Virtually All New Multi-Family Buildings Are Rentals. Could They Become Condos?

Colorado's housing market has a peculiar problem. For nearly two decades, developers built plenty of apartments but relatively few condominiums. The result is visible today: renters have abundant choices, while first-time buyers searching for affordable ownership opportunities often come up empty-handed.

Real Estate Today



By Jim Smith
Realtor®

The reason is no mystery. Many developers concluded that construction-defect litigation made condominiums far riskier than apartments. Rather than sell homes to hundreds of individual owners and potentially face lawsuits from condominium associations, they chose to build and retain rental communities.

Thousands of apartment units have come online across the Denver metro area just as rent growth has slowed. Meanwhile, the appetite for homeownership remains strong. That naturally raises a question: Could some of those apartment complexes be converted into condominiums and help ease Colorado's shortage of entry-level homes?

The answer is yes, although probably not on a scale large enough to transform the market overnight.

Unlike new home construction, condo conversions can create ownership opportunities without building a single additional unit. In fact, residents often don't have to move out. In many New York co-op and condominium conversions during the 1970s and 1980s, existing tenants were offered the first opportunity to purchase their apartments, frequently at favorable prices. Those who bought simply became owners of the homes they already occupied.

A similar model could work in Colorado. Still, converting an apartment complex into condominiums is more complicated than selling apartments one at a time. Buildings must be legally subdivided. Homeowners associations must be created. Parking, storage, reserves, and common-area rights must be allocated. Financing and regulatory issues must also be addressed.

Many apartment communities are owned by institutional investors who purchased them specifically for long-term rental income. Before converting, owners must determine whether they would make more money selling units individually than continuing to collect rent. If apartment values as income-producing properties exceed their value as individual condos, conversion simply won't happen.

The legal picture may be improving, however.

Older apartment buildings may be particularly attractive candidates because liability associated with the original construction eventually expires under Colorado law. In addition, state lawmakers enacted the Colorado American Dream Act in 2025, creating a voluntary program that offers builders greater certainty regarding construction-defect claims in exchange for warranties, third-party inspections, and other consumer protections. The program took effect January 1, 2026. Supporters hope these reforms will encourage developers to build ownership housing again rather than default to apartments.

That may ultimately prove more significant than the conversions themselves.

Some apartment communities, particularly older properties or those facing softer rental demand, may eventually convert and offer tenants an opportunity to become homeowners. Those projects could add meaningful inventory to the ownership market.

But Colorado is unlikely to solve its condo shortage through conversions alone.

The more realistic scenario is a two-part solution: selective apartment-to-condo conversions that turn some renters into owners, combined with renewed construction of new condominiums as legal and financial conditions improve.

If that happens, Colorado may finally begin rebuilding the ladder of homeownership that has been missing for much of the past two decades.

Is Winter a Good Time to Sell?

Deciding whether or not to put your home on the market in the winter months involves weighing multiple pros and cons. Call one of us (our phone numbers are below) if you'd like to have that conversation.

Yes, there are some positives. For starters, buyers exist year-round. Out-of-state buyers accept jobs and need to relocate. Kids are born and grandparents want to move closer. And you could benefit from less competition as other sellers withdraw until the "selling season." David, Chuck or I would be happy to have that discussion with you. Call one of us.

What's the Median Age of a First-Time Homebuyer? It Depends on Who You Ask

For years, the typical first-time homebuyer was thought to be in their late 20s or early 30s. Then came a headline-grabbing report from the National Association of Realtors (NAR) showing that the median age of a first-time buyer had reached a record 40. That statistic sparked plenty of discussion, and some skepticism, because other organizations report much younger ages. So who's right?

As it turns out, they all may be.

The key is understanding that not everyone is counting the same people. NAR's latest Profile of Home Buyers and Sellers found that the median age of a first-time homebuyer reached 40 years old in 2025, up from 38 the year before.

NAR defines a first-time buyer very literally: someone purchasing a home for the first time in their life. Its survey asks buyers a straightforward question: "Was this your first home purchase?"

Many mortgage lenders, federal agencies and housing-assistance programs use a different definition. Under long-established federal guidelines, a person can qualify as a first-time homebuyer if they have not owned a principal residence during the previous three years. Divorced or widowed individuals may also qualify under certain circumstances.

That distinction matters. A person who owned a home a decade ago, rented for several years and is now buying again would qualify as a first-time homebuyer for a down-payment assistance program such as the programs offered by the Colorado Housing Finance Authority (CHFA). NAR, however, would classify that same person as a repeat buyer.

Rita and I have owned four homes since we married in 2004, but we sold our last home four years ago and moved into a 55+ rental. If we were to buy a home now, we could take advantage of many first-time homebuyer loan programs.

The Federal Reserve Bank of New York relies on credit-report and mortgage data. According to analyses comparing the datasets, the New York Fed found a median age of about 33 for first-time mortgage borrowers in 2024, compared with NAR's median age of 38 for first-time buyers during the same period.

One reason is that mortgage databases only see financed transactions. NAR's survey includes everyone who bought a primary residence, ***including cash buyers.***

And cash buyers are becoming increasingly important. According to NAR, 8% of first-time buyers paid all cash for their home purchase. NAR also notes that first-time buyers who pay cash tend to be substantially older than those who finance their purchases, which, of course, brings up the median age in that dataset. Those buyers are completely invisible in mortgage-based datasets.

The bottom line, then, is that mortgage studies may understate the age of first-time buyers simply bcause they don't include all those cash homebuyers.

Price Reduced on 3-BR Arvada Townhome



It's crazy that this great townhome has not sold yet, and with it now listed far below the comparable sales for Wyndham Park townhomes, it's an absolute steal. Some buyers might be turned off by the roughly $500 per month HOA dues, but when you realize that it includes insurance on the structure (including roof), water & sewer, trash & recycling, plus the amenity of a community pool, it turns about to be quite reasonable. Your only cost as a homeowner is gas & electric plus insurance for your contents and the home interior. (I pay about $200 per year for that.) The fee also covers grounds maintenance and snow removal on your driveway and up to your front door. Not bad! The location is ideal, convenient to Old Town Arvada and to the highways leading to the mountains, Boulder and downtown Denver. **NOTE**: In addition to super low purchase price, the seller offers a $10,000 concession toward reducing your mortgage interest rate! Find more details and view a narrated video walk-through at www.GRElistings.com, then come to today's open house or call me to request a showing.

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CENTURY 21
GOLDEN REAL ESTATE
Hometown Service Delivered with Integrity

Jim Smith, Broker
303-525-1851
Jim@GoldenRealEstate.com

David Dlugasch, Broker Associate
303-908-4835
David@GoldenRealEstate.com

Chuck Brown, Broker Associate
303-885-7855
Chuck@GoldenRealEstate.com

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