# DENVER, COLORADO

## RESILIENT JOB MARKET SUPPLEMENTS 2021 CONSTRUCTION WAVE

Rehiring lagged in some areas of Denver's economy, such as the metro's leisure and hospitality sector, but an enduring supply of high-paying, white-collar positions helped to maintain the metro's status as an extremely attractive destination for renters in 2020. Aerospace giant Lockheed Martin began filling 500 additional jobs in 2020 after recently finishing a hiring spree to fill 400 positions the year before. Likewise, Raytheon began filling 200 new positions during the last 12 months. The robust job market contributed to strong apartment fundamentals in 2020. Renters absorbed 9,343 units while 9,216 units were brought online. Apartment developers will continue the elevated pace of deliveries through the next 12 months with 8,889 units scheduled to begin lease-up this year. Approximately 44,600 net jobs are expected to be added to local payrolls this year, including 500 new positions to be filled by software and IT services for JumpCloud. The steady pace of job creation will underpin the net absorption of 5,901 units this year. With the temporary lull in leasing activity amid an abundance of new units, apartment occupancy will fall 80 basis points to 94.1%, and apartment operators will decrease effective rent 1.2%. This trend will reverse in 2022 when occupancy elevates 30 basis points to 94.4% by year-end. Apartment operators will respond to a post-pandemic surge in apartment demand by raising effective rent 6.0% to $1,546, among the highest annual rent growth in the nation.
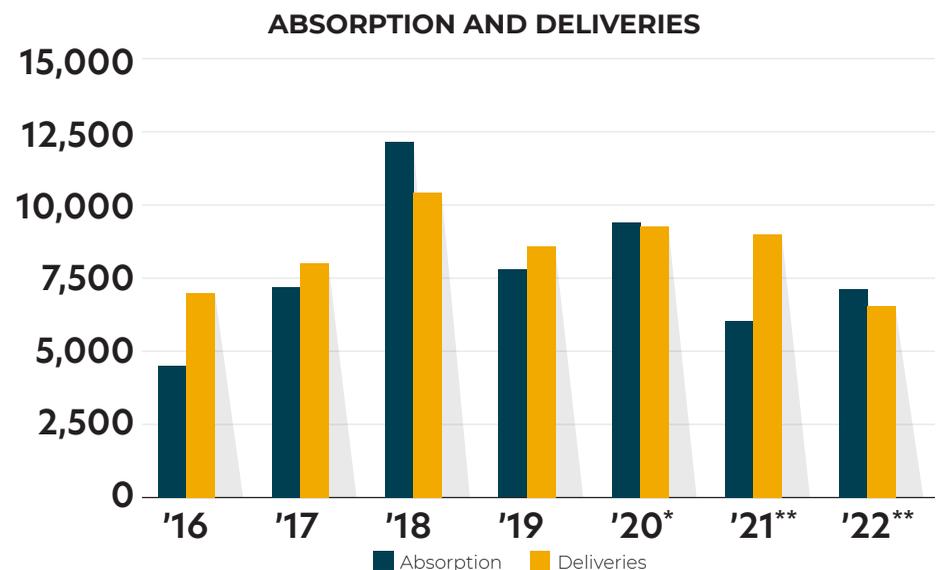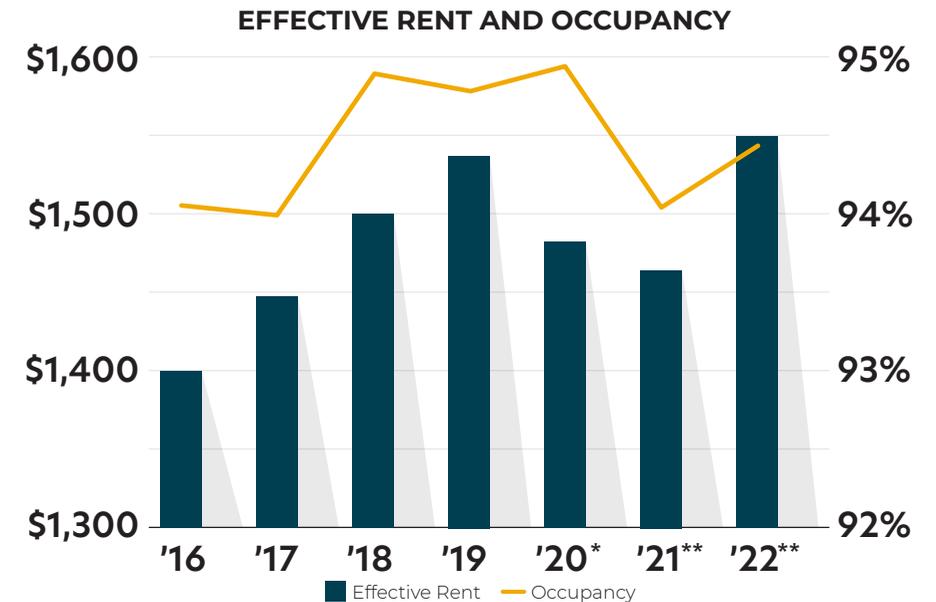
## 2021 MARKET AT A GLANCE

**OCCUPANCY RATE**
### 94.1%
Down **80 bps** YOY

**EFFECTIVE RENT**
### $1,459
Down **1.2%** YOY

**RENT SHARE OF WALLET**
### 21.2%
Down **50 bps** YOY

## MARKET TRENDS

### EFFECTIVE RENT AND OCCUPANCY



### ABSORPTION AND DELIVERIES

# DENVER, COLORADO

## EMPLOYMENT TRENDS

### EMPLOYMENT CHANGE



### EMPLOYMENT

| | 2019 | YOY CHANGE | 2020* | YOY CHANGE | 2021** |
|---|---|---|---|---|---|
| | 1,569,900 | -6.4% | 1,468,800 | 3.0% | 1,513,500 |

### UNEMPLOYMENT RATE

| | 2019 | YOY CHANGE | 2020 | YOY CHANGE | 2021 |
|---|---|---|---|---|---|
| | 1.8% | 550 BPS | 7.3% | -150 BPS | 5.8% |

### POPULATION

| | 2019 | YOY CHANGE | 2020 | YOY CHANGE | 2021 |
|---|---|---|---|---|---|
| | 2,986,800 | 1.1% | 3,019,000 | 1.1% | 3,051,600 |

### HOUSEHOLDS

| | 2019 | YOY CHANGE | 2020 | YOY CHANGE | 2021 |
|---|---|---|---|---|---|
| | 1,158,700 | 1.5% | 1,176,200 | 1.7% | 1,195,800 |

### MEDIAN HOUSEHOLD INCOME

| | 2019 | YOY CHANGE | 2020 | YOY CHANGE | 2021 |
|---|---|---|---|---|---|
| | $85,949 | -5.2% | $81,500 | 1.4% | $82,641 |

## SALES TRENDS

### PRICE PER UNIT

| 2019 | YOY CHANGE | 2020* |
|---|---|---|
| $266,031 | -0.3% | $265,200 |

### CAP RATE

| 2019 | YOY CHANGE | 2020 |
|---|---|---|
| 5.1% | -20 BPS | 4.9% |



■ Price Per Unit  — Cap Rate
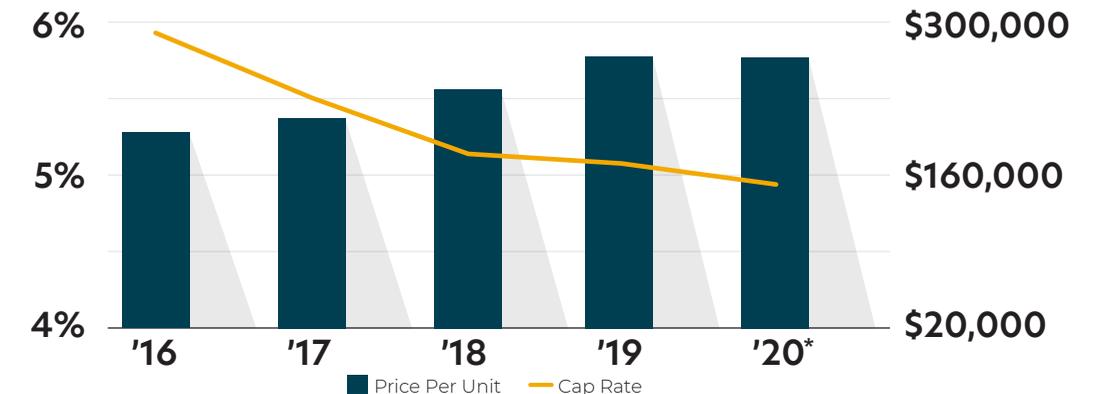
Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.