



MULTIFAMILY REPORT

Denver's Supply Challenge

January 2025

Deliveries Mark New High

Rents Slide Under Supply Pressure

Employment Marks Modest Gains

DENVER MULTIFAMILY



Rental Sector Slows Down

The slowdown in Denver's multifamily market intensified at the start of 2024's fourth quarter, impacted by a surge in new supply. Average advertised asking rents fell 0.8% on a trailing three-month basis through November, to \$1,894, lagging the U.S. rate, which slid 0.2%, to \$1,744. Still, the occupancy rate in stabilized properties endured, down just 10 basis points year-over-year through October, to 94.8%.

Denver's diverse economy slowed progressively throughout the year, posting a mere 0.2% employment growth, or 12,600 jobs, year-over-year through September, well behind the 1.4% U.S. average. Gains were highest in the government sector (12,200 jobs) and education and health services (7,500 jobs). Meanwhile, four sectors recorded a combined loss of 12,000 jobs, with the largest reductions recorded in trade, transportation and utilities (5,600 jobs) and information (2,700 jobs). The unemployment rate rose to 4.5% in October, underperforming the U.S. and the state rates (both at 4.1%). Notable activity in Denver includes the approval of Ballot Measure 6A, which authorizes the use of \$570 million of debt for downtown revitalization.

Developers delivered 17,020 units through November—already a new decade high—and had 33,034 units underway. Sales activity picked up, totaling \$3.4 billion through November, but the per-unit price decreased 9.9% year-to-date, to \$285,651 in November.

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Recent Denver Transactions

Kent Place Residences



City: Englewood, Colo.
Buyer: Sequoia Equities
Purchase Price: \$135 MM
Price per Unit: \$450,000

Parkfield



City: Denver
Buyer: Fairfield Residential
Purchase Price: \$120 MM
Price per Unit: \$252,101

Dove Valley



City: Englewood, Colo.
Buyer: Greystar
Purchase Price: \$95 MM
Price per Unit: \$304,968

ONE City Block



City: Denver
Buyer: InterCapital Group
Purchase Price: \$95 MM
Price per Unit: \$314,570