



MULTIFAMILY REPORT

# Denver Rents Spring Back

June 2023



Employment Growth Tapers Off

Rent Gains Even With US Figures

Transactions Tumble, PPU Slips

# DENVER MULTIFAMILY



## Seasonal Patterns Benefit Rate Movement

The Denver multifamily market regained its footing as it entered the second quarter of 2023, with rents finally inching up after five months of declines. Up 0.2% on a trailing three-month basis through April, growth was on par with the U.S. figure. Meanwhile, the average rate was \$190 above the \$1,709 national figure. Occupancy declined to 94.8%, impacted by a steep decrease in the Renter-by-Necessity segment.

Denver unemployment stood at 2.7% in March, 60 basis points below the March 2022 rate, slightly below the state (2.8%) and tighter than the U.S. figure (3.5%). Job growth continued to taper off, at 2.1%, or 26,100 jobs, in the 12 months ending in February, mainly supported by professional and business services and leisure and hospitality, which added 21,300 jobs combined. In 2022, passenger volume at Denver International Airport surpassed 2019. As part of the final phase of an expansion, 22 gates opened in late 2022. The extension should help the airport keep its status as the third busiest in the world. Three sectors lost jobs—trade, transportation and utilities, information and financial activities—for 10,500 positions combined.

Developers delivered 1,473 units through April and had another 34,751 units under construction, with both recent stock and the current pipeline heavily favoring upscale development. Meanwhile, investment dwindled, with \$421 million in multifamily assets trading through April, for a per-unit price that plummeted 31.0%.

## Market Analysis | June 2023

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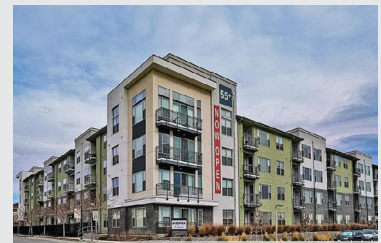
### Recent Denver Transactions

#### Vue West



City: Denver  
Buyer: Sequoia Equities  
Purchase Price: \$124 MM  
Price per Unit: \$398,387

#### Lilia



City: Lakewood, Colo.  
Buyer: Bascom Group  
Purchase Price: \$77 MM  
Price per Unit: \$334,783

#### Ridge at Castle Rock



City: Castle Rock, Colo.  
Buyer: MG Properties  
Purchase Price: \$67 MM  
Price per Unit: \$329,167

#### Fox Meadows



City: Fort Collins, Colo.  
Buyer: Olive Bark  
Purchase Price: \$37 MM  
Price per Unit: \$266,674