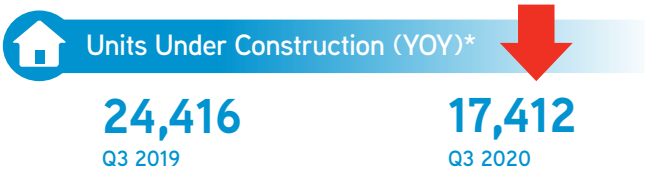
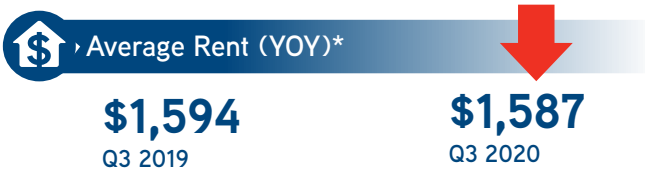
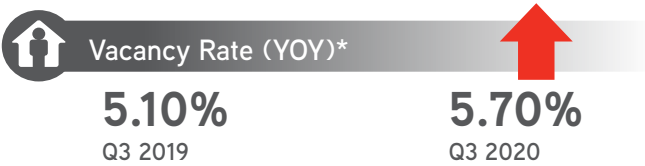


# METRO DENVER | MULTIFAMILY

## Q3 2020

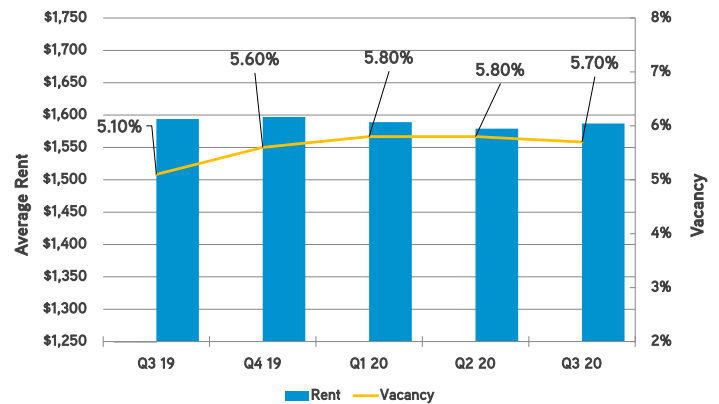
Accelerating success.

### Investment Activity Takes the Spotlight in Denver's Multifamily Market



Sale Statistics* (50+ Units)	Q3 2018	Q3 2019	Q3 2020
Total Number of Sales	24	32	12
Total Transaction Volume	\$1,304,268,936	\$1,654,343,170	\$892,370,000
# of Units Sold	5,880	7,282	3,807
Average Price Per Unit	\$221,814	\$227,183	\$234,402

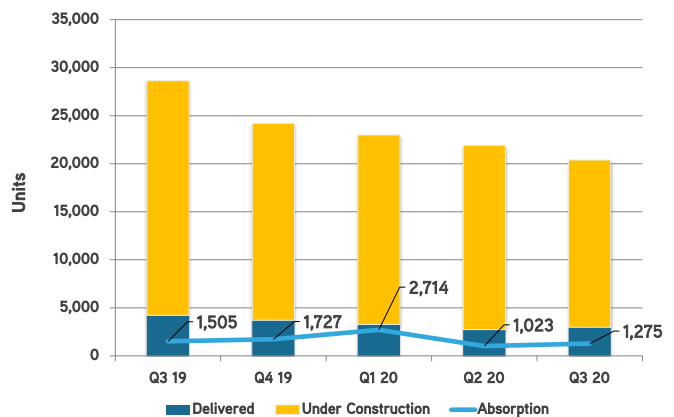
### Rent & Vacancy Trends\*



### Highlights

- > Despite nearly 3,000 units being delivered, Metro Denver's vacancy rate fell by 10 basis points quarter-over-quarter to 5.70%.
- > Over 1,250 units were absorbed in Q3 2020, representing a 25% increase over Q2 2020.
- > The average rental rate rebounded back to pre-pandemic levels to an average rate of \$1,587.
- > The number of units under construction declined from 19,200 to 17,400 in 3Q 2020.
- > There is an estimated 5,695 units that will be completed by the year's end, a delivery decrease year-over-year of 51%.

### Units Absorbed vs Delivered & Under Construction\*



### Q3 2020 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
Pembroke on the Green	Denver	\$163,000,000	959	Bridge Investment Group	Oak Coast Properties
Parkhouse Apartments	Thornton	\$144,750,000	465	IRET	Multiple
Marquis at the Parkway	Denver	\$140,000,000	460	Urban American	CWS Capital Partners
Alas over Lowry	Denver	\$105,000,000	300	Connor Group	Alliance Residential Company
Marquis Castle Pines	Castle Rock	\$104,000,000	356	CWS Capital Partners	Kinship Capital

Source: CoStar

\*Source: Yardi Matrix as of September 2020.

# METRO DENVER | MULTIFAMILY

## Q3 2020

### Market Overview

#### Unemployment

The unemployment rate in the Denver Metro was 7.0% in August as compared to 12.3% during the height of the pandemic in April. While still far above the 2.6% unemployment rate achieved one year ago, the Denver Metro has added over 125,000 jobs since April and remains well below the national unemployment level of 8.4%. Furthermore, a flurry of coastal companies are looking to make Denver their next home. In the last six months, companies such as Wix, DAT Solutions, Amazon, Palantir Technologies, and Contentful have announced plans to move to or expand into Denver, tapping into its highly-educated, young, and tech-friendly workforce. Denver remains a prominent Live-Work-Play city and continues to benefit from strong market fundamentals and continued net in-migration.

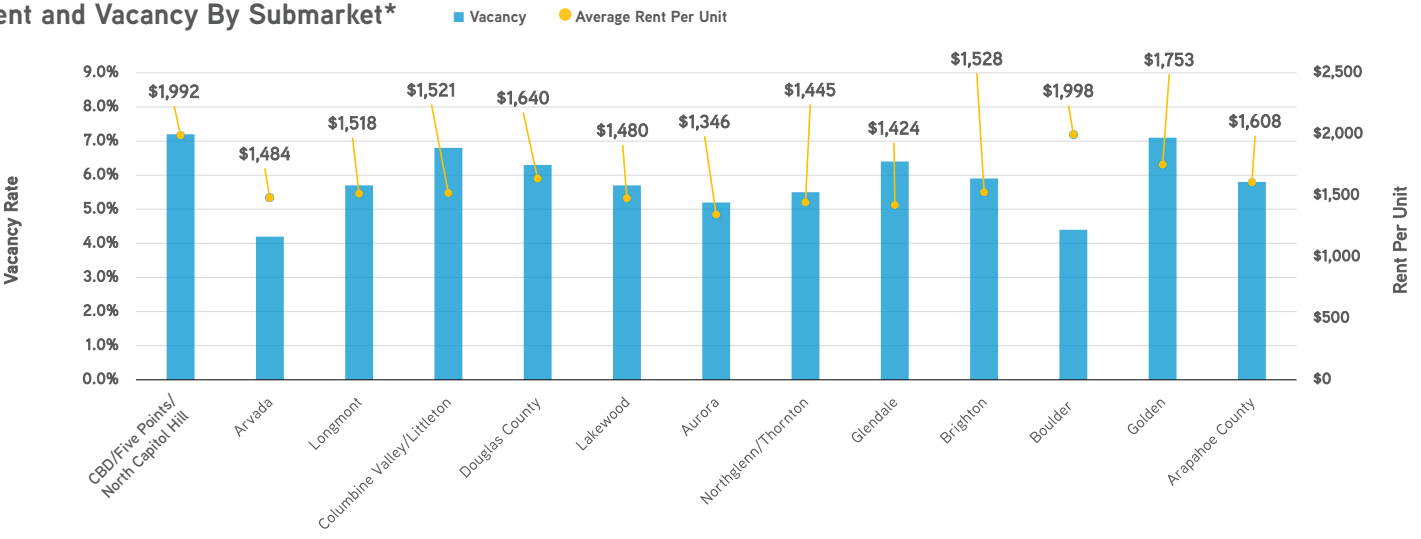
#### Rent Payments

The pandemic and resulting unemployment caused many analysts to forecast a collapse in rent payment collection. While collections have not been as robust as in previous years, they have largely outperformed expectations. As of September 27, 2020, the National Multifamily Housing Council (NMHC) reported that 92.2% of apartment households made full or partial rent payments in its survey of 11.4 million professionally managed units. This represents a 1.5%, or 170,399 household decline from the same period in September 27, 2019, but a 10-basis point increase from the same period last month.

#### Investment Activity

Investment activity remains strong throughout the Denver Metro. In the trailing twelve months, the top ten investment sales have procured over 8,700 units. In September alone, headlines include IRET paying \$145 million for a 465-unit property in Thornton, Bridge Investment Group paying \$163M for a 959-unit property in Cherry Creek, and The Connor Group's \$105 million purchase of the 300-unit Alas over Lowry. The Bridge Investment Group deal represents the largest family sale in terms of total price to have closed in Denver in 2020 and followed The Connor Group's purchase by only a few days. Furthermore, Q3 ended with a bang as the 460-unit Marquis at the Parkway in Lincoln Park sold to Urban America for \$140 million on the final day of the quarter.

### Rent and Vacancy By Submarket\*



### Denver Demographics (5 Mile Radius of CBD)\*\*

**519,203**  
Population

**\$66,797**  
Median Household Income

**84**  
Housing Affordability

**73**  
Diversity Index

**56.6%**  
College Degree

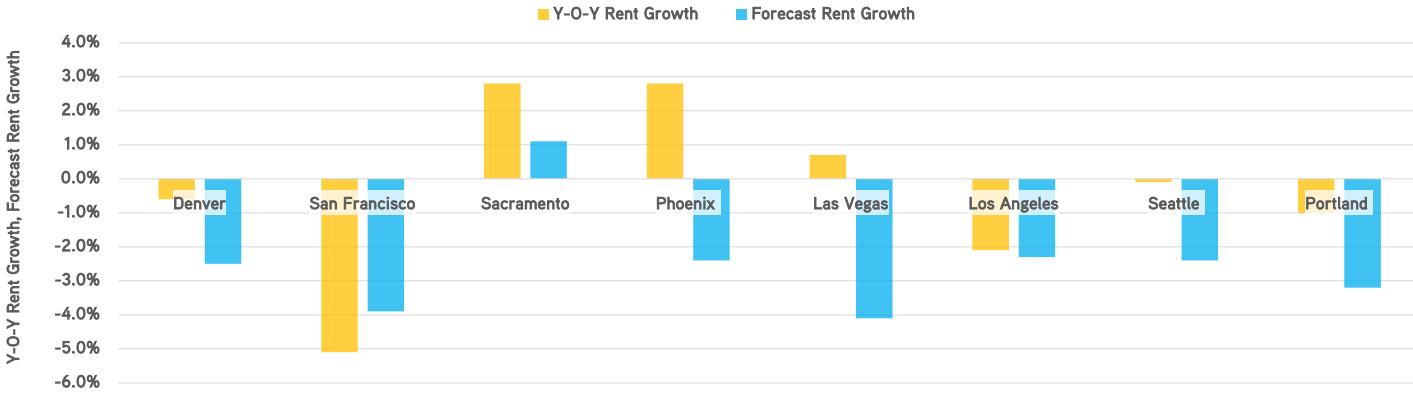
\*Source: Yardi Matrix as of September 2020.



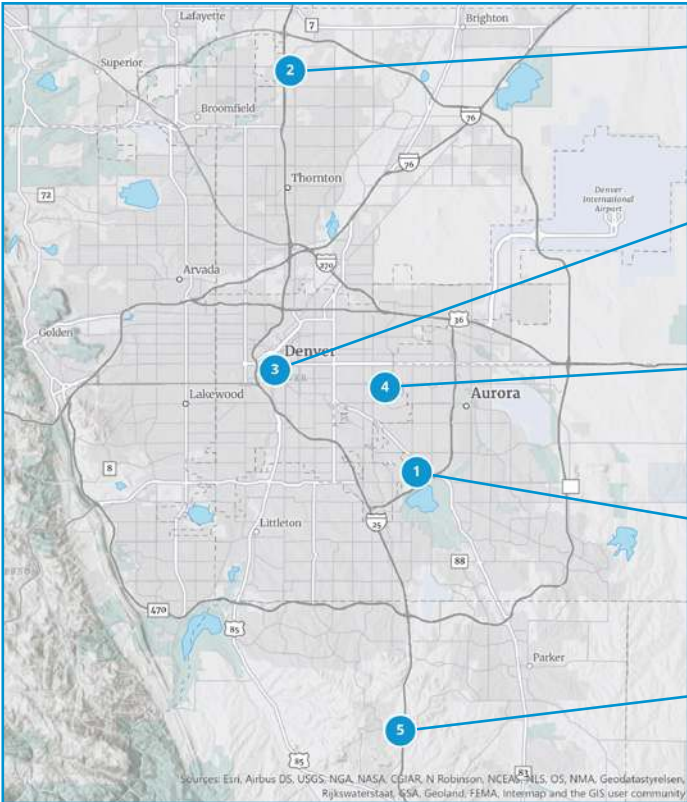
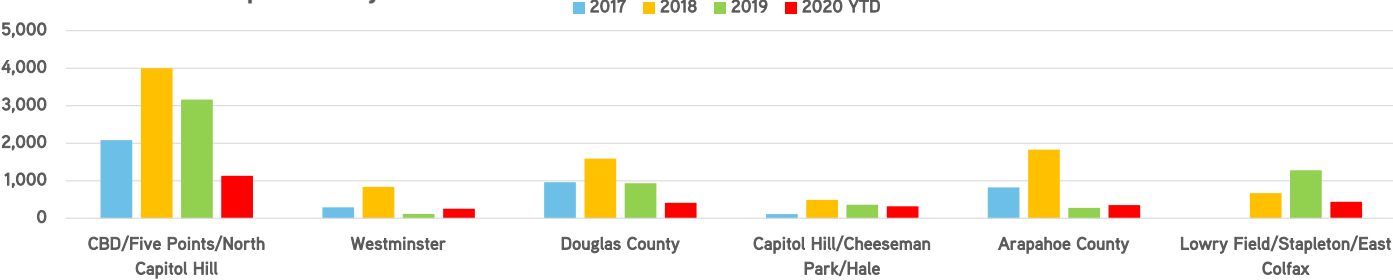
# METRO DENVER | MULTIFAMILY

## Q3 2020

### Denver vs. Western United States\*



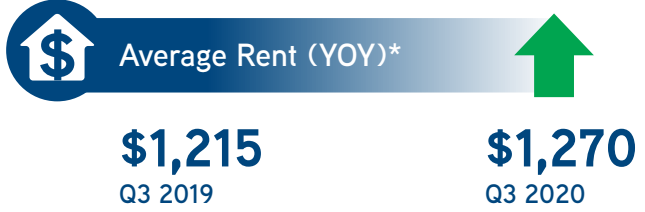
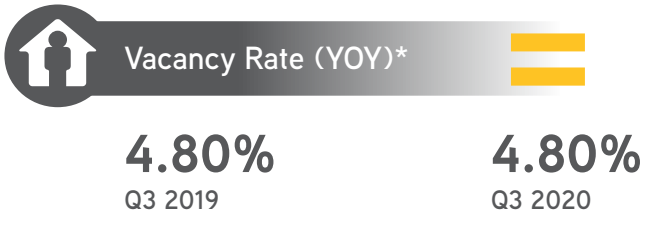
### Submarket Unit Completions by Year\*



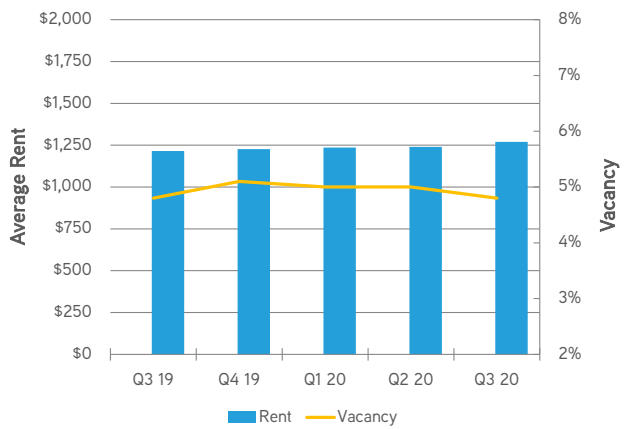
- Parkhouse**  
 Sale Price: \$144,750,000    Price Per Unit: \$311,290.32  
 Units: 465    City: Thornton
- Marquis at the Parkway**  
 Sale Price: \$140,000,000    Price Per Unit: \$304,347.82  
 Units: 460    City: Denver
- Alas Over Lowry Apartments**  
 Sale Price: \$105,000,000    Price Per Unit: \$350,000  
 Units: 300    City: Denver
- Pembroke On The Green**  
 Sale Price: \$163,000,000    Price Per Unit: \$169,968.72  
 Units: 959    City: Denver
- Marquis Castle Pines**  
 Sale Price: \$104,000,000    Price Per Unit: \$292,134.83  
 Units: 356    City: Castle Pines

# COLORADO SPRINGS | MULTIFAMILY

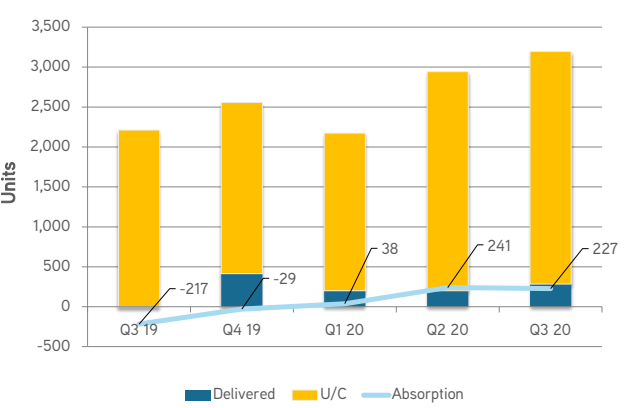
## Q3 2020



Rent & Vacancy Trends\*



Units Absorbed vs Delivered & Under Construction\*



### Highlights

- > Colorado Springs' vacancy rate dropped 20 basis points from the previous quarter.
- > Absorption in units slightly declined to 227 from Q2's 241.
- > Rental rates bounced back mightily to \$1,270 or up 2.42%.
- > More than 2,900 units are under construction.

Q3 2020 Notable Transactions					
PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
Volta at Voyager	Colorado Springs	\$52,600,000	200	Mountain View Capital	Bayley Yandell Development Ltd
Cottonwood Terrace	Colorado Springs	\$37,250,000	200	Oak Coast Properties	Peak Capital Partners

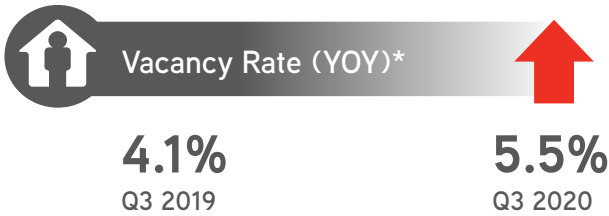
Source: CoStar

\*Source: Yardi Matrix as of September 2020.

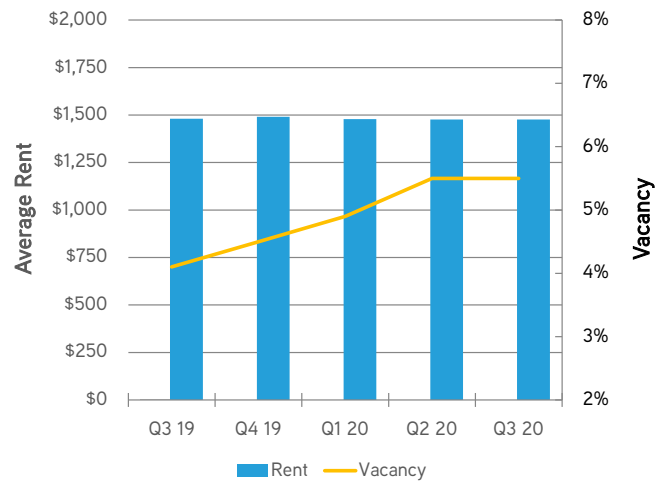


# NORTHERN COLORADO | MULTIFAMILY

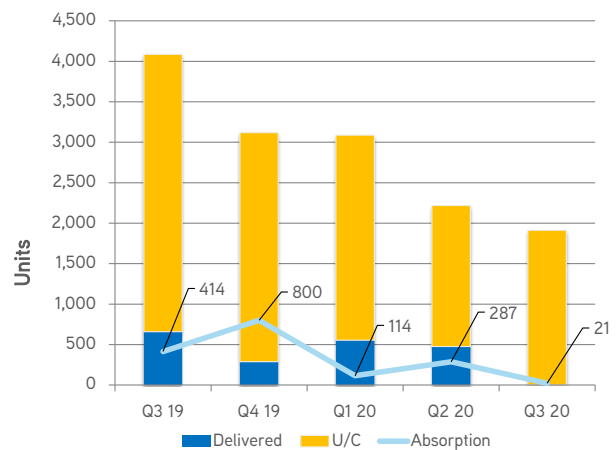
## Q3 2020



Rent & Vacancy Trends\*



Units Absorbed vs Delivered & Under Construction\*



## Highlights

- > Northern Colorado's vacancy rate remains the same from the previous quarter but up 140 basis points YOY.
- > Absorption in units declined dramatically to 21 compared to Q2's 287.
- > Rental rates remained the same as Q2 but slightly below Q3 19's \$1,481.
- > More than 2,900 units are under construction.

## Q2 2020 Notable Transactions

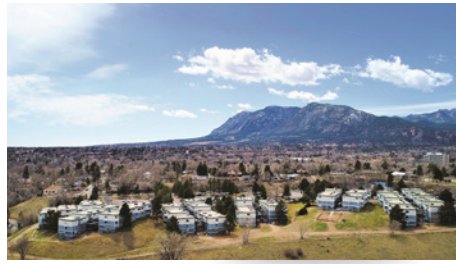
PROPERTY	CITY	SALE PRICE	# OF UNITS	BUYER	SELLER
Vibe Apartments	Fort Collins	\$74,000,000	276	Buchanan Street Partners	Milestone Development Group

Source: CoStar

## CURRENTLY MARKETING



ART DISTRICT  
126 UNITS



ELEVATE APARTMENTS  
192 UNITS

## RECENTLY SOLD



THE CENTRE  
168 UNITS



VIEW AT NORTH PEAK  
288 UNITS



PALMER PARK  
200 UNITS



WILLOWBROOK  
92 UNITS



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6 continents

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Canada: 43

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Asia Pacific: 35

EMEA: 85

\$3.3

billion  
sales volume

149

multifamily brokers

17,300

professionals  
and staff

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