

KYLE & GREG'S LISTINGS & RECENT SALES



1345 Monroe St.
LISTED: \$1,825,000



1418 Adams St.
UNDER CONTRACT



950 Lafayette St.
UNDER CONTRACT



1057 Marion St.
UNDER CONTRACT



760-770 E. 11th Ave.
UNDER CONTRACT



815 Sherman St.
UNDER CONTRACT



1236 Pearl St.
UNDER CONTRACT



1756 Clarkson Street
SOLD: \$15,200,000



1320 Garfield St.
SOLD: \$2,275,000



4185 E. Florida Ave.
SOLD: \$4,907,000



1335 Monroe St.
SOLD: \$1,400,000



900-910 Washington St.
SOLD: \$3,540,000



720-734 Grant St.
SOLD: \$1,820,000



1362 Clayton St.
SOLD: \$1,415,000



1125 Marion St.
SOLD: \$1,500,000

something different.

The purpose of this newsletter is to provide insight on the direction of the apartment market in Central Denver, and to highlight the transactions that occurred between February 1 and May 31, 2014.

For more detailed information, or to discuss your investment opportunities, please contact us.

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About Madison

Madison Commercial Properties is a Denver-based commercial real estate group specializing in apartment brokerage and investment sales in Central Denver.

Principals, Kyle Malnati and Greg Johnson, provide insight and experience to meet the needs of the private apartment investor. Combined, they have successfully brokered over \$200,000,000 of Colorado real estate for their clients.



Kyle Malnati

Greg Johnson

**CENTRAL DENVER
APARTMENT MARKET REPORT
2014 - 2ND QUARTER**

JUST CLOSED: 90 DAYS AFTER C.O.



We are excited to announce the sale of the newly-constructed apartment community at **1756 Clarkson Street**, which closed within 90 days of the final Certificate of Occupancy. This 60-unit property boasts an attractive mix of 1 and 2 bedroom apartment homes and offers many modern amenities. We represented both Seller and Buyer in the transaction.

This was a very successful project for Palisade Partners, the Denver-based developer that had purchased the land in 2012 through Greg Johnson. Palisade Partners took full advantage of the highly coveted location and integrated the contemporary building into the surrounding Uptown neighborhood. Their lease-up was amazingly swift, demonstrating the appeal of the property.

This is a first for this new generation of niche Central Denver apartment construction. Institutional Buyers normally dominate the Class-A market. However, we found a private-capital investor that was drawn to the location, and overcame the objection to paying a **5.24% CAP rate based solely on projected financials.**

SOLD
\$15,200,000
\$253,333/Unit
\$388/Sq Ft
100% Leased

CAPITOL HILL—6 SALES (2/1/14 - 5/31/14): AVERAGES \$209/SF, \$113,402/UNIT

 1170 Logan St. \$3,000,000 39 Units \$180.15/SF \$76,923/Unit Sold: 5/15/14	 1135 Ogden St. \$2,500,000 25 Units \$302.44/SF \$100,000/Unit Sold: 4/15/14	 1075 Corona St. \$6,300,000 36 Units \$227.89/SF \$175,000/Unit Sold: 3/24/14
 1205 Washington St. \$2,900,000 35 Units \$197.88/SF \$82,857/Unit Sold: 2/26/14	 900-910 Washington St. \$3,540,000 26 Units \$200.00/SF \$136,154/Unit Sold: 2/21/14	 1301 High St. \$925,000 8 Units \$136.43/SF \$115,625/Unit Sold: 2/10/14

CONGRESS PARK—6 SALES (2/1/14 - 5/31/14): AVERAGES \$175.78/SF, \$155,844/UNIT

 1200 Saint Paul St. \$1,625,000 11 Units \$167.70/SF \$147,727/Unit Sold: 5/30/14	 1320 Garfield St. \$2,275,000 12 Units \$211.59/SF \$189,583/Unit Sold: 5/19/14	 1335 Monroe St. \$1,400,000 12 Units \$189.06/SF \$116,667/Unit Sold: 4/30/14
 1485 Clayton St. \$2,700,000 11 Units \$191.00/SF \$245,455/Unit Sold: 4/11/14	 1281 Columbine St. \$3,000,000 24 Units \$160.60/SF \$125,000/Unit Sold: 2/25/14	 2727-2737 E. 13th Ave. \$1,000,000 7 Units \$131.53/SF \$142,857/Unit Sold: 2/25/14

HALE/MAYFAIR—7 SALES (2/1/14 - 5/31/14): AVERAGES \$164.76/SF, \$121,801/UNIT

 4321 E. Hale Parkway \$2,165,000 15 Units \$142.00/SF \$144,333/Unit Sold: 4/29/14	 840 Cherry St. \$1,606,500 17 Units \$179.52/SF \$94,500/Unit Sold: 4/10/14	 Multi-Property Sale (5) \$17,300,000 141 Units \$166.83/SF \$122,695/Unit Sold: 3/14/14
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CO BLVD/DU —7 SALES (2/1/14 - 5/31/14): AVERAGES \$149.34/SF, \$142,471/UNIT

 2499 S. Colorado Blvd. \$20,700,000 107 Units \$155.55/SF \$193,458/Unit Sold: 5/10/14	 2449 S. Colorado Blvd. \$13,800,000 103 Units \$160.91/SF \$133,981/Unit Sold: 5/6/14	 4185 E. Florida Ave. \$4,907,000 52 Units \$120.18/SF \$94,365/Unit Sold: 4/28/14
 1831-1845 S. Jackson St. \$2,400,000 24 Units \$107.57/SF \$100,000/Unit Sold: 4/25/14	 1560 S. Albion St. \$1,376,000 18 Units \$102.69/SF \$76,444/Unit Sold: 4/15/14	 1962 S. Columbine St. \$905,000 8 Units \$160.52/SF \$113,125/Unit Sold: 4/1/14


2421-2449 S. Gaylord St.
\$2,500,000
15 Units
\$228.27/SF
\$166,667/Unit
Sold: 3/31/14

In the last edition of our newsletter, we invited all of you to enter to win one of two **\$250 gift cards to Del Frisco's**.

Congratulations go out to the winners:

MARK LAURIHA
MALIN JONES

UPTOWN—3 SALES (2/1/14 - 5/31/14): AVERAGES \$190.05/SF, \$204,897/UNIT

 1756 Clarkson \$15,200,000 60 Units \$304.00/SF \$253,333/Unit Sold: 5/19/14	 1899 Gaylord St. \$11,500,000 61 Units \$119.79/SF \$188,525/Unit Sold: 5/9/14	 1778 Gilpin St. \$3,010,000 24 Units \$291.50/SF \$125,417/Unit Sold: 3/5/14
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WASH PARK—1 SALE (2/1/14 - 5/31/14): AVERAGE \$205.09/SF, \$108,000/UNIT


25 S. Emerson St.
\$1,836,000
17 Units
\$205.09/SF
\$108,000/Unit
Sold: 5/29/14

NEW DEVELOPMENTS COMMAND HIGH RENTS

A recurring question we receive from local owners is, "What kind of rents are the new buildings going to get?" So, to answer that question, we surveyed several properties for you (see information to the right).

As you see, studio apartments are priced well above \$1,000. The least expensive one-bedroom units are nearly \$1,400. Two-bedroom units start at \$1,800 and quickly exceed \$2,000.

The highest prices are seen in Lower Downtown, but even the Capitol Hill properties are commanding high rents, at least for now. We anticipate prices will drop and/or concessions will enter the market, as more of the 18,000 units that are currently under construction approach completion this Summer and Fall.

In the short term, we expect a strong leasing season this Summer for both new and existing properties. However, investors should prepare to feel the economic impact of these new properties when rising vacancy rates force developers to shift their pricing targets in the coming months.

Contact us for additional competitive pricing information specific to your property.

ONE CITY BLOCK (Uptown - 444 E. 19th Ave. - 302 Total Units)

Unit Type	Sq Ft	Avg Rent	Avg Rent/Sq Ft
Studio	459-577	\$1,315-\$1,450	\$2.69
1 Bd/1 Ba	557-865	\$1,555-\$1,790	\$2.43
2 Bd/1 Ba	985-1,153	\$2,080-\$2,575	\$2.17

1756 CLARKSON (Uptown - 1756 Clarkson St. - 60 Total Units)

Unit Type	Sq Ft	Avg Rent	Avg Rent/Sq Ft
Studio	N/A	N/A	N/A
1 Bd/1 Ba	643	\$1,386	\$2.16
2 Bd/1 Ba	935	\$1,880	\$2.01

CADENCE (Union Station/LoDo - 1920 17th St. - 219 Total Units)

Unit Type	Sq Ft	Avg Rent	Avg Rent/Sq Ft
Studio	553-616	\$1,450-\$1,700	\$2.69
1 Bd/1 Ba	790-913	\$2,000-\$2,180	\$2.46
2 Bd/1 Ba	1019-1081	\$2,375-\$2,575	\$2.36

THE LOGAN (Capitol Hill - 619 Logan St. - 57 Total Units)

Unit Type	Sq Ft	Avg Rent	Avg Rent/Sq Ft
Studio	492	\$1,139	\$2.31
1 Bd/1 Ba	692	\$1,469	\$2.12
2 Bd/1 Ba	846	\$1,795	\$2.12