

# DENVER

**YARDI** **M**ATRIX  
Data provided by **Pierce**-Eislen

## Multifamily Summer Report 2015

**Mile-High City Continues to Soar**

**Double-Digit Rent Growth**

**Multifamily Supply Accelerating**





# DENVER MULTIFAMILY

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## Market Analysis

Summer, 2015

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## Mile-High City Continues to Soar

On the back of a solid few years, Denver is continuing on a path of growth. However, the city's reaction to sustained rent and home price gains are having an effect on the economic makeup. The metro's tech sector continues to be one of the local economy's strong points. In spite of a recent dip in employment in the information sector, the announced Google campus in Boulder and the submarket's status as a startup mecca should continue to maintain the software industry as one of the metro's main economic drivers.

Commercial real estate has benefitted greatly from legislation legalizing the use of marijuana. Farming, storage and sales of marijuana have generated demand for retail and industrial space, which has led to increased development in those sectors, as well as putting pressure on vacancy rates.

Buoyant economic and population growth is producing demand for multifamily units. As Millennials become the core active population in Denver, they are changing the characteristics of its real estate market. High prices in the city's core and heightened employment rates are also playing a part, as lower-rated multifamily assets slowly become the main engine of the area's residential market. Rent growth has increased by double digits so far this year, and we expect a 9.5% uptick for the year.

Meanwhile, investor demand pushes asset values in Central Denver to all-time highs, leading those interested to look for new opportunities on the fringes.

## Recent Denver Transactions

### Bella Terra at City Center



City: Aurora, CO  
Buyer: Steadfast Companies  
Purchase Price: \$38 MM  
Price per Unit: \$123,684

### Monterey



City: Littleton, CO  
Buyer: Asher Investments  
Purchase Price: \$19 MM  
Price per Unit: \$132,292

### Vista at Trappers Glen



City: Morrison, CO  
Buyer: Jeffrey Sanders  
Purchase Price: \$65 MM  
Price per Unit: \$202,245

### Eleven 13



City: Fort Collins, CO  
Buyer: Bridge Partners  
Purchase Price: \$73 MM  
Price per Unit: \$240,864