

### Multifamily Trends: Moving from the Millennials to 55-Plus?

By Chris Achenbach and Michael Leccese



In the past year, Metro Denver's apartment construction boom has continued with record-high rents and low vacancies continuing this spring.

With single-family homes for sale remaining scarce, this demand will continue at least for a while. But the 13,000 additional apartments in the pipeline concerns some industry pros, who expect vacancies to rise to perhaps 7 percent in the next two years.

New buildings in special locations like Denver Union Station (DUS) will flourish in any marketplace. As the DUS multi-modal transit hub takes shape, the construction of adjacent development is keeping pace.

The newly opened West Line of FasTracks only adds to the value of this hub location, which is seeing major projects developed by East West Partners, Hines, Holland, Zocalo and others.

The West Line itself is generating new apartment and other housing development (both by for-profit and nonprofit developers) at stations along the way in Denver and Lakewood, including Sheridan, Lamar, Wadsworth and Oak.

The West Line is bringing new development to the West Colfax corridor that has largely lacked economic or physical development for decades.

The reason: the convenient new link to major employment centers such as Lakewood Federal Center/Union and central business district, as well as to educational centers such as Lamar and Auraria.

Expect to see more development activity soon as planning sets the stage for redevelopment at the Decatur/Federal station next to Sports Authority Field and next to Lakewood Federal Center.

The Urban Land Institute Colorado (ULI Colorado) has proudly participated in several advisory panels to leverage development on these important sites.

Areas with strong urban design, mixed-use and walkability, such as Lakewood's Belmar, Boulder Junction transit village, Denver's Ballpark Neighborhood, Louisville and Lone Tree's RidgeGate, also continue to attract new investment in multifamily projects.

Yet even multifamily developers sense a market shift as apartment construction approaches saturation.

Specifically this shift may cater to the rapidly growing 55-plus market. And just like the Millennials (the ages 25-34 market), this segment is looking for places to live that are urban, mixed-use, walkable and near transit.

An early example is the long-delayed (but finally under construction) Balfour Senior Living complex in Riverfront Park.

Located at 15th and Little Raven streets in Denver, this \$74 million project incorporates the historic Moffat Depot and will split its 205 homes among independent, assisted and nursing.

Developer Michael Schonbrun thinks more seniors – and 8,000 baby boomers who will turn 65 every day for the next 18 years – will want to live near such assets as the Tattered Cover, light rail stations, the Pepsi Center and Coors Field.

He envisions downtown office workers popping in for lunch with mom and dad, or grandkids being dropped off for a weekend that might include a trip to Elitch's, the Aquarium or Coors Field.

Zocalo Community Development is underway on design of a 55-plus project at Stapleton just steps away from Founder's Green.

The project capitalizes on Stapleton's powerful brand, including a great sense of community and many amenities in a near-urban location.

With this project, Zocalo hopes to shed the "senior" part of "senior living" and focus on those 55 and older who have perhaps finally sold the family house and, enjoying a new found freedom, are flocking to Colorado and Stapleton to be closer to their children (and more importantly their grandchildren).

---

*Chris Achenbach is principal of Zocalo Community Development and chair of ULI Colorado's executive committee.*

*Michael Leccese is executive director of ULI Colorado.*