

DENVER, CO

2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 50 BPS YOY

Effective Rent

\$1,929



UP 3.3% YOY

Rent Share of Wallet

22.7%



UNCHANGED YOY

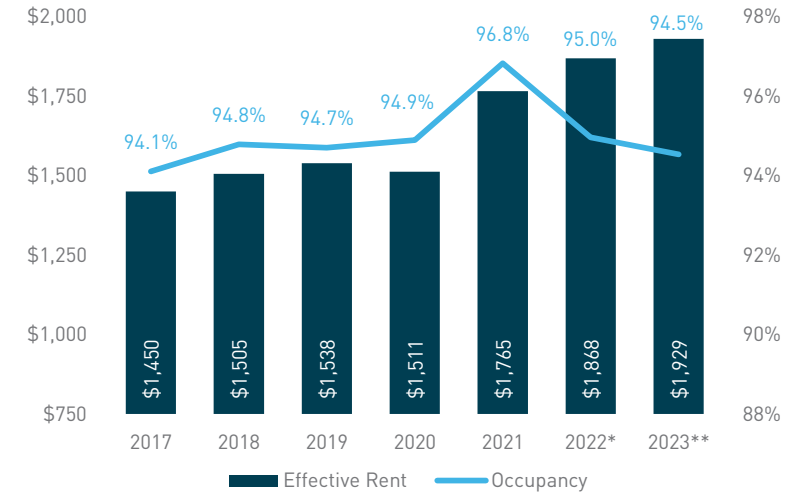
Denver Poised to Break Absorption and Delivery Record Highs in 2023

Multifamily operators in Greater Denver may see record-breaking deliveries and net absorption this year, spurred by high interest rates decreasing the affordability of single-family homes and the expectation of steady population growth of 0.9% in 2023. Estimates show as many as 18,384 units scheduled for delivery, which is 72.6% greater than the previous 20-year high from 2018. Regarding net absorption, renters may occupy up to 16,002 units, which exceeds the previous 20-year record from 2021 by 27.2%. Despite having the nation's 10th-highest expected absorption, occupancy could drop 50 basis points year over year, settling at 94.5%, 70 basis points shy of the market's five-year average. Additionally, the submarkets with the highest delivery volumes may experience rent growth below the estimated 3.3% average—the exception being North Aurora, which has the lowest effective rent of Denver's 19 submarkets. Approximately 23.2% of expected deliveries and 21.6% absorption stem from the Northeast Denver submarket, which includes the area around Denver International Airport and expands north along Highway 85. The submarket's supply and demand trends are projected to increase significantly from last year, from 2,210 to 4,247 units delivered and 1,524 net units absorbed to 3,451. Northeast Denver is among the fastest-growing employment hubs in the metro, with multiple, large industrial projects underway in addition to the beginning of Phase 2 of Denver's Vision 100 plan at Denver International Airport, which the city expects to create 6,500 direct jobs at completion.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values, 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

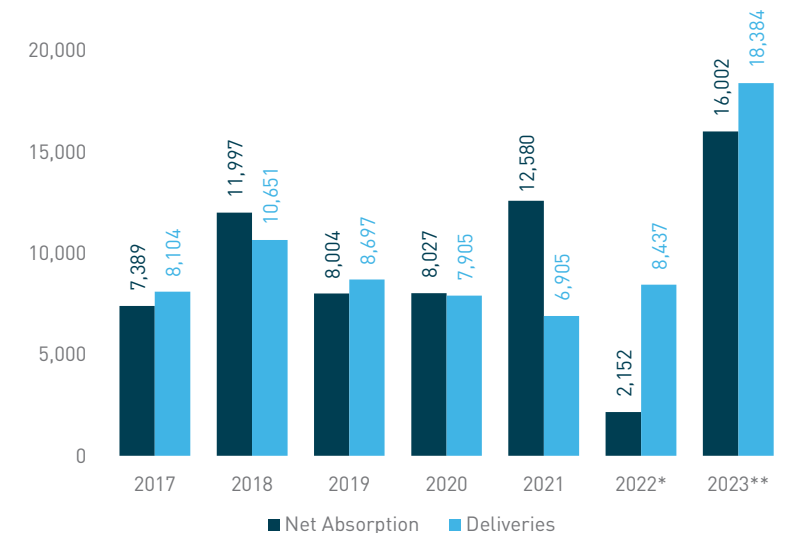
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

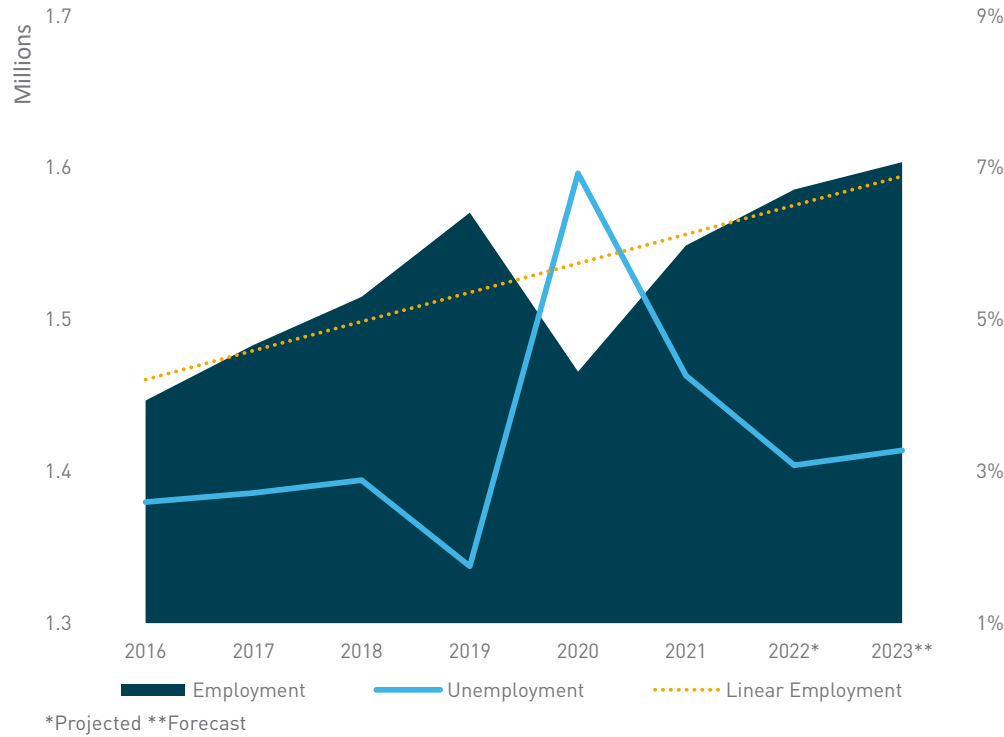
Absorption & Deliveries



*Projected **Forecast

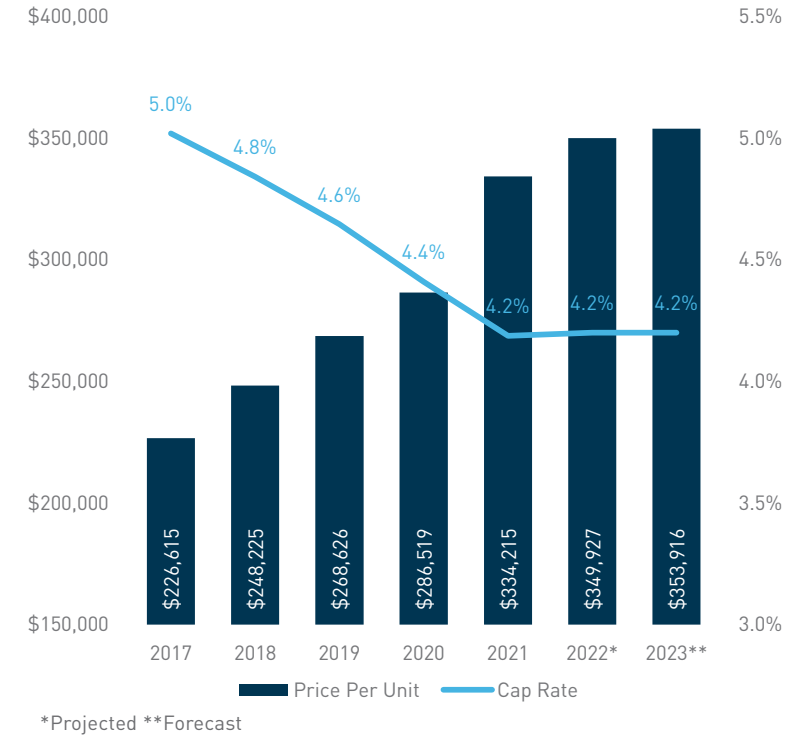
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>1,603,700</p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p>3.3%</p> <p>↑</p> <p>UP 20 BPS YOY</p>	<p>Median Household Income</p> <p>\$102,214</p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p>\$353,916</p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Cap Rate</p> <p>4.2%</p> <p>=</p> <p>UNCHANGED YOY</p>
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