

# 2023 HEAVY HITTERS *In Commercial Real Estate*



**TOP YOUNG BROKER**

*Elliott Polanchyck*

UNIQUE PROPERTIES

**2023 PRODUCTION: \$51,405,375**

***Please share a summary highlighting your biggest, most memorable deals that you were involved in/completed in 2022.***

My most memorable deal in 2022 was Terra Village Apartments (402 units in Edgewater, CO). The seller initially intended this property to be a long-term hold. Since the seller did not need to sell but was slightly interested, there were many stipulations to our involvement. Most notably, the seller wanted to avoid the property being marketed at all. I was given the opportunity to make only two phone calls to see if there was any opportunity at a specific price that would make the seller walk. Luckily, due to my market research, I knew Trion Properties would be an ideal fit. Trion went under contract at the start of the rate hikes, so we had to push through to ensure we could take advantage of the rates. At a \$110 million sale price, this deal is Unique Properties' largest deal to date, and I am honored to have been a part of it.

***Describe the overall performance/state of your submarket for 2022.***

2022 started as one of the strongest apartment markets in history. Capital was abundant in the market and was ready to be deployed. However, with the state of the economy, the federal reserve continuously raised rates to battle the rapid rise of inflation. Sellers still wanted 2021 pricing, and buyers wanted to buy at unrealistic discounts. As brokers, it was challenging to close the gap between the bid and asking prices for multifamily properties. Towards the middle to end of 2022, we have seen an increase in creative financing. With seller's offering to carry notes, we can get them their 2021 pricing while offering an excellent return to active investors.

***What are your predictions for your submarket for 2023?***

In 2023, we see tremendous opportunities for both buyers and sellers to capitalize on the continued growth and strength of the Denver multifamily market. From the buyer's perspective, there is a plethora of deals readily available. Whether they are priced correctly is another discussion, but there are many money-making opportunities in a market like this. Although interest rates have risen drastically in the last six months, they are still near historical averages. This makes room for buyers to capitalize on accurately priced deals. Based on the market trends, I don't think there will be blood in the water per se, but some sellers will be forced to sell, and that's when money is made for the buyer.

On the other hand, from the seller's perspective, now is still a great time to sell. No matter the economic environment, we always say in our office that the best time to sell was yesterday; the next best time is today. The average price per unit is higher than pre-pandemic levels. We see that good operators can exit the market with good values, but it gets tricky when properties with below-average rents expect top-market prices. Successful owners have been able to capitalize on the tremendous rent growth over the past five years. Overall, the deal volume will slow until the half-year mark, and then we will see it pick up in the last half of the year.

***What is going to be the biggest commercial real estate story for the Denver area in 2023?***

The biggest story for the Denver multifamily market in 2023 will be that rates will not increase as rapidly as we think and inflation will decline over the course of the year. This shows

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*more from Elliott Polanchyck, Unique Properties*

that the big rate hikes we got in 2022 are working to combat hyper inflation. The theory of raising interest rates is that it will decrease economy activity, however, when it comes to the Denver multifamily market, I believe that deal volume will not be affected as much as we think. Since the multifamily asset class is a hedge against inflation, I think deal volume will be on par with 2021 and 2022. Historically, quarters one and four are slower due to cyclical reasons, but I believe quarters two and three will be business as usual as buyers will be looking to buy and sellers will still be able to achieve a pre-pandemic price.

***What is a goal you have yet to achieve?***

My main career goal is to surpass \$1 billion in total deal volume within my first five years in brokerage.

***Who is the one person you're most interested in meeting?***

Warren Buffett

***What is your favorite quote?***

“Good enough is not good enough if it can be better. And better is not good enough if it can be best.” – Rick Rigsby

***What would you select as your 2022 theme song/walk up song?***

Antisocial by Ed Sheeran & Travis Scott