



MULTIFAMILY REPORT

# Denver Faces Challenges

January 2024



**Rent Growth Flat YoY**

**Pipeline Adds Pressure**

**Investment Declines, PPU Still High**



# DENVER MULTIFAMILY



## Supply Endures, Slowing Economy Impacts Deals

Although Denver's economy slowed in 2023, some multifamily fundamentals maintained a solid performance. Year-over-year, rents recorded a mild 0.1% rate of growth, with the average at \$1,903. The metro trailed the U.S. figure, which rose 0.4% year-over-year, to \$1,713, as of November 2023. Meanwhile, occupancy declined just 30 basis points in the 12 months ending in October, to a still healthy 95.1%.

Employment expanded just 0.6%, or 15,400 jobs, in the 12 months ending in September, well behind the 2.4% U.S. average, according to the Bureau of Labor Statistics. Additionally, five sectors lost 13,000 jobs combined during the interval. The financial activities sector lost the most positions (-5,700 jobs), heavily impacted by the recent evolution of interest rates. Next in line were trade, transportation and utilities (-3,200) and information (-3,000). The sectors that recorded the highest gains were government (14,900 jobs) and leisure and hospitality (7,300 jobs).

Denver's stock expanded by 8,259 rental units in the first 11 months of 2023. While the number of new projects waned, the metro still had a consistent 42,334 units under construction, placing Denver fourth in the country for the largest pipeline as of November. Meanwhile, investors traded \$2.2 billion in multifamily assets, for a price per unit that declined 4.4% year-over-year, to \$322,036 in November.

## Market Analysis | January 2024

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### Recent Denver Transactions

#### The Seasons of Cherry Creek



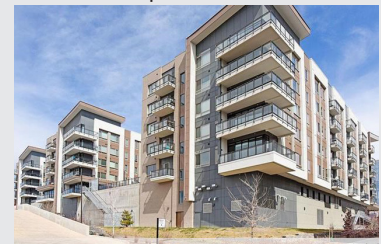
City: Denver  
Buyer: Broe Real Estate Group  
Purchase Price: \$225 MM  
Price per Unit: \$384,615

#### Zia Sunnyside



City: Denver  
Buyer: Kairoi Residential  
Purchase Price: \$161 MM  
Price per Unit: \$370,968

#### Vue West Apartment Homes



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

#### The Flats at Inverness



City: Englewood, Colo.  
Buyer: Mesirow Financial  
Purchase Price: \$111 MM  
Price per Unit: \$359,547