

# METRO DENVER | MULTIFAMILY Q3 2018

Accelerating success

## Exceeding Expectations

Record-setting rents and absorption for all three markets up and down the Front Range exemplify the continued demand and need for apartments in Colorado. Despite the slight decrease in transaction volume year-over-year, the average price per unit increased by approximately 28 percent, as several luxury apartment buildings sold in the CBD submarket. The significant number of units in the construction pipeline has not negatively impacted the overall market. However, with the ongoing shortage of construction labor and increasing material costs, the Front Range will likely experience delays in the completion of some new units, which could put upward pressure on rents for existing inventory.

### Sale Statistics

(50+ Units)

	Q3 2017	Q3 2018
Total Number of Sales	34	22
Total Transaction Volume	\$1,658,629,415	\$1,424,378,605
# of Units Sold	8,322	5,575
Average Price Per Unit	\$199,307	\$255,494



### Vacancy Rate (YOY)

4.70%

Q3 2017

4.60%

Q3 2018



### Average Rent (YOY)

\$1,473

Q3 2017

\$1,530

Q3 2018



### Q3 2018 Construction & Absorption

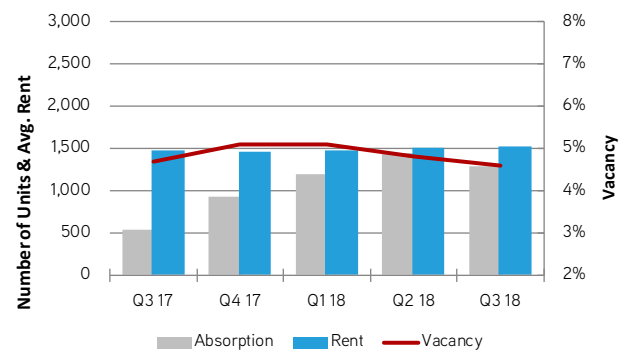
21,038

UNITS UNDER CONSTRUCTION

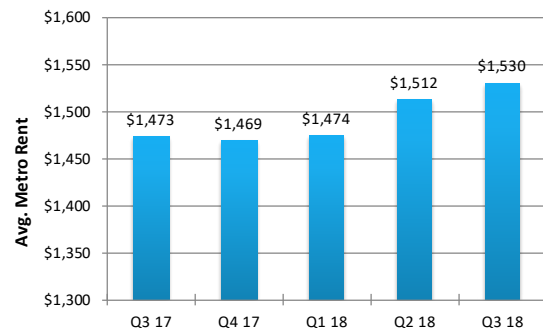
1,296

PRE-LEASED  
UNITS ABSORBED

### Absorption, Rent, Vacancy Trends



### Average Metro Rent



Source: Yardi Matrix

## Highlights

- Absorption reached 1,296 units during the third quarter - up 758 units from Q3 2017.
- The overall average rental rate in Metro Denver during the third quarter was \$1,530 per unit, an increase of 3.9 percent year-over-year.
- A total of 21,038 units are under construction in Metro Denver, with more than 5,800 units located in the CBD.
- Metro Denver vacancy rates decreased by 10 basis points from the previous year to the current rate of 4.6%.

### Q3 2018 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
SkyHouse Denver	Denver	\$138,400,000	354	Equity Residential Properties	Novare Group
Radius Uptown	Denver	\$135,430,000	372	Equity Residential Properties	Trammell Crow Residential
1600 Glenarm Place	Denver	\$131,000,000	333	Northland Investment Corporation	RedPeak Properties
AT Lewis Lofts & Rio Grande*	Denver	\$32,500,000	120	FPA Multifamily	*Undisclosed
Brittany House*	Denver	\$16,500,000	68	RedPeak Properties	*Undisclosed

\*Sold by Colliers International

## COLORADO SPRINGS | MULTIFAMILY

Q3 2018



Vacancy Rate (YOY)

4.10%

Q3 2017



4.30%

Q3 2018



Average Rent (YOY)

\$1,083

Q3 2017



\$1,128

Q3 2018



Q3 2018 Construction &amp; Absorption

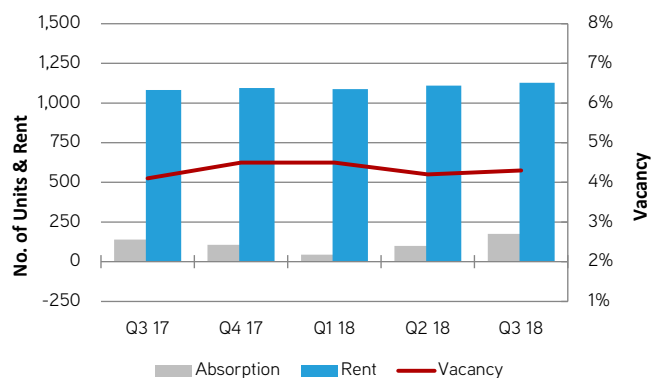
2,896

UNITS UNDER CONSTRUCTION

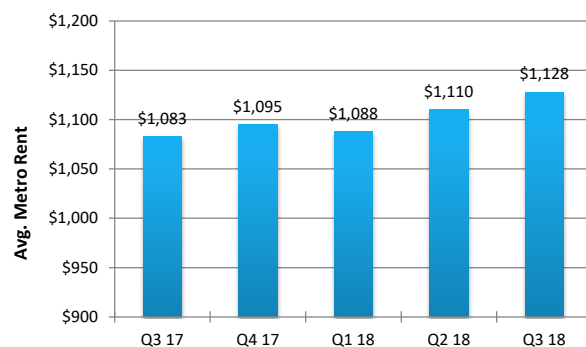
175

PRE-LEASED  
UNITS ABSORBED

## Absorption, Rent, Vacancy Trends



## Average Rent Per Unit



Source: Yardi Matrix



## Q3 2018 Sales Statistics



2 properties



331 units



\$142,158/unit

## Q3 2018 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
Union Heights	Colorado Springs	\$35,000,000	220	Priderock Capital Partners	Griffis/Blessing
Esperanza Village	Colorado Springs	\$13,900,000	111	American Capital Realty Partners	LocalConstruct

# NORTHERN COLORADO | MULTIFAMILY

## Q3 2018



Vacancy Rate (YOY)

**3.50%**  
Q3 2017



**4.00%**  
Q3 2018



Average Rent (YOY)

**\$1,356**  
Q3 2017



**\$1,426**  
Q3 2018

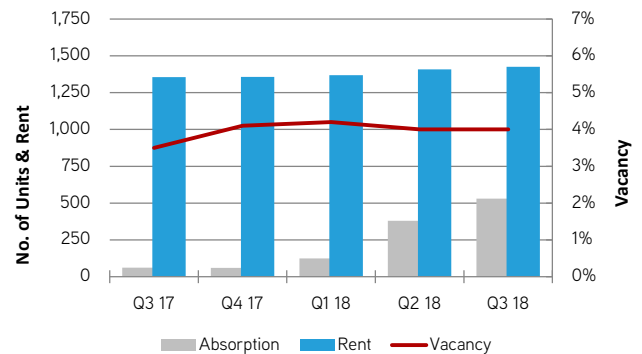


Q3 2018 Construction & Absorption

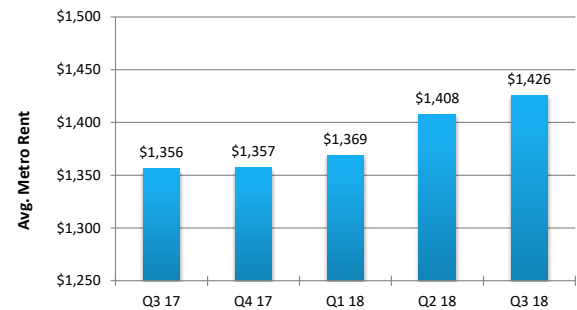
**4,465**  
UNITS UNDER CONSTRUCTION

**531**  
PRE-LEASED  
UNITS ABSORBED

### Absorption, Rent, Vacancy Trends



### Average Rent Per Unit



Source: Yardi Matrix

### Q3 2018 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
Carriage House Apartments	Fort Collins	*	54	Greystar Real Estate Partners	EdR
Lokal Elevated College Living	Fort Collins	*	79	Greystar Real Estate Partners	EdR
Pura Vida Place Apartments	Fort Collins	*	52	Greystar Real Estate Partners	EdR

\*part of a 42-property, \$4.6bn merger of EdR by Greystar Real Estate Partners



## CURRENTLY MARKETING



**GROVE AT CITY CENTER**  
420 UNITS



**THE CENTRE**  
168 UNITS



**HILLCREST**  
112 UNITS

## RECENTLY SOLD



**A.T. LEWIS & RIO GRANDE**  
120 UNITS  
43,000 SF/Retail



**BRITTANY HOUSE**  
68 UNITS



**SIERRA VISTA**  
100 UNITS



**CRAIG STACK**  
Senior Vice President  
+1 720 833 4602  
craig.stack@colliers.com



**BILL MORKES**  
Vice President  
+1 303 283 4583  
bill.morkes@colliers.com



**LINH DAN NGUYEN**  
Analyst  
+1 303 283 4568  
linhdan.nguyen@colliers.com



**DENISE BOYD**  
Transaction Manager  
+1 720 833 4622  
denise.boyd@colliers.com



**TYSON PRICE**  
Research Director  
+1 303 283 4561  
tyson.price@colliers.com



**CLAIRE ANHALT**  
Research Analyst  
+1 720 833 4628  
claire.anhalt@colliers.com

**413** offices in  
**68** countries on  
**6** continents

United States: **145**

Canada: **29**

Latin America: **23**

Asia Pacific: **86**

EMEA: **131**

**\$2.7**

billion  
sales volume

**149**

multifamily brokers

**15,400**

professionals  
and staff