

2024 Development Summit

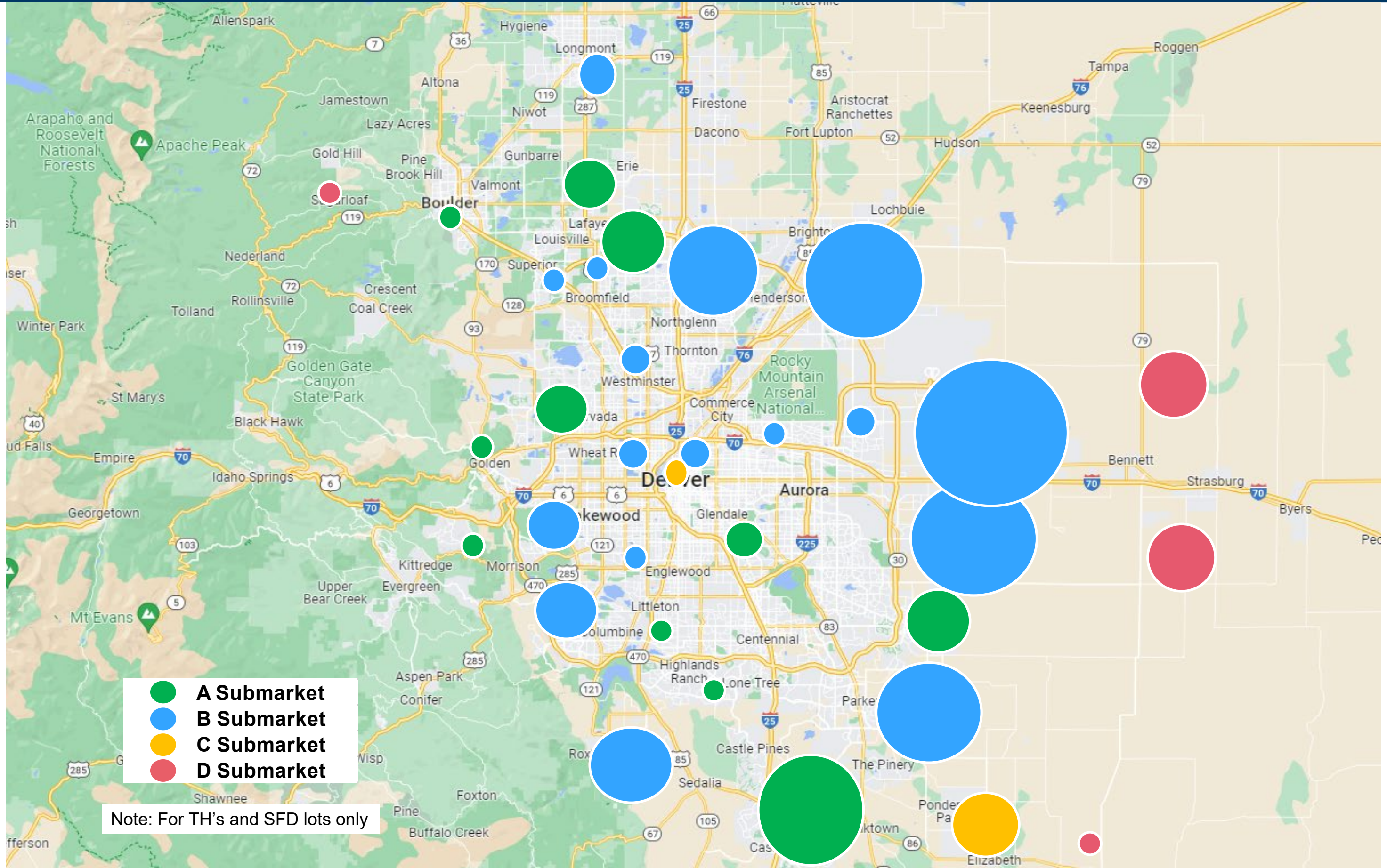
***Joey Dybevik, Cushman &
Wakefield Residential Land Services***

April 18, 2024

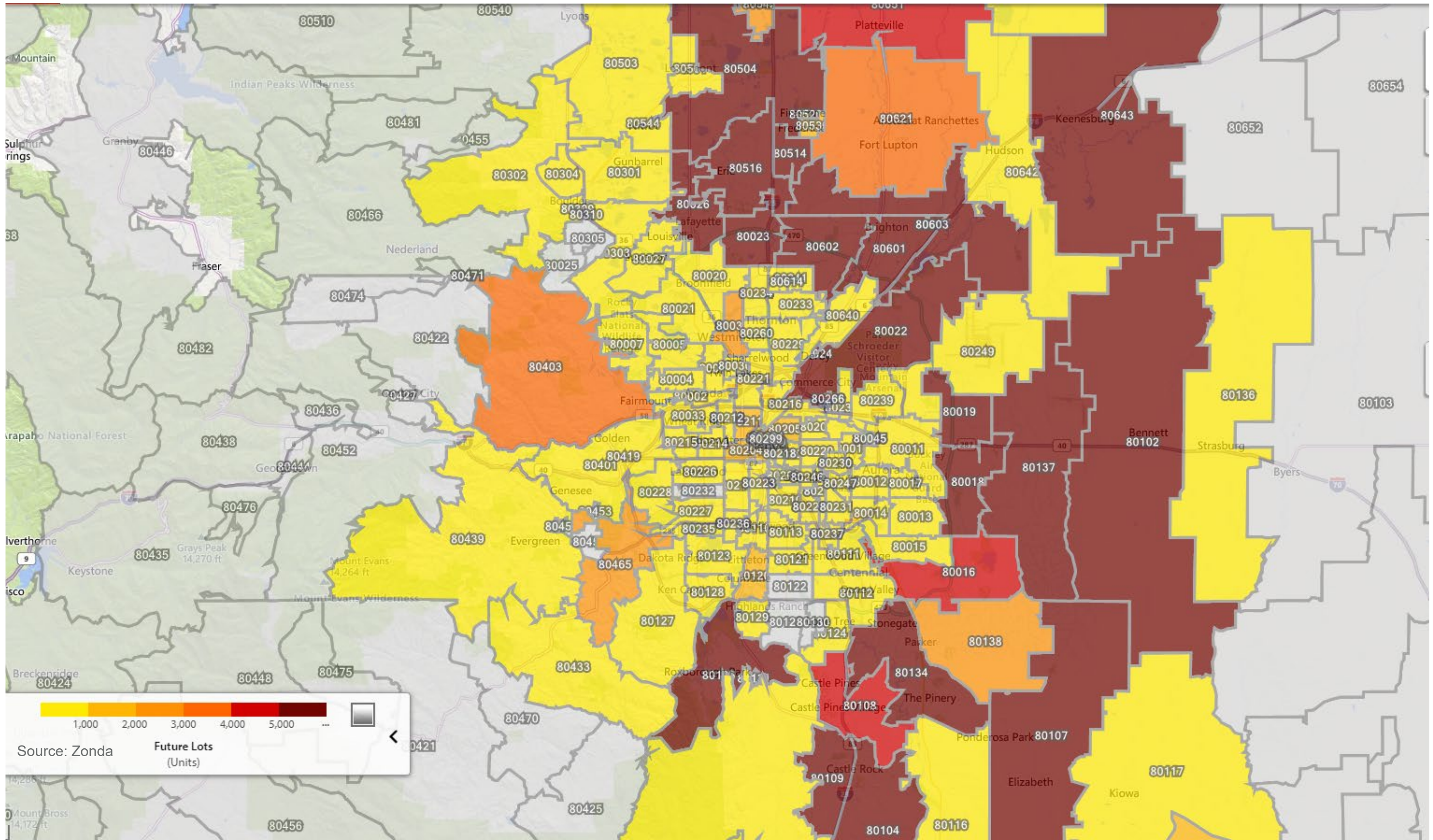
AGENDA

- **Market Snapshot**
- **Market Drivers**
- **Market Challenges**
- **Potential Solutions**
- **Why Brighton?**
- **Heard On The Street**

DENVER LAND MARKET SNAPSHOT – Capacity of Lots/Land By Submarket



WHERE THE MARKET CAN GROW – Future Lots Along the 470 Corridor



- **Population Growth**
- **Lifestyle**
- **Jobs/Employment**
- **Education**



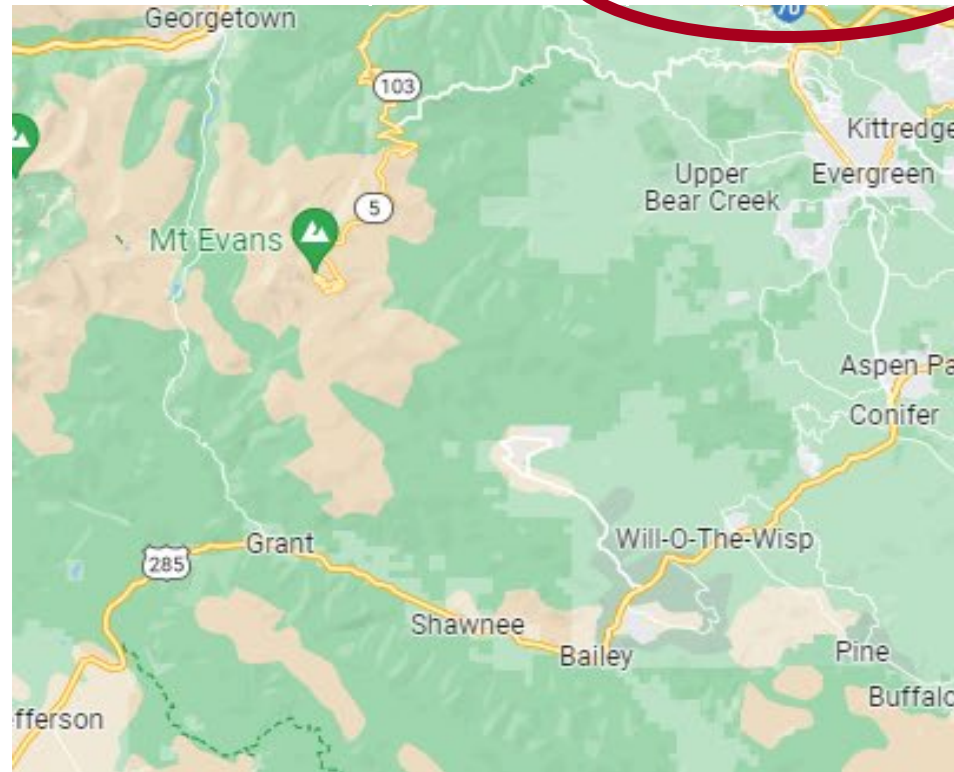
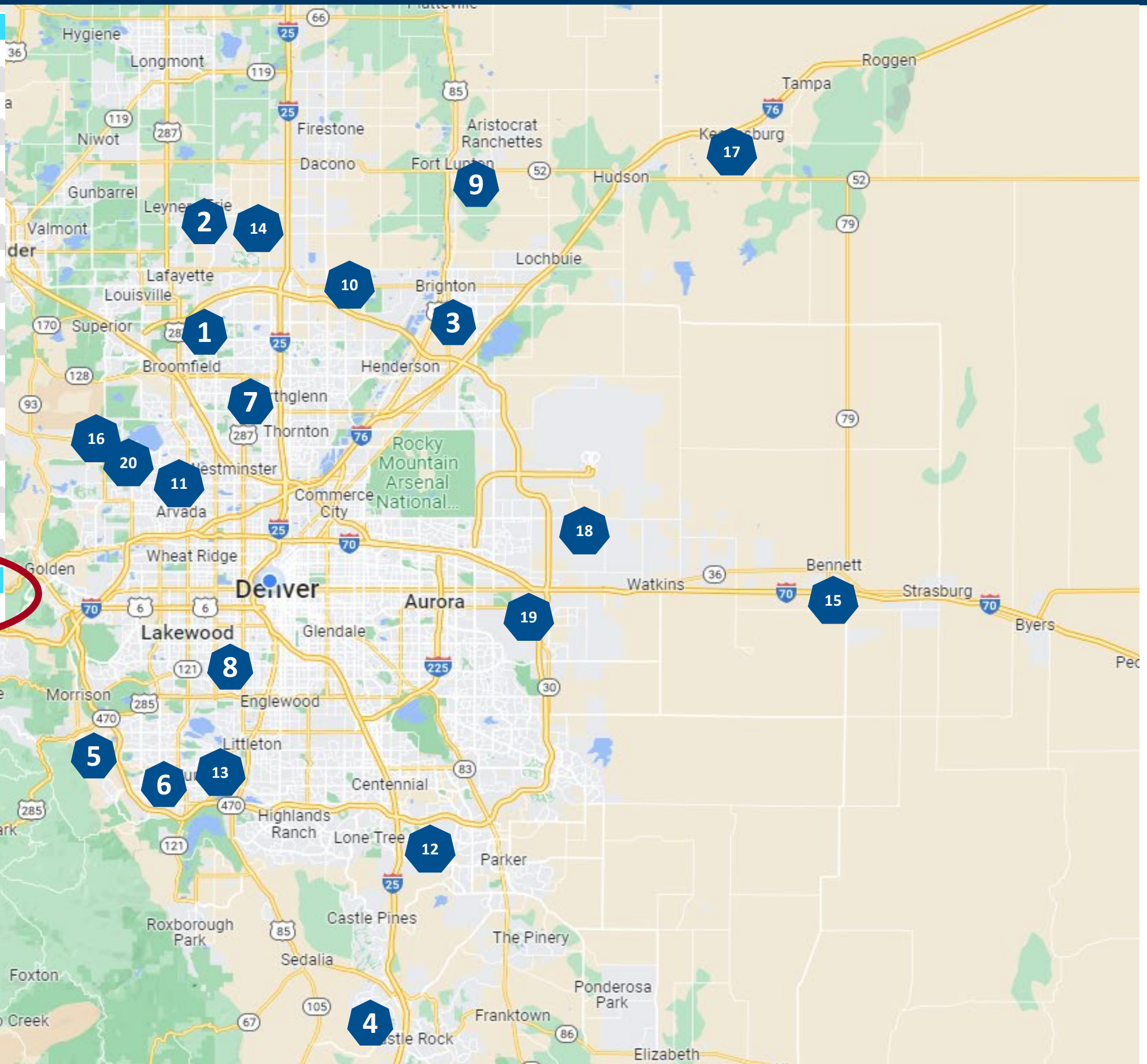
- **Lack of Supply/Affordability**
- **Water Availability**
- **Entitlement Timelines**
- **Construction Costs**
- **Interest Rates**



POTENTIAL SOLUTIONS – Increased Density

Map#	Project	Builder	SFD	ATT	Total
1	Aspen Creek / Dillon Pointe	Brightland Homes	121	191	312
2	Erie Four Corners	Toll Brothers	48	197	245
3	Farmlore (Flg 1-3)	Various	275	98	373*
4	Hillside @ Castle Rock	BVLD	36	84	120
5	Three Hills	Cardel; Remington	68	218	286
6	Ken Caryl Ranch North	Various	249	0	249
7	Knolls	Boulder Creek	0	122	122
8	Loretto Heights	Thrive Builders	138	138	276
9	Murata Farms	Unknown	180	103	283
10	Parterre (PH 1-4)	Various	469	444	913*
11	Ralston Creek	Berkeley Homes	0	44	44
12	Ridgegate / Lyric (Flg 1A/B)	Shea Homes / Vari	251	324	575*
13	Santa Fe Park South	Toll Brothers	81	282	363
14	Sunset	Lennar	214	24	238
15	Bennett Ranch	LGI	199	431	630
16	Trailstone	Taylor Morrison	548	132	680
17	Vista West	Various	120	0	120
18	Windler (Flg 5)	Various	166	186	352*
19	Aurora One	Lennar	0	594	594
20	Whisper Creek / Village	Lennar	0	110	110

3,163 **3,722** **6,885**
46% **54%**



- **Land Availability**
- **Business Friendly**
- **Pro-Growth Community**
- **Upcoming Projects**



“Entitlement durations continue to make forward planning very difficult. It’s very hard to make deals pencil in today's housing market environment (discounts, buy-downs, etc.)”

“There is very little ground in A locations in El Paso County that isn't already tied up”

“Capital availability, land prices, availability/price of raw water, entitlements.”

“While the overall market is challenging, the cost of capital is putting us on the sidelines until further notice. In addition, entitlements continue to challenge our space due to time and cost-add by the municipality whether it is offsite improvements not created/caused by the project, architectural requirements increasing direct costs, and overall fear by staff to make decisions.”

“Lack of finished lots for purchase will hurt us. The time and cost to entitle and build new subdivisions is almost unsurmountable.”

“New home absorptions are correcting. Home prices will need to continue to increase substantially to make new deals work.”

“Buyers have a high ‘desire’ to purchase homes.”

“Sales and home price rebounding seems to have begun. Getting deals approved is very dependent on current activity.”

“With resale inventory being so low the need/demand for new home construction remains high.”

“Easing seems to have begun on land availability bringing a higher volume of deals to the market.”

“Possible legislative solutions this session for construction defect relief to allow for greater densities with more sensible HOA rights, builder liability, and right-to-repair.”

“Interest rates appear to have stabilized with the potential for additional rate decreases this year, and the Denver MSA still appears to have pent up demand for housing.”

“Strong fundamentals in the overall market.”

- Home sales will slowly improve through the year, economy stable but uncertainty with looming election.
- Very little relief on land prices, development costs, and local fees. Construction costs are down, and home prices are moderating, but large swaths of buyer demand is still priced out of market.
- New home projects in North Brighton are poised to increase market share of Denver market (Mountain View and Farmlore).
- Anticipate more density, smaller homes, more attached product to keep home prices attainable.
- Population growth (in-migration) will continue. How will we accommodate future residents?

Thank You

Feel Free to Call us With Questions

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