



## YOUNG BROKER OF THE YEAR

*Sean Holamon*

NEXUS COMMERCIAL REALTY

**2019 PRODUCTION: \$31,151,175** – Multifamily

### WALK-UP SONG

*Danger Zone by Kenny Loggins*

**Please share a summary highlighting your biggest, most memorable deals that you were involved in/completed in 2019.**

The sale of the multifamily property at 4101-4115 Martin Luther King Boulevard twice in one year. The first time I sold the property it was distressed, and we were able to negotiate a fair price with respect to the condition. The transaction took place off the open market. Substantial structural issues were discovered through the inspection phase which required a tough negotiation process. The property was renovated by new owner, Apex Real Estate Solutions, then openly marketed. I procured the buyer for the second sale, a 1031 exchange, and the transaction was closed under 60 days. Apex Real Estate Solutions was happy and the buyer obtained a great property in an emerging Denver neighborhood.

The biggest transaction I completed was an \$18 million portfolio sale of 138 units in southwest Denver, including the Autumn Ridge Apartments. I represented the seller and Jason Koch of Nexus Commercial Realty represented the buyer, Abiete Real Estate, a long-time client of ours. It took persistence and a lot of time to get the seller comfortable going under contract, as he had a small prepayment penalty and wanted to find his 1031 exchange up-leg. The portfolio sale closed in 2019 and was a win-win for buyer and seller with respect to their real estate goals.

**Describe the overall performance/state of your submarket for 2019.**

Three Colorado cities recently ranked in the Top 20 in the nation with the greatest rent jump in the past decade, according to NREI. Colorado Springs ranked #16, Denver #4 and Aurora topped the list as #1. With the sudden rent increase in parallel with compressing cap rates, it created a challenge as a broker to get buyers to overcome the sharp increase in price in the multifamily sector in Colorado. Investors had to take advantage of the low interest rate environment and lower their return expectations compared to previous years, if they were going to

be active on the buy side in last year's market. Some of the long-term owners in the area were open to reevaluating their investment strategy due to appreciation and the increase in property taxes. These owners, who were never sellers in the past, changed their mind last year. We saw many of the higher prices being paid for apartments by out of state investors, with an influx of capital from California and New York, possibly due to rent control measures in those states.

**What are your predictions for your submarket for 2020?**

The multifamily sector will face the challenge of affordability as investors push rents to new levels. Even so, the demand will remain strong as millennials choose to live in apartments versus single-family rentals. The growing young adult population will continue to rent by choice because they are settling down and having children later in life. Investors will need to get creative on ways to create value with slimmer profit margins as prices continue to rise. With key indicators pointing to steady growth, the multifamily sector will remain a top investment choice in CRE during 2020.

**What is going to be the biggest commercial real estate story for the Denver area in 2020?**

Will the young population continue to move here, or will affordability be an issue with respect to that? Will the younger demographic be pushed to other cities with a similar quality of life but more affordable? The highly educated young population will draw some companies to move their headquarters to the Denver metro area so long as they can overcome the increased cost of living. Absorption rates in the multifamily sector should remain strong as new deliveries slowdown in comparison to the last few years. On a political level, rent control will be the hottest topic that could dramatically affect our business. The capital chasing multifamily may choose markets that aren't threatened by rent control measures.

## YOUNG BROKER FINALISTS



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**Andrew Monette**  
Pinnacle Real Estate Advisors  
Multifamily



5

**Christopher Knowlton**  
Pinnacle Real Estate Advisors  
Multifamily



8

**Justin Gregory**  
Trevey Commercial Real Estate  
Retail



3

**Jake Shirek**  
Marcus & Millichap  
Investment



6

**Bryon Stevenson**  
Newmark Knight Frank Multifamily  
Land



9

**Parker Brown**  
CBRE, Inc.  
Investment



4

**Thomas Parsons**  
Marcus & Millichap  
Investment



7

**Corey Sandberg**  
Pinnacle Real Estate Advisors  
Investment



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**Conner Piretti**  
Calibrate Real Estate  
Investment