



Colliers

Denver

Multifamily

24Q4

During Q4, the Denver Metro Multifamily market took a slight hit, with an increase in vacancy during the quarter and a further increase projected over the next year. With new units being delivered, construction activity decreased during the quarter. Absorption decreased, showing a softening demand in the market. Rent continued to decline during Q4 but is projected to increase during 2025. The Denver market is headed towards uncertainty in 2025, with an imbalance in supply and demand providing a cloudy outlook.

Accelerating success.

## Key Takeaways

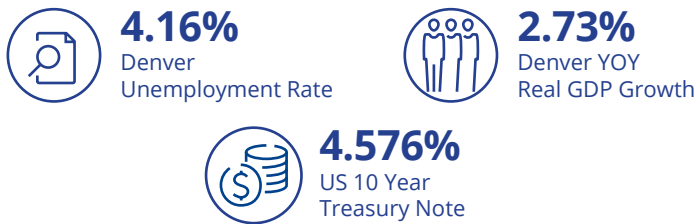
- Vacancy is up 50 basis points YOY, and forecasted to increase during 2025.
- Absorption decreased by 1,672 units, with new deliveries coming into the market.
- Ongoing construction has decreased by 2,835 units, with units being delivered over the past quarter.
- Average rent decreased by \$51, but is forecasted to slowly increase with added demand.



## Continued Optimism in the Denver Market

The Denver Multifamily market saw a slight decline during Q4, with vacancy increasing 60 basis points over the quarter and 50 basis points from the previous year. Demand for apartments in Denver has maintained, with new deliveries entering the market. Absorption was down around 1,700 units over the last quarter, and is forecasted to decrease during 2025. Ongoing construction has slowed, with a decrease of around 3,000 units in the pipeline and a projection to continue to decrease. Effective Rents have decreased from \$1,860 to \$1,809 during the quarter, but are projected to increase with demand and steady supply. This plateau in supply will keep absorption low, but as the new supply continues to fill, those numbers will rise.

## Market Indicators



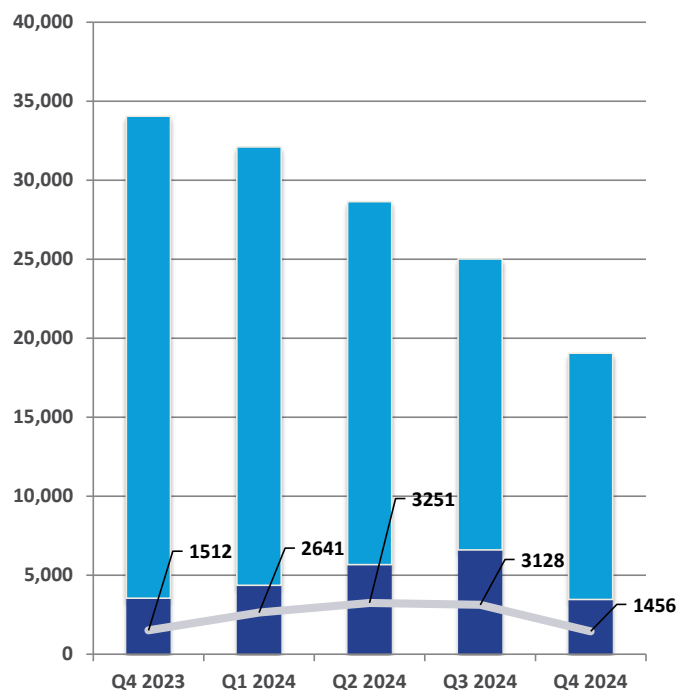
## Historic Comparison

|   | 2024 Q4 | 2024 Q3 | 2023 Q4 |
|---|---------|---------|---------|
| <b>Total Inventory (Existing Units)</b> | 323,715 | 320,246 | 303,594 |
| <b>Units Delivered</b>                  | 3,469   | 6,606   | 3,557   |
| <b>Units Absorbed</b>                   | 1,456   | 3,128   | 1,512   |
| <b>Occupancy</b>                        | 93.00%  | 93.60%  | 93.50%  |
| <b>Under Construction</b>               | 15,578  | 18,413  | 30,496  |
| <b>Average Monthly Rent</b>             | 1,809   | 1,860   | 1,859   |

Source: CoStar

## Market Graph

Units Absorbed vs. Delivered & Under Construction

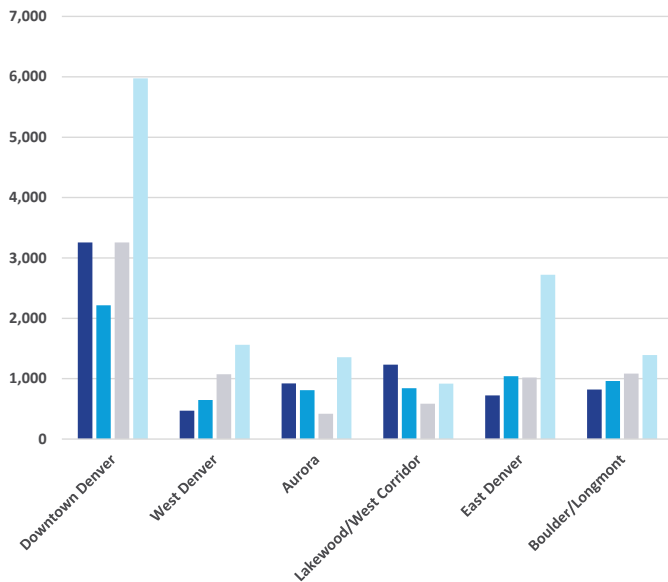


Source: CoStar

## Construction

Denver has shown high construction activity over the past year, with 3,469 new units delivered. Construction activity continued to decline, but remained active at 15,578 units, placing Denver near the top among nationwide markets. Market participants have flagged Denver as an incredibly tough city to build in, as significant delays in the permitting approval process and an affordable housing initiative have led to higher labor and construction costs. Developers are targeting Downtown Denver, with 5,974 unit completions this year, outpacing other submarkets. Despite developers diminishing market outlook, Denver still has a large enough pipeline to shift vacancy rates in 2025.

Submarket Unit Completions by Year

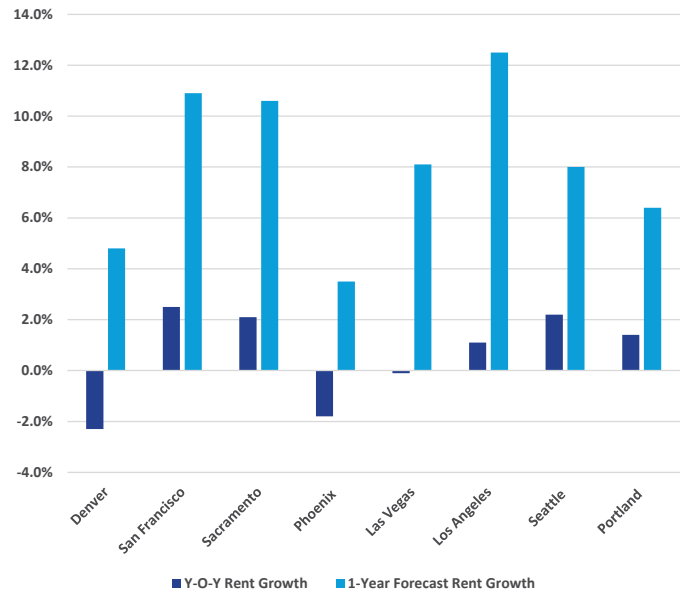


Source: CoStar

## Investment Activity

Investment activity continues stability in Q4, showing stable activity since mid-2023. Although not as high as pre-pandemic averages, the Denver multifamily market still clears over \$900 million in activity per quarter. Interest rates remain high and rent growth has stalled, but sellers have been willing to meet the decrease in demand, contributing to this steady activity. Recent sales include Altitude at Lone Tree, bought by McDowell Properties for \$138 million, and Avalon Lowry, bought by AvalonBay Communities for \$137 million. With a continued decrease in construction starts, investment activity should remain steady in 2025.

YOY Rent Growth vs. 1-Year Forecast Rent Growth



Source: CoStar

## Sales Activity

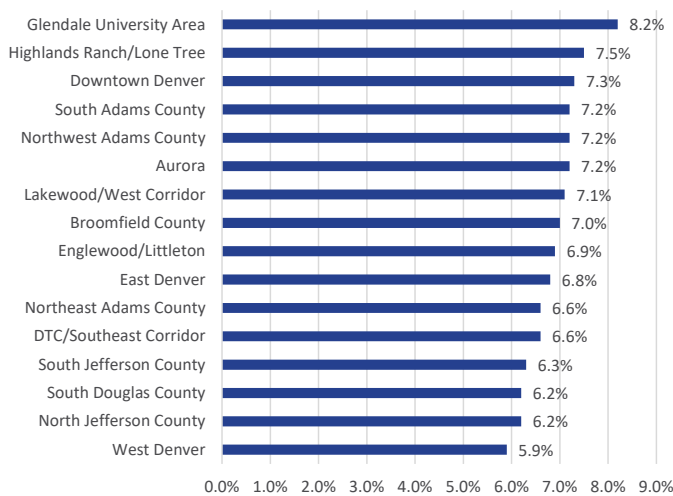
| PROPERTY               | CITY      | SALE PRICE    | # OF UNITS | PRICE PER UNIT | BUYER                 |
|------------------------|-----------|---------------|------------|----------------|-----------------------|
| 10185 Park Meadows Dr  | Lone Tree | \$138,250,000 | 427        | \$323,770.49   | McDowell Properties   |
| 7108 E Lowry Blvd      | Denver    | \$136,500,000 | 347        | \$393,371.76   | AvalonBay Communities |
| 4380 S Monaco St       | Denver    | \$126,700,000 | 398        | \$318,341.71   | Ares Management       |
| 13055 W Mississippi Ct | Lakewood  | \$104,600,000 | 260        | \$402,307.69   | Sagard Real Estate    |
| 2130 Arapahoe St       | Denver    | \$101,600,000 | 351        | \$289,458.69   | CIM Group             |

Source: CoStar

## Vacancy

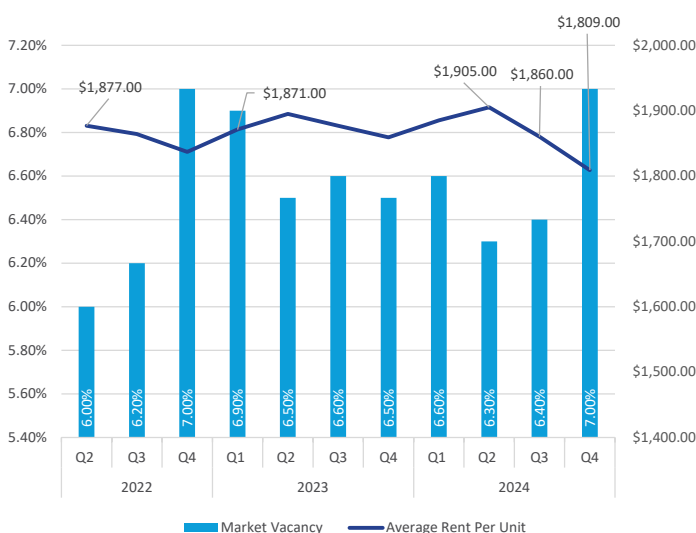
As of Q4 2024, vacancy has remained high in the Denver metro. The market continues a surge of supply, with 15,578 units under construction in the pipeline. Overall vacancy increased to 7.0%, up from 6.4% in Q2, and is up 50 basis points YOY, as demand has not yet caught up to the aggressive supply expansion. West Denver continues to be a strength in the market, with a vacancy rate of 5.9%, while the Glendale University Area shows the highest vacancy at 8.2%. This increase in supply should continue until 2026, when construction will slow and the demand will meet, balancing the market.

Vacancy by Submarket



Source: CoStar

Market Vacancy and Average Market Rents

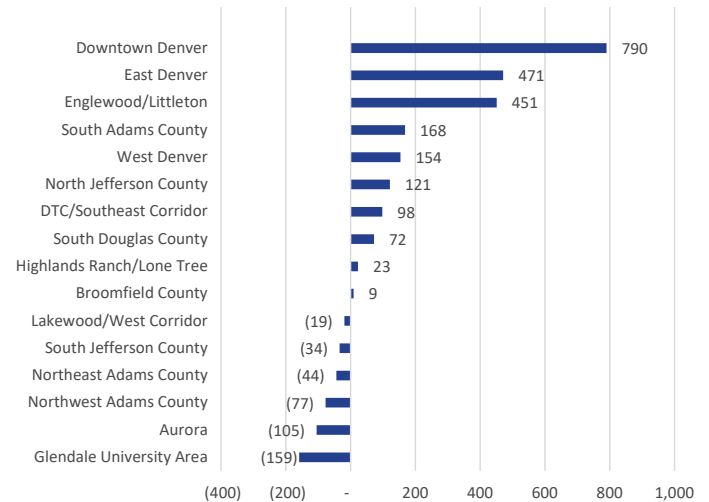


Source: CoStar

## Absorption

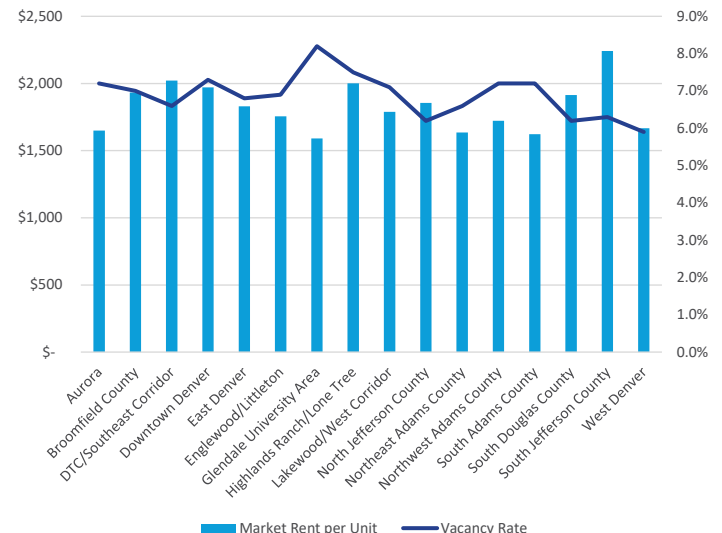
The Denver metro Multifamily saw a dip in absorption in Q4, with a net absorption of 1,456 units, down from 3,128 in Q3 and 1,512 in Q4 2023. Absorption is forecasted to decrease during 2025, as demand has decreased slightly over the last quarter. Downtown Denver maintains the highest absorption, with 790 units, with East Denver following behind at 471 units. The Glendale University Area submarket saw negative absorption, at -159 units. With a robust construction pipeline projected over the next few years, absorption will see a slight decrease, but shouldn't be expected to get back to pre-pandemic levels.

Net Absorption Current Qtr. Units



Source: CoStar

Rent and Vacancy By Submarket



Source: CoStar



## Lease Rates

In Q4 2024, lease rates continued to drop after increasing over the first half of the year. Lease rates decreased \$51 to \$1,809 in Q4 2024, with a YOY decrease of \$50. Rates got to \$1,859 in Q4 2023, and increased until Q3 2024. Rates are expected to increase in 2024 and into 2025, even with the population seeking alternatives with a high cost of living. Downtown Denver rent growth has not been able to keep up with other submarkets, as renters seek affordable spaces in suburban submarkets. This trend should continue in 2025, even with ample activity in the construction pipeline.

## Forecast

The Denver Multifamily forecast is uncertain in 2025, with vacancy forecasted to slowly increase over the next few years. Demand will remain strong in 2025, but an imbalance in supply will prevent the market from reaching an equilibrium. Absorption is projected to decrease during 2025 and in the next few years, with a ton of supply being delivered into the market. Ongoing construction is projected to decrease as well with this uptick in deliveries. On a positive note, lease rates are expected to increase in the near future, as Denver remains as one of the top cities for quality of life. As we approach 2025, the imbalance in supply and demand provides a cloudy outlook for the Denver Multifamily market.

| Submarket                        | Bldgs. | Total Inventory Units | Vacancy Rate | Market Rent per Unit | YOY Market Rent Growth | Net Absorption Current Qtr. Units | Deliveries Current Qtr. Units | Under Construction Units |
|----------------------------------|--------|-----------------------|--------------|----------------------|------------------------|-----------------------------------|-------------------------------|--------------------------|
| <b>Aurora</b>                    | 163    | 41,758                | 7.2%         | \$1,649              | -5.20%                 | (105)                             | 433                           | 2,571                    |
| <b>Broomfield County</b>         | 46     | 11,277                | 7.0%         | \$1,934              | -0.50%                 | 9                                 | -                             | 1,613                    |
| <b>DTC/Southeast Corridor</b>    | 60     | 15,214                | 6.6%         | \$2,022              | -2.90%                 | 98                                | -                             | 1,346                    |
| <b>Downtown Denver</b>           | 300    | 54,753                | 7.3%         | \$1,972              | -4.30%                 | 790                               | 1,046                         | 2,730                    |
| <b>East Denver</b>               | 103    | 23,600                | 6.8%         | \$1,830              | -1.40%                 | 471                               | 399                           | 1,109                    |
| <b>Englewood/Littleton</b>       | 74     | 12,423                | 6.9%         | \$1,755              | -1.70%                 | (27)                              | 451                           | 635                      |
| <b>Glendale University Area</b>  | 112    | 23,058                | 8.2%         | \$1,591              | -2.90%                 | (159)                             | 255                           | 234                      |
| <b>Highlands Ranch/Lone Tree</b> | 40     | 12,295                | 7.5%         | \$2,001              | -2.30%                 | 23                                | -                             | 0                        |
| <b>Lakewood/West Corridor</b>    | 142    | 24,728                | 7.1%         | \$1,789              | -1.60%                 | (19)                              | -                             | 706                      |
| <b>North Jefferson County</b>    | 83     | 14,821                | 6.2%         | \$1,855              | 0.40%                  | 121                               | 354                           | 250                      |
| <b>Northeast Adams County</b>    | 74     | 12,792                | 6.6%         | \$1,635              | -2.10%                 | (44)                              | -                             | 746                      |
| <b>Northwest Adams County</b>    | 105    | 26,472                | 7.2%         | \$1,723              | -1.70%                 | (77)                              | 385                           | 247                      |
| <b>South Adams County</b>        | 36     | 6,840                 | 7.2%         | \$1,623              | 1.10%                  | 168                               | -                             | 0                        |
| <b>South Douglas County</b>      | 59     | 13,951                | 6.2%         | \$1,915              | -1.10%                 | 72                                | -                             | 1,037                    |
| <b>South Jefferson County</b>    | 23     | 5,724                 | 6.3%         | \$2,242              | -0.30%                 | (34)                              | -                             | 287                      |
| <b>West Denver</b>               | 141    | 23,028                | 5.9%         | \$1,667              | -4.30%                 | 154                               | -                             | 2,067                    |
| <b>Totals</b>                    | 1,569  | 323,715               | 7.0%         | \$1,809              | -2.30%                 | 1,489                             | 3,469                         | 15,578                   |

Source: CoStar

| Denver Metro Historical |       |         |      |         |        |       |       |        |
|-------------------------|-------|---------|------|---------|--------|-------|-------|--------|
| <b>Q4 2024</b>          | 1,569 | 323,715 | 7.0% | \$1,809 | -2.94% | 1,489 | 3,469 | 15,578 |
| <b>Q3 2024</b>          | 1,552 | 320,246 | 6.4% | \$1,860 | -0.90% | 3,128 | 6,606 | 18,413 |
| <b>Q2 2024</b>          | 1,529 | 313,640 | 6.3% | \$1,905 | 0.50%  | 3,251 | 5,677 | 22,964 |
| <b>Q1 2024</b>          | 1,502 | 307,963 | 6.6% | \$1,885 | 0.70%  | 2,641 | 4,369 | 27,730 |
| <b>Q4 2023</b>          | 1,483 | 303,594 | 6.5% | \$1,859 | 1.20%  | 1,512 | 3,557 | 30,496 |

Source: CoStar



Colorado Springs

# Multifamily 24Q4

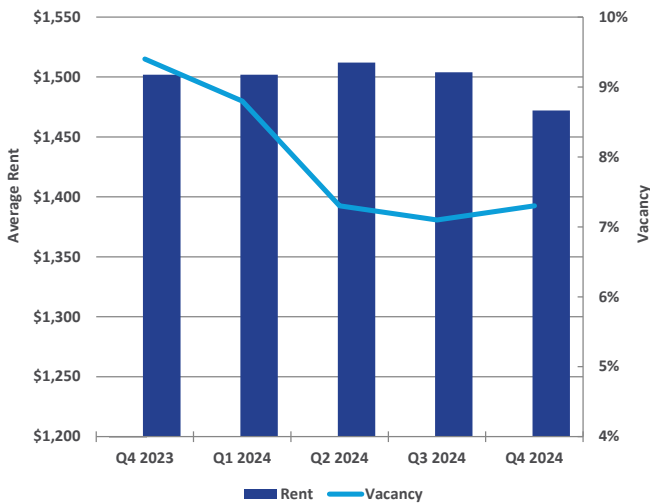
## Highlights

- Vacancy rates decreased 210 basis points YOY, but increased 20 basis points during Q4, ending at 7.3%.
- Absorption ended at 1,086 units, up 286 units YOY and 147 units during Q4
- Construction activity decreased to 2,061 units, down 5,794 units YOY and 838 units during Q4.
- Lease rates decreased by \$30 per unit YOY and \$32 per unit during Q4, ending at \$1,472.



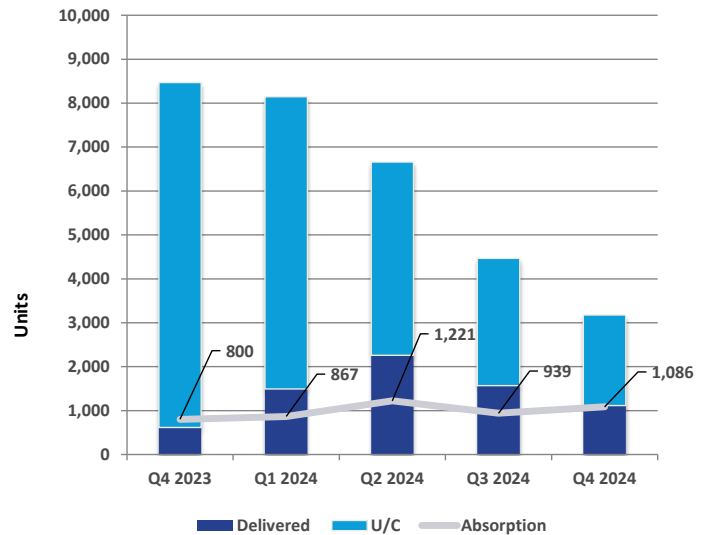
During Q4 2024, the Colorado Springs multifamily market continued an accelerated demand, with vacancy increasing 20 basis points to 7.3%, but decreasing YOY by 210 basis points. Absorption was up 147 units in Q4, and up 286 units YOY, indicating solid leasing activity with a variety of new deliveries in the market. Construction activity decreased by 838 units during the quarter, and 5,794 units YOY. An increase in high-paying aerospace and defense jobs has driven demand for units in the luxury category. Lease rates decreased by \$32 per unit to \$1,472 during the quarter and \$30 since Q4 2023. With new supply continuing to enter the market, vacancy should rise until demand can match.

### Average Rent & Vacancy Trends



Source: CoStar

### Units Absorbed vs. Delivered & Under Construction



Source: CoStar

## Sales Activity

| PROPERTY               | CITY             | SALE PRICE    | # OF UNITS | PRICE PER UNIT | BUYER                                |
|------------------------|------------------|---------------|------------|----------------|--------------------------------------|
| 7295 Ascent Vw         | Colorado Springs | \$102,500,000 | 360        | \$284,722      | Northland                            |
| 3370 Bryson Heights    | Colorado Springs | \$95,000,000  | 312        | \$304,487      | NALS Apartment Homes                 |
| 1512-1518 S Corona Ave | Colorado Springs | \$1,850,000   | 6          | \$308,333      | Eric Sepp                            |
| 3612 W Colorado Ave    | Colorado Springs | \$1,500,000   | 38         | \$39,474       | Donato Brothers Property Investments |

Source: CoStar



Northern Colorado

# Multifamily 24Q4

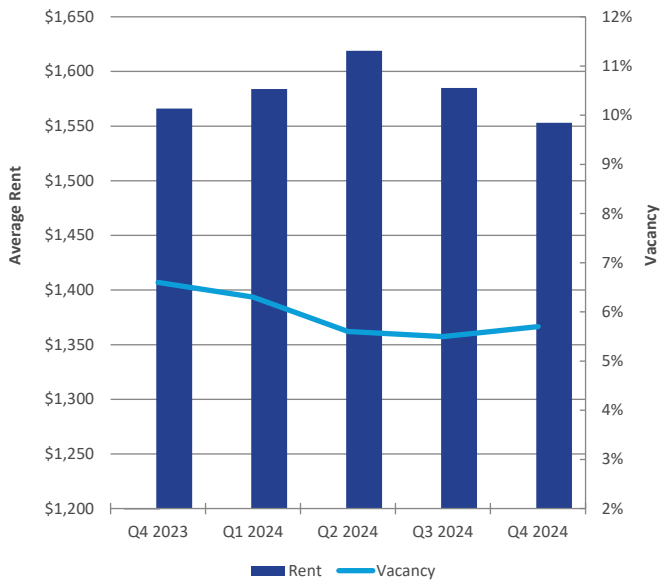
## Highlights

- Vacancy rate is up to 5.7%, a 20 basis point increase in Q4 but a 90 basis point decrease YOY.
- Absorption decreased to 117 units, down 588 units during the quarter and 144 units YOY.
- Lease rates are down to \$1,553, a decrease of \$32 during Q4 and \$13 YOY.

|   |  |  |   |
|---|--|--|---|
|  <b>Vacancy Rate</b><br>5.7% <div style="display: flex; justify-content: space-between; font-size: 8px;"> <span>YOY ▼</span> <span>FORECAST ▲</span> </div> |  <b>Net Absorption</b><br>117<br>units <div style="display: flex; justify-content: space-between; font-size: 8px;"> <span>YOY ▼</span> <span>FORECAST ▼</span> </div> |  <b>Under Construction</b><br>632<br>units <div style="display: flex; justify-content: space-between; font-size: 8px;"> <span>YOY ▼</span> <span>FORECAST ▼</span> </div> |  <b>Asking Lease Rates</b><br>\$1,553 <div style="display: flex; justify-content: space-between; font-size: 8px;"> <span>YOY ▼</span> <span>FORECAST ▲</span> </div> |
|---|--|--|---|

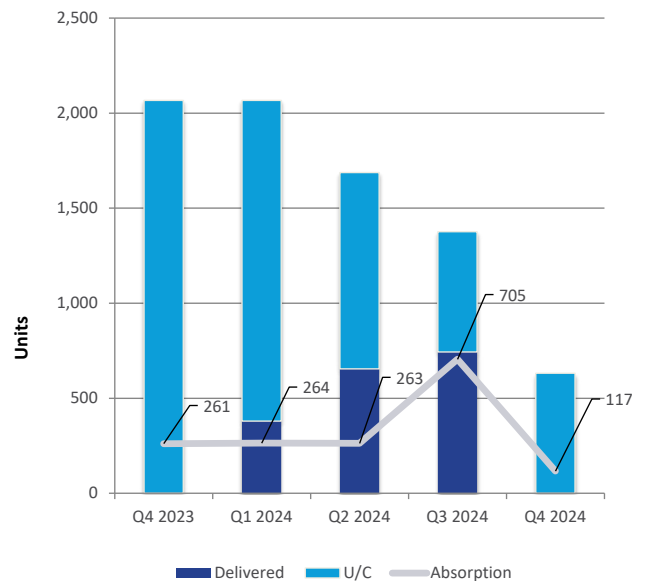
During Q4 2024, the Northern Colorado market continued to rebound, with vacancy increasing slightly to 5.7%, up 20 basis points during the quarter but down 90 basis points YOY. However, vacancy is projected to increase, with new deliveries and no shift in demand. Absorption decreased to 117 units, down 588 units during the quarter and 144 units YOY, showing negative trends with a further decrease in leasing activity projected. Absorption is projected to decrease in the coming years with ongoing projects being delivered. Construction activity remained the same, with 632 units under construction during Q4. That is down 1,435 units YOY. Lease rates decreased during the quarter but are expected to increase in 2025. Effective rent ended Q4 at \$1,553, down \$32 during the quarter and \$13 YOY. Renters remain uncertain about high housing costs, but a rebound in demand maintains a steady market in Northern Colorado.

### Average Rent & Vacancy Trends



Source: CoStar

### Units Absorbed vs. Delivered & Under Construction



Source: CoStar

## Sales Activity

| PROPERTY            | CITY         | SALE PRICE   | # OF UNITS | PRICE PER UNIT | BUYER                          |
|---------------------|--------------|--------------|------------|----------------|--------------------------------|
| 2002 Battlecreek Dr | Fort Collins | \$76,100,000 | 280        | \$271,785.71   | Green Leaf Partners Management |
| 1628 9th Ave        | Greeley      | \$3,120,000  | 24         | \$130,000.00   | Halaby Capital                 |

Source: CoStar

# 351 offices in 67 countries on 6 continents

United States: 115  
Canada: 41  
Latin America: 12  
Asia Pacific: 33  
EMEA: 78



**\$3.3B**  
in revenue



**2B**  
square feet under management



**18,000 +**  
professionals and staff

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