



MULTIFAMILY REPORT

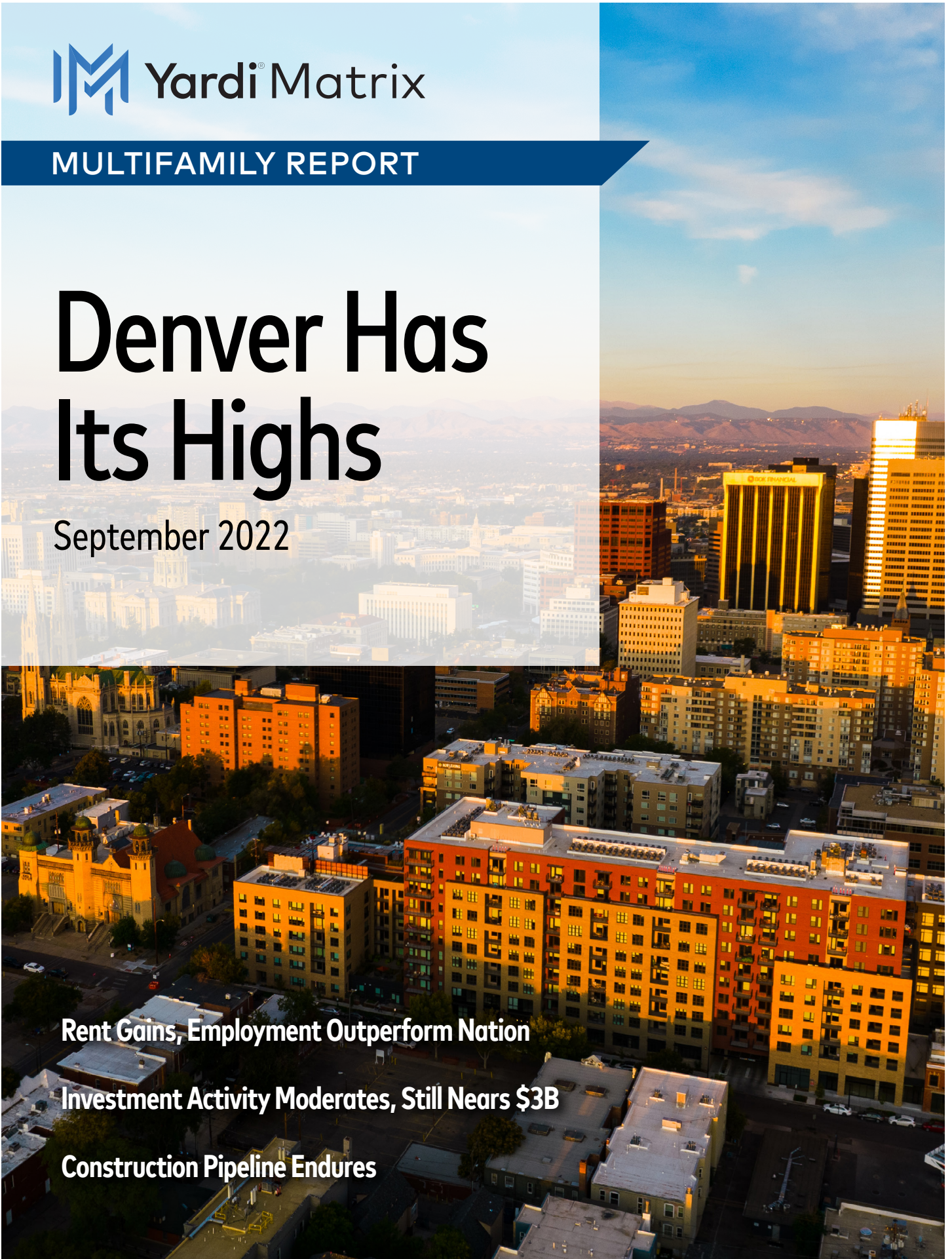
Denver Has Its Highs

September 2022

Rent Gains, Employment Outperform Nation

Investment Activity Moderates, Still Nears \$3B

Construction Pipeline Endures



DENVER MULTIFAMILY



Softening Fundamentals As Fall Comes In

Powered by a recovering economy, Denver's multifamily market saw a steady performance in 2022, with sustained rent growth, substantial investment activity and consistently solid construction across the metro. Demand kept up with supply additions, with rents rising 1.2% on a trailing three-month basis through July, to \$1,941, but the occupancy rate in stabilized properties was slightly impacted, declining 30 basis points in the 12 months ending in June, to 95.4%.

Denver unemployment stood at 3.2%, faring better than both the U.S. (3.6%) and the state (3.4%), but the market is still nowhere near pre-pandemic levels. Even so, the metro recovered nearly all jobs lost during the health crisis, with the employment market expanding 5.3% in the 12 months ending in May, adding 92,500 jobs. Professional and business services—Denver's largest sector—led growth with 29,700 positions. Leisure and hospitality continued its rebound with 26,600 new jobs. Moreover, Denver International Airport's passenger volume in the first half of 2022 was just 1.6% below that of the same period in 2019.

Development activity moderated slightly, but still posted consistent numbers: 4,424 units delivered through July and 29,000 units were underway. Meanwhile, sales volume reached nearly \$2.9 billion, trailing the figure registered during the same period last year. The price per unit increased by 9.4% on an annual basis.

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Recent Denver Transactions

Terra Village



City: Denver
Buyer: Trion Properties
Purchase Price: \$110 MM
Price per Unit: \$273,632

Greenwood Plaza



City: Centennial, Colo.
Buyer: Pacific Urban Investors
Purchase Price: \$107 MM
Price per Unit: \$401,128

The Links at Legacy Ridge



City: Westminster, Colo.
Buyer: MIG Real Estate
Purchase Price: \$94 MM
Price per Unit: \$405,172

Summit Riverside



City: Littleton, Colo.
Buyer: Security Properties
Purchase Price: \$79 MM
Price per Unit: \$316,532