

HEAVY HITTERS *In Commercial Real Estate*



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Newmark Knight Frank Multifamily

TOP MULTIFAMILY BROKER 2018 Production: \$678,410,750

Please share some information/details about your biggest, most memorable deals that you were involved in/completed in 2018.

The NKF Multifamily Capital Markets institutional investment sales team completed many memorable transactions in 2018, including the disposition of Westend, a downtown-garden-style property which sold for \$128.7 million; Strata, the first new-build in the area surrounding the Denver International Airport area in 15 years; Ashford Belmar, the largest multifamily transaction in metro Denver in 2018 by gross sale price; and Infinity LoHi, which set the per-unit record for market-rate apartments at the time of its sale.

Ashford Belmar is a 512-unit asset, built in 1988 and 1993 with varying degrees of renovations completed. The property's A+ suburban location, anchored by the Belmar development, prompted 15 offers with one of the most competitive best and final processes our team had ever experienced. Ashford Belmar achieved a record price per unit for its vintage and was the largest multifamily transaction in 2018 by gross sale price. Additionally, the NKF Multifamily Capital Markets debt team arranged the transaction financing. Ashford Belmar was the highest dollar price transaction to trade in Denver in 2018. What I am most proud of regarding this transaction is our team's strategy, their production of an exceptional marketing package and the fantastic relationship we have built with the owner over the last seven years; relationships are what make the commercial real estate business special.

Another important deal in 2018 was the \$111.75 million sale of Infinity LoHi, a downtown asset which achieved the highest per-unit pricing in 2018 in metro Denver for market-rate apartments at the time of sale.

Describe the overall performance/state of your submarket for 2018?

The Denver multifamily market was strong in 2018, with a total transaction volume of \$5.2 billion. Absorption trended up, with more units absorbed than delivered, and this established solid rent growth. A high volume of new

product hit the market in 2018, compared to previous years where value-add product dominated the market. 2018 was a surprising year for transactions, with a good first quarter, a slower second quarter and, beginning in June, one of the busiest years we have experienced in terms of total dollar volume and number of transactions. The Denver NKF Multifamily Capital Markets team completed \$2.01 billion and 70 transactions. 2018 was the year that the merchant developers started selling in earnest, both Core+ and Class A suburban assets. Additionally, this year, REITs made continued investment in the metro area in both the Core+ and suburban space. It was a slower year for value-add transactions.

What are your predictions for your submarket for 2019?

2019 will be another great year for multifamily market performance and transactions. In 2019, Core+ and Class A assets will maintain market presence and value-add properties will have a resurgence in the market in 2019. I estimate high, three percent rent growth for the multifamily market overall.

What is going to be the biggest commercial real estate story for the Denver area in 2019?

The continually strong fundamentals of the Denver market and the ever-growing millennial workforce of metro Denver are driving companies to move to Denver, with announcements of companies moving their headquarters to the city occurring almost daily — examples include Gusto doubling its Denver workforce and VF Corporation moving its headquarters downtown. Companies are drawn to Denver's high-quality of life and highly educated workforce. In 2019, I expect this type of growth to continue.

The growth of the area surrounding Denver International Airport — the "Aerotropolis" — will be very robust and there will be job growth in that submarket as well.

Shane's Walk Up Song:

"Tush" by ZZ Top

