



Colliers

Denver

Multifamily

25Q1

During Q1, Denver metro Multifamily market fundamentals continued its struggle amidst a heavy construction pipeline. Excessive deliveries outpaced demand, driving vacancy higher and decreasing absorption. Rental rates also declined in Q1, however projections for future rates are bullish. The outlook for 2025 will remain vague until the current imbalance of supply and demand begins to resolve.

Accelerating success.



Denver

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Key Takeaways

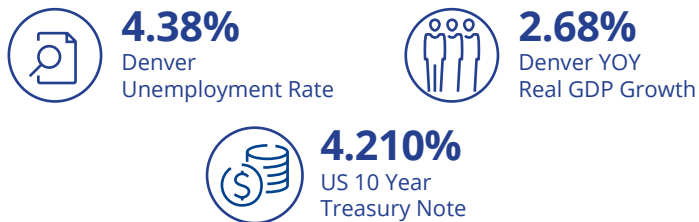
- Vacancy is up 20 basis points YOY, and forecasted to continue this increase during the rest of 2025.
- Absorption increased by 1,001 units, with a slowdown of construction starts in the market.
- Ongoing construction has increased by 1,113 units, with a decrease in deliveries over the past quarter.
- Average rent increased by \$21, and is forecasted to slowly increase with added demand.



Optimism in the Denver Market

The Denver Multifamily market signaled a slight return to pre-pandemic levels during Q1 2025, despite vacancy increasing 20 basis points over the quarter from the previous year. Demand for apartments in Denver has maintained, with new deliveries entering the market but a slowdown in construction starts. Absorption was up around 1,000 units over the last quarter, but is forecasted to decrease during the rest of 2025. Ongoing construction has increased by around 1,100 units in the pipeline, but is projected to decrease over the next few quarters. Effective Rents have increased from \$1,811 to \$1,832 during the quarter, and are projected to increase with demand and steady supply. With a lack of new construction starts, supply will begin to plateau and allow absorption to recover into 2026.

Market Indicators



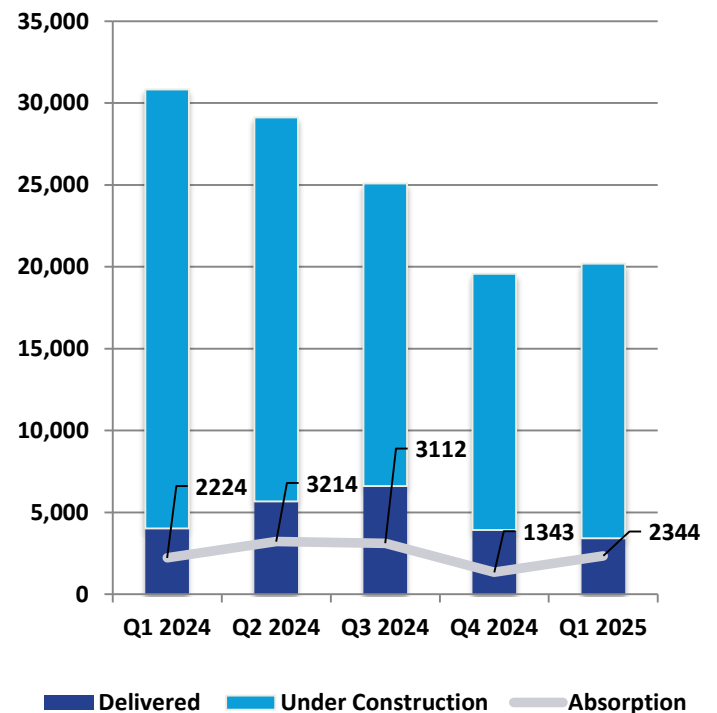
Historic Comparison

	2025 Q1	2024 Q4	2024 Q1
Total Inventory (Existing Units)	326,061	322,645	306,440
Units Delivered	3,416	3,922	4,017
Net Absorption	2,344	1,343	2,224
Occupancy	92.70%	92.90%	92.90%
Under Construction	16,775	15,662	26,824
Average Monthly Rent	1,832	1,811	1,888

Source: CoStar

Market Graph

Units Absorbed vs. Delivered & Under Construction

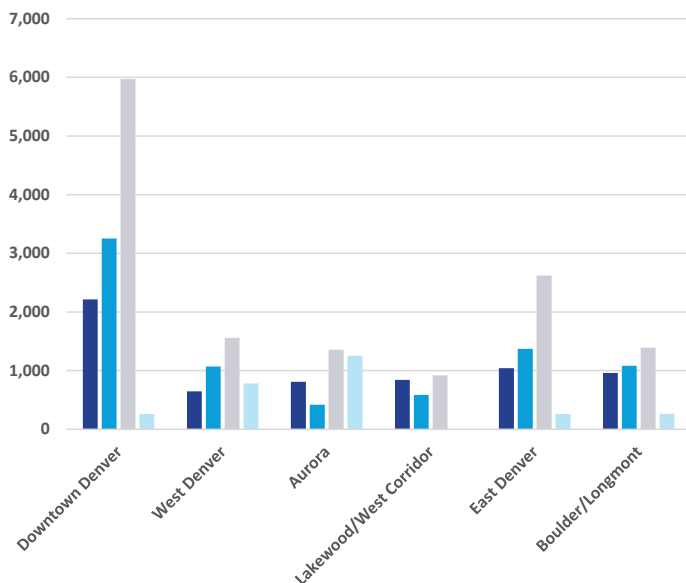


Source: CoStar

Construction

Denver is off to a strong start with deliveries, with 3,416 units delivered during Q1 and sustained high activity in the metro. Construction activity increased slightly during the quarter, remaining active at 16,775 units, placing Denver near the top among nationwide markets. Even with an active pipeline, construction starts are continuing to decline due to increased difficulty in financing new projects and historic deliveries over the last 2 years, greatly increasing competition. Additionally, a slow permitting process and affordable housing initiatives have created a barrier to build in Denver. Developers are targeting the Aurora submarket, with 1,255 unit completions this quarter, outpacing Downtown Denver and other submarkets. Despite developers diminishing market outlook, Denver still has a large enough pipeline to shift vacancy rates during the rest of 2025.

Submarket Unit Completions by Year

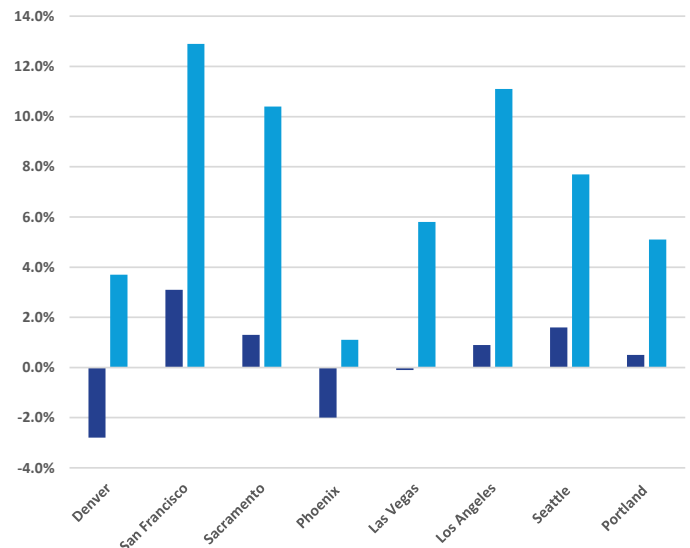


Source: CoStar

Investment Activity

Investment activity remains stable in the first quarter of 2025, with a steady increase in volume since mid-2023. Although significantly lower than five-year 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 fewer construction starts provides a positive outlook for future rent growth. Recent sales include Bell Parker, bought by Bell Partners for \$103 million, and Deco, bought by Cityview for \$101 million. With a continued decrease in construction starts, investment activity should remain steady during the rest of 2025.

YOY Rent Growth vs. 1-Year Forecast Rent Growth



Source: CoStar

Sales Activity

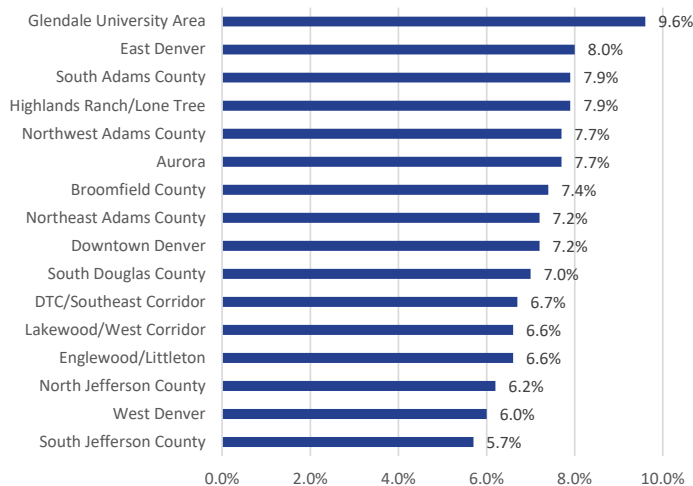
PROPERTY	CITY	SALE PRICE	# OF UNITS	PRICE PER UNIT	BUYER
16950 Carlson Dr	Parker	\$103,250,000	360	\$286,805.56	Bell Partners
2180 S Colorado Blvd	Denver	\$101,000,000	350	\$288,571.43	Cityview
5650 N Argonne St	Denver	\$99,000,000	324	\$305,555.56	Eaton Vance Real Estate Investment Group
6300 E Hampden Ave	Denver	\$91,100,000	276	\$330,072.46	Mesirow Financial
1410 8th St	Golden	\$47,500,000	99	\$479,797.98	MIG Capital

Source: CoStar

Vacancy

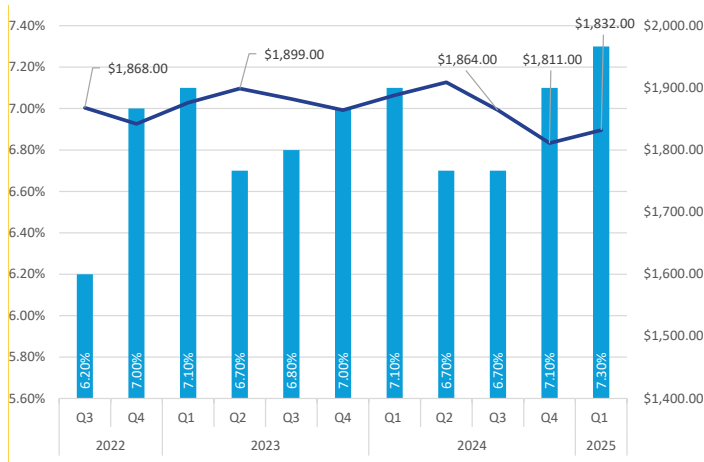
As of Q1 2025, vacancy remains high in the Denver metro, reaching its highest rate since the pandemic. The market continues a surge of supply, with 16,775 units under construction in the pipeline. Overall vacancy increased to 7.3%, up from 7.1% in Q4, and is up 20 basis points YOY, as demand is still working to catch up to an aggressive supply expansion. West Denver continues to be a strong performer in the market, with a vacancy rate of 6.0%, while the Glendale University Area continues to show the highest vacancy at 9.6%. 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

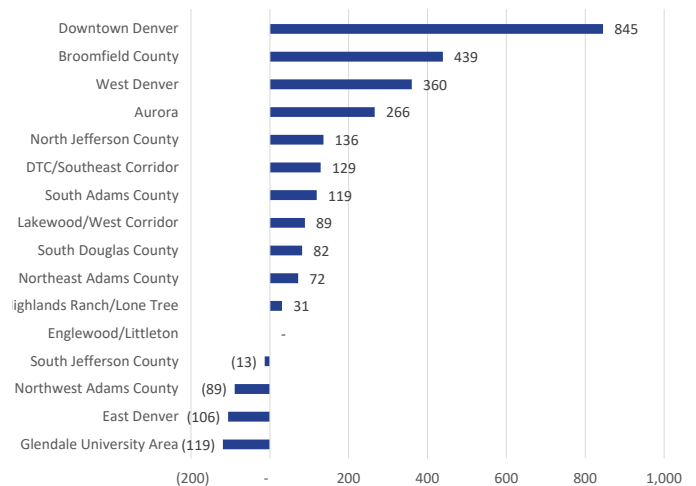


Source: CoStar

Absorption

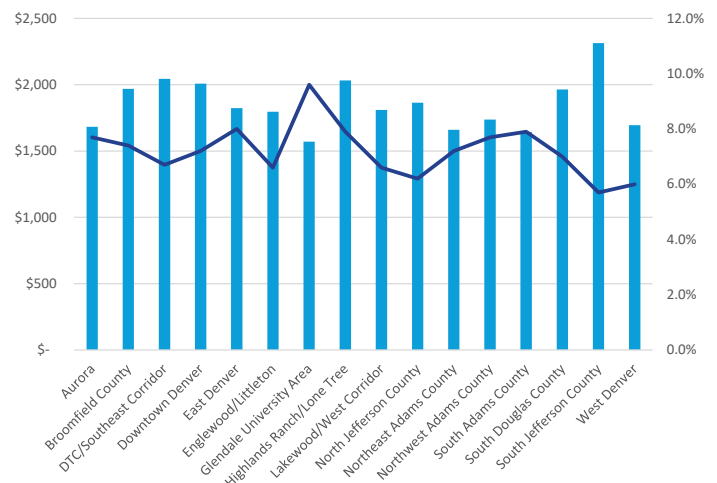
The Denver metro Multifamily market saw an increase in absorption in Q1, with a net absorption of 2,344 units, up from 1,343 in Q4 and 2,224 in Q1 2024. Downtown Denver maintains the highest absorption, with 845 units, with Broomfield County right behind at 439 units. The Glendale University Area submarket saw negative absorption, at -119 units, continuing to be one of the weakest markets in Denver. Absorption is forecasted to continue decreasing as new supply continues to deliver in the market, but will begin rebounding as the pipeline shrinks.

Net Absorption Current Qtr. Units



Source: CoStar

Rent and Vacancy By Submarket



Source: CoStar

Lease Rates

Lease rates remained static in Q1 2025, increasing by only \$21 to \$1,832 per unit, a YOY decrease of \$56. Rates peaked at \$1,909 in Q2 2024, the highest since the pandemic, but growth plateaued in recent quarters. Rates are expected to continually increase throughout 2025, likely getting back to pre-pandemic levels. As the population gravitates towards more affordable housing and luxury options, rental rates should continue to grow. The DTC/Southeast Corridor, at \$2,044, has passed Downtown in rental rates over the past quarter, while the Glendale University Area maintains the lowest rates, at \$1,571. With construction starts at a record low, long-term rent gains should result.

Forecast

The Denver Multifamily market is stabilizing, as vacancy rates are projected to hold steady and demand is likely to remain solid. Denver continues to be a desirable destination for quality of life, resulting in strong demand each quarter, but a sharp drop in new construction will allow supply to match. Average rents are forecasted to rise over the next few quarters, as the improved relationship between supply and demand will lead to a gradual rebound in rates. While vacancy should remain around that 7.0% level in the near-term, rates will drop as the surplus of units begin to be leased. The Denver market has long been clouded with uncertainty, but with recent positive indicators, the long-term outlook is starting to become clearer.

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
Aurora	169	42,937	7.7%	\$1,683	-5.40%	266	1,255	2,475
Broomfield County	48	11,960	7.4%	\$1,969	-0.90%	439	683	930
DTC/Southeast Corridor	60	15,214	6.7%	\$2,044	-2.10%	129	-	1,346
Downtown Denver	299	54,385	7.2%	\$2,008	-4.00%	845	261	2,465
East Denver	105	23,871	8.0%	\$1,824	-2.60%	(106)	259	1,225
Englewood/Littleton	74	12,416	6.6%	\$1,797	-1.70%	127	-	635
Glendale University Area	111	22,960	9.6%	\$1,571	-5.00%	(119)	-	234
Highlands Ranch/Lone Tree	40	12,295	7.9%	\$2,032	-2.90%	31	-	0
Lakewood/West Corridor	141	24,784	6.6%	\$1,810	-1.50%	89	-	706
North Jefferson County	83	14,821	6.2%	\$1,864	-1.40%	136	-	186
Northeast Adams County	74	12,794	7.2%	\$1,660	-0.90%	72	92	3116
Northwest Adams County	105	26,478	7.7%	\$1,738	-2.70%	(89)	-	772
South Adams County	35	6,720	7.9%	\$1,644	1.10%	119	-	137
South Douglas County	59	13,846	7.0%	\$1,965	0.40%	82	85	961
South Jefferson County	23	5,724	5.7%	\$2,314	-1.60%	(13)	-	88
West Denver	148	23,875	6.0%	\$1,695	-4.10%	360	781	1,371
Totals	1,582	326,061	7.3%	\$1,832	-2.80%	2,374	3,416	16,647

Source: CoStar

Denver Metro Historical								
Q1 2025	1,582	326,061	7.3%	\$1,832	-2.99%	2,374	3,416	16,647
Q4 2024	1,563	322,645	7.1%	\$1,811	-2.80%	1,343	3,922	15,662
Q3 2024	1,544	318,723	6.7%	\$1,864	-0.90%	3,112	6,606	18,479
Q2 2024	1,521	312,117	6.7%	\$1,909	0.50%	3,214	5,677	23,452
Q1 2024	1,494	306,440	7.1%	\$1,888	0.60%	2,224	4,017	26,824

Source: CoStar



Colorado Springs

Multifamily

25Q1

Highlights

- Vacancy rates decreased 130 basis points YOY, but stayed the same during Q1, ending at 7.7%.
- Absorption ended at 934 units, up 108 units YOY but down 75 units during Q1.
- Construction activity decreased to 1,988 units, down 5,183 units YOY and 586 units during Q1.
- Lease rates decreased by \$29 per unit YOY, but increased \$3 per unit during Q1, ending at \$1,475.



Vacancy Rate

7.7%

YOY
FORECAST

Net Absorption

934
unitsYOY
FORECAST

Under Construction

1,988
unitsYOY
FORECAST

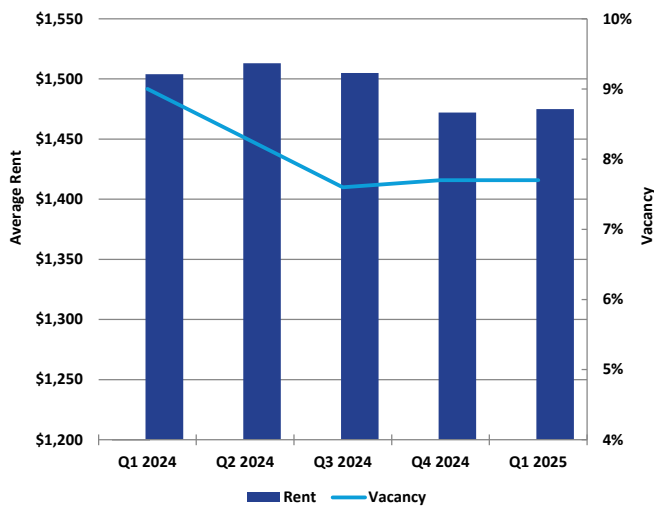
Asking Lease Rates

\$1,475

YOY
FORECAST

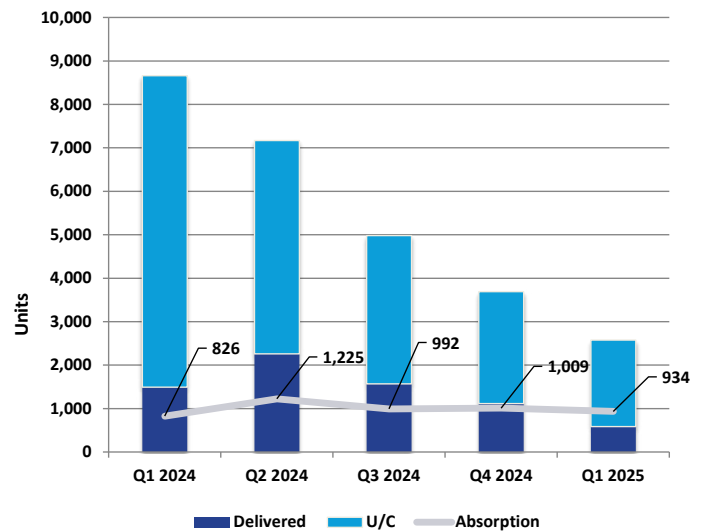
During Q1 2025, the Colorado Springs multifamily market continued an accelerated demand, with vacancy remaining at 7.7%, but decreasing YOY by 130 basis points. Absorption was down 75 units in Q1, but up 108 units YOY, indicating maintained leasing activity with a decrease in new deliveries in the market. Construction activity decreased by 586 units during the quarter, and 5,183 units YOY. An increase in high-paying aerospace and defense jobs has driven demand for units in the luxury category. Lease rates increased by \$3 per unit to \$1,475 during the quarter, but decreased \$29 since Q1 2024. With a cooldown of supply in the market, demand should be catching up to supply.

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
7940 Brayden Point	Colorado Springs	\$82,700,000	300	\$275,667	Continental Properties Company
3005 Galley Rd	Colorado Springs	\$3,535,000	35	\$101,000	VAREco
6670 Pahoee Ct	Colorado Springs	\$1,252,000	8	\$156,500	Parker Shawn
2060 Furman Pt	Colorado Springs	\$1,210,000	4	\$302,500	Alejandro Flores

Source: CoStar



Northern Colorado

Multifamily
25Q1

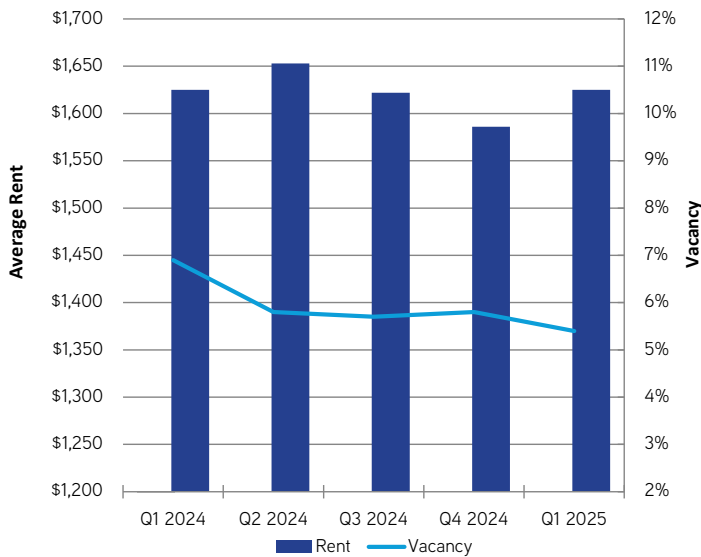
Highlights

- Vacancy rate is down to 5.4%, a 40 basis point decrease in Q1 and a 150 basis point decrease YOY.
- Absorption increased to 556 units, up 58 units during the quarter and 13 units YOY.
- Lease rates are up to \$1,625, an increase of \$39 during Q1 but the same YOY.

Vacancy Rate
5.4%YOY
▲
FORECAST
▲Net Absorption
556
unitsYOY
▲
FORECAST
▲Under
Construction
1,196
unitsYOY
▲
FORECAST
▲Asking Lease
Rates
\$1,625YOY
▲
FORECAST
▲

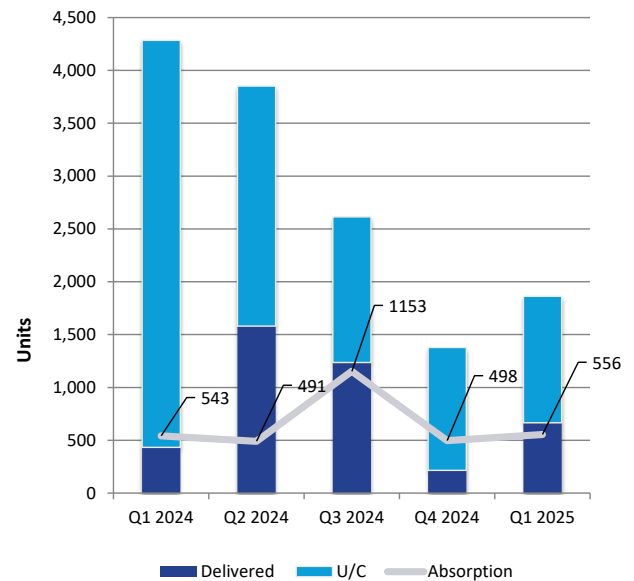
During Q1 2025, the Northern Colorado market continued to rebound, with vacancy decreasing to 5.4%, down 40 basis points during the quarter and 150 basis points YOY. However, vacancy is projected to increase, with new deliveries and no shift in demand. Absorption increased to 556 units, up 58 units during the quarter and 13 units YOY, but a slight decrease in leasing activity is projected. Absorption is forecasted to decrease in the coming years with ongoing projects being delivered. Construction activity remained steady, with 1,196 units under construction during Q1. However, that is down 2,655 units YOY. Lease rates increased during the quarter and are expected to increase throughout the rest of 2025. Effective rent ended Q1 at \$1,625, up \$39 during the quarter and the same 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
4470 S Lemay Ave	Fort Collins	\$64,100,000	248	\$258,467.74	ColRich
500 Apex Dr	Windsor	\$32,875,000	120	\$273,958.33	Green Courte Partners

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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