



**MULTIFAMILY REPORT**

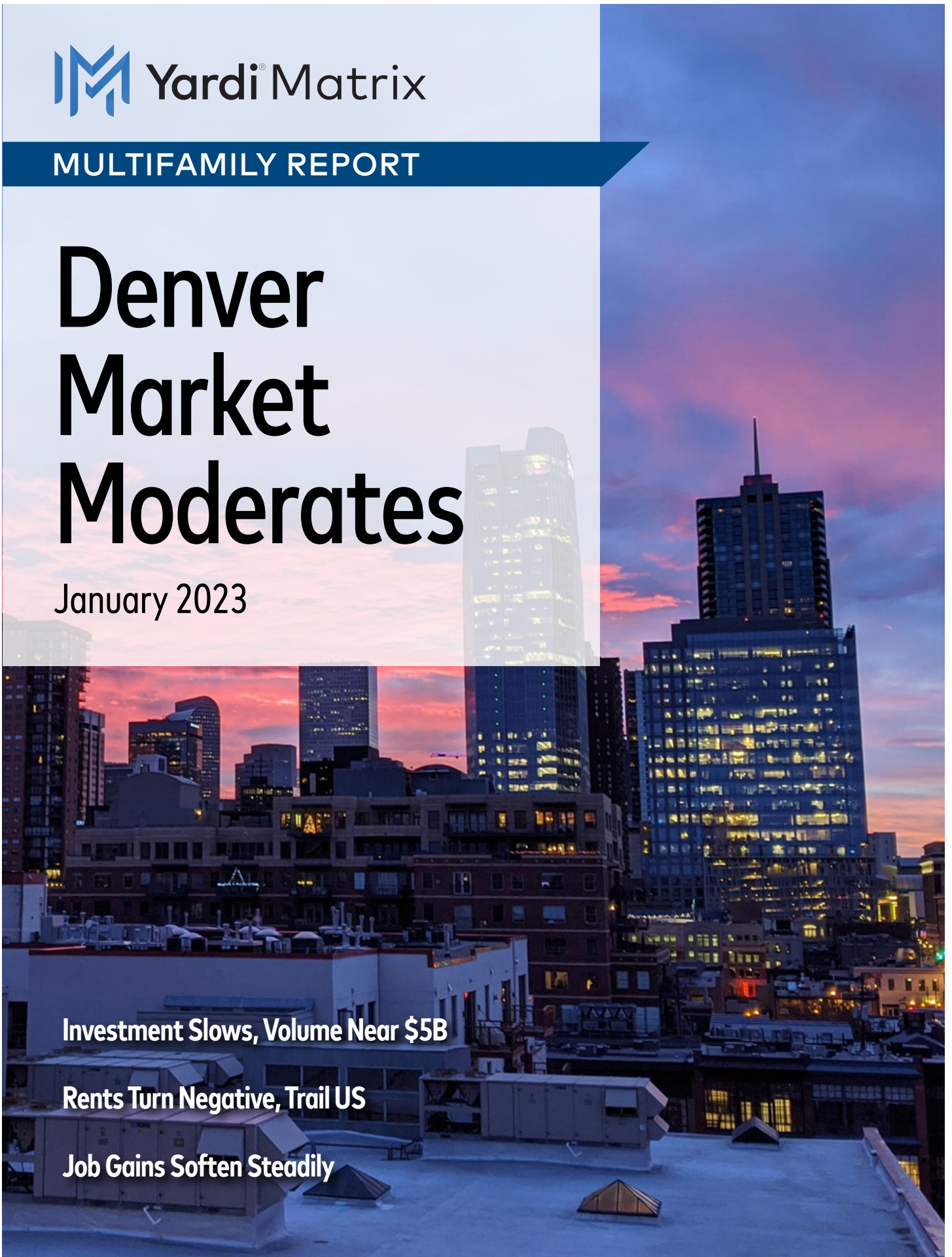
# Denver Market Moderates

January 2023

**Investment Slows, Volume Near \$5B**

**Rents Turn Negative, Trail US**

**Job Gains Soften Steadily**



# DENVER MULTIFAMILY



## Moderating Fundamentals

Denver's multifamily market is facing the effects of inflation and rising interest rates as some of its fundamentals softened toward the end of 2022. Demand slowed somewhat, pushing the occupancy rate in stabilized properties down by 60 basis year-over-year as of October, to 95.0%. Investors also began taking a little more caution, leading to shrinking investment, while rents ended a spell of solid performance, down 0.3% on a trailing three-month basis through November, to \$1,910.

Unemployment clocked in at 3.5% in October, just slightly above the state (3.6%) and national (3.7%) rates and still far from pre-pandemic values, according to data from the Bureau of Labor Statistics. The employment market expanded 4.0% in the 12 months ending in September, on par with the U.S. rate. Only the financial services sector lost jobs (down 3.7%). Nearly half of the 65,300 positions added during the year were in the professional and business services sector (30,700 jobs), sustained by corporate relocations and expansions.

Developers delivered 9,487 units in 2022 through November, heavily targeting Lifestyle renters. The number of projects breaking ground this year surpassed 2021's volume—overall, 31,790 units were underway as of November. Meanwhile, investment volume totaled \$5 billion, for a price per unit that rose 10.7% year-over-year, to \$336,485.

## Market Analysis | January 2023

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### Recent Denver Transactions

#### Arbour Commons at the Orchard Town Center



City: Westminster, Colo.  
Buyer: CORE Realty Holdings  
Purchase Price: \$150 MM  
Price per Unit: \$380,711

#### Heights at Interlocken



City: Broomfield, Colo.  
Buyer: Ladera Capital Partners  
Purchase Price: \$143 MM  
Price per Unit: \$415,452

#### Griffis at Fiddler's Green



City: Centennial, Colo.  
Buyer: Griffis Residential  
Purchase Price: \$115 MM  
Price per Unit: \$378,289

#### The Trails at Timberline



City: Fort Collins, Colo.  
Buyer: Benedict Canyon Equities  
Purchase Price: \$110 MM  
Price per Unit: \$350,318