

2017 NAIOP MID-YEAR FORECAST



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Vice Chairman



METRO DENVER MULTIFAMILY PIPELINE

Units Under Construction	2012	2017
Suburban	3,874	16,564
Downtown	1,127	7,825
Total	5,000	24,389

Units Proposed	2012	2017
Suburban	3,863	7,694
Downtown	2,962	3,324
Total	6,825	11,018



MULTIFAMILY DELIVERIES FORECAST

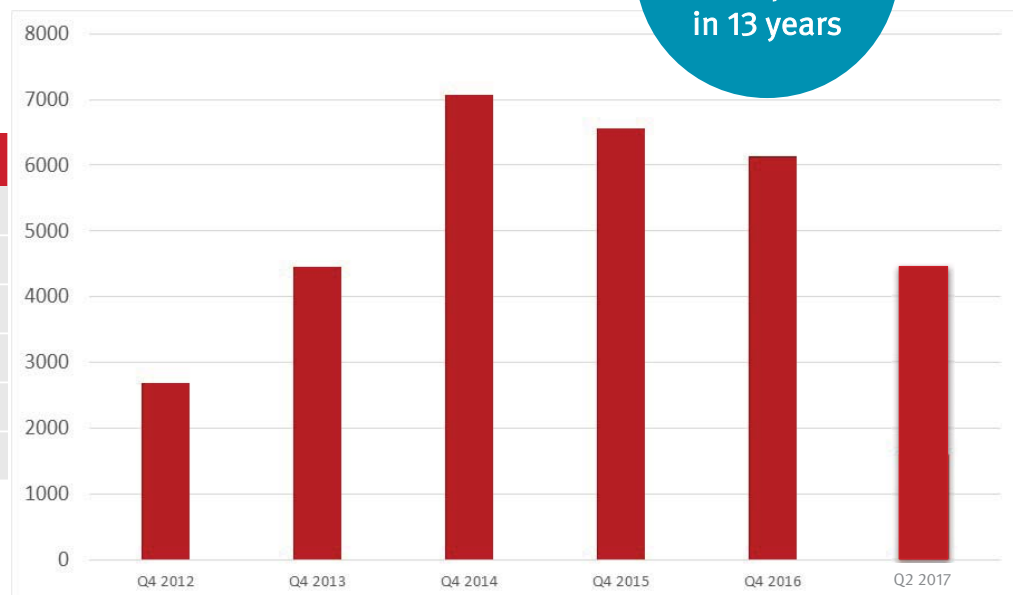
	DELIVERIES OVER THE NEXT FIVE YEARS					
	'17f	'18f	'19f	'20f	'21f	'22f
Units Added	10,000	8,400	6,800	6,500	6,000	5,500



APARTMENT ABSORPTION

RECORD BREAKING
Q2 2017
Highest
absorption
in 13 years

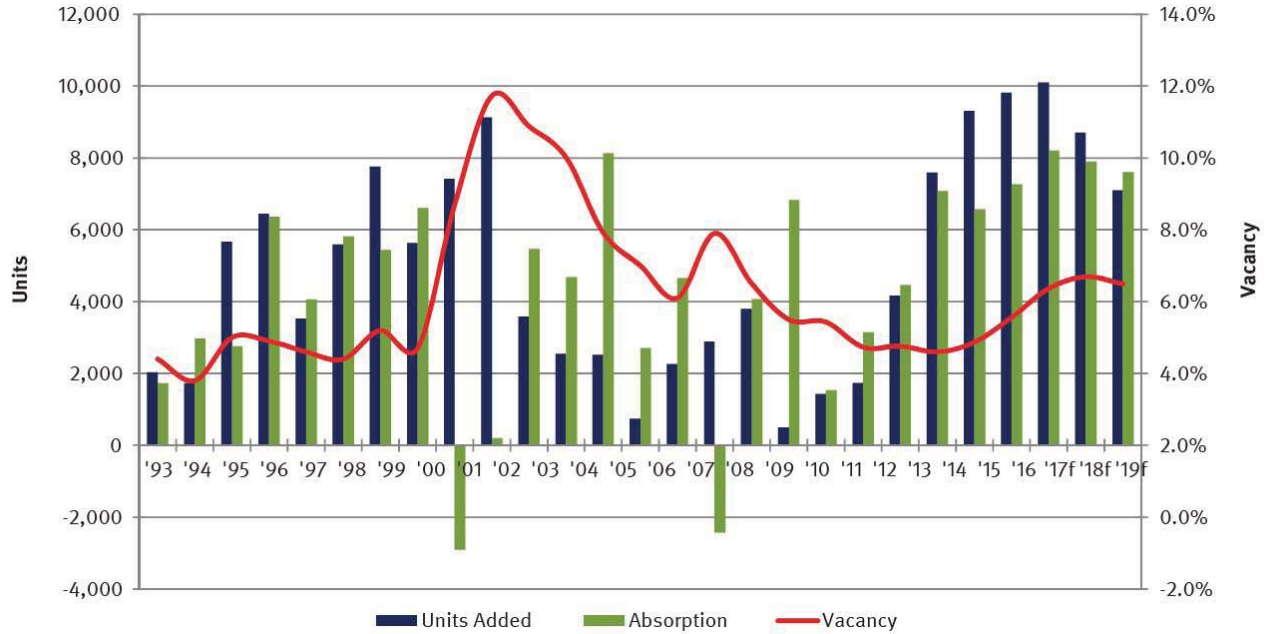
YEAR	UNITS
2012	2,691
2013	4,461
2014	7,071
2015	6,569
2016	6,129
YTD 2017	4,413



Source: 2Q17, Apartment Insights



CONSTRUCTION PIPELINE



Source: 4Q15, ARA NGKF



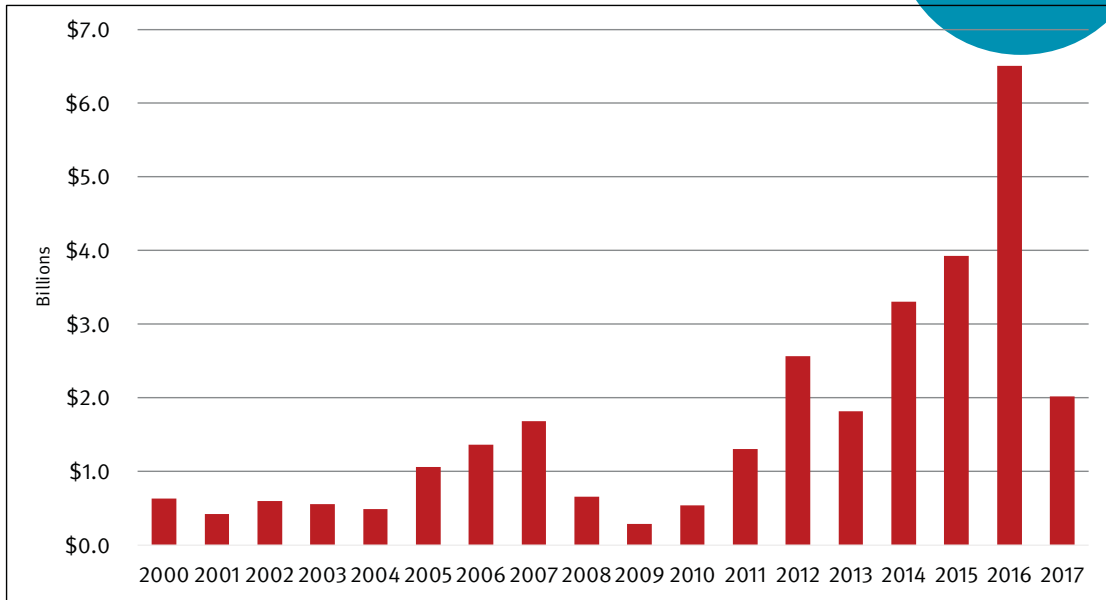
“ALL-IN” CONSTRUCTION COST

TYPE	COST PER UNIT
GARDEN PRODUCT	\$200,000 - \$265,000
MID-RISE (PODIUM/WRAP)	\$300,000 - \$350,000
HIGH-RISE	\$350,000 - \$500,000



METRO DENVER SALES VOLUME BY PRICE

2016 Sale Volume
METRO DENVER:
\$6.51B

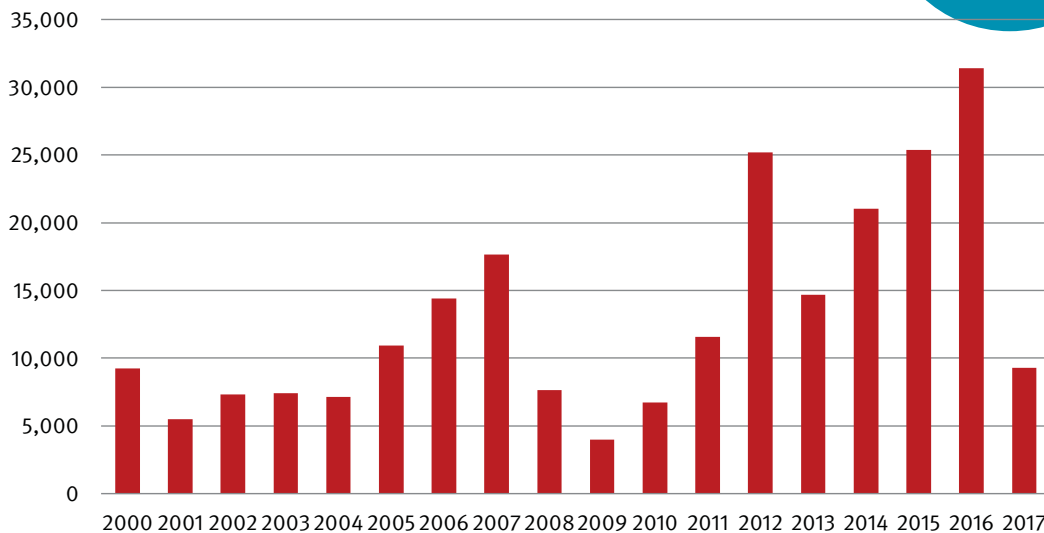


Source: NGKF, Apartment Insights



METRO DENVER SALES VOLUME BY UNITS

2016 Units Sold
METRO DENVER:
32,784

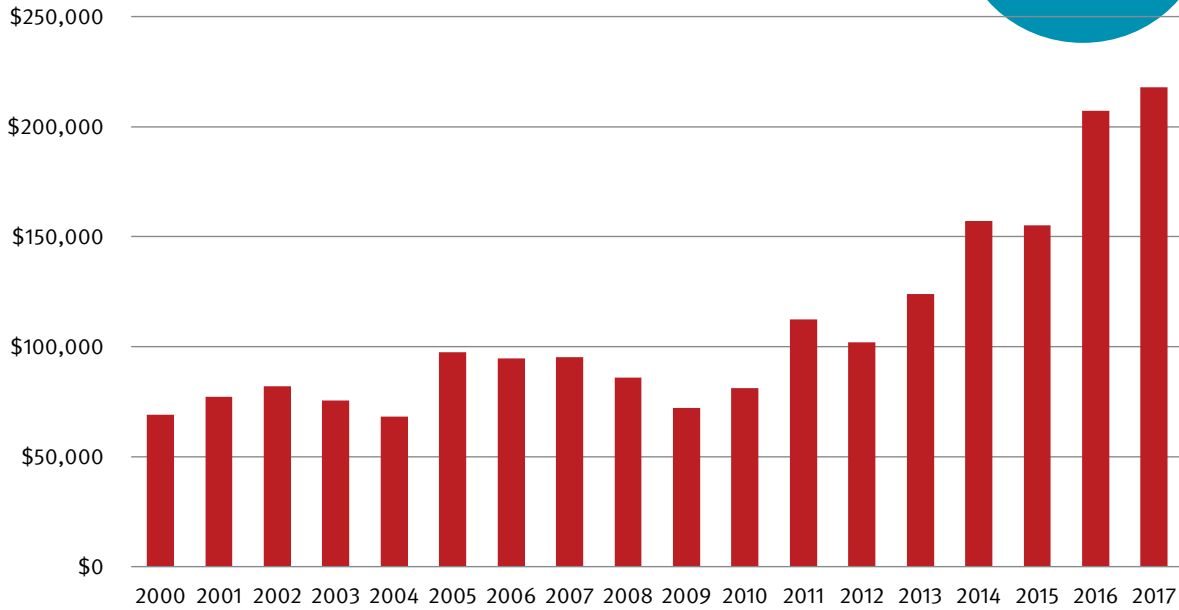


Source: NGKF, Apartment Insights



METRO DENVER AVERAGE PRICE PER UNIT

2017 YTD Avg. Sale Price
**METRO DENVER:
\$217,616**

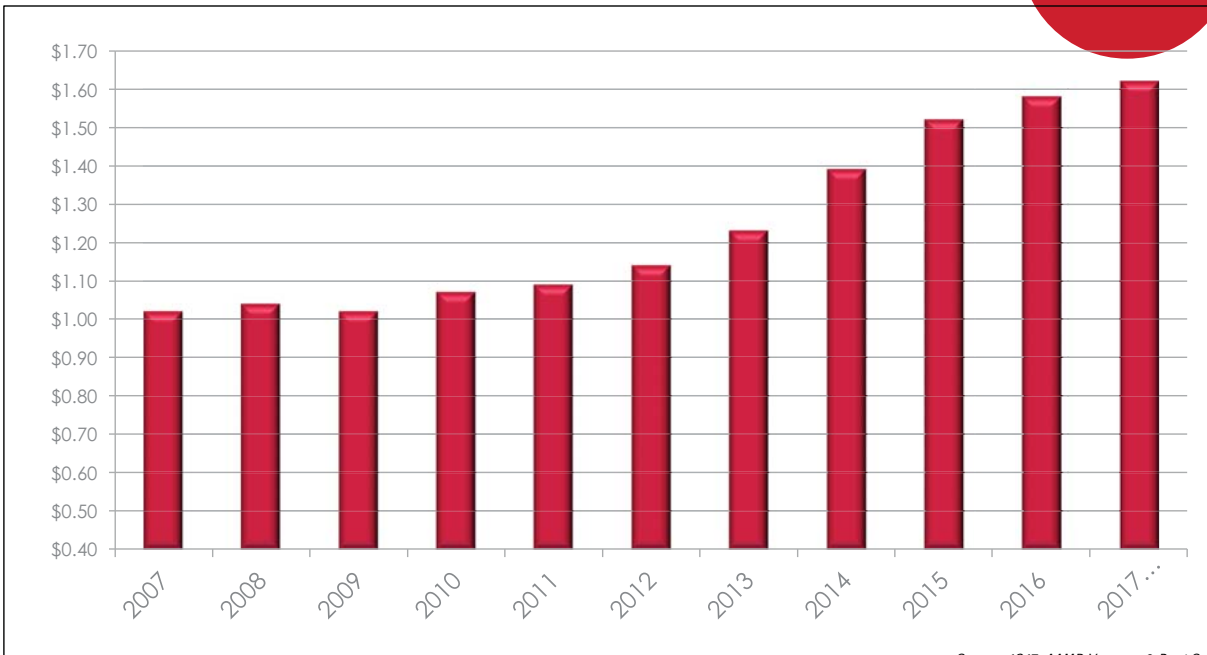


Source: NGKF, Apartment Insights



AVERAGE RENT PER SQUARE FEET

**\$1.62
PER SF**

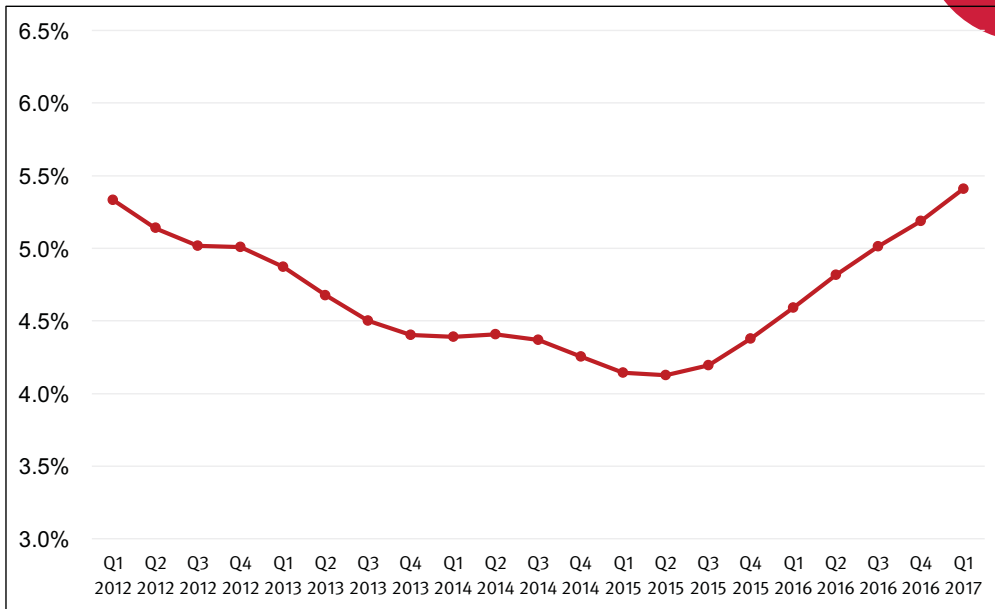


Source: IQ17, AAMD Vacancy & Rent Survey



METRO DENVER VACANCY RATE

5.4%
Q1 2017



Source: Trailing 4Q 2017 - 1Q17, Apartment Insights



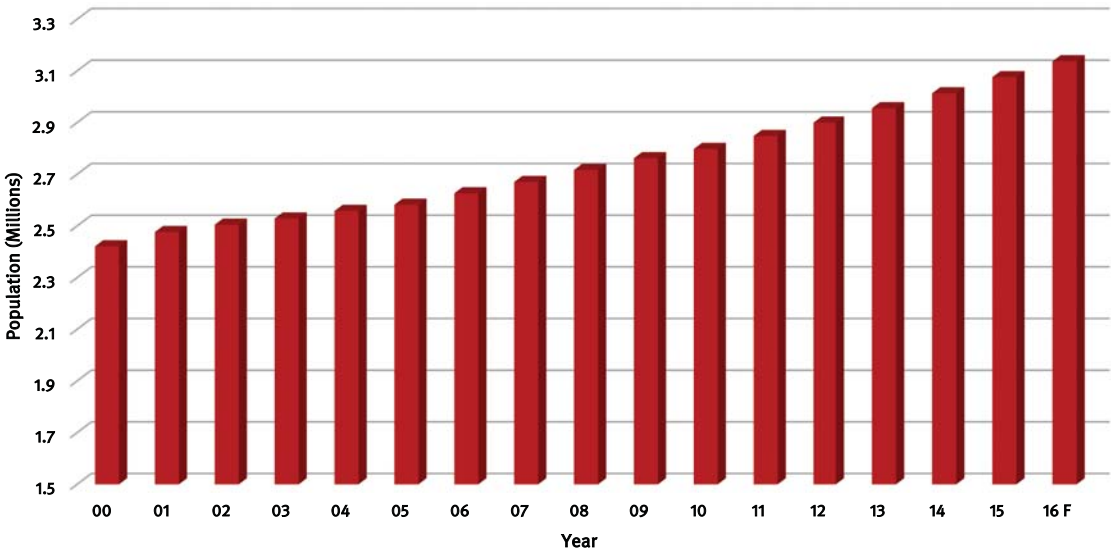
10 YEAR TREASURY RATE 2012 - 2017

10 Year Treasury Rate	
June 2012	1.69%
June 2017	2.35%



POPULATION METRO DENVER

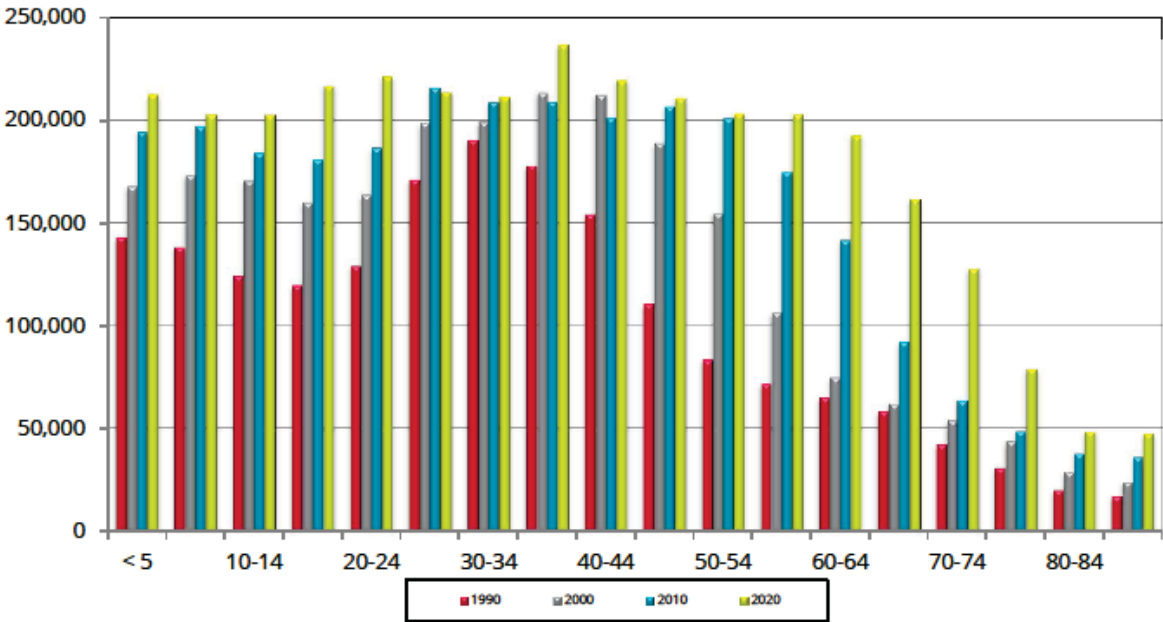
POPULATION
METRO DENVER:
3,075,513
COLORADO:
5,443,612



Source: Metro Denver Economic Development Corporation & US Census Bureau



AGE DISTRIBUTION 1990 & 2020



Source: US Census Bureau

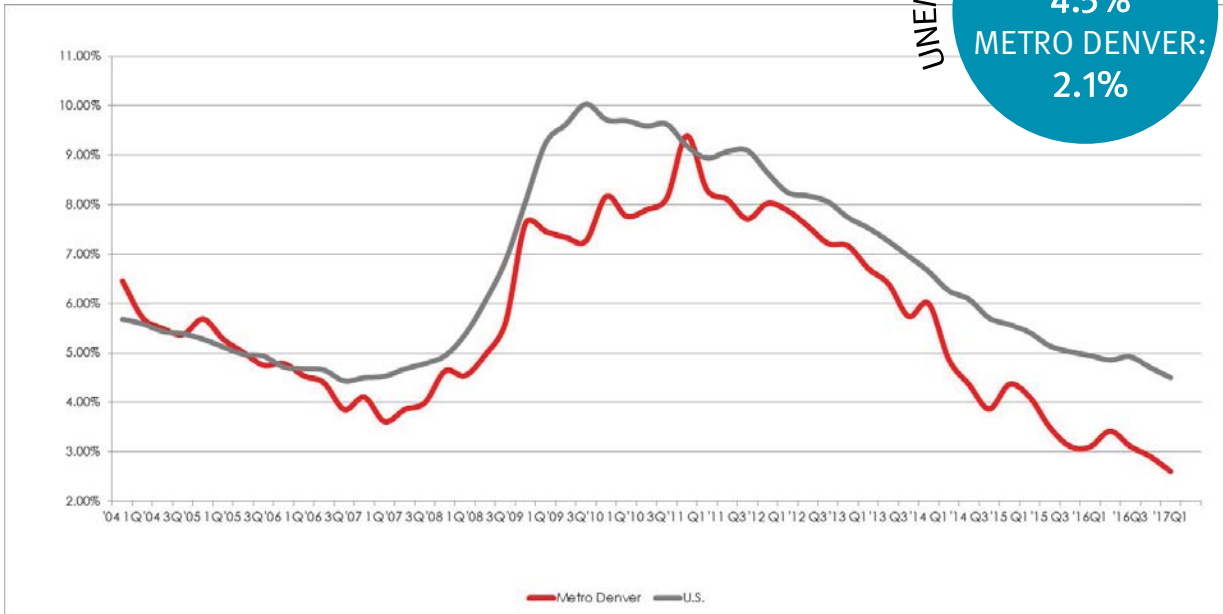


UNEMPLOYMENT RATES METRO DENVER

UNEMPLOYMENT RATES*

UNITED STATES:
4.5%

METRO DENVER:
2.1%

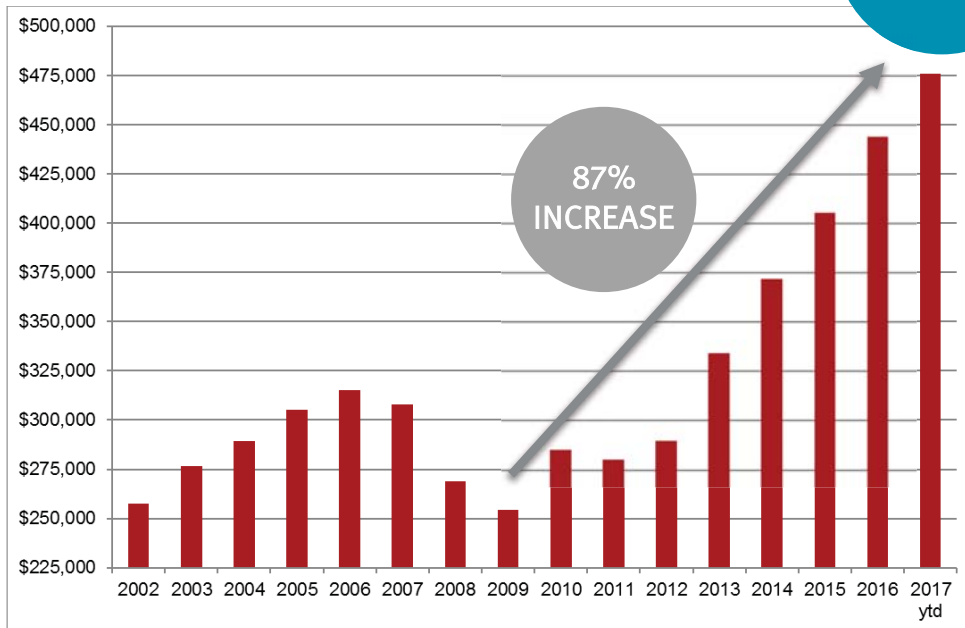


Source: U.S. Bureau of Labor Statistics | Updated through June 2017



AVERAGE HOME PRICE METRO DENVER

AVERAGE PRICE:
\$475,588



Source: recolorado.com June 13, 2017



WHAT'S NEXT?

More Buyers than Sellers

- Construction starts to normalize in 3-4 years
- Rent growth at 2-4% in suburban markets, flat in downtown for next 18-24 months
- 10 Year Note to move to 2.7% by this time 2018
- In-migration & population growth continues
- Continued Lack of affordable housing increases
- Lack of alternative investments
- Condo development will start to return
- Still the best city in the US to live!