



MULTIFAMILY REPORT

Denver: Back On Track

January 2022

Investment Activity Elevated, PPU Rises

YoY Rent Growth Still in the Double Digits

Construction Remains High, Deliveries Soften

DENVER MULTIFAMILY



In-Migration Powers Rental Demand

Although uncertainty remains as likely as any economic predictor, Denver's recovery is well underway and should maintain momentum this year, despite pandemic woes. Rent gains moderated to 0.7% on a trailing three-month basis through November, to \$1,786, widening the gap from the \$1,590 U.S. average. Occupancy in stabilized properties rose 1.2% in the 12 months ending in September, to 95.7%, led by the Lifestyle segment, where the rate rose to 95.8%, following a 1.5% annual rise.

Denver unemployment improved to 4.6% in October, on par with the U.S. rate. Employment posted a 6.3% expansion in the 12 months ending in September, trailing the U.S. rate by 10 basis points. Professional and business services added the most jobs (23,200 positions), followed closely by leisure and hospitality (23,100 jobs). Although business travel is lagging, leisure travel is rebounding, with 24.7 million passengers going through Denver International Airport in the first half of 2021.

Deliveries softened, with just 7,400 units coming online in 2021 through November, half of 2020's volume. Another 20,390 apartments were under construction. Meanwhile, transaction volume surpassed \$6.8 billion—the second-highest figure of the past decade—for a price per unit that marked a substantial 27.3% increase, to \$302,134.

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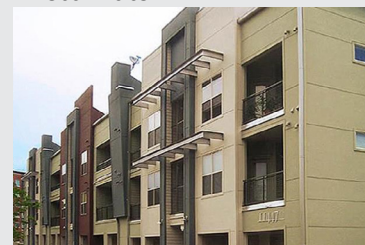
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Recent Denver Transactions

Arista Flats



City: Broomfield, Colo.
Buyer: Millburn & Co.
Purchase Price: \$191 MM
Price per Unit: \$363,118

IMT Lowry



City: Denver
Buyer: IMT Capital
Purchase Price: \$164 MM
Price per Unit: \$396,498

Griffis LoDo



City: Denver
Buyer: Griffis Residential
Purchase Price: \$138 MM
Price per Unit: \$484,211

Griffis Marston Lake



City: Littleton, Colo.
Buyer: Kennedy Wilson
Purchase Price: \$134 MM
Price per Unit: \$403,614