

# METRO DENVER | MULTIFAMILY

## Q1 2021

Accelerating success.

### A Note Regarding COVID-19

As we publish this report, the global pandemic continues to impact day-to-day life, the economy, and commercial real estate. The extent, length and severity of this pandemic is unknown and continues to evolve at a rapid pace. The scale of the impact and its timing varies between locations. To better understand trends and emerging adjustments, please subscribe to [Colliers' COVID-19 Knowledge Leader](#) page for resources and recent updates.

## Multifamily Off To A Good Start



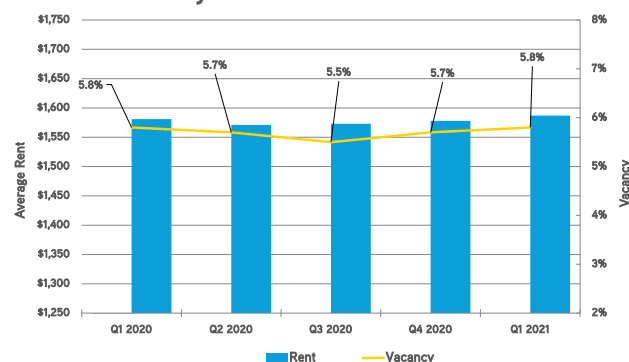
### Highlights

- > Metro Denver's vacancy rate increased from the previous quarter at 5.8%.
- > Absorption declined to negative 130 units, a large decrease from Q4's 959.
- > The average rental rate continues to rebound back concluding at \$1,587.
- > More than 20,507 units are currently under construction.

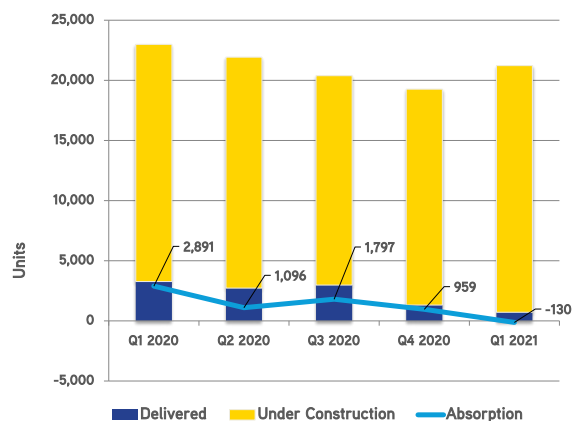
### Sale Statistics\*

(50+ Units)	Q1 2019	Q1 2020	Q1 2021
Total Number of Sales	20	25	14
Total Transaction Volume	\$1,074,498,998	\$1,183,318,623	\$915,641,500
# of Units Sold	4,382	5,727	3,069
Average Price Per Unit	\$245,207	\$206,621	\$298,352

### Rent & Vacancy Trends\*



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



### Q1 2021 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	PRICE PER UNIT	BUYER
REVE Boulder	Boulder	\$151,250,000	242	\$619,877	Virtu Investments
Arvada Ridge Apartments	Arvada	\$101,580,000	296	\$343,176	The Praedium Group
Regatta	Northglenn	\$100,500,000	352	\$285,511	Gelt
Cortland at Green Valley	Denver	\$100,440,000	324	\$310,000	Cortland
Boulder Crossroads*	Denver	\$55,500,000	322	\$172,360	Summit Communities

\*Colliers Sale

Source: CoStar

## Market Overview

### Summary

Despite negative absorption in units for the first quarter, Denver is in for a big 2021. Since the beginning of the new year (building off the high concentration of company relocations from last year), three companies within different industries have announced their relocation or expansion into Denver. Those companies are: MotoRefi, AgriWebb, and Kleos Space S.A. More than 20,000 units are currently under construction with an additional 16,500 in the development pipeline. Denver has proved to be a resilient city throughout the COVID-19 pandemic, demonstrating people want to live and work in the region. Average rents continue to rebound as expected with surging demand rounding off at \$1,587/per unit. Vacancy continues to trickle up slightly at 5.8% as a result of more than 1,100 units delivering in the quarter. Investment activity kicked off to a solid start and is expected to pick up as we push forward into the warmer months.

### Looking Forward

- Rents will continue to rebound both in urban and suburban markets.
- Construction demand will remain high in metro Denver.
- Investment activity will continue to show no signs of slowing down.

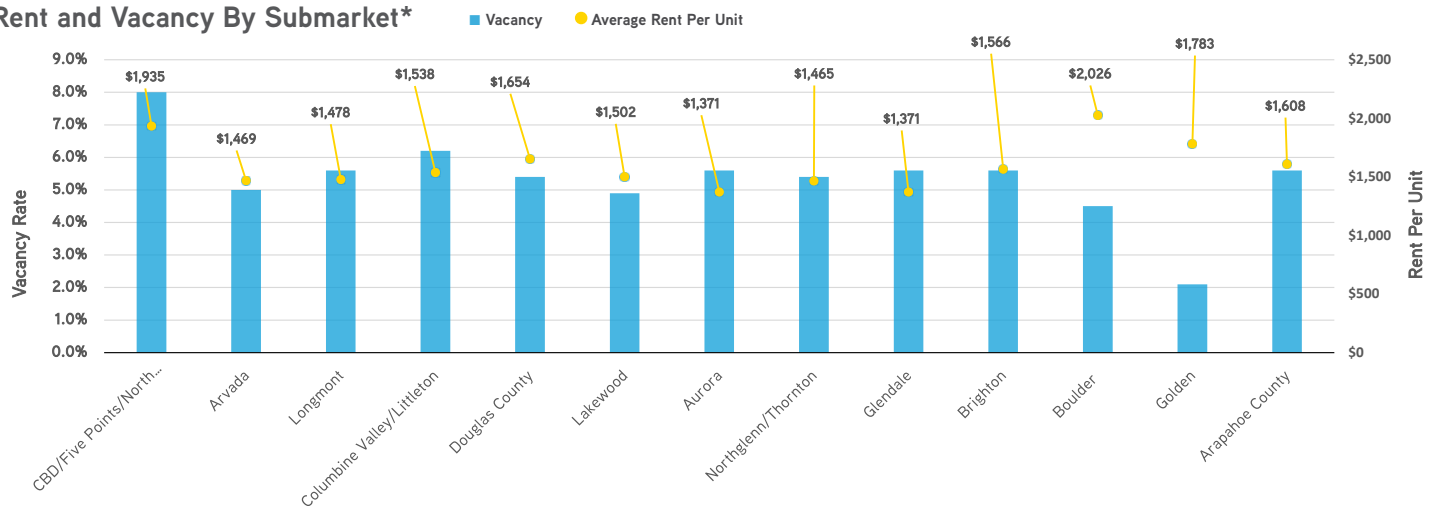
### Construction Costs

Like much of the country, construction costs continue to climb in Denver due to the increased demand. According to Ryder Levett Bucknall's latest report, Denver's comparative cost index has increased 1.83% year-over-year. Cities such as Los Angeles and New York also recorded increases at 4.41% and 3.67% respectively. Look for costs to continue to increase as the year progresses.

### Investment Activity

Investment activity has started off with a bang in 2021. The first quarter comprised of over 3,330 units sold with a transaction volume near \$915 million. In January alone, three properties each sold for over \$100 million, led by The Praedium Group purchasing the 296-unit Gateway at Arvada Ridge. The most notable sale is the currently under construction 242-unit REVE Boulder purchased by Virtu Investments for \$151.25 million or \$619,877/per unit. Sales by buyer type continue to be dominated by private capital, representing over 49% of the total sales.

Rent and Vacancy By Submarket\*



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

**499,018**

Population

**\$66,995**

Median Household Income

**84**

Housing Affordability

**73**

Diversity Index

**56.9%**

College Degree

\*Source: Yardi Matrix as of March 2021.

\*\* Source: ESRI

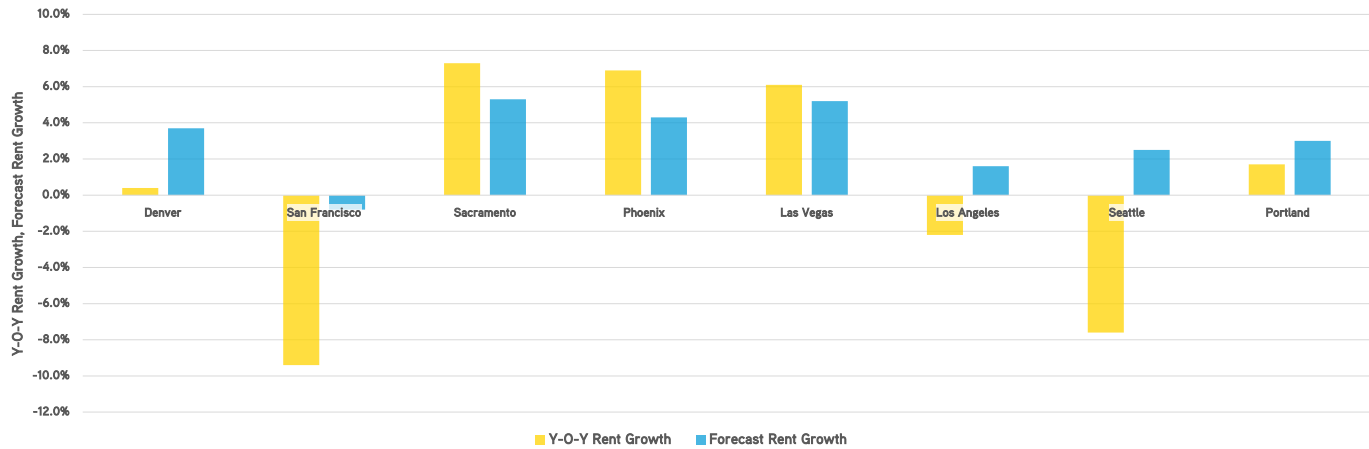


# METRO DENVER | MULTIFAMILY

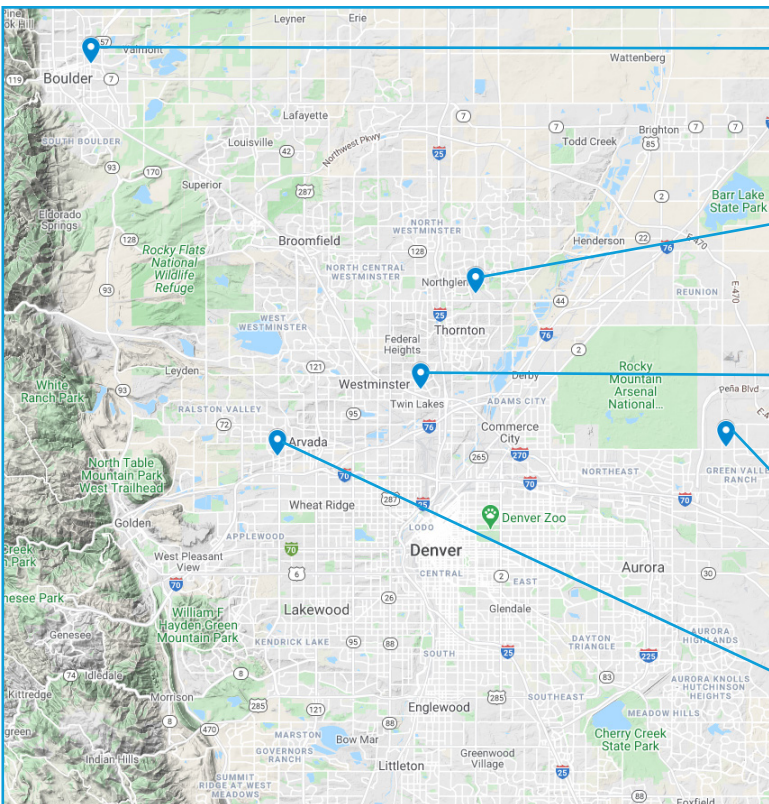
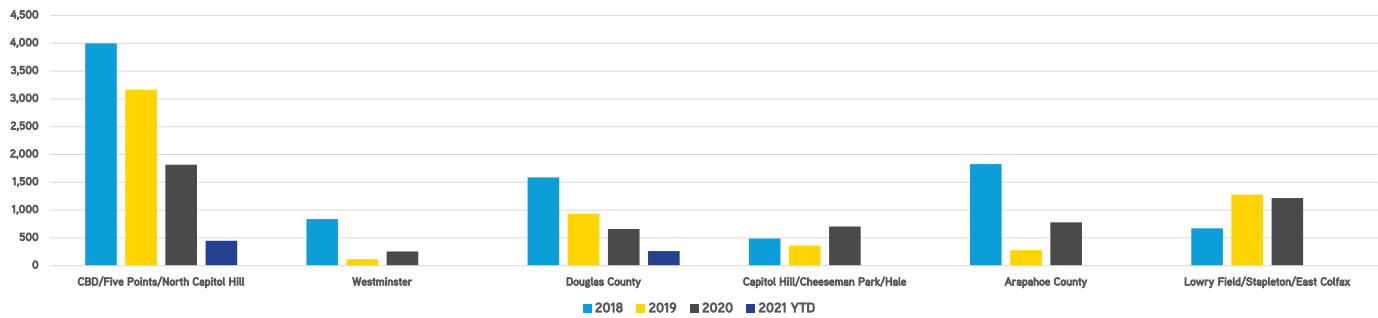
Q1 2021



## Denver vs. Western United States\*



## Submarket Unit Completions by Year\*



**REVE Boulder**  
 Sale Price: \$151,250,000    Price Per Unit: \$619,877  
 Units: 242    City: Boulder

**Regatta Apartments**  
 Sale Price: \$100,500,000    Price Per Unit: \$285,511  
 Units: 352    City: Northglenn

**Boulder Crossroads\*\***  
 Sale Price: \$55,500,000    Price Per Unit: \$172,360  
 Units: 322    City: Denver

**Cortland at Green Valley**  
 Sale Price: \$100,440,000    Price Per Unit: \$310,000  
 Units: 324    City: Denver

**Gateway Arvada Ridge Apartments**  
 Sale Price: \$101,580,000    Price Per Unit: \$343,176  
 Units: 296    City: Arvada



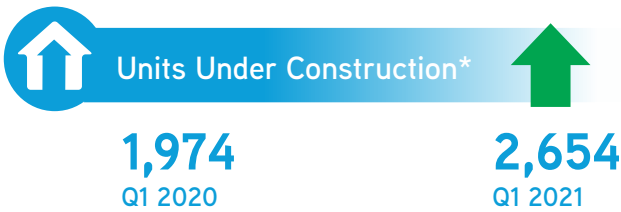
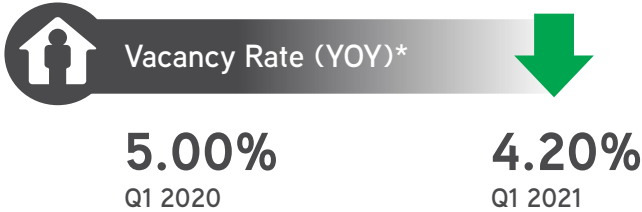
\*Source: Yardi Matrix as of March 2021.

\*\*Sold by Colliers

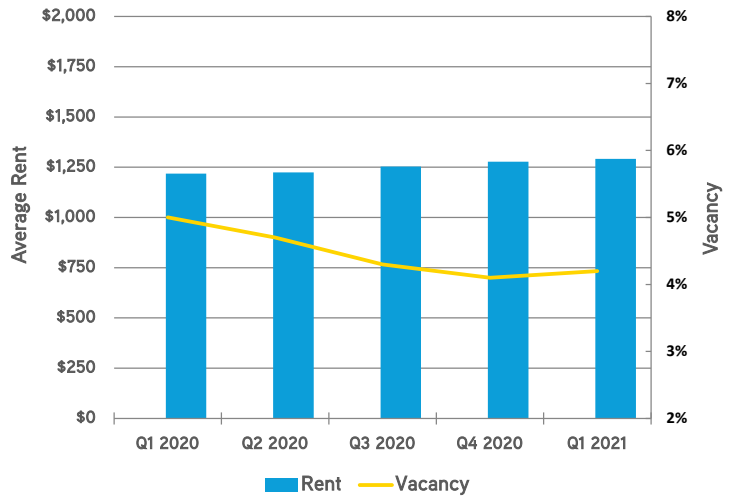


# COLORADO SPRINGS | MULTIFAMILY

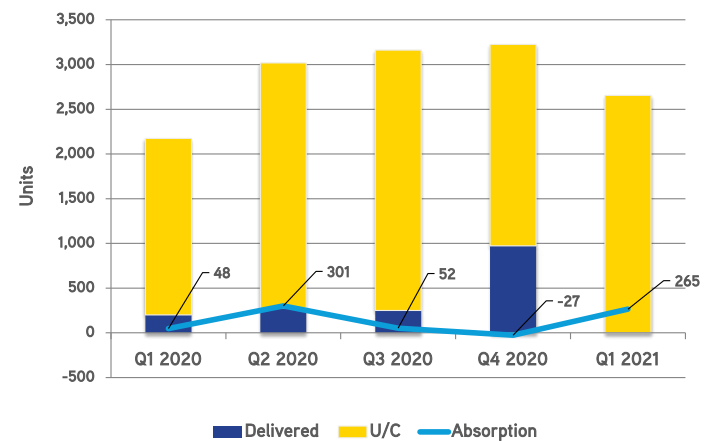
## Q1 2021



Rent & Vacancy Trends\*



Units Absorbed vs Delivered & Under Construction\*



## Highlights

- > Colorado Springs' vacancy rate jumps 10 basis points from the previous quarter.
- > Absorption rebounds to over 200 units in Q1.
- > Rental rates continue to increase to \$1,291, up 6.0% year-over-year.
- > More than 2,600 units are under construction.

## Q1 2021 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	PRICE PER UNIT	BUYER
Overlook at Mesa Creek	Colorado Springs	\$27,285,000	91	\$299,835	\$299,835
Stratmoor	Colorado Springs	\$20,200,000	78	\$258,974	\$258,974

Source: CoStar

# NORTHERN COLORADO | MULTIFAMILY

## Q1 2021

### Vacancy Rate (YOY)\*

**4.9%**  
Q1 2020

**5.1%**  
Q1 2021

### Average Rent (YOY)\*

**\$1,464**  
Q1 2020

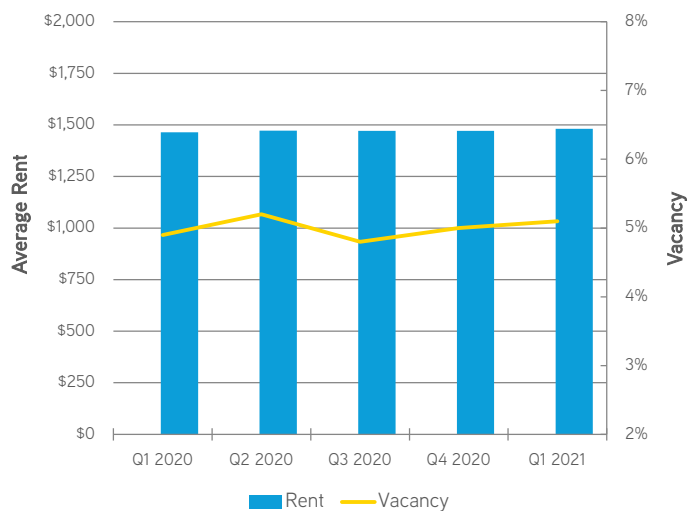
**\$1,481**  
Q1 2021

### Units Under Construction\*

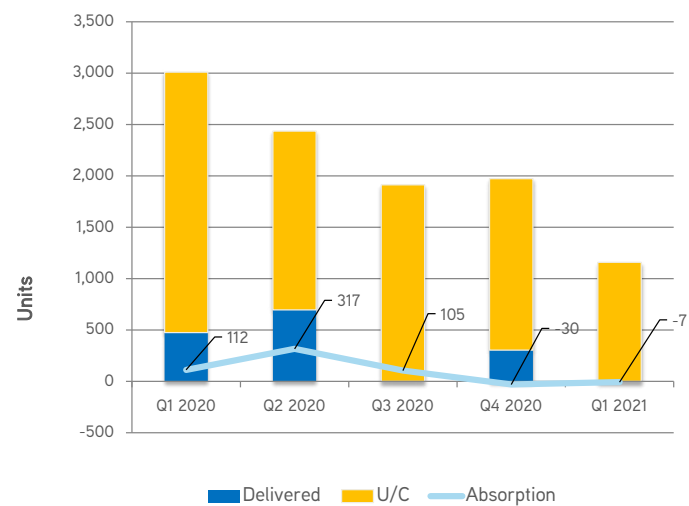
**2,534**  
Q1 2020

**1,159**  
Q1 2021

### Rent & Vacancy Trends\*



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



## Highlights

- > Northern Colorado's vacancy increased slightly from the previous quarter.
- > Absorption in units continues to decrease.
- > Rental rates decreased to \$1,472 compared to Q3's \$1,483.
- > More than 1,100 units are under construction.

### Q1 2021 Notable Transactions

PROPERTY	CITY	SALE PRICE	# OF UNITS	PRICE PER UNIT	BUYER
The Wyatt	Fort Collins	\$110,000,000	368	\$298,913	Hamilton Zanze Real Estate Investments
Rise at 2534	Johnstown	\$70,210,000	236	\$297,500	Sentinel Real Estate Corp.
Cloverleaf Community	Fort Collins	\$47,185,509	391	\$120,679	Royce Cloverleaf, LLC
Buttes Apartments	Loveland	\$25,500,000	111	\$229,730	Woodsphear Properties

Source: CoStar

## CURRENTLY MARKETING



ART DISTRICT FLATS  
126 UNITS



WILLOWBROOK  
95 UNITS

## RECENTLY SOLD



BOULDER CROSSROADS  
322 UNITS



VIEW AT NORTH PEAK  
288 UNITS



PALMER PARK  
200 UNITS



ELEVATE APARTMENT HOMES  
192 UNITS



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400 offices in  
68 countries on  
6 continents

United States: 109

Canada: 43

Latin America: 18

Asia Pacific: 35

EMEA: 85

\$3.3

billion  
sales volume

149

multifamily brokers

17,300

professionals  
and staff

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