



MULTIFAMILY REPORT

Denver: Market Hot Up There

Summer 2021

Denver's Largest Sector Poised for Renewed Growth

Transactions Surge, PPU Marks New High

YoY Rent Growth Hits Double Digits

DENVER MULTIFAMILY



Recovery Well Underway

Colorado's business-friendly environment, affordable cost of living, airport connectivity and tech ecosystem proved a winning combination for Denver's multifamily market. Rents in the metro rose 2.0% on a trailing three-month basis through July to \$1,715, outpacing the national average, which rose 1.6%, to \$1,510. Occupancy in stabilized properties increased by 60 basis points in the 12 months ending in June, to 95.0%, due to demand for upscale units.

As of June, unemployment stood at 6.3%, trailing the 5.9% U.S. rate. Overall, Denver added 134,200 jobs in the 12 months ending in May, with slight contractions in the government, information and construction sectors. Metro Denver's largest sector—trade, transportation and utilities—expanded by 9.7% during the period and is poised for additional boosts, thanks to Amazon, United Airlines and Fluid Truck. Professional and business services grew by 5.1%.

Developers had 22,566 units underway as of July. However, deliveries slowed down, with just 2,816 apartments added to the inventory in the first seven months of 2021. Meanwhile, transaction activity rebounded strongly, with the total reaching \$3.8 billion through July, for a price per unit that rose to \$314,411.

Market Analysis | Summer 2021

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Recent Denver Transactions

Palomino Park Resort



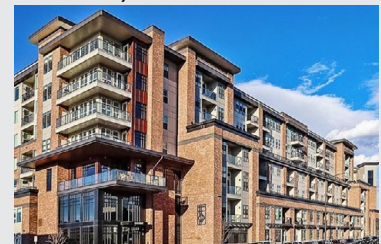
City: Highlands Ranch, Colo.
Buyer: Crow Holdings
Purchase Price: \$435 MM
Price per Unit: \$367,399

The Lex at Lowry



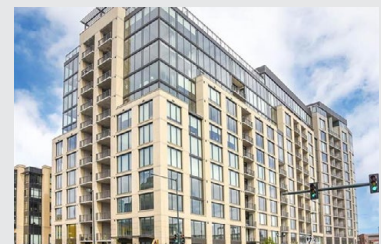
City: Denver
Buyer: CIM Group
Purchase Price: \$202 MM
Price per Unit: \$283,497

The Henry



City: Denver
Buyer: Eaton Vance Investment Managers
Purchase Price: \$184 MM
Price per Unit: \$455,335

The Pullman



City: Denver
Buyer: Lincoln Property Co.
Purchase Price: \$174 MM
Price per Unit: \$1,037,202