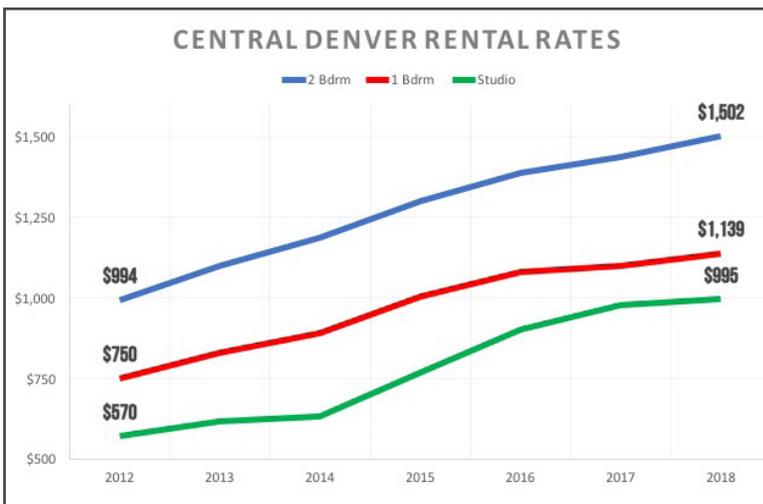


CENTRAL DENVER MARKET REPORT

RENT AND VACANCY RESULTS REMAIN STRONG

Encouraging news was published in late July within the Apartment Association of Metro Denver's 2nd Quarter Vacancy & Rent Report. Typical of the spring season, rents increased and vacancy rates fell since the winter months. Metro-wide, apartment vacancy dipped to 6.0%, a slight decrease from 6.1% in the 1st quarter report. The median rent for all apartments metro-wide increased from \$1,379 last quarter, to \$1,435 currently.

Because vacancy and rent statistics are skewed by larger, newly-constructed properties, it is more relevant for our clients to focus on the specific Central Denver figures reported. Drilling down further to the figures reported for buildings with less than 50 units (essentially removing the new construction) provides a clearer picture of how existing buildings are performing.



Vacancy for Central Denver apartment buildings between 9-50 units was only 3.4%, demonstrating strength in the face of competition from newer buildings. Rents for these smaller buildings continue to reach record levels, with studio apartments now averaging \$995/month in Central Denver. Average rent for one-bedroom apartments was reported as \$1,139, and \$1,502 for two-bedroom units. For those of us who remember where rents were just a few years ago, it is remarkable that an average Capitol Hill studio apartment is nearly \$1,000/month!

OPTIMISM PREVAILS IN CENTRAL DENVER

How we view things is often a matter of perspective. I once heard someone being asked if a glass was half empty or half full. His response, "It depends. Am I drinking or pouring?"

Similarly, there are two different perspectives on Denver's apartment market, and the gap between those perspectives is widening. Buyers see it one way, and Sellers see it another.

Sellers tend to focus on recent history and what's currently happening. Buyers, on the other hand, are looking ahead to what the future will bring. The increasing gap in their perception is that Sellers feel an optimism fueled by recent success, whereas there is a creeping pessimism among Buyers over concerns that these "good times" won't last forever.

The primary goal for most Sellers, of course, is to maximize the price at which they sell. They choose to focus on today's high rents and the high sales prices they've recently seen other buildings achieve. Buyers acknowledge those positive factors too, but also consider the negative impact of rampant construction and the reality of today's higher interest rates.

For now, the optimism of Sellers is prevailing. Denver is still very much a "Sellers' market". We will not see a shift so long as we continue to have limited supply of buildings available for sale, and interest rates do not climb over 5%. In Denver, our glass remains near full!

Central Denver Sales 4/1/18 - 6/31/18



2035 S. Josephine St.
Sold: \$6,850,000
\$171,250/Unit



821 Corona St.
Sold: \$12,000,000
\$400,000/Unit



1840 Vine St.
Sold: \$1,040,000
\$173,333/Unit



1218 Washington St.
Sold: \$1,775,000
\$221,875/Unit



900 E. 8th Ave.
Sold: \$6,225,000
\$222,321/Unit



809 Dexter St.
Sold: \$7,400,000
\$194,737/Unit



1267 Marion St.
Sold: \$1,061,000
\$212,200/Unit



1117 Pennsylvania St.
Sold: \$2,800,000
\$200,000/Unit



1525-1535 Filbert Ct.
Sold: \$3,400,000
\$242,857/Unit



1588 & 1594 S. Albion St.
Sold: \$3,477,000
\$144,875/Unit



1650 S. Albion St.
Sold: \$3,235,000
\$134,791/Unit



1517 S. Ash St.
Sold: \$1,800,000
\$200,000/Unit



1200 Clarkson St.
Sold: \$1,200,000
\$200,000/Unit



4101 E. Iowa Ave.
Sold: \$1,871,000
\$155,916/Unit



1575 Lafayette St.
Sold: \$9,525,000
\$232,317/Unit



1600 S. Albion St.
Sold: \$2,031,000
\$135,400/Unit



2155 S. Josephine St.
Sold: \$3,450,000
\$150,000/Unit



1520 S. Albion St.
Sold: \$3,336,000
\$145,043/Unit



1010 E. 13th Ave.
Sold: \$8,200,000
\$182,222/Unit



1358 Ogden St.
Sold: \$2,314,750
\$178,058/Unit

Client Corner: *Saying Goodbye to a Special Client*

The relationships we build with clients is one of our favorite things about this business. While some brokers aspire to move into larger institution deals, we prefer our niche in Central Denver because the Buyers and Sellers are real people, not corporate staff. Along with the joy of creating friendships with our clients, comes the sadness when we're forced to say goodbye.

We lost a wonderful man this spring when cancer took the life of our dear friend, Butch Pfeifer. Butch and his wife, Patti, embodied our ideal clients. They were friends that shared their investments goals with us, trusted us to collaborate with them, and allowed us to help execute their plan.



Over a four-year period, we sold two apartment buildings for them, and represented them in the purchase of 4 additional properties.

For Butch and Patti, their real estate investments were a path to a secure retirement and a key part of the family legacy they were building with their three adult children. When cancer struck last year, their real estate portfolio took on a new role - - it provided the financial resources as their family fought for their husband and Dad.

We were honored when they came to our office to personally share the news of the fight ahead. The decision was made to make the sale of their 12-unit Congress Park building a source of ready-cash, instead of the original goal, as a step to a larger property through a 1031 exchange. It was our sixth transaction together, and we closed the sale for them in January 2018.

Throughout this spring, the Pfeifers allowed us to be a part of their very personal battle. It was a fight they made with strength, dignity and faith - - all attributes they learned from Butch. Over the years we learned a lot from Butch too, and were constantly reminded how good it feels to do work that matters. We'll miss you Butch!

2035 S. JOSEPHINE STREET
JUST SOLD: \$6,850,000

OUR 9TH TRANSACTION
WITH THIS CLIENT SINCE 2003



40 UNITS
5.6% CAP RATE
\$171,250/UNIT



Kyle Malnati & Greg Johnson
303.482.2828



OUR CURRENT LISTINGS AND RECENT SALES HIGHLIGHTS



1618 Lafayette St.
List Price: \$4,000,000
Development Site



4426 - 4436 W. 39th Ave.
Sold: \$1,275,000
\$318,750/Unit



Grand Lake Lots
Sold: \$1,868,000
Land Development



2035 S. Josephine St.
Sold: \$6,850,000
\$171,250/Unit



1331 Marion St.
Sold: \$798,000
\$266,000/Unit



1466 Detroit St.
Sold: \$1,015,000
\$253,750/Unit



930 Washington St.
Sold: \$2,100,000
\$161,538/Unit



1314 Elizabeth St.
Sold: \$2,100,000
\$233,333/Unit



1218 Washington St.
Sold: \$1,775,000
\$221,875/Unit



342 S. Lincoln St.
SOLD: \$605,000
\$201,666/Unit



2368 15th St.
Sold: \$2,020,000
Mixed-Use Building



1614 Lafayette St.
Sold: \$2,050,000
Office Building



2015 E. 12th Ave.
Sold: \$813,000
\$271,000/Unit



664 Washington St.
Sold: \$1,563,395
\$312,679/Unit



1401 Detroit St.
Sold: \$1,235,000
\$205,833/Unit



4514 W. Kentucky Ave.
Sold: \$669,000
\$133,800/Unit



South Fork, CO
Sold: \$1,500,000
Absolute NNN



1325 Madison St.
Sold: \$2,475,000
\$206,250/Unit



550 S. Lincoln St.
Sold: \$750,000
\$250,000/Unit



5300-86 E. Asbury Ave.
Sold: \$4,830,000
\$150,937/Unit

Proudly based in Denver, CO, Calibrate Real Estate, LLC, is a commercial real estate firm that specializes in apartment brokerage and investment sales in Central Denver's most attractive neighborhoods. Greg Johnson, Kyle Malnati, and Conner Piretti, consistently meet the needs of the private apartment investor by sharing their expertise. Combined, they have successfully brokered over \$300,000,000 of Colorado real estate for their clients.

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