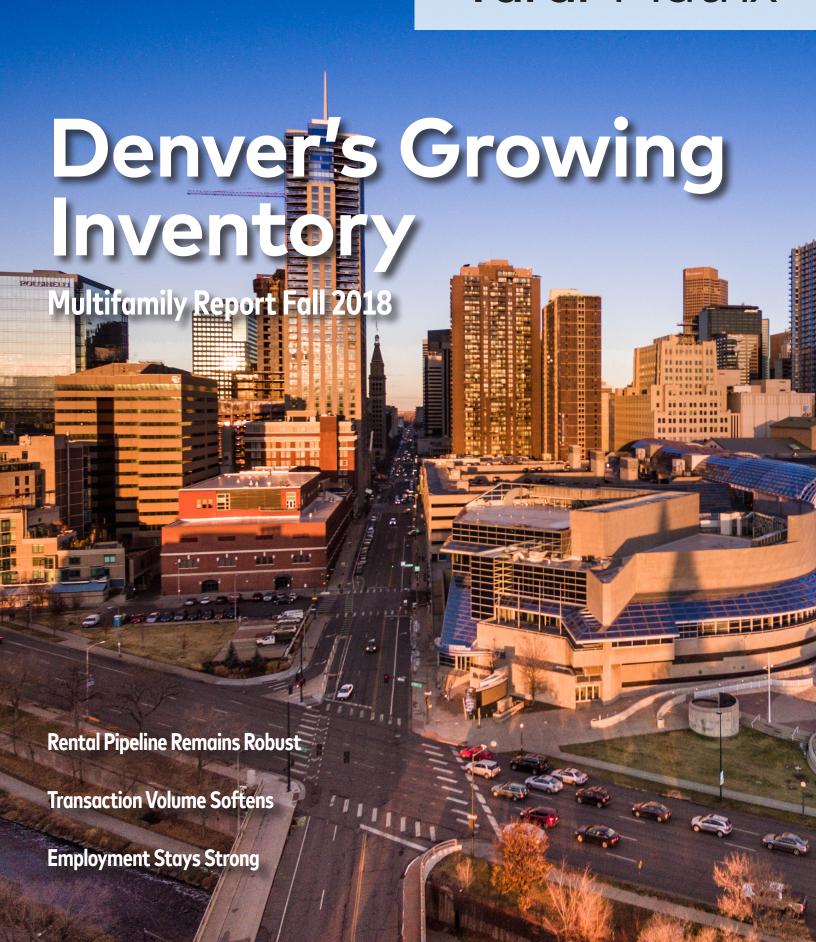
# Yardi<sup>®</sup> Matrix



# **DENVER MULTIFAMILY**

## Yardi<sup>®</sup> Matrix

# Market Analysis Fall 2018

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## Challenging the Limits of Demand?

Denver's multifamily market continues to thrive, bolstered by a strong economy and positive demographic trends. With single-family prices reaching a new peak of \$383,864, well above the national level, apartment demand is expected to increase as residents turn to renting—which is not much more affordable, but eliminates the pressure of a down payment.

Denver tourism set new highs in 2017, when more than 31 million people visited the metro, the 12th consecutive year of growth for the city's booming hospitality industry. The leisure and hospitality sector added the most jobs (11,800) in the 12 months ending in June as a direct result. Development in both the multifamily and office sectors has stayed strong, with 26,000 apartments and more than 2.4 million square feet of office space underway as of August.

Multifamily transaction activity has softened compared to last year, with a total investment level of roughly \$1.9 billion. The decrease in volume and per-unit prices was largely due to investors focusing on value-add opportunities, as they target higher yields. With deliveries expected to cross the 16,000 mark by year-end, we expect rents to continue their rise at a moderate pace, as we reach the year's final quarter.

#### **Recent Denver Transactions**

Steele Creek



City: Denver Buyer: UDR

Purchase Price: \$142 MM Price per Unit: \$ 649,082

#### 1600 Glenarm Place



City: Denver

Buyer: Northland Investment Corp. Purchase Price: \$131 MM

Price per Unit: \$393,393

Westend



City: Denver

Buyer: Investors Real Estate Trust Purchase Price: \$129 MM Price per Unit: \$330,000

Haven 124 at Eastlake Station



City: Northglenn, Colo. Buyer: Magnolia Capital Purchase Price: \$124 MM Price per Unit: \$220,641