2026-8-#2

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Apartments sell at 36% discount in Denver

Sales are down; investor buying at 'the bottom'

BY MATT GEIGER

BUSINESSDEN

Ryan Lawless, of Renegade Capital, wants to be known as a contrarian.

The 40-year-old is buying Denver apartments at a time when many investors are sounding alarm bells about the state of the market. But he believes his most recent purchase will be a future case study in buying the dip.

Earlier this month, Lawless paid $17 million for the 142-unit 180 Flats apartment complex at 818 and 848 S. Dexter St.

That was about a third less than the $26.8 million that the seller, Denver-based RedPeak Properties, paid for the property on the edge of Glendale and Denver in February 2019.

"We're buying at what we think is the bottom," Lawless said.

Note

"Not a lot of acquisitions are happening right now," he added. "And we're pretty contrarian in that we're buying property."

Brokerage CBRE reported $289 million in apartment sales in the first quarter of 2026, down from $893 million in the same period a year ago. The average price per unit sits at $224,000, down 20% year over year.

Note

"Anything bought in that 2020 to 2022 era is going to get a lesser value today than it did then. ... Interest rates are way higher," said Berkadia apartment broker Robert Bratley.

Note

Marketwide vacancy in Denver sits at 8.3%, the highest figure since 2010, according to the Apartment Association of Metro Denver. Rents, meanwhile, are the lowest they've been in five years. Receiverships and foreclosures are on the rise.

Note

"Cherry Creek and LoHi are fine," Bratley said. "The markets that you're really going to see really struggling for a while are RiNo, Glendale and out by DIA."

The Harper, an apartment complex on the edge of Denver and Aurora at 8680 E. Alameda Ave., is one such example.

The 254-unit complex built in 1973 sold for $30.7 million in mid-June, down from $62.2 million in November 2021. Records show a $46.5 million loan on the real estate was set to mature in November.

Four miles to the south, at 2280 S. Monaco St. Parkway, the 220-unit South Monaco apartments sold in late May for $27.5 million. The 1970 building last changed hands in October 2019 for $36 million, according to public records.

And in central Denver, the same trend is occurring. In April, a 23-unit complex at 1410-1430 N. Albion St., one block from the intersection of Colfax Avenue and Colorado Boulevard, sold for $6.8 million. It fetched $10 million the last time the 1940s property traded hands, in late 2021.

Note

Many investors who bought apartments during the low-interest-rate days of the early pandemic did so with floating-rate loans. As interest rates ticked up, monthly payments became more expensive for property owners.

"A lot of those people thought those rates were going to continue to decline," Bratley said. "It's caused a significant problem."

Commercial loans are often much shorter than residential ones, and many notes are coming due today from early pandemic-era purchases. The high interest rate environment is both forcing owners to sell and scaring away buyers.

"It was in really good shape, it was just operationally a very challenging time because of the submarket," Lawless of Renegade Capital said of his recent purchase.

He paid about $120,000 per unit for the Dexter Street buildings.

"To build that today ... you're talking over $400,000 a unit," he said.

The New Jersey native founded Renegade in 2021. He said he and his team of three have poured $100 million since last September into new acquisitions. He's also helped develop the Frameline complex in central Denver with local developer Narrate. Another groundbreaking in Colorado Springs is set for early next year.

Lawless isn't the only one trying to buy apartments on the cheap. BMC Investments, the firm led by Cherry Creek developer Matt Joblon, closed on a $150 million fund last year to buy apartments in seven markets where he expects a lack of supply in the future.

"There's an incredible buying opportunity right now in cities that are growing," he told BusinessDen in September.

Lawless' new apartments are 78% leased. Since the seller kept the property in great condition, he said, his only move is to get that number to the mid-90s.

First, he'll bring in a new property management company with on-site staff. And second, he'll lower the rent.

"At our basis, we don't have to hit the top of the submarket rents," he said.

Note

By the time the market turns around, which he thinks will occur in the next two years, the investor believes he will have a fully stabilized building that will have greatly appreciated in value.

"Once that arrow is pointing just a little bit up and to the right, all these people who say they're out on Denver, they're coming back."