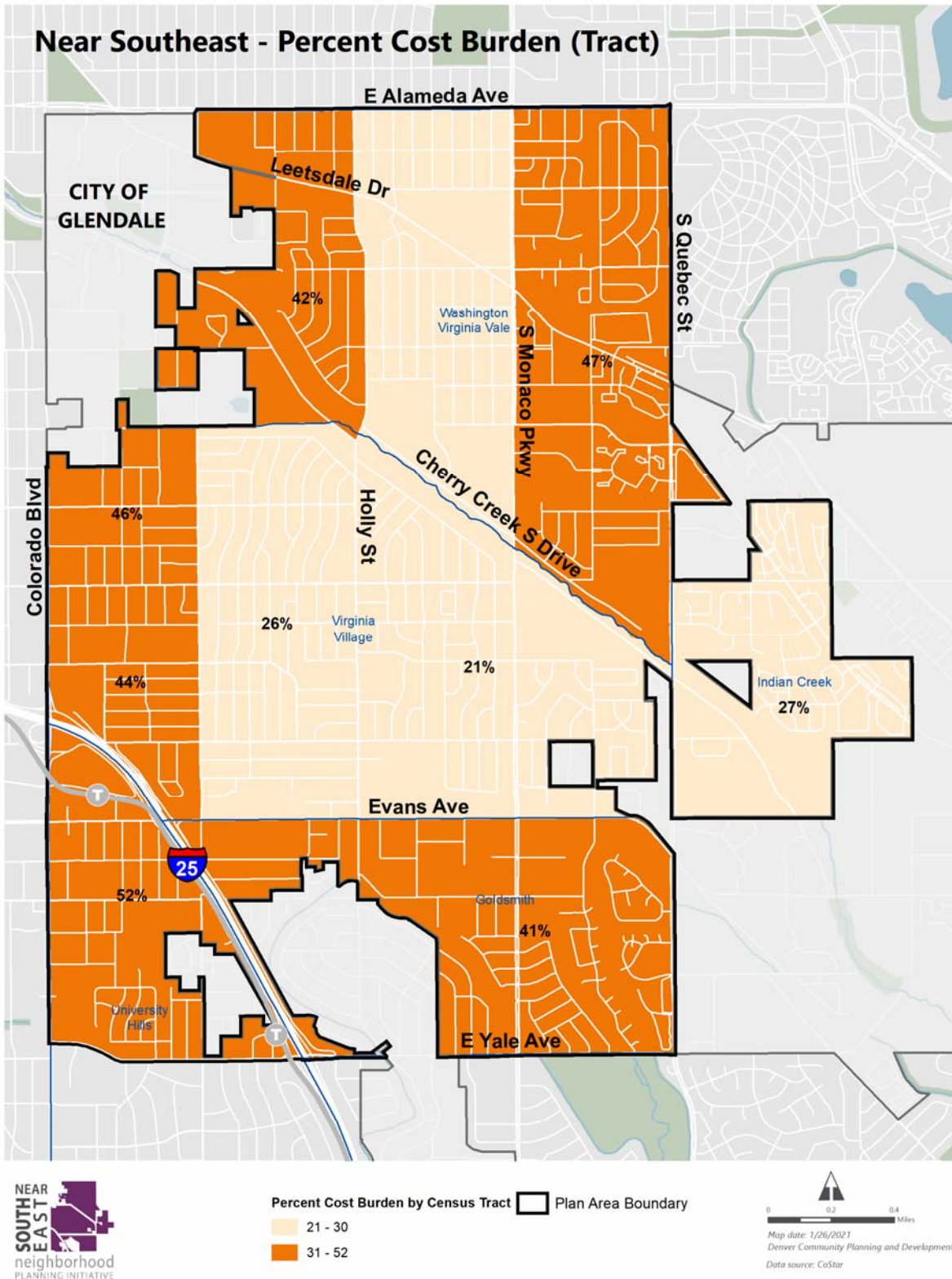
Table 20 and Figure 10 show the share of households experiencing cost burden and severe cost burden by neighborhood in the planning area. Overall, 7,150 households (38%) in the planning area experience cost burden and 3,170 of those households (17%) are severely cost burdened—which is slightly higher than the citywide rates of 35% and 16% cost burdened or severely cost burdened. University Hills, Washington Virginia Vale, and Goldsmith have the highest rates of cost burden within the planning area. Conversely, Indian Creek and Virginia Village have lower rates of cost burden compared to the planning area as a whole.

*Table 20. Cost Burden and Severe Cost Burden, 2019*

	Cost Burden		Severe Cost Burden	
	#	%	#	%
Washington Virginia Vale	2,856	42%	1,249	18%
Virginia Village	2,253	35%	982	15%
Indian Creek	532	27%	182	9%
Goldsmith	1,111	41%	552	20%
University Hills	398	52%	205	27%
Near Southeast Total	7,150	38%	3,170	17%
Denver	104,435	35%	47,092	16%

Source: 2019 5-year ACS and Root Policy Research

Figure 10. Cost Burden by Census Tract



Source: 2019 5-year ACS and Root Policy Research

### *Inventory of Planned and Under Construction Affordable Housing Projects*

According to Denver’s Department of Housing Stability (HOST), there are 531 income-restricted rentals and 31 income restricted owned units in the planning area. These represent 5% of all rental units in the study area and less than 1% of owned units. Of the 531 income-restricted units, 62% are located in Washington Virginia Vale.

*Table 21. Inventory of Affordable Housing*

	Existing Restricted Units			Proposed Restricted Units		
	Rental	For Sale	% Rental	Rental	For Sale	% Rental
<b>Near Southeast Total</b>	<b>531</b>	<b>31</b>	<b>94%</b>	<b>0</b>	<b>0</b>	<b>0</b>
Washington Virginia Vale	325	0	100%	0	0	0%
Virginia Village	27	24	53%	0	0	0%
Indian Creek	0	0	0%	0	0	0%
Goldsmith	1	0	100%	0	0	0%
University Hills	178	7	96%	0	0	0%

Source: City and County of Denver and Root Policy Research

The City’s Community Planning and Development Departments keeps a list of all completed Accessory Dwelling Units (ADUs) built in the City of Denver in the last ten years. Only two were recorded in the last ten years in these neighborhoods: one in Virginia Village and one in Indian Creek.

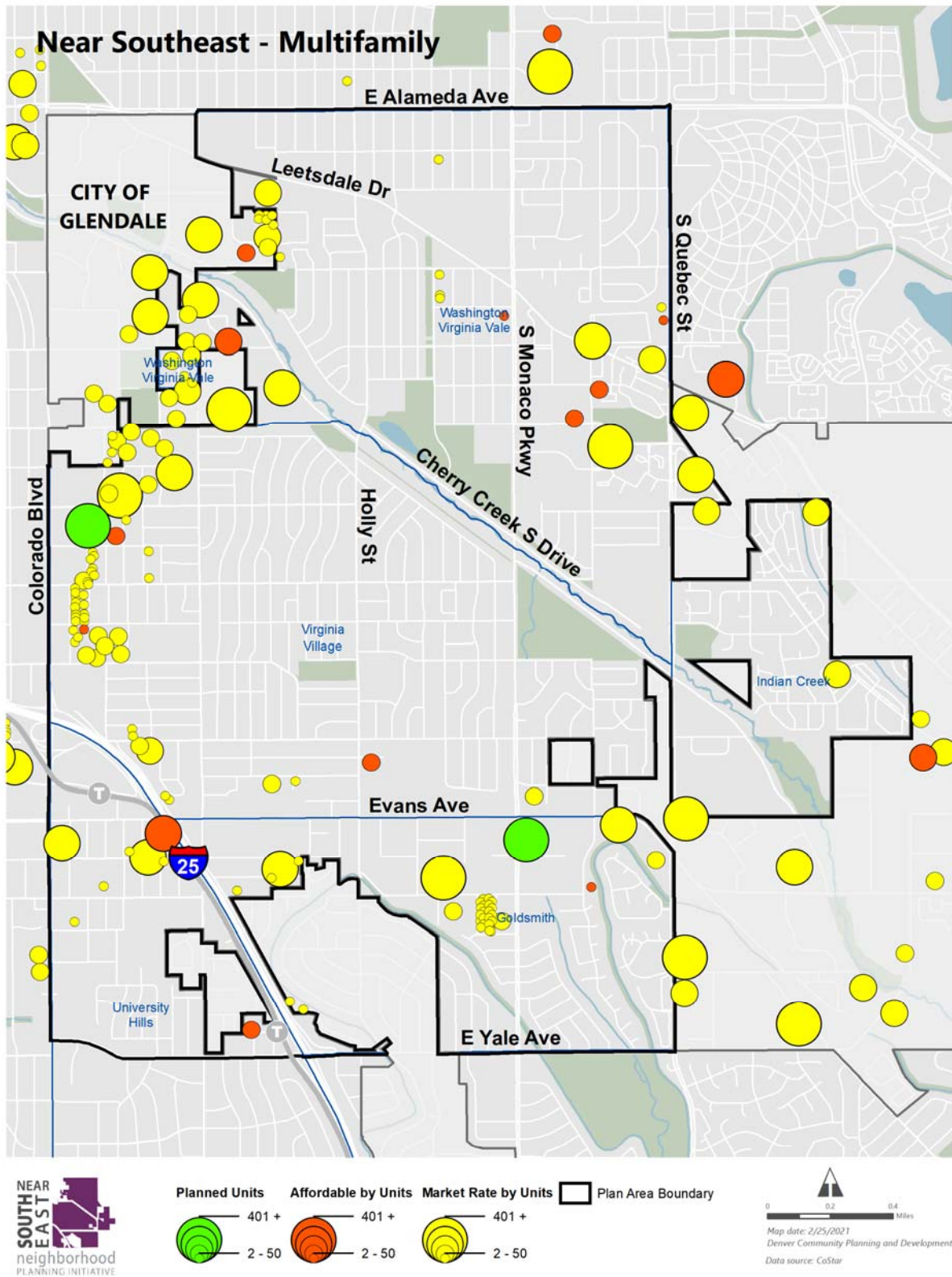
Table 22 shows multifamily market trends for the planning area from 2010 to 2020. Overall, the inventory of units and vacancy rates have stayed relatively the same. However, the planning area has seen an increase of nearly 60% in monthly rent from \$771 in 2010 to \$1,229 in 2020. Rising rents and consistently low vacancy rates indicate a tight rental market. Figure 11 depicts the location of multifamily rental units in the planning area.

*Table 22. Multifamily Market Summary*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Absorption	79	24	117	9	20	-86	-47	83	106	-39	-20
Net Deliveries	-	-	-	-	-	-	65	7	5	-	-
Vacancy	7%	6%	5%	5%	5%	6%	7%	6%	5%	5%	6%
Market Rent/Unit	\$771	\$802	\$863	\$917	\$980	\$1,066	\$1,096	\$1,149	\$1,190	\$1,236	\$1,229

Source: CoStar and Root Policy Research

Figure 11. Multifamily Rental Units



Source: CoStar, ArLand

According to the ACS, rents increased by \$499 in the planning area from \$843 in 2010 to \$1,342 in 2019—an increase of 59%. Citywide, the median rent increased by 64% during the same time. Rents in the planning area overall increased less than rents citywide. However, University Hills, Virginia Village, and Goldsmith neighborhoods all experienced larger rent increases than the city—based on the percent increase from 2010 to 2019. The rental markets in Washington Virginia Vale and Indian Creek were more stable; in Washington Virginia Vale’s case, this is due to the presence of income-restricted units.

*Table 23. Median Rent by Neighborhood, 2010-2019*

	2010	2019	2010-2019	
			#	%
Washington Virginia Vale	\$834	\$1,299	\$465	56%
Virginia Village	\$850	\$1,455	\$605	71%
Indian Creek	\$1,008	\$1,557	\$549	54%
Goldsmith	\$676	\$1,130	\$454	67%
University Hills	\$840	\$1,488	\$648	77%
<b>Near Southeast</b>	<b>\$843</b>	<b>\$1,342</b>	<b>\$499</b>	<b>59%</b>
City and County of Denver	\$798	\$1,311	\$513	64%

Source: 2010 and 2019 5-year ACS, Root Policy Research

Table 24 below shows the distribution of renter households and rental units by size for multifamily properties. In 2019, 76% of households in the planning area are one or two person households and 58% of multifamily units are studio or one bedroom. Approximately one in four households have more than three people compared to 41% of multifamily rental units with two bedrooms and only 1% of units with three or more bedrooms. The supply of three bedroom multifamily rental units are very limited in the planning area compared to the number of renter households with four or more people—however, single-unit detached rental units are likely filling some of the gap.

Table 24. Distribution of Renter Households and Rental Housing Units by Size in Multifamily Properties

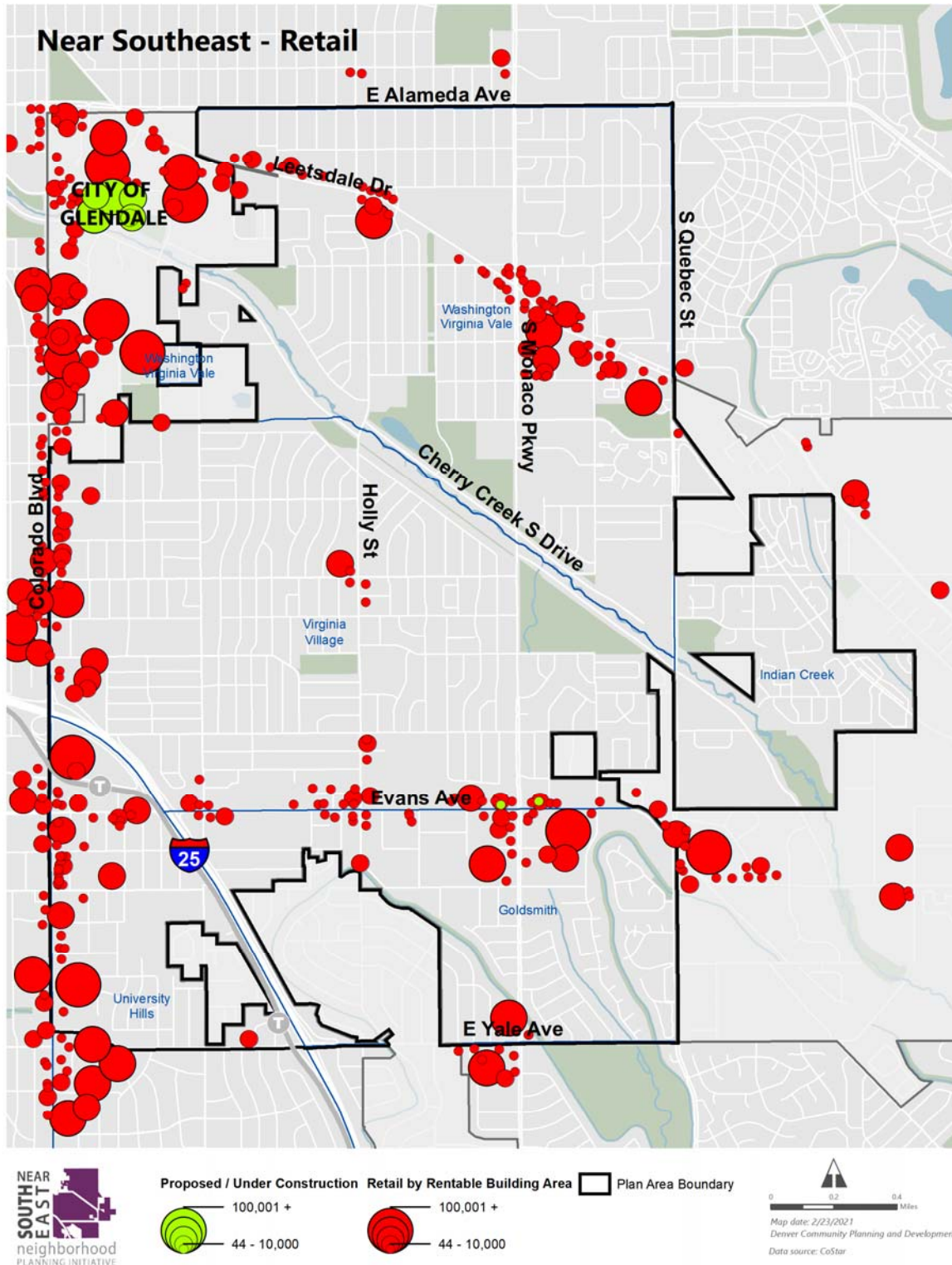
	Asking Rent	#	%
<b>Units</b>			
Studio	\$984	394	5%
1 Bedroom	\$1,103	4,609	53%
2 Bedrooms	\$1,394	3,600	41%
3 or more bedrooms	\$1,916	128	1%
Total		8,731	100%
<b>Renter Households</b>			
1-person household		4,734	45%
2-person household		3,311	31%
3-person household		1,269	12%
4-or-more-person household		1,320	12%
Total		10,634	100%

Note: CoStar rental data does not include single family rental properties.  
 Source: CoStar, 2019 5-year ACS, and Root Policy Research

# Retail

## Existing General Conditions

Figure 12. Near Southeast Retail



Source: CoStar, ArLand

Retail in the Near Southeast neighborhood planning area (Figure 12) is characterized by its primarily suburban auto-orientation. The majority of retail centers are set back from the street with parking fields in the front.

- *Colorado Boulevard* is the dominant retail corridor in the Near Southeast neighborhoods. An auto-oriented commercial corridor characterized by a number of national chains and “box” stores interspersed with locally-owned small businesses. Box stores and national chains such as DSW, Best Buy, Old Navy, Barnes & Noble, and Nordstrom Rack can be found here attracted by the centralized location to many of Denver’s residential neighborhoods as well as the significant vehicular traffic along Colorado Boulevard. There are several major supermarkets along Colorado Boulevard.
- *Glendale*: There is a significant cluster of big box retail near Alameda Avenue and Colorado Boulevard, most of which is located in the adjoining City of Glendale. There is also a lifestyle restaurant/retail center in this area. Additionally as noted in a previous section, a large planned redevelopment at Glendale 180 could add up to 134,000 square feet of additional retail and restaurant uses to the northern portion of the neighborhood area, although all technically in the City of Glendale.
- *Leetsdale Drive*: Leetsdale Drive has a number of suburban-style commercial centers. While many of them have a sea of parking in front, there are a number of centers with just a small strip of parking in the front. Major cross-streets including Monaco Parkway and Quebec Street.
- *Evans Avenue*: Evans Avenue is a mix of strip commercial centers with locally owned businesses interspersed with national chains, auto-oriented uses, office, and light industrial uses. Major cross streets include I-25, Holly Street, Monaco Parkway and Quebec Street. The Colorado Center is in the process of adding retail and restaurants to its development at Evans Avenue and Colorado Boulevard as previously described.

Retail in the Near Southeast neighborhoods is comprised of approximately 1.7 million square feet and about 4% of the city’s retail square footage. The Near Southeast retail market’s December 2020 vacancy rate of 5.2% is about 2.6 percentage points lower than the 5-year average. Deliveries (new construction or redevelopment of older space) over the past 12 months have outpaced absorption. The Near Southeast market price per square foot is well below that of the city.

Table 25. Retail Summary Statistics, Near Southeast and City of Denver

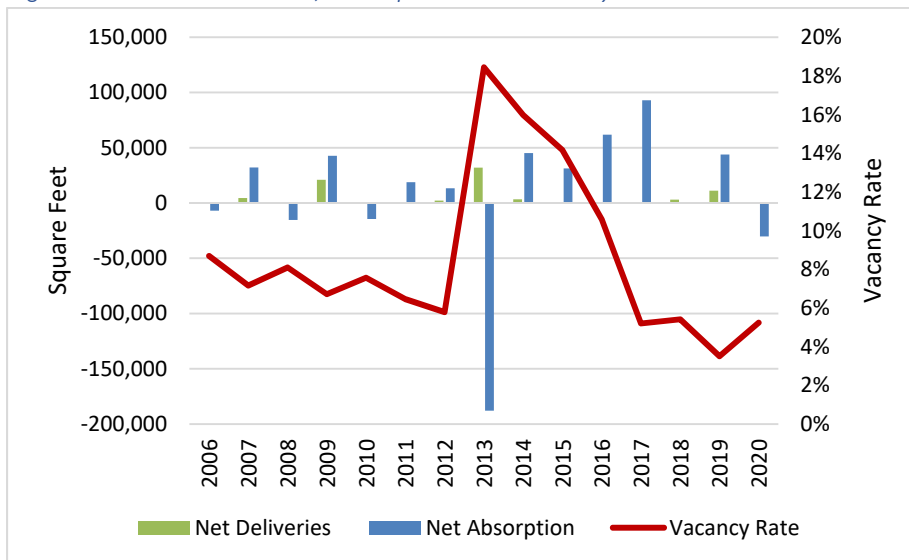
	<i>Near Southeast Denver</i>		<i>City of Denver</i>	
	<i>Current</i>	<i>5-Yr. Avg.</i>	<i>Current</i>	<i>5-Yr. Avg.</i>
Existing Buildings	171	169	4,358	4,286
Existing SF	1,741,751	1,732,986	40,631,286	39,732,846
Vacant SF	91,356	134,386	1,635,390	1,202,023
Vacancy Rate	5.2%	7.8%	6.0%	4.4%
12 Month Deliveries SF	0	5,173	377,810	378,086
12 Month Absorption SF	6,536	36,560	(163,327)	365,778
NNN Rent Per SF	\$15.57	\$15.10	\$21.74	\$21.51

Source: CoStar, ArLand

Although Covid-19 has had an impact on retail centers and the closure of businesses, a visual survey does not indicate large-scale vacancies (as of January 2021) in any one center or node. Most centers, however, appeared to have some vacant space.

Since 2006, about 77,000 square feet of retail space has been delivered in the Near Southeast planning area. Net absorption has been about 126,000 square feet during that time, despite an extremely large negative net absorption in 2013 of almost 188,000 square feet primarily attributable to the store closures at Monaco Parkway and Evans Avenue, which included a large K-Mart. This shock to the market resulted in a spike in the vacancy rate from under 6% to over 18% from 2012 to 2013. Since then, there have been few deliveries, relatively steady absorption, and therefore a declining vacancy rate.

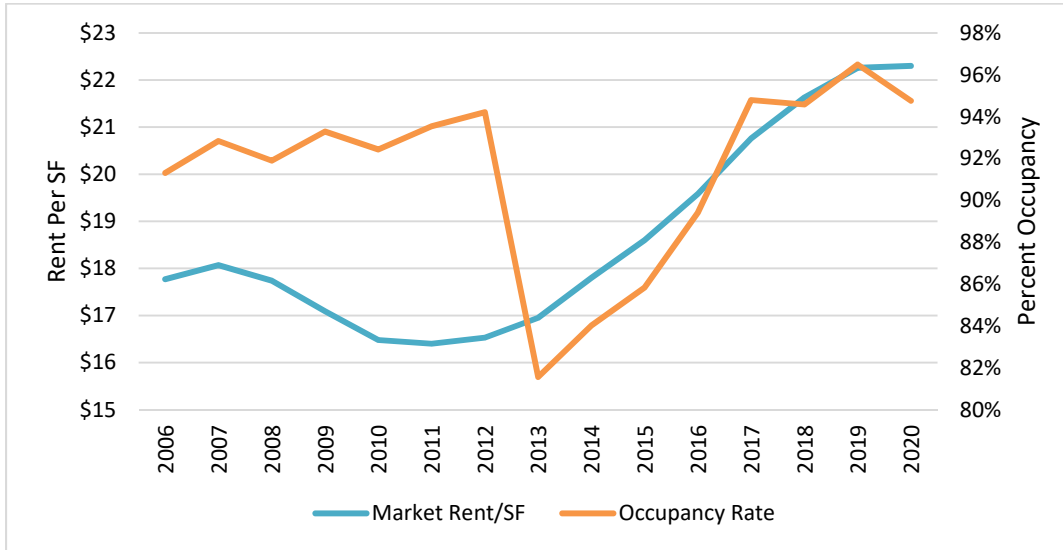
Figure 13. Retail Deliveries, Absorption and Vacancy Rates



Source: CoStar, ArLand

The price of retail space dropped from 2007 to 2011 before consistently rising through 2020. Market rent in 2011 was about \$16.40 per square foot and at the end of 2020 is \$22.30 per square foot, a 36% increase. Occupancy rates took a nosedive from 2012 to 2013 with very large net negative absorption that year. The rate of occupancy has bounced back since, although there has been a slight downturn in 2020 brought on by market impacts from COVID-19.

Figure 14. Retail Market Rents and Occupancy Rates

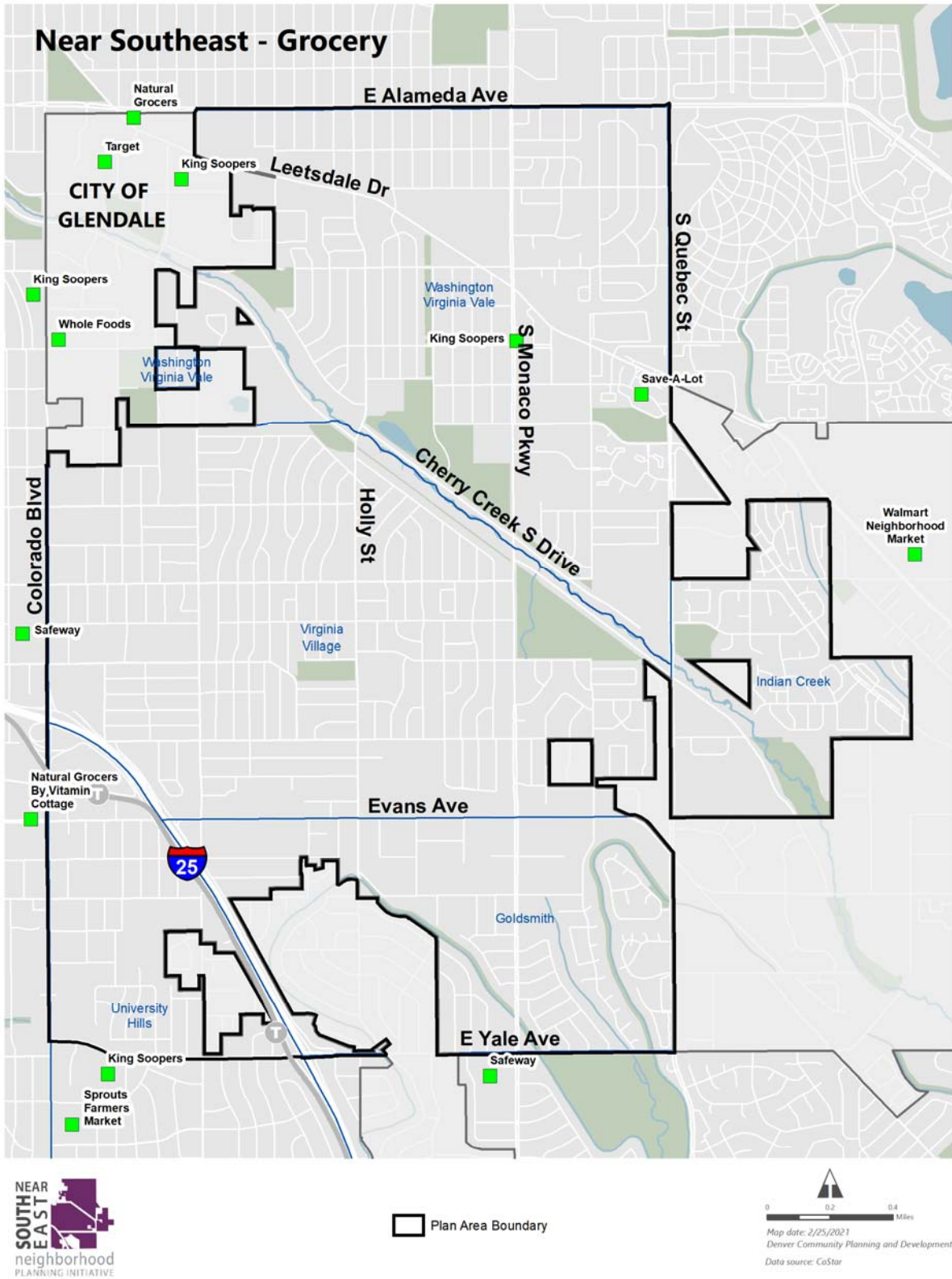


Source: CoStar, ArLand

### Groceries

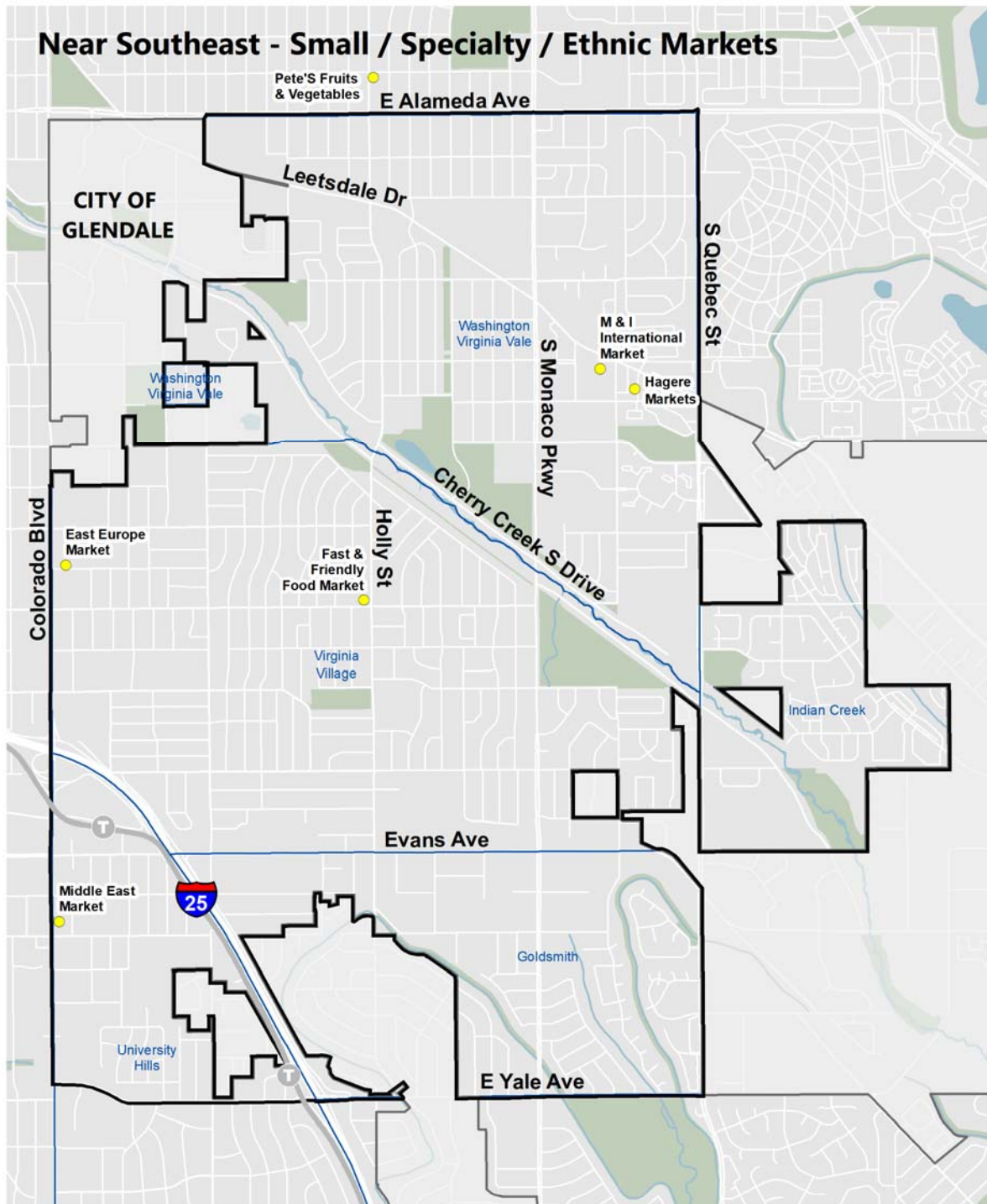
The area is well-served by the major traditional supermarket chains in the Denver metro market including King Soopers and Safeway. The Near Southeast neighborhoods also accommodate a Save-A-Lot and a Natural Grocers. Several stores including Whole Foods, Walmart Neighborhood Market, Target, Natural Grocers, King Soopers, Safeway, and a Sprouts Farmers Market are also located right outside of the Near Southeast neighborhood boundaries as shown in Figure 15.

Figure 15. Near Southeast Grocery Stores



Source: ArLand

Figure 16. Near Southeast Small, Specialty, Ethnic Markets



□ Plan Area Boundary

0 0.2 0.4 Miles  
 Map date: 1/25/2021  
 Denver Community Planning and Development  
 Data source: CoStar

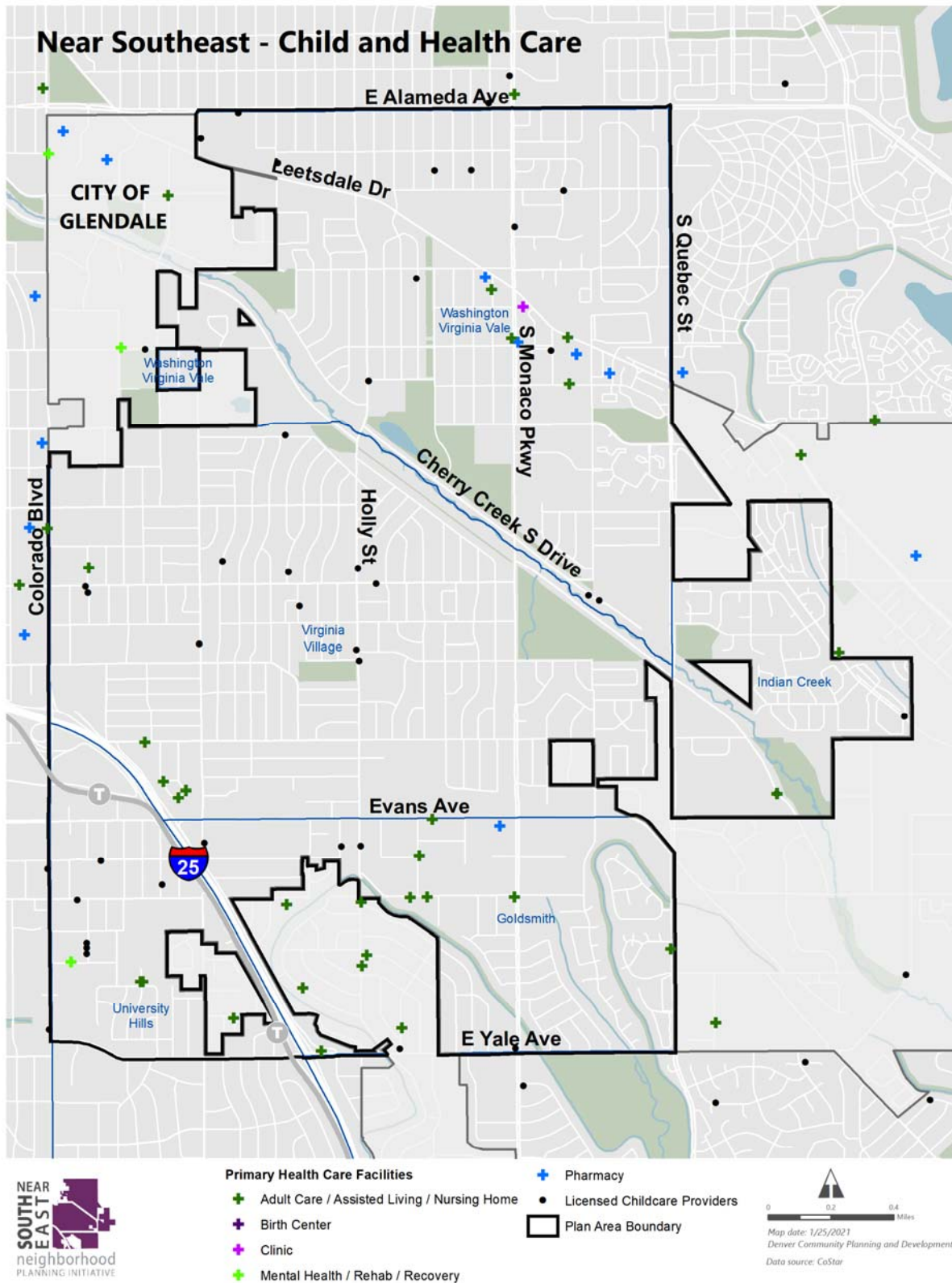
Source: ArLand

Several small, specialty markets in the Near Southeast neighborhoods focus on Eastern European and Middle Eastern specialties as shown in Figure 16. Those north of Evans tend to focus on Eastern European specialties, many of which appear to be long time businesses. Another node of Middle Eastern specialties, including a Middle Eastern market, is located south of Evans Avenue on the eastern side of Colorado Boulevard, in a small strip center focused on Middle Eastern restaurants and services.

### *Health Care*

A number of licensed day care providers, services for the elderly, and pharmacies are scattered throughout the Near Southeast neighborhoods as seen in Figure 17. Doctors and other medical services can be found in some of the office buildings along the major corridors. Urgent care centers are surprisingly lacking in the neighborhoods. An urgent care center along Colorado Boulevard in the City of Glendale helps fulfill this need. A small urgent care center located near Leetsdale Drive and Monaco Parkway help serve the neighborhoods in the northern part of the planning area.

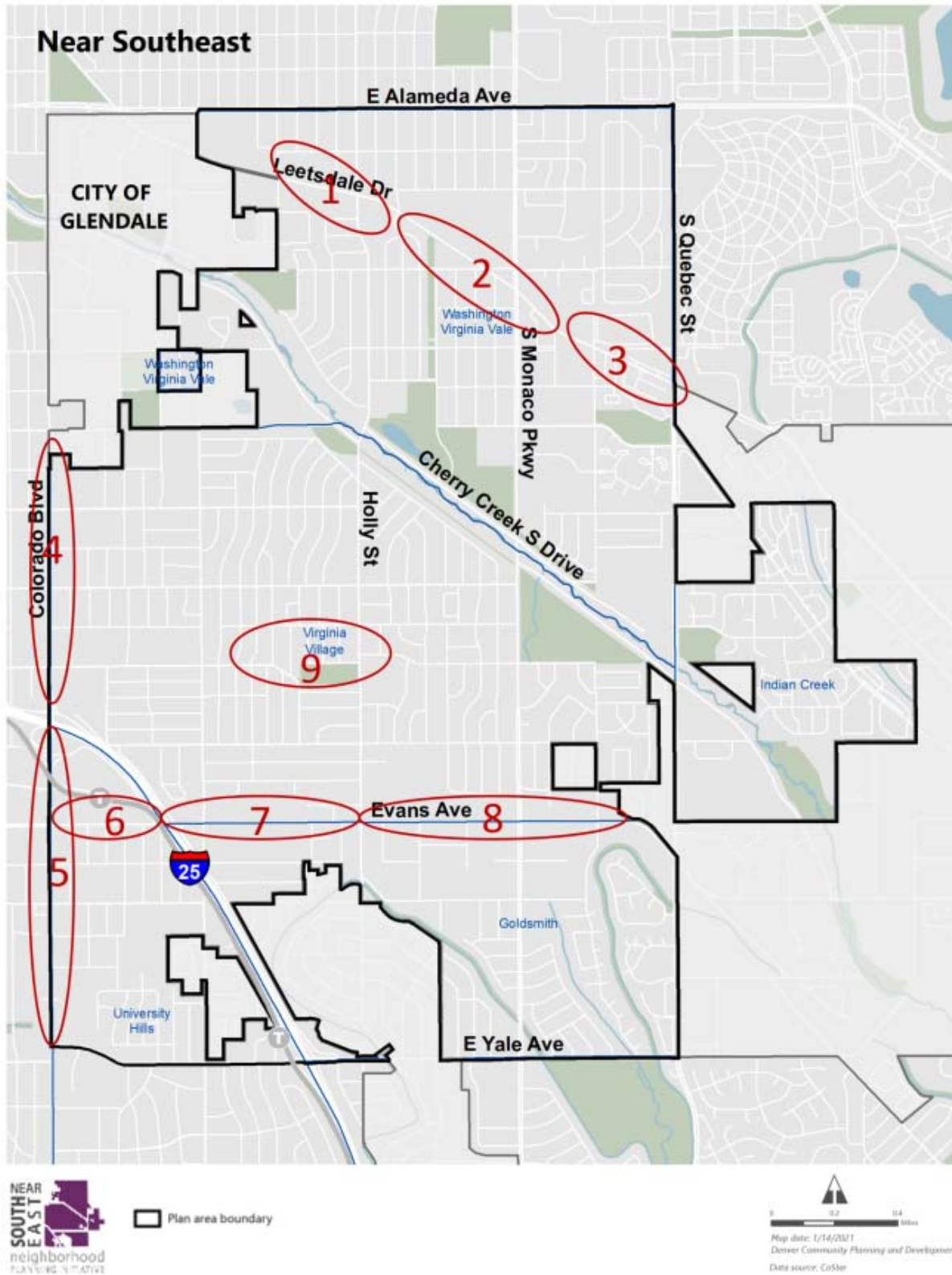
Figure 17. Near Southeast Health Care



Source: ArLand

## Small Businesses

Figure 18. Near Southeast Corridor Businesses



Source: ArLand

This analysis has been undertaken during the middle of the 2020-2021 Coronavirus pandemic which has hit the office, retail, and restaurant markets particularly hard. Some businesses have decided to shut their doors temporarily, although most are operating on a limited basis.

The major corridors have been divided up into nodes as shown in Figure 18 for the purposes of this analysis. Many of the shops are grouped into strip commercial centers; some of them have major anchors; many of them do not. It was notable that the vast majority of these centers have at least 1-2 vacancies each.

Table 26. Near Southeast Corridor Businesses

Map No.	Near Southeast	Auto	Auto (Chain / Franchise)	Fitness	Personal/ Business Services	Medical	Pet
1	Elm to GWHS	2	1	1	14	2	3
2	GWHS to Oneida	5	4	0	10	4	0
3	Oneida to East	0	1	0	6	1	0
4	Colorado North of I-25	0	2	6	25	4	0
5	Colorado South of I-25	3	4	2	19	4	1
6	Evans West of Holly	3	9	3	6	0	3
7	Evans East of Holly	5	3	5	19	1	2
8	Virginia Village	0	2	2	6	0	0
	<b>Summary</b>	<b>18</b>	<b>26</b>	<b>19</b>	<b>105</b>	<b>16</b>	<b>9</b>

Map No.	Near Southeast	Restaurant (Local / Local Chain)	Restaurant (Franchise)	Restaurant (Chain)	Retail (Chain)	Retail (Franchise)	Retail (Local)	Summary
1	Elm to GWHS	12	2	1	4	0	5	47
2	GWHS to Oneida	16	2	1	3	1	11	57
3	Oneida to East	2	5	0	7	0	5	27
4	Colorado North of I-25	16	13	1	14	7	17	105
5	Colorado South of I-25	12	7	3	6	4	24	89
6	Evans West of Holly	1	0	0	5	2	11	43
7	Evans East of Holly	9	4	1	3	2	9	63
8	Virginia Village	3	0	0	3	0	1	17
	<b>Summary</b>	<b>71</b>	<b>33</b>	<b>7</b>	<b>45</b>	<b>16</b>	<b>83</b>	<b>448</b>

Source: ArLand

While there have been changes in specific businesses and tenants in the Near Southeast neighborhoods, the overall nature of the corridors haven't dramatically shifted in recent years. Colorado Boulevard remains a location for big box retailers while Leetsdale Drive continues to serve both neighborhood and regional retail and service needs. Virginia Village primarily serves its immediate neighborhood. Evans Avenue is a mix.

In the Near Southeast neighborhoods, most of the retail and services that serve both local and regional needs tend to congregate along major corridors. They include hair and nail salons, fitness centers, dry cleaners, and other businesses that typically can also be found in smaller neighborhood nodes. A few smaller retail nodes include Virginia Village which is a good example of a neighborhood node with a full array of neighborhood services. Holly Hills Plaza is also a smaller node focused on Middle Eastern goods and services.

1. *Leetsdale Drive from the border with Glendale at Elm Street to George Washington High School.* The commercial businesses along this part of the corridor tend to be shallow commercial centers just adjacent to Leetsdale Drive. At the southeast corner of Holly Street and Leetsdale Drive, there is a commercial center with more significant vacancies than other centers partially because of the topography on the site. There is an upper and lower level with more significant vacancies on the lower level, because it is not as visible from the corridor as the higher level. While the center includes a McDonalds, Dollar Tree, and an Icelandic Fitness center, there are also a number of vacant spaces.

2. *Leetsdale Drive from George Washington High School to Oneida Street:* This part of the corridor finds larger commercial centers in addition to strip commercial establishments. A new commercial center with a Freddie's Frozen Custard and a few vacant spaces is located across the street from George Washington High School. This segment of the corridor includes a bowling alley, several auto dealers, and several Eastern European businesses (groceries, books). At the southeast corner of Monaco Parkway and Leetsdale Drive, a large King Soopers-anchored center with a full array of services (including an urgent care) is located just to the north of a Hobby Lobby anchored property. The Hobby Lobby anchored property appears to have significant vacancies. Because it is not located immediately at Leetsdale Drive, it is a property that could be explored for redevelopment, given its off-corridor location adjacent to a residential community.

3. *Leetsdale Drive from East of Oneida Street to Quebec Street:* The sprawling commercial center located at Quebec Street and Leetsdale Drive is anchored by a Save-A-Lot grocery store, a Family Dollar, and Country Fair. It includes a broad area of services such as hair salons, smoke shop, tax services, massage, laundry, beauty supplies, pet supplies and several fast food restaurants.

4. *Colorado Boulevard from Mississippi Avenue to I-25:* This section of Colorado Boulevard north of I-25 is characterized by mid-sized strip centers which include small locally owned businesses and franchise stores. The CDOT Headquarters redevelopment (described previously) is located at East Arkansas Avenue and Colorado Boulevard. Smaller box stores such as a Nordstrom Rack, Old Navy, and Lamps Plus are located towards the southern end of this part of the corridor. The larger retail center at Mexico Avenue and Colorado Boulevard includes several medium box stores including a Best Buy, Ross Dress for Less, DSW, and a Petco.

5. *Colorado Boulevard from I-25 to Vassar Avenue:* The retail center at the northwest corner of Evans Avenue and Colorado Boulevard is anchored by a Natural Grocers and a Total Wines and Spirits. While there are a few vacancies, it is also a relatively newer retail center. Several of the retail centers in the southeast section of Evans Avenue and Colorado Boulevard are older shallow strip centers interspersed with auto-oriented uses such as Gerber Auto Collision and Discount Tire. Over time, given their proximity to the Colorado Center Station, some of these smaller centers may be redevelopment candidates, although their shallow orientation means that redevelopment would likely require property assemblages. The center between Warren Avenue and Iliff Avenue accommodates a Middle Eastern market and several local restaurants a few of which are Middle-Eastern in orientation.

The University Hills Plaza is a larger center located towards the southern end of the NPI area. Anchored by Jo Ann, Party City, and Colorado Home Fitness, it has a large vacancy in the

middle of the center formerly occupied by Stein Mart. Despite its age, the center has always been successful at being fully tenanted. Current smaller tenants include ABC Custom Framing, Ace Hardware and Timbuk Toys as smaller tenants in the center. A smaller center across the street includes a Rockler Woodworking Store which is a regional destination, restaurants and other personal services.

6. *Evans Avenue from Colorado Boulevard to I-25*: While this part of the Evans corridor includes several auto-servicing businesses, fast food drive-thrus, Freeway Ford, and Public Storage, it is also directly adjacent to the Colorado Boulevard light rail station and the Lincoln Properties redevelopment. There is a nearly vacant commercial building adjacent to the Public Storage lot and it unclear what is happening there; ie whether space will be released or whether it means some other redevelopment activity will take place.

Redevelopment is also occurring at the southwest corner of I-25 and Evans Avenue on approximately 4-acres assembled by Flywheel Capital Partners. The first stage of redevelopment is apartments. At the southeast corner of I-25 and Evans Avenue, Carvana, an auto dealership known for its multi-story car “vending” machines where autos are showcased is going through the city’s planning approval process. Freeway Ford at the northwest corner of I-25 and Evans Avenue is rumored to be looking for another site in order to accommodate their need for more space and which would represent a large redevelopment opportunity. Lincoln Properties is rumored to be in conversations with the property owner.

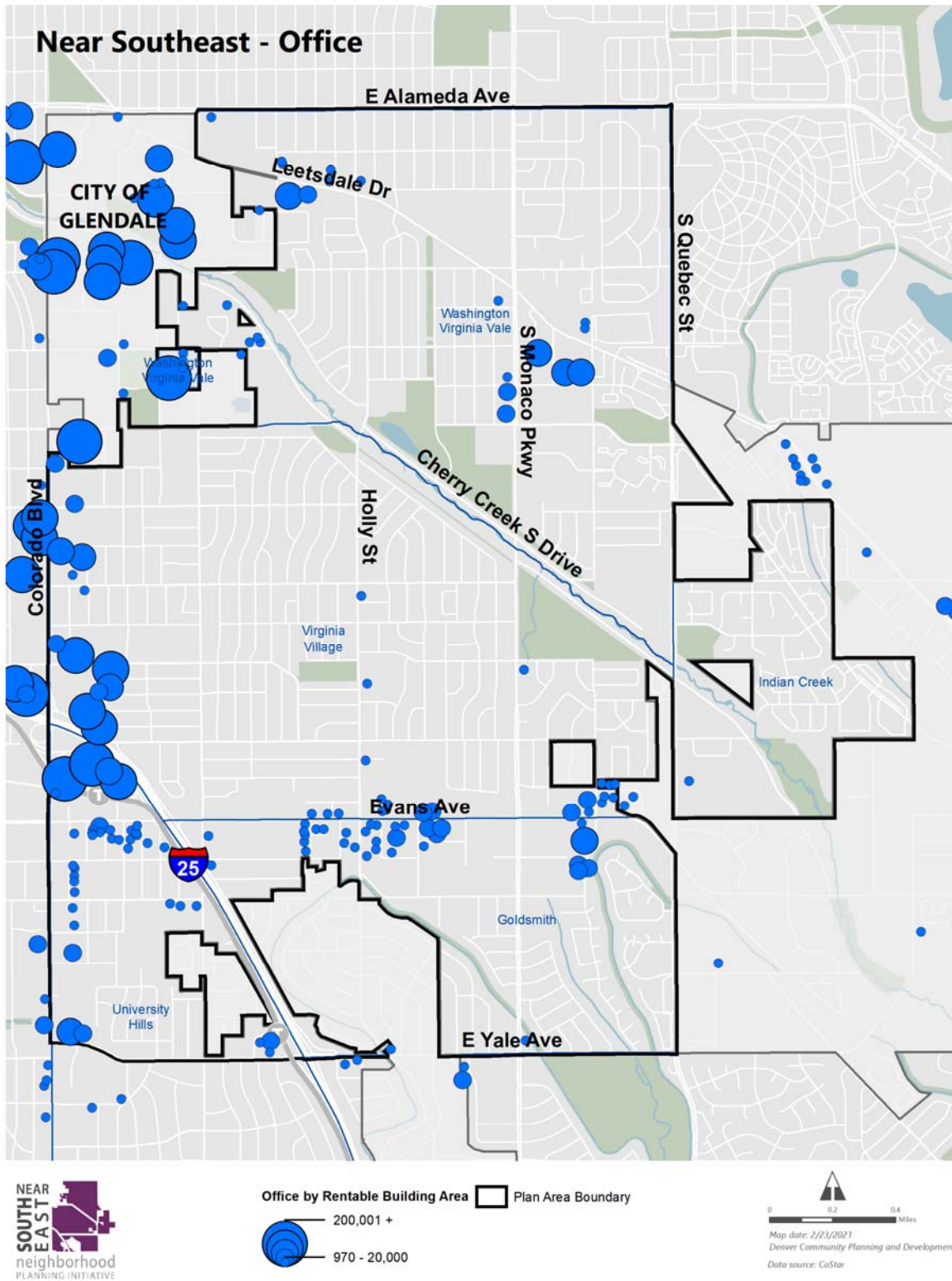
7. *Evans Avenue from I-25 to Holly Street*: this section of Evans Avenue is characterized by storage facilities including Public Storage and Storquest Storage, as well a variety of auto-oriented businesses including rental car businesses, collision auto repair, car washes, and gas stations. Bimbo Bakery, a major area employer is located in this stretch of the corridor. Freeway Ford has another location near Grape Street, in addition to its location further west. There is little consistency in parcel sizes and configuration from block to block and businesses are stacked in front of each other. The Holly Hills Plaza is located southeast corner of Evans and Holly. It includes a church as well as several businesses oriented to the Middle Eastern community.

8. *Evans Avenue to Holly Street east*: Similar businesses to the above line this section of the corridor. Larger businesses include McDonald’s, Discount Tire, and the Appliance Factory. At the southwest corner of Monaco Parkway and Evans Avenue, a large shopping center comprised of a number of tenants including two banks, Walgreens, a printing service, Starbucks, restaurants, fitness, and insurance and a local Department of Motor Vehicles office provides services to the local residential neighborhoods. There are a few tenants remaining at the southeast corner of Monaco Parkway and Evans Avenue. As described in a previous section, this parcel is slated for redevelopment into primarily residential uses.

9. *Virginia Village*: The commercial node at Florida Avenue and Holly Street in Virginia Village is an example of a commercial node with a variety of services geared to the local community. It includes a cleaners, hair services, restaurants, pizza, Family Dollar, a liquor store, Ace Hardware, coffee, and several gas stations. It also includes a Little Kickers Swim School and a fitness center.

# Office

Figure 19. Near Southeast Office



Source: CoStar, ArLand

Colorado Boulevard is a significant office corridor in the City of Denver as shown in Figure 19.

- *Glendale:* A large node of several large office buildings in the City of Glendale are located right outside the Washington Virginia Vale neighborhood.
- *Colorado Boulevard and Evans Avenue:* Another major office node is located at Colorado Boulevard and Evans Avenue. Considered an Urban Center, this node at the Colorado Center has seen recent significant office development with long term plans for continued redevelopment.
- *Evans Avenue:* Evans is a mix of strip commercial centers with locally owned businesses interspersed with national chains, office, light industrial uses.

The Near Southeast office market represents about 3.5% of all office space in the city at 2.8 million square feet. The Near Southeast market's vacancy rate is about four percentage points higher than its 5-year average due to large negative absorption in 2020. The 2020 vacancy rate is about 14.2% while the overall city vacancy rate is lower at 10.3%. Office space is relatively more affordable in Near Southeast Denver than the city.

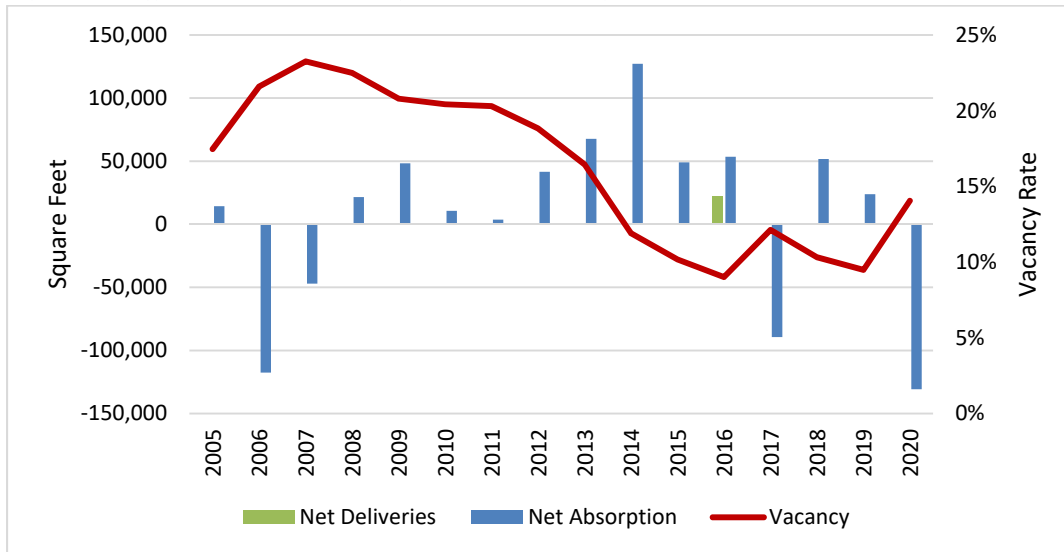
*Table 27. Office Summary Statistics: Near Southeast and City of Denver*

	<i>Near Southeast Denver</i>		<i>City of Denver</i>	
	<i>Current</i>	<i>5-Yr. Avg.</i>	<i>Current</i>	<i>5-Yr. Avg.</i>
Existing Buildings	99	99	2,272	2,237
Existing SF	2,840,329	2,836,979	82,141,356	78,387,643
Vacant SF	402,906	292,464	11,361,699	8,802,073
Vacancy Rate	14.2%	10.3%	13.8%	11.2%
12 Month Deliveries SF	0	5,254	1,343,031	1,392,345
12 Month Absorption SF	(93,922)	(14,668)	(1,284,752)	662,370
Gross Rent Per SF	\$23.85	\$21.30	\$32.27	\$30.34

Source: CoStar, ArLand

The Near Southeast office market has had new square footage added to the market primarily at the Colorado Center which added 230,000 square feet Class A office space in 2017. Office space has been absorbed over time, except for 2006, 2007, 2017 and 2020. The negative absorption of about 131,000 square feet in 2020 is higher than, but similar to, that of 2006. The vacancy rate was extremely high through 2011 at about 20% before dropping down to 9% in 2016 and again in 2019.

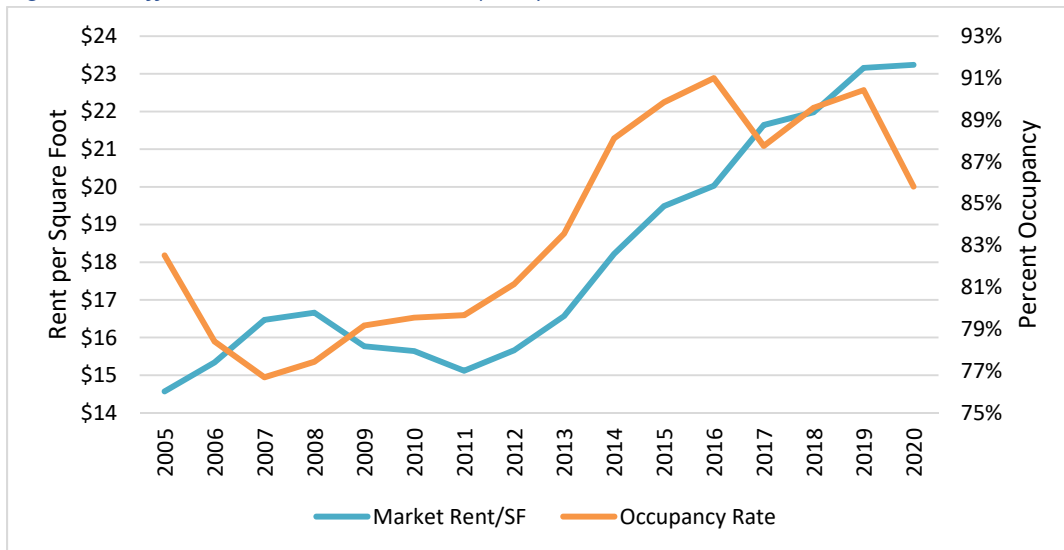
Figure 20. Office Deliveries, Absorption and Vacancy Rates



Source: CoStar, ArLand

Market rents in the Near Southeast area steadily climbed from \$15.12 per square foot in 2011 to a current price (end of 2020) of \$23.24 per square foot, the highest over the past 15 years. Over this same time, occupancy rates also climbed through 2016. By the end of 2020, the occupancy rate has fallen below 86% from over 90% in 2019 as COVID-19 has reduced demand for in-person office space.

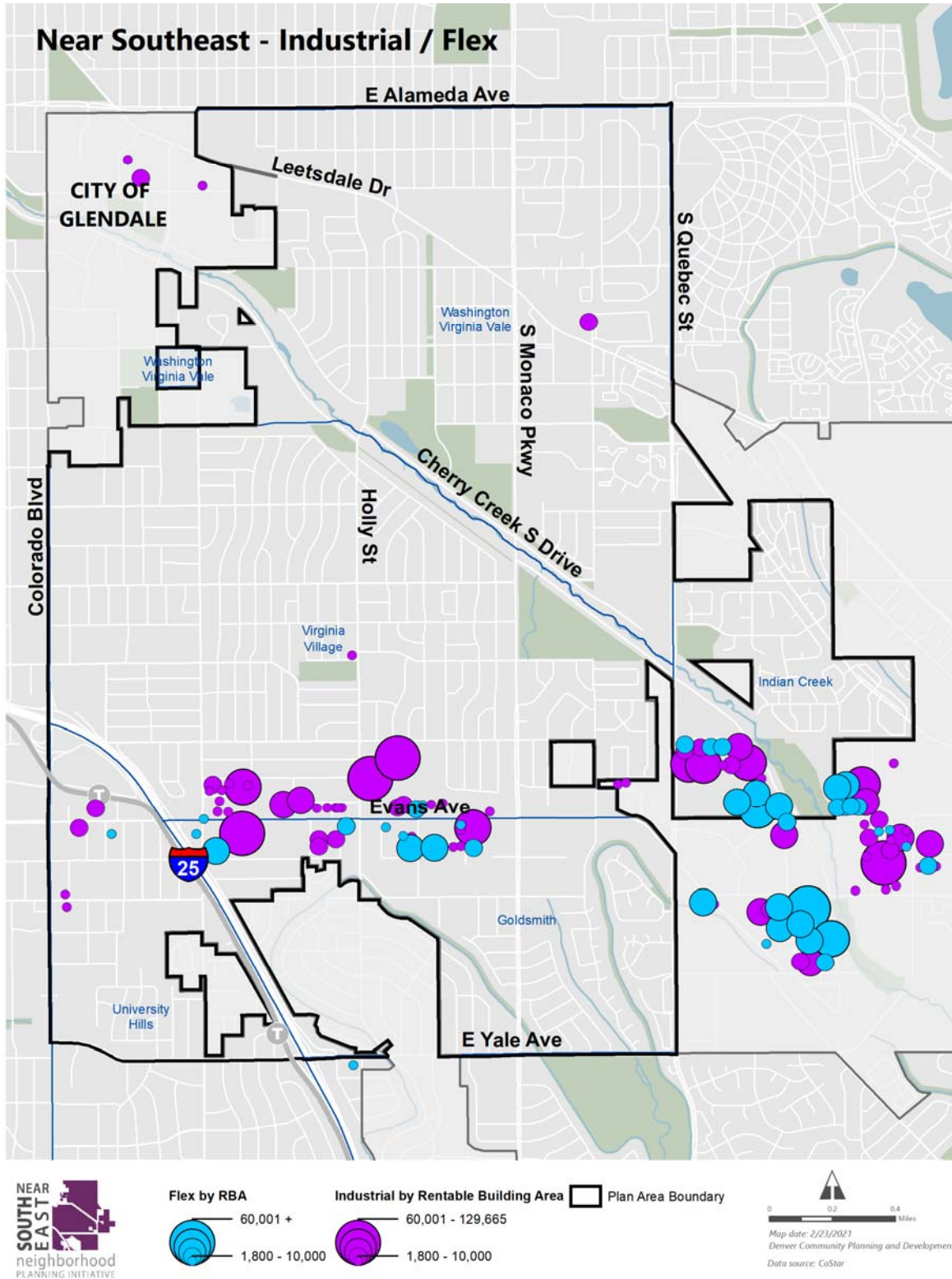
Figure 21. Office Market Rents and Occupancy Rates



Source: CoStar, ArLand

# Industrial

Figure 22. Near Southeast Industrial / Flex



Source: CoStar, ArLand

In the Near Southeast neighborhoods, industrial warehousing and industrial flex uses are located primarily along Evans Avenue and in the Indian Creek neighborhood. The uses within these buildings, however, tend not to be the traditional warehousing, manufacturing, and distribution uses typically found in industrial spaces, but rather commercial services, retail, public storage, and similar uses which also locate in industrial or industrial flex spaces.

As seen in Table 28, the Near Southeast industrial market has not experienced much change relative to its 5-year average, except for the large net negative absorption over the past 12 months. Despite this change, the vacancy rates for this type of space are very low and much lower than the city's vacancy rate which is approximately 5.3%. However, the amount of industrial space in the Near Southeast is very small relative to that of the city, only making up about 1.3% of all city square footage. Market rents in the Near Southeast are estimated at nearly \$12 per square foot exceed those of the city by \$3.75 per square foot.

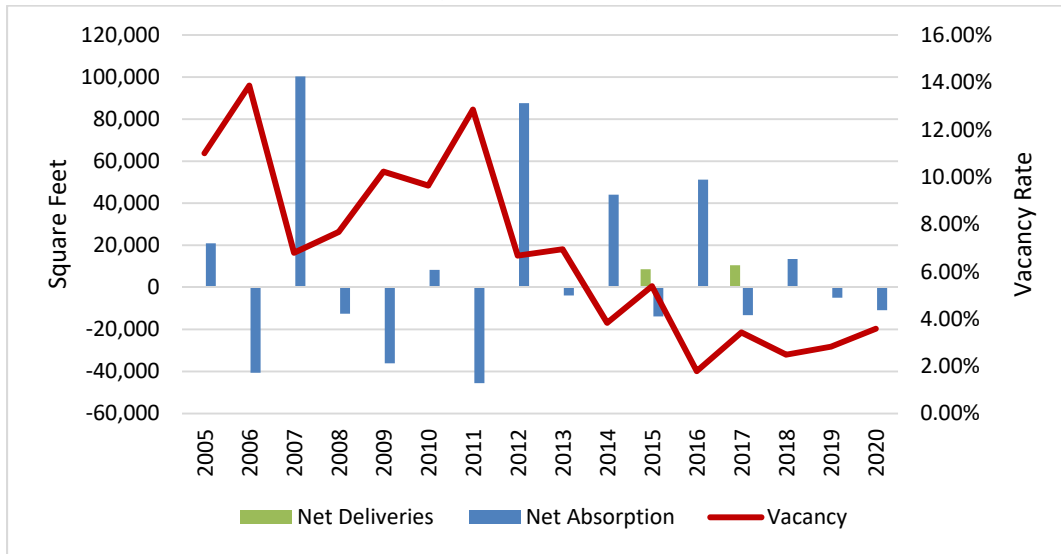
*Table 28. Industrial Summary Statistics: Near Southeast and City of Denver*

	<i>Near Southeast Denver</i>		<i>City of Denver</i>	
	<i>Current</i>	<i>5-Yr. Avg.</i>	<i>Current</i>	<i>5-Yr. Avg.</i>
Existing Buildings	71	71	3,768	3,742
Existing SF	1,437,953	1,435,328	111,630,585	109,313,625
Vacant SF	51,504	49,229	5,882,111	3,955,180
Vacancy Rate	3.6%	3.4%	5.3%	3.6%
12 Month Deliveries SF	0	3,820	837,499	1,103,516
12 Month Absorption SF	(30,468)	6,800	(725,966)	369,389
Rent Per SF	\$11.92	\$9.93	\$8.17	\$7.60

Source: CoStar, ArLand

There has been little industrial space (19,000 SF) added to the Near Southeast planning area over the past 15 years. And although net absorption has been positive in some years and negative in others, there has been a net increase in absorption of about 145,000 square feet during this time, which has driven the vacancy rate from a high of almost 13% in 2011 down to under 3% in 2019. The vacancy rate is estimated to be about 3.6% (end of 2020).

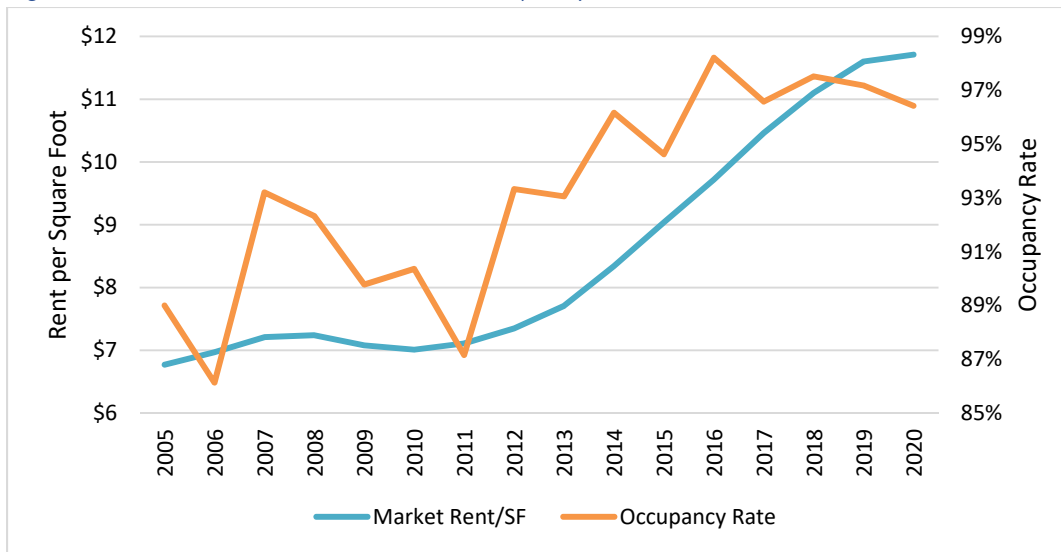
Figure 23. Industrial Deliveries, Absorption and Vacancy Rates



Source: CoStar, ArLand

The price of industrial flex space in the Near Southeast planning area increased almost every year from 2005 (\$6.77/SF) to 2020 (\$11.71/SF), or about 3.7% per year on average. Occupancy rates have also generally increased from about 87% in 2011 to just over 97% in 2019. The rate has decreased slightly in 2020 due to the exceptional changes brought on by COVID-19.

Figure 24. Industrial Market Rents and Occupancy Rates



Source: CoStar, ArLand

# Demand Factors and Drivers

## Residential

Residential demand is based on forecast household growth. In the ten-year period between 2010 and 2020, the Near Southeast neighborhood planning area grew by an estimated 2,000 households. By 2050, the Denver Regional Council of Governments (DRCOG) forecasts an additional 3,065 households in the planning area. During the next phase of the planning process, adjustments to this number (along with a conversation with DRCOG) should be undertaken in order to better align the forecast number with Blueprint Denver goals

Taking into consideration an estimated 1,450 anticipated units combined between the Monaco and Evans redevelopment and the CDOT Headquarters site as well as standard vacancy and demolition rates, the forecasted unit requirement is over 1,780 additional housing units needed in the Near Southeast neighborhoods by 2050. This number may change depending on changes to the overall forecast number to be undertaken during the project’s next phase. It is important to note that forecasts are tilted toward historical development and land use, and likely underestimate the potential for growth in the Near Southeast neighborhoods due to redevelopment.

*Table 29. Near Southeast Residential Demand Forecast*

<i>Residential Demand</i>	<i>Variables</i>
NSE Households 2020	19,974
NSE Households 2040	22,843
NSE Households 2050	23,039
Household Growth (20-40)	2,869
Household Growth (20-50)	3,065
<i>Planned / Proposed Units</i>	
CDOT HQ Site Redevelopment	900
Monaco / Evans Site Redevelopment	550
<b>Planned Units</b>	<b>1,450</b>
Household Potential (2040)	1,419
Vacancy Rate	5.0%
Demolition Rate	5.0%
<b>Housing Unit Potential (2040)</b>	<b>1,564</b>
Household Potential (2050)	1,615
Vacancy Rate	5.0%
Demolition Rate	5.0%
<b>Housing Unit Potential (2050)</b>	<b>1,781</b>

Source: DRCOG, City of Denver, Kentro Group, ArLand

Residential demand drivers in the Near Southeast neighborhoods include overall growth in the City and County of Denver as well as the Denver metro region. One of the demand drivers for residential development is the quality of public schools in the area. The presence of the light rail stations at both the Yale Station and the Colorado Station are also attractive locations for future residential development. Infill development as well as potential redevelopment with transit-oriented residential units at future high speed transit stops (Leetsdale Drive) could also be locations to help fill future demand

As the Near Southeast neighborhoods grow, the need for affordable housing should be taken into consideration. The following section discusses current renter and ownership gaps, and extrapolates to future potential housing needs in the planning area.

### Rental Housing Gaps

#### Existing conditions

The rental gaps analysis displayed in Table 30 compares the number of renter households in the planning area, their income levels, the maximum monthly housing payment they could afford, and the number of units in the market that were affordable to them. The “Rental Gap” columns show the difference between the number of renter households and the number of rental units affordable to them. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units.

Within the planning area over 2,500 households earn 30% of AMI or less—\$24,000 or less—but only 331 units are affordable to those households—with a maximum affordable rent of \$600. This leaves a shortage of 2,173 units to serve households earning 30% of AMI or less—which represents 12% of the citywide shortage of 18,820 units. These households are not without housing; rather, they are “stretching” to make rent in higher rent units, priced to serve 51-80% AMI households.

Table 30. Rental Housing Gaps by AMI for a Two Person Household

AMI Range	Maximum Income	Renters		Maximum Affordable Gross Rent		Units		Rental Gap
		#	%	#	%	#	%	
0-30% of AMI	\$24,000	2,504	24%	\$600	331	3%	(2,173)	
31-50% of AMI	\$40,000	2,049	19%	\$1,000	2,213	21%	164	
51-80% of AMI	\$62,800	2,445	23%	\$1,570	5,873	55%	3,428	
81-100% of AMI	\$80,000	1,230	12%	\$2,000	1,523	14%	293	
101-120% of AMI	\$96,000	801	8%	\$2,400	487	5%	(315)	
121% of AMI or more		1,604	15%		282	3%	(1,322)	
<b>Total</b>		<b>10,634</b>	<b>100%</b>		<b>10,709</b>	<b>100%</b>	<b>(2,173)</b>	

Note: AMI is based on a 2-person household

Source: 2019 5-year ACS and Root Policy Research

Another measure of low income families within the planning area is the number of students eligible to receive Free and Reduced Lunch (FRL) at school. With approximately 2,992 FRL students, an estimated 1,496 FRL families have children that attend school in the planning area—assuming two students per family. The maximum income for a FRL family of four is \$48,470 annually. Therefore, the maximum rent these families can afford is \$1,212. The average rent of a two-bedroom unit in the planning area is \$1,394 according to CoStar.

FRL Students	2,992
FRL Households (2 students/HH)	1,496
Maximum Income for FRL Family	\$48,470
Maximum Affordable Rent	\$1,212
Average Rent 2-bedroom	\$1,394

Source: CoStar, 2019 5-year ACS, and Root Policy Research

By 2050, DRCOG forecasts estimate the planning area will gain 3,065 new households and 1,747 of the new households will be renters—assuming current homeownership rates. If the distribution of renters by AMI remains the same, the planning area could have an additional 412 renter households earning less than 30% of AMI by 2050, exacerbating the existing gap without the development of new affordable units to serve this population—which need rental units priced below \$600 per month.

Table 31. Renter Household Projections by AMI, 2020-2050

AMI Range	Renters (2050)		New Renters (2020-2050)	
	#	%	Total	Annual
0-30% of AMI	5,426	24%	412	14
31-50% of AMI	4,439	19%	337	11
51-80% of AMI	5,297	23%	402	13
81-100% of AMI	2,665	12%	202	7
101-120% of AMI	1,736	8%	132	4
121% of AMI or more	3,476	15%	264	9
<b>Total</b>	<b>23,039</b>	<b>100%</b>	<b>1,747</b>	<b>58</b>

Source: DRCOG, 2019 5-year ACS, and Root Policy Research

### Ownership Housing Gaps

#### Existing conditions

From 2010 to 2019, the median home value in the planning area increased from \$249,950 to \$385,050—an increase of 54%. Generally, for sales homes in the planning area are affordable relative to the city. Similar to increases in median rent observed during the same time, the Goldsmith, Virginia Vale, and University Hills neighborhoods saw the greatest increase in home value. Cash sales—likely to an investor—represented 15% of all sales from Q1 to Q3 in 2019 in the planning area.

Table 32. Median Home Value by Neighborhood, 2010-2019

	2010-2019			
	2010	2019	#	%
Washington Virginia Vale	\$241,500	\$348,267	\$106,767	44%
Virginia Village	\$242,450	\$392,800	\$150,350	62%
Indian Creek	\$179,900	\$274,600	\$94,700	53%
Goldsmith	\$254,600	\$431,500	\$176,900	69%
University Hills	\$263,300	\$407,500	\$144,200	55%
<b>Near Southeast</b>	<b>\$249,950</b>	<b>\$385,050</b>	<b>\$135,100</b>	<b>54%</b>
City and County of Denver	\$240,900	\$390,600	\$149,700	62%

Source: 2010 and 2019 5-year ACS, Root Policy Research

In order to afford the median valued home in the planning area at \$385,050, households need to earn more than 120% of AMI—which is equal to \$96,000 for a two person household. For households earning less than 120% of AMI, attached for sale homes are more affordable, with 43% of attached homes affordable to households earning less than 80% of AMI and 42% of attached homes affordable to households earning between 80 and 100% of AMI. Purchase options are slim for households earning less than 50% of AMI for both attached and detached housing.

Table 33. Renter Households and Homes Affordable to Purchase

	Renters		Maximum Affordable Home Price	Detached MLS		Attached MLS		Total MLS	
	#	%		#	%	#	%	#	%
	0-30% of AMI	2,504	24%	\$90,755	0	0%	0	0%	0
31-50% of AMI	2,049	19%	\$151,258	0	0%	60	12%	60	5%
51-80% of AMI	2,445	23%	\$237,475	1	0%	153	31%	154	13%
81-100% of AMI	1,230	12%	\$302,516	4	1%	149	30%	153	13%
101-120% of AMI	801	8%	\$363,019	16	2%	60	12%	76	6%
121% of AMI or more	1,604	15%		658	97%	74	15%	732	62%
<b>Total</b>	<b>10,634</b>	<b>100%</b>		<b>679</b>	<b>100%</b>	<b>496</b>	<b>100%</b>	<b>1,175</b>	<b>100%</b>

Source: MLS Data Q1 2019 through Q3 2020, 2019 5-year ACS, and Root Policy Research

#### Causal Factors

The rental housing gap is mostly driven by the pockets of concentrated poverty in the planning area, the overall shortage of housing in the city, and the relative affordability of units in the planning area. Although renters are cost burdened in the planning area and have needs, they would be unlikely to be able to stretch into rentals in many other parts of the city.

The planning area offers some of the last remaining affordable ownership properties in the city, especially in older, single-unit attached homes.

### *Addressing Housing Gaps and Employment Growth*

Based on DRCOG household growth estimates, affordable rental needs could grow to 3,000 for renters earning less than 50% of the AMI by 2050. This assumes that the existing income-restricted units retain their affordability. A combination of new affordable development, the filtering of existing older rentals in to more affordable stock, which is likely in this area, and increased tenant subsidies can address housing needs.

As many as 1,500 new rental units are projected to be developed in the next few years, with at least 150 of those affordable. To retain affordability in the planning area, preservation of existing income-restricted rentals and creation of new affordable rentals—through new construction, acquisition of naturally occurring affordable rentals, and incentivizing landlords to keep units affordable—will be essential.

Of the 7,200 projected jobs, about one-third will be low wage jobs. At two workers per household, these jobs could produce demand for at least 1,200 affordable rentals.

To achieve stability within the neighborhood, at least half of the projected rentals would need to be affordable: 600 units at 50% AMI and less (accounting for the 150 units in the pipeline) and 550 units at 51-80% AMI. New development is unlikely to meet these needs; however, tenant based rental subsidies and new opportunities to redevelop and preserve existing units could present solutions to future housing challenges in the area.

Homeowner opportunities should be facilitated through development of lower-priced attached housing communities, including land trusts and sweat equity models, and acquisition and rehabilitation programs. Growth of high-wage jobs are likely to be met through the turnover of existing homes as workers are drawn to close proximity to work and strong schools.

## Retail

The retail market has been highly impacted by the fallout from Covid-19 with certain categories such as restaurants more heavily impacted than others. The retail demand analysis assumes a return to shopping behavior in terms of the percentage of income spent on certain retail categories. However, a higher percentage of future purchases is likely to be on-line reducing the potential need for retail square footage. Categories like restaurants, and to some extent groceries, are more immune to this change in behavior.

Household retail demand is calculated by (Table 34):

- Estimating households and incomes in the market area in order to derive total incomes potentially available for retail expenditures;
  - An estimated 20,000 households with \$80,000 average household incomes generate nearly \$1.6 billion in overall incomes in the Near Southeast neighborhoods.
- Based on current expenditure patterns, the income percentage spent in retail categories by residents within the Near Southeast neighborhoods is calculated. This results in estimated demand by retail category. Households in the market area spend approximately 32% of their incomes on the retail categories listed.
- Demand is compared to supply. Supply is equivalent to estimated sales in each retail category. Sales are estimated by ESRI based on average store revenues per business based on national surveys.
  - In the Current Retail Void column, the negative figures (in parentheses) indicate categories where the businesses along the corridor attract spending by households outside of the Near Southeast neighborhoods. The businesses in these categories attract a broader regional audience.
  - Health and personal care, furniture and furnishings, sporting goods, hobby, miscellaneous store retailers, auto parts and accessories, and electronics and appliances are all categories which attract a broad audience. The location of stores including pharmacies such as Walgreens along Leetsdale Drive and Best Buy on Colorado Boulevard in addition to wide variety of specialty stores (such as a large number of auto-servicing businesses) along the major corridors attract households from a relatively broad area.
- Supply is subtracted from demand and then divided by average sales per square feet in that category in order to derive the potential remaining square foot demand.
  - **Categories with demand that translate to actual potential businesses include the food service category where the typical business size is relatively small.**
  - While there is potential general merchandise store demand (ie Target, Walmart), it is insufficient to justify another store. The closest Target which helps serve Denver demand include a store in Glendale near Alameda Avenue and Colorado Boulevard and a store in south Denver at Hampden Avenue and South Tamarac Drive.
  - While there appears to be a modest amount of grocery store demand, per Figure 15, grocery stores are well-represented in the Near Southeast neighborhoods.

Table 34. Near Southeast Retail Demand and Supply

NSE Households	19,974							
Avg Household Income	\$80,000							
Total Household Income	\$1,597,920,000							
Annual HH Growth Rate	0.67%							
Category	% Retail Expenditures [1]	Demand (retail potential)	Est. Sales	Current Retail Void (\$)	Est. Sales / s.f. [2]	Current Retail Void (s.f.)	Additional Demand from Household Growth (s.f.)	Demand 2040
<i>Convenience Goods</i>								
Grocery Stores	5.9%	\$94,416,556	\$89,429,424	\$4,987,132	\$600	8,312	22,603	30,915
Specialty Food Stores	0.3%	\$4,837,205	\$1,816,012	\$3,021,193	\$600	5,035	1,158	6,193
Beer, Wine, and Liquor Stores	0.9%	\$14,653,964	\$8,567,755	\$6,086,209	\$600	10,144	3,508	13,652
Health & Personal Care Stores	2.2%	\$35,317,563	\$81,254,454	(\$45,936,891)	\$600	--	8,455	--
<i>Shopper's Goods</i>								
General Merchandise Stores	6.5%	\$103,671,475	\$26,873,588	\$76,797,887	\$500	153,596	29,782	183,378
Furniture & Home Furnishings Stores	1.2%	\$19,274,331	\$22,730,980	(\$3,456,649)	\$450	--	6,152	--
Clothing and Clothing Accessories	1.9%	\$30,485,414	\$21,083,760	\$9,401,654	\$400	23,504	10,947	34,451
Sport. Goods, Hobby, Book, & Music	1.3%	\$20,754,859	\$22,197,410	(\$1,442,551)	\$400	--	7,453	3,847
Miscellaneous Store Retailers	1.3%	\$20,198,861	\$28,342,696	(\$8,143,835)	\$400	--	7,253	--
<i>Food Services &amp; Drinking Places</i>								
Full-Service Restaurants	5.4%	\$85,646,275	\$84,107,618	\$1,538,657	\$400	3,847	30,755	34,602
Special Food Services	0.3%	\$4,200,416	\$801,579	\$3,398,837	\$400	8,497	1,508	10,005
Drinking Places (Alcoholic Bevs.)	0.2%	\$3,794,988	\$1,727,838	\$2,067,150	\$450	4,594	1,211	5,805
<i>Durable Goods</i>								
Auto Parts, Accessories, and Tires	0.8%	\$13,323,029	\$17,761,435	(\$4,438,406)	\$500	--	3,827	--
Bldg Mater., Garden Equip. & Supply	2.6%	\$42,030,510	\$38,324,770	\$3,705,740	\$500	7,411	12,074	19,486
Electronics & Appliance Stores	1.1%	\$18,356,855	\$92,752,840	(\$74,395,985)	\$500	--	5,273	--
	<b>32.0%</b>	<b>\$510,962,301</b>				<b>224,940</b>	<b>151,961</b>	<b>342,333</b>

Source: ESRI, Census of Retail Trade for CO, ULI, ArLand

### *Causal Factors*

The Near Southeast neighborhoods are well served by retail and restaurant uses. The one potential area where there may be a potential current service gap is in urgent care health facilities (Figure 17). A small facility at Leetsdale Drive and Monaco Parkway appears to serve the northern part of the planning area. Further conversations with residents during the NPI process can uncover whether this potential gap is a problem as medical offices are also found in Near Southeast area office buildings. Major medical facilities in Denver and Aurora ring the planning area.

Convenient patient access and high visibility are the primary site selection criteria for urgent care facilities. Distance from other similar facilities also help drive the location decision.

### Office

In the last five years, major office growth has been centered in downtown Denver, the Tech Center, and the Cherry Creek neighborhood in Denver. The area near Denver Union Station, in particular, has built out with major office and residential projects.

Current and growing major regional office nodes / corridors include Downtown Denver which includes the Central Business District, Denver Union Station, and the Lodo / RiNo area; the Denver Tech Center; Cherry Creek; and the US 36 / Boulder-Interlocken corridor.

- The northern part of the Near Southeast neighborhoods is near the Cherry Creek office market. It appears, however, that recent retail development in Glendale along Colorado Boulevard has been the primary commercial beneficiary of the Cherry Creek boom.
- There is approximately 400,000 square feet of vacant office space in the Near Southeast neighborhood area (Table 27). Lincoln Properties completed a 230,000 office tower in the last two years at the Colorado Center (2000 S. Colorado Boulevard). CoStar estimates that the building is approximately 15% vacant.
- The Covid-19 pandemic has slowed the initiation of significant office development for the time being. At this time in the metro area, there is a significant amount of office space in existing major office nodes and approximately 23 million square feet of office either proposed or under construction.

Table 35. Existing and Planned Office Development

Areas	Square Feet
<i>Existing Office Nodes</i>	
Downtown Denver [1]	40-50 Million Square Feet
Denver Tech Center [2]	40-50 Million Square Feet
US 36 Corridor / Boulder [3]	30-35 Million Square Feet
Cherry Creek / Glendale	9 Million Square Feet
<i>Total Proposed or Under Construction</i>	
Downtown Denver	6.4 Million Square Feet
Denver Tech Center	5 Million Square Feet
US 36 Corridor / Boulder	6.9 Million Square Feet
Cherry Creek / Glendale	500,000 Square Feet

Source: CoStar, ArLand

[1] CBD, Lodo, Platte River, South Midtown

[2] Denver Tech Center, East Hampden, Greenwood Village, Inverness, Lone Tree, Meridian, Panorama, Highland Park

[3] Boulder, Boulder County, Broomfield County, Northwest Denver

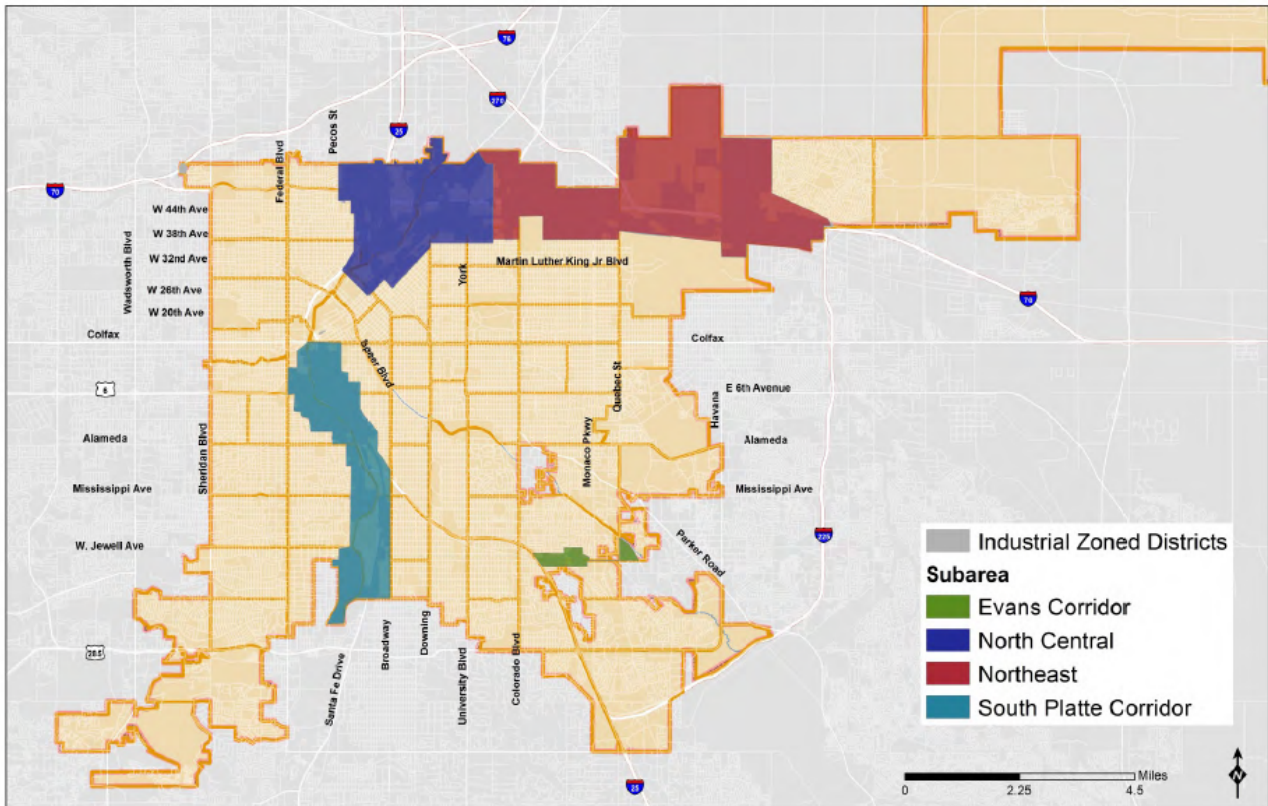
#### *Causal Factors*

Colorado is forecast to rebound from the current Covid-19 induced recession. However, it is unclear at this point in time, how the office market will be impacted and how many employers and employees will return to their office spaces both in the short and long term. Additionally, while overall office space demand may decrease, space utilization per employee (to allow for greater spacing between workers) may increase.

The Near Southeast neighborhoods have seen recent major office development at the Colorado Center and it remains an attractive office location. It may take some time before office demand is better understood and normalized and planned office (most of which are in existing nodes) is either built or reworked. For purposes of the long term planning process, overall site planning and zoning should allow for future office uses particularly at future redevelopment nodes, but with the flexibility to shift to other uses if the market doesn't support the use at the time of development.

## Industrial

Figure 25. Industrial Zoned Districts

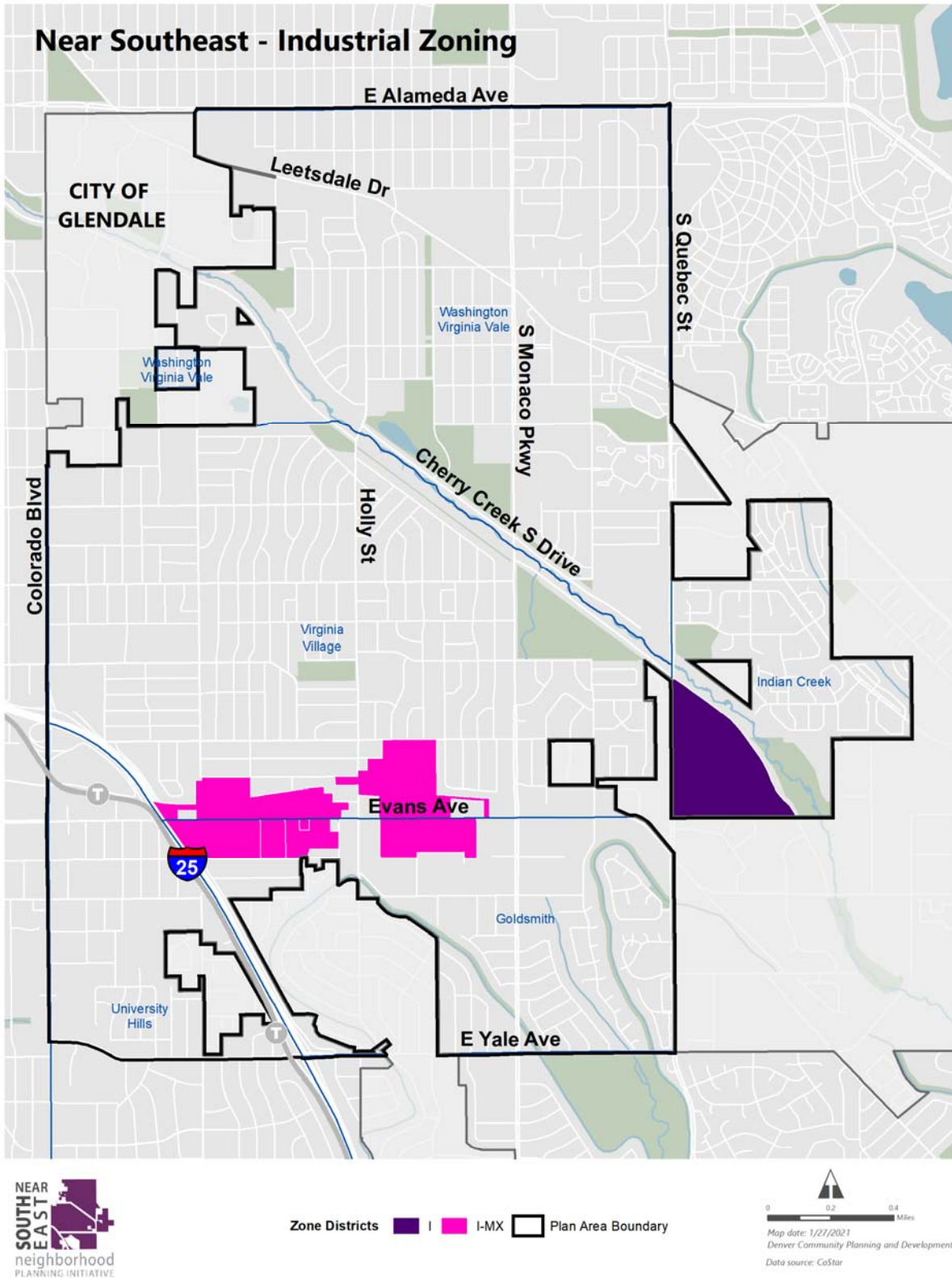


Source: Economic & Planning Systems

The Blueprint Denver process examine the long-term forecast for industrial uses and found that there is insufficient industrial land in Denver to accommodate future industrial needs. It also divided the city's industrial areas into four industrial areas shown in Figure 25.

These areas account for 95% of the industrial space in Denver. The Evans Corridor area as defined in the report and shown in Figure 25 in green includes areas zoned industrial and industrial mixed-use within the Near Southeast neighborhoods. The industrial zone districts along the Evans Corridor are shown in Figure 26.

Figure 26. Near Southeast Industrial Zoning



Source: City and County of Denver

In the Blueprint Denver Industrial Report, industrial businesses were defined based on two-digit NAICS codes and categorized as manufacturing, logistics, or services.

- Manufacturing: NAICS Codes of 31-33
- Logistics
  - Wholesale trade (NAICS Code 42)
  - Transportation and warehousing (NAICS CODES 48-49)
- Services
  - Construction (NAICS Code 23)
  - All other uses allowable in the I and I-MX zone districts

Values and threats were defined for each of the four areas (Figure 25) in order to help determine the potential future for these areas. Values included:

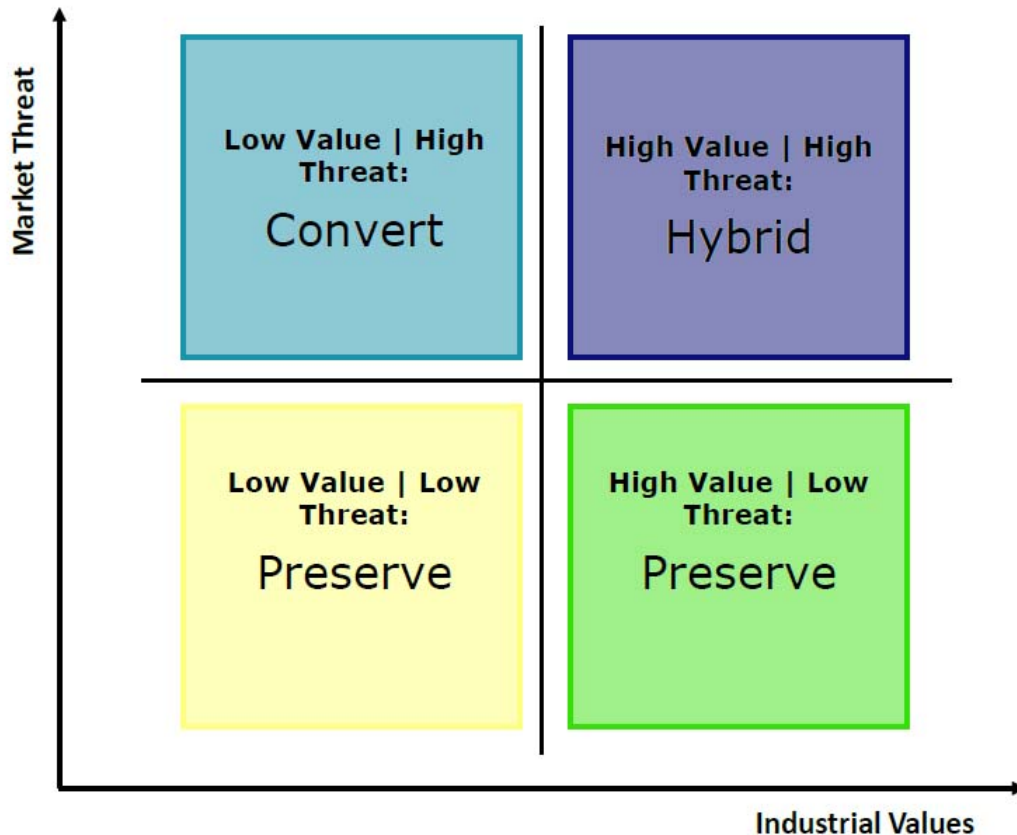
- Manufacturing jobs
- Proximity to workforce
- Quality of building stock
- Proximity to freight transit or highways
- Proximity to business clusters
- Presence of advanced manufacturing or growing industries
- Higher fiscal impact
- Location of brownfields
- Connection to other economic development initiatives

Market threats include:

- Proximity to transit
- Proximity to urban centers
- High land values
- Proximity to residential growth
- Environmental hazard for surrounding community
- High industrial vacancy

Figure 27 shows values and threats along with the potential future industrial land strategy. Lands designated as Low Value / Low Threat and High Value/Low Threat could be preserved as industrial. Conversion is recommended for Low Value / High Threat areas and a hybrid (convert, preserve) for High Value /High Threat areas.

Figure 27. Market Threat and Industrial Values



Source: Economic and Planning Systems

The Evans Avenue corridor was identified in Blueprint Denver as “Low Value/ Low Threat” which means that the industrial properties in the area are considered “critical assets needed to accommodate current and future industrial uses” and should be preserved.

Most of Evans Avenue in the Near Southeast neighborhoods is zoned Industrial-Mixed Use which primarily reflects the building types and the mixed use nature of the land uses found in this area. As described in the retail section, the uses are a mix of public storage, veterinary uses, and auto-servicing uses including used car dealers.

As noted in the Blueprint Denver Industrial Report, the Evans Corridor area also includes two larger manufacturing firms out of a total of 17 smaller and larger manufacturing firms, 30 logistics firms, and 30 services firms. One of the larger manufacturers is the Bimbo Bakery at 5050 East Evans Avenue.

In the Indian Creek neighborhood, a big triangle of area is zoned Industrial. The northern end of the triangle is a City of Denver/Cherry Creek recycling drop-off center. The industrial uses south of the center reflect a newer light industrial flex model and appear to be well-maintained. Tenants including clothing manufacturing (cycling jerseys), IT services, fitness services, construction materials, and the Dumb Friends League. The vacancy rate is estimated

at 5%. These uses appear to co-exist relatively well with the residential apartments to the south.

*Industrial Demand*

Table 36 shows Near Southeast industrial demand based on current estimated jobs, space utilization, and forecast of jobs growth by industry sector. It estimates potential demand for over 190,000 square feet of industrial and industrial flex space by 2040.

Table 36. Near Southeast Industrial Demand

Industry	Estimated Jobs 2020	% Jobs	% of Total Jobs Estimated to be Industrial	Estimated Industrial Jobs	New Jobs 2020-2040	Industrial	2040 Industrial Space Needs
Agriculture, Forestry, Fishing and Hunting	0	0.0%	10%	0	0	0	0
Mining	0	0.0%	10%	0	0	0	0
Utilities	0	0.0%	10%	0	0	0	0
Construction	1,010	3.0%	60%	606	135	81	56,763
Manufacturing	337	1.0%	80%	269	45	36	25,228
Wholesale Trade	1,010	3.0%	75%	758	135	101	70,954
Retail Trade	3,368	10.0%	5%	168	451	23	15,768
Transportation and Warehousing	337	1.0%	80%	269	45	36	25,228
Information	337	1.0%	0%	0	45	0	0
Finance and Insurance	2,358	7.0%	0%	0	315	0	0
Real Estate and Rental and Leasing	1,347	4.0%	0%	0	180	0	0
Professional, Scientific, and Technical Services	3,705	11.0%	0%	0	496	0	0
Management of Companies and Enterprises	337	1.0%	0%	0	45	0	0
Administrative and Support Waste Management	5,389	16.0%	0%	0	721	0	0
Educational Services	1,010	3.0%	0%	0	135	0	0
Health Care and Social Assistance	5,389	16.0%	0%	0	721	0	0
Arts, Entertainment, and Recreation	674	2.0%	0%	0	90	0	0
Accommodation and Food Services	3,031	9.0%	0%	0	405	0	0
Other Services (except Public Administration)	1,684	5.0%	0%	0	225	0	0
Public Administration	2,358	7.0%	0%	0	315	0	0
<b>Total</b>	<b>33,680</b>	<b>100.0%</b>		<b>2,071</b>	<b>4,505</b>	<b>277</b>	<b>193,940</b>

Source: Emsi, DRCOG, ArLand

[1] assumes 700 sf per industrial employee per Blueprint Denver

Considerations for the neighborhood planning process include:

- *I-MX Zoning along Evans Avenue:* Discussion of the use of I-MX zoning along the Evans Avenue corridor and whether another zone district might be more appropriate to help induce long term redevelopment and change. A discussion of whether this area can help fulfill future long term industrial needs should also be undertaken.
- *Recycling Center near the Indian Creek neighborhood:* During the Neighborhood Planning process, discuss whether the long-term relocation of the recycling center to another location within Denver may make long-term sense with the potential for property redevelopment, into either industrial or residential uses.

#### *Causal Factors*

The industrial sector is changing. The city and the planning area has needs for industrial space. Future trends include the following changes outlined below. Further discussions of these trends relative to the future of the Evans Avenue corridor should be undertaken during the NPI process.

- *E-Commerce:* E-Commerce Sales has steadily increased from 1% of total sales in 2000 (Federal Bank of St. Louis) an estimated 11.8% of all sales before spiking with the arrival of the coronavirus. Increasing sales and product returns, which must also be stored, are driving demand for more storage and distribution space in general, as well as the need for smaller properties (less than 120,000 sq. ft.) to facilitate extremely fast last-mile deliveries to meet customer desires for same-day and overnight delivery. There is also some indication that industrial space co-located with retail uses may become more prevalent to accommodate e-commerce growth.
- *Supply Chain Shifts:* In addition to onshoring and an increase in small manufacturers contributing to demand for industrial space, the onset of the coronavirus pandemic exposed the limitations of just-in-time inventory management. In response, inventories have been increased, a reversal of a downward trend in inventory-to-sales ratios since the early 1990s. Additionally, consumers now expect very fast delivery, which necessitates appropriate inventory levels and last-mile facilities, including temperature-controlled facilities. CBRE estimates a need for an additional 75 to 100 million square feet of cold-storage space nationwide meet demand for direct-to-consumer food orders.
- *Customer Expectations:* E-commerce sales and associated product returns continue to grow, along with consumer expectations for rapid delivery, the demand for warehouse space near population centers will remain. The relatively low supply and high cost of land in urban centers may necessitate the need to build higher, not uncommon in Europe and Asia. Technological advances such as the use of robots contributes to the demand for every-higher clear ceiling heights and multistory warehouses.

## Focus Areas

A number of future focus areas for the upcoming neighborhood planning process have emerged from this analysis. They include:

- *Leetsdale Drive*: How do land uses along Leetsdale Drive, particularly at major stops leverage the presence of a future high-speed transit corridor? The plan should discuss potential mobility hubs where major transit stops would be located. Potential stops at major intersections such as Monaco Parkway, Holly Street, or Quebec Street could include a mix of uses, including residential, complementing the commercial centers currently located along this highly travelled corridor.
- *Evans Avenue intersection with I-25 and area south of Colorado Center with I-25*: The neighborhoods just south of Evans Avenue are a mix of commercial and residential uses. Parts of the neighborhood are starting to transition to uses oriented to the light rail station just to its north. This area has the potential to add more residential units, including affordable units. The City of Denver Parks Department has also acquired property (a former nursery) for potential open space / plaza / pocket park in the area. While past planning efforts have examined this area, the NPI process can help solidify neighborhood desires and an overall vision for this area.
- *Freeway Ford site and I-25 and Evans interchange area*: This planning effort can potentially be combined with the area above. The whole interchange area is undergoing a transformation as the Freeway Ford site is redeveloped. The southwest corner is part of an assemblage that is redeveloping the southeast corner into a car vending outlet. On the northeast corner, a small commercial center can also be examined for redevelopment purposes.
- *Evans Avenue between I-25 and Monaco Parkway*: This primarily industrial mixed-use area incorporates a mix of land uses, as well as traffic challenges. Further discussion of zoning, infrastructure and other changes that can be made to help incentivize redevelopment in critical parts of the corridor in line with the redevelopment at Monaco and Evans and at the Colorado Center. Blueprint Denver identified the Evans Avenue Corridor as a future transit and pedestrian priority corridor. Any discussion should occur in conjunction with the East Evans Business Association, which is a group of business and property owners located along this stretch of Evans Avenue.
- *Indian Creek Recycling Center*: The city has needs for easy recycling locations. However, further discussions can be undertaken with Denver's Public Works department about potentially relocating the recycling center located in the Indian Creek neighborhood. It is currently located in an industrial area and adjacent to a small business park as well as a residential community. Its relocation would provide space to add more industrial / light industrial uses to this part of the market. Certain residential uses (ie multifamily) may also be an option.