

Yardi® Matrix

# Denver Climbs Higher

Multifamily Report Summer 2019

Rent Growth Decelerates

Deliveries Hit Cycle Peak

Property Values Spike



# DENVER MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2019

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## All Eyes on Thriving Downtown

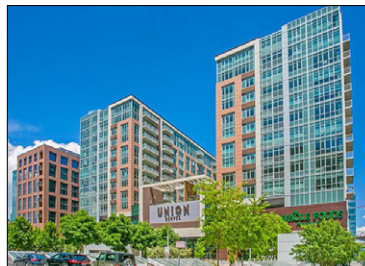
Denver's multifamily market remained hot going into 2019, boosted by a decade-long economic and population boom that has transformed the metro, particularly its urban core. Drawn by the market's strong fundamentals, multifamily developers ramped up deliveries in 2018, when a massive supply wave of 15,984 units came online for a new cycle high. As a result, the occupancy rate in stabilized properties dropped 40 basis points over 12 months, to 94.7% as of April.

The metro's highly educated workforce and business-friendly environment continue to attract a wide range of employers, from Fortune 500 company VF Corp. to a wave of California tech firms including Accelo, Apple, Facebook, Amazon, Quizlet and Strava. In the 12 months ending in March, employment growth was led by professional and business services, which gained 15,300 jobs, followed by education and health services (7,000 jobs) and trade, transportation and utilities (5,600 jobs).

On the investment sales front, more than \$1.6 billion in multifamily assets traded in 2019 through May, following the \$4.6 billion of 2018. Considering a more moderate level of deliveries this year, along with a positive outlook for the metro's ongoing demographic and economic boom, we expect the average Denver rent to rise 2.6% in 2019.

## Recent Denver Transactions

Union Denver by daydream



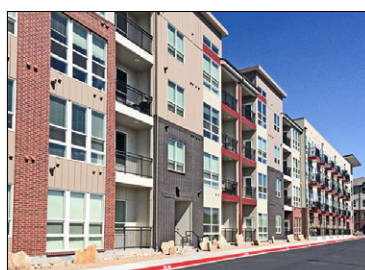
City: Denver  
Buyer: Daydream Apartments  
Purchase Price: \$304 MM  
Price per Unit: \$525,043

Ivy Crossing



City: Denver  
Buyer: Oak Coast Properties  
Purchase Price: \$125 MM  
Price per Unit: \$172,483

Alameda Station



City: Denver  
Buyer: NewTower Trust Co.  
Purchase Price: \$110 MM  
Price per Unit: \$324,260

Helios



City: Englewood, Colo.  
Buyer: LivCor  
Purchase Price: \$74 MM  
Price per Unit: \$288,077