

DENVER MULTIFAMILY



Positive Signs Emerge During Third Quarter

Denver's multifamily market is looking to restore some stability after a rough 2020. Rent gains were spotty across the map, but the average remained flat on a trailing three-month basis for the second consecutive month in November at \$1,544—above the \$1,465 national figure.

Prior to the pandemic, Denver's economic environment had been attracting residents and businesses alike, which helped create a diverse economy. This helped it better withstand the health crisis, making it one of the metros with the fewest job losses in in the country during the recovery stage. Unemployment fell to 6.5% in September and preliminary data for October pointed to stagnation, but a recent spike in coronavirus cases could affect the local economy as new restrictions were enforced in November. Employment growth was down 6.5% in the 12 months ending in September, outperforming the -9.3% national average. Three sectors added jobs during the period, including the metro's economic driver, professional and business services, which climbed 0.6%.

Despite safety measures, development activity remained high—developers brought online 11,728 units in 2020 through November and had another 19,406 underway. Meanwhile, transactions picked up in the third quarter and totaled nearly \$3.4 billion, for an average price per unit that slid 4.4% to \$231,244.

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Recent Denver Transactions

Pembrooke on the Green



City: Aurora, Colo. Buyer: Bridge Investment Group Purchase Price: \$163 MM Price per Unit: \$169,969

Parkhouse Apartment Homes



City: Thornton, Colo. Buyer: Investors Real Estate Trust Purchase Price: \$145 MM Price per Unit: \$311,290

The Lincoln at Speer



City: Denver Buyer: Urban American Property Management Purchase Price: \$140 MM Price per Unit: \$304,348

ArtWalk CityCenter



City: Englewood, Colo. Buyer: Oak Coast Properties Purchase Price: \$124 MM Price per Unit: \$281,963