

MARKET AT A GLANCE



OCCUPANCY RATE

94.7%

Up 10 bps since 1Q19



EFFECTIVE RENT

\$1,524

Up 1.8% since 1Q19



DELIVERIES

2,013

Units YTD

MARKET IMPACT ANALYSIS

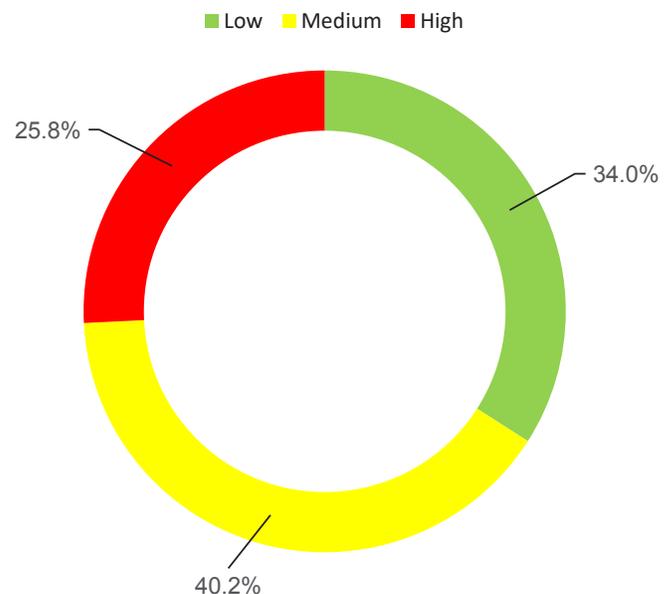
ENERGY AND TOURISM INDUSTRIES ABSORB BRUNT OF COVID-19

A price war between international oil producers, heightened by COVID-19, has led the price of crude oil to plummet and placed intense pressure on Denver's local industry. Several of Colorado's top oil companies, including Noble Energy, Occidental, and Denver-based Liberty Oil Services, have recently announced pay cuts, furloughs, or layoffs as a result. Denver-based Whiting Petroleum just filed for bankruptcy. Meanwhile, metrowide stay-at-home orders, recently extended until April 30, and nationwide travel restrictions have significantly impacted Colorado's \$22 billion tourism industry. According to the Colorado Sun, airport traffic has decreased by as much as 94% compared to the first week of April 2019. Google Mobility Reports show that the metro's population has decreased retail and recreational activity by 51% an higher than the national average of 47%, a major short-term blow to hospitality and retail employers. That said, there are several factors that suggest that Denver will be able to successfully recover from this crisis as rapidly as any other metro in the country. Denver's population remains young, well-educated and affluent while boasting strong credit and a rent share of wallet just marginally higher than the national average. Additionally, city officials have designated construction as an essential industry, allowing development projects in the metro to continue while taking precautions to protect workers' health.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.3%	1.1%
Finance & insurance	5.9%	4.7%
Health care & social assistance	12.6%	16.0%
Information	3.8%	2.2%
Mining, quarrying, & oil & gas extraction	0.8%	0.5%
Transportation & warehousing	4.7%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	5.7%	4.7%
Total	34.0%	33.9%
MEDIUM		
Administrative & waste services	7.9%	7.4%
Educational services	1.8%	2.3%
Manufacturing	5.4%	10.1%
Other services, except public administration	3.6%	3.6%
Professional & technical services	11.2%	7.5%
Retail trade	10.4%	12.2%
Total	40.2%	43.1%
HIGH		
Accommodation & food services	10.9%	11.1%
Arts, entertainment, & recreation	2.0%	1.9%
Construction	7.8%	6.1%
Management of companies & enterprises	2.6%	1.9%
Real estate & rental & leasing	2.4%	1.8%
Unclassified	0.0%	0.1%
Total	25.8%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

Document sources: Axiometrics; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's

© 2020 Berkadia Proprietary Holding LLC

Berkadia® is a trademark of Berkadia Proprietary Holding LLC.
Axiometrics® is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx