



MULTIFAMILY REPORT

Denver: At Cruising Altitude

June 2022

An aerial photograph of Denver, Colorado, showing a mix of high-rise skyscrapers and dense, multi-story urban development. The sky is a clear, light blue, and the city is bathed in the warm light of late afternoon or early morning. The buildings are a mix of colors, including reds, oranges, and greys.

Rent Growth Picks Up Again
Job Market Leads the Nation
Transaction Activity Remains Hot

DENVER MULTIFAMILY



Denver Rental Market Maintains Altitude

One of the strongest metros for tech development over the past decade, Denver has benefited from a strong multifamily market that improved in leaps and bounds, even weathering the pandemic better than larger markets. Coming on the heels of 2021—when average asking rates increased by 1.2% on a monthly basis—rent expansion softened in the winter. However, through spring, rates rose again to 0.7% on a trailing three-month basis as of April, to an overall average of \$1,847. Occupancy rose 50 basis points in the 12 months ending in March, to 95.4%.

Denver unemployment improved 40 basis point since the start of the year, clocking in at 3.6% in March, on par with the U.S. rate and 10 basis points ahead of the state, according to data from the Bureau of Labor Statistics. The employment market expanded by 5.1% in the 12 months ending in February, or 106,200 jobs, leading the 4.7% U.S. rate. Good strides were recorded in the metro's largest sectors—professional and business services (27,000 jobs) and trade, transportation and utilities (12,700 jobs), both poised for sustained expansion.

Developers delivered 1,624 units in 2022 through April, below the volume of previous years during the same period, but there were another 26,000 units underway. Investors traded more than \$1.5 billion in multifamily assets, on par with 2021.

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Recent Denver Transactions

AMLi Art District



City: Denver
Buyer: AMLi Residential
Purchase Price: \$155 MM
Price per Unit: \$459,941

Stone Cliff



City: Aurora, Colo.
Buyer: MG Properties Group
Purchase Price: \$143 MM
Price per Unit: \$362,944

3300 Tamarac



City: Denver
Buyer: MG Properties Group
Purchase Price: \$141 MM
Price per Unit: \$250,000

Peakline at Copperleaf



City: Aurora, Colo.
Buyer: 29th Street Capital
Purchase Price: \$104 MM
Price per Unit: \$390,977