

## DEPARTMENT OF LOCAL AFFAIRS DIVISION OF HOUSING

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### FOR IMMEDIATE RELEASE

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## Metro Denver apartment vacancies rise to 4-year high

Apartment vacancy rates in the Denver Metro are at their highest level in four years. According to a report released Wednesday by the Apartment Association of Metro Denver and the Department of Local Affairs' Division of Housing, vacancy rates during the first quarter of 2009 increased to 8.4 percent from last year's first quarter rate of 5.9 percent. Vacancies are at their highest rate since they were at 9.3 percent during the first quarter of 2005.

The vacancy rate was 7.9 percent during the fourth quarter of 2008.

Vacancies have been rising each quarter since the first quarter of 2008. Vacancies peaked at 13.1 percent during the first half of 2003, eventually fell to 5.3 percent during the third quarter of 2007, and have generally increased since.

“Given current trends in employment, and the overall caution out there about the near-term economy, these numbers aren't terribly surprising,” said Kathi Williams, Director of the state Division of Housing. “Efforts by renters to economize will continue to affect the demand for rental housing, and will especially affect upper-end newer units. We do expect to see tighter markets at the lower rent levels, however.”

Arapahoe County reported the highest vacancy rate of 9.7 percent, and the Boulder/Broomfield Area reported the lowest rate at 6.0 percent. All counties reported increases in vacancies compared to the first quarter of 2008. Vacancy rates for all counties surveyed were: Adams, 8.4 percent; Arapahoe, 9.7 percent; Boulder/Broomfield, 6.0 percent; Denver, 8.6 percent; Douglas, 7.1 percent; and Jefferson, 7.6 percent.

In general, a vacancy rate of 5 percent is considered the “equilibrium” rate. Rates below 5 percent indicate tight markets.

Observers noted that vacancies tend to increase during the first quarter, but that current trends indicate more than seasonal shifts.

“Historically, there is an upward movement in the vacancy rate during the fourth and first quarters of the year,” said Gordon Von Stroh, Professor of Business at The University of Denver, and the report's author. “However, because of the downturn in the economy, the first quarter's number is substantially greater than what we would normally expect.”

During the first quarter of 2009, average rents rose to \$881.92 when compared to \$861.26 from the first quarter of last year. Average rents are at a one-year low, however, coming in at the lowest level since the first quarter of last year. Average rents peaked at \$892.22 during the third quarter of 2008, and have fallen each quarter since.

When compared to the first quarter of 2008, only Douglas and Jefferson Counties reported decreases in average rents for the first quarter of 2009. All counties reported decreases in rents for 2009's first quarter

when compared to the fourth quarter of 2008.

The highest average rent was reported in Douglas County at \$1002.54, and the lowest was reported in Jefferson County at \$814.84. Average rents for all counties were: Adams, \$863.63; Arapahoe, \$859.01; Boulder/Broomfield, \$942.18; Denver, \$901.44; Douglas, \$1002.54; and Jefferson, \$814.84.

The Vacancy and Rent Surveys are a service provided by the Colorado Department of Local Affairs' Colorado Division of Housing and the Apartment Association of Metro Denver to renters and the multi-family housing industry on a quarterly basis. The Colorado Vacancy and Rent Survey reports averages and, as a result, there are often differences in rental and vacancy rates by size, location, age of building, and apartment type. The Report is available through the Apartment Association of Metro Denver at [www.aamdhq.org](http://www.aamdhq.org); and limited information is available online at the Division of Housing web site: <http://dola.colorado.gov/cdh/>

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