



# REGIONAL SNAPSHOT

## NORTHERN FRONT RANGE

INSIDE THIS ISSUE:

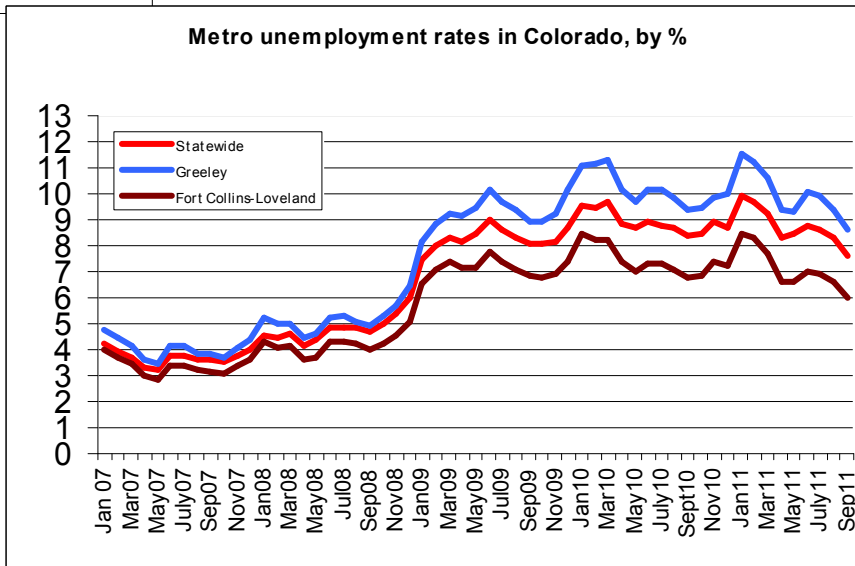
<i>Employment</i>	1
<i>Building Permits</i>	1,3
<i>Home Prices</i>	2
<i>Rental Vacancies</i>	3
<i>Foreclosures</i>	4
<i>Announcements</i>	4

## TOTAL EMPLOYMENT FALLS ALONG NORTHERN FRONT RANGE

The unemployment rate in northern Colorado continued to decline as job creation slowly increased in Colorado. As can be seen in the graph below, the unemployment rate in Greeley has fallen below 9 percent and fell to 8.6 percent during September 2011 from September 2010's rate of 9.4 percent. In the Ft. Collins-

Loveland area, the unemployment rate fell to 6 percent during September 2011, falling from last September's rate of 6.7 percent. With the exception of Boulder's unemployment rate of 5.9 percent, the Ft. Collins-Loveland area now has the lowest unemployment rate among all metropolitan areas in the state.

Year over year for September, the Greeley area added 711 jobs while the Ft. Collins-Loveland area added 4,510 jobs. In total employment, the Greeley area, as of September, was 5 percent below peak employment levels reached before the most recent recession. The Ft. Collins-Loveland area is now 1.7 percent below its own peak, while statewide, total employment remains 4.9 percent below its July 2008 peak. In recent years, the Ft. Collins-Loveland area has consistently been an area with lower unemployment and more job creation than most other metropolitan areas in the state. This has been reflected in overall demand for real estate in the area, and the area has shown some of the lowest apartment vacancy rates and lowest foreclosure totals.



## MULTIFAMILY BUILDING PERMITS PICK UP IN LARIMER COUNTY

Single-family permit activity along the northern Front Range continues to be down considerably from peak levels reached during 2004 and 2005. From January through August of 2011,

there were 445 single-family permits issued in Weld County and 508 permits issued in Larimer County. These totals are down from a peak of 2,803 single-family permits issued

during the same period of 2005 in Weld County and a peak of 1,854 reached during 2004 in Larimer County. There were no multifamily permits issued in Weld County during the first eight months of

**MORE on page 3**

*As expected, the relatively strong job market in the Ft. Collins-Loveland area has contributed to more stable home prices than are found in many regions.*

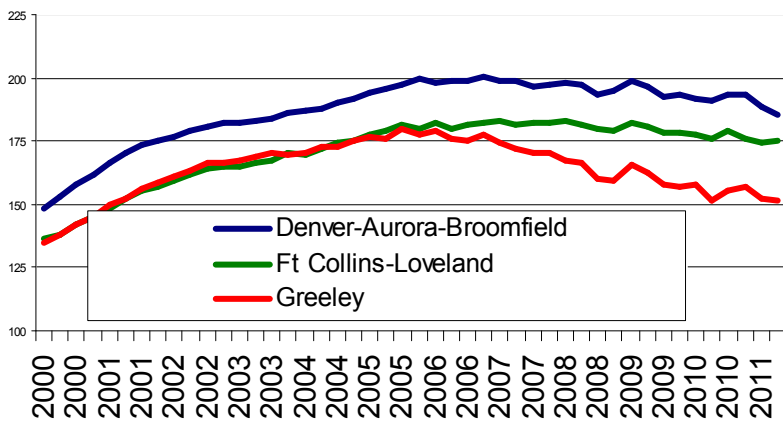
## HOME PRICES FALL IN GREELEY, FT. COLLINS AREAS

According to the Federal Housing and Finance Agency's (FHFA) House Price Index (HPI), home prices in the Greeley area have been declining since 2006 and prices in the Ft. Collins-Loveland area have been declining since 2007. According to the FHFA, home prices peaked in the Greeley

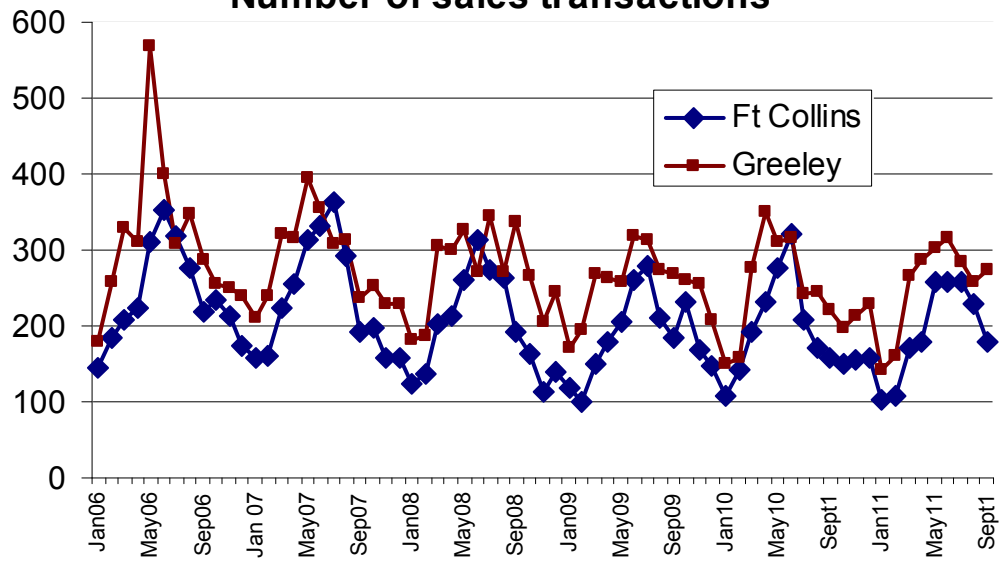
area during the first quarter of 2006. Since then, the index has fallen 15.6 percent. In the Ft. Collins-Loveland area, the index peaked during the first quarter of 2007. Since then, the index has fallen by 4.4 percent. In the Denver-Aurora area, the HPI has fallen by 6.9 percent since its own

2007 peak. The larger decline in home prices in the Greeley area likely reflects the higher foreclosure rate seen in the Greeley area since 2006, and the very large amount of single-family construction that took place there in recent years contributed to a surplus of single-family homes. Although prices have moved downward in recent years, home sales activity in Greeley has remained stable. Home sales peaked in Weld County during 2006 and 2007 with 300-400 home sales closing being reported during several months of those years. Sales activity appears to have bottomed out during 2009, but total sales activity has been generally flat since 2009 with 2010 and 2011 reporting similar numbers of total sales closings. As with much of the state, stability in home sales transactions has not prevented continued slow declines in home prices. As expected, the relatively strong job market in the Ft. Collins-Loveland area has contributed to more stable home prices than are found in many regions.

**FHFA House Price Index: Estimated using Sales Prices and Appraisal Data**



**Number of sales transactions**



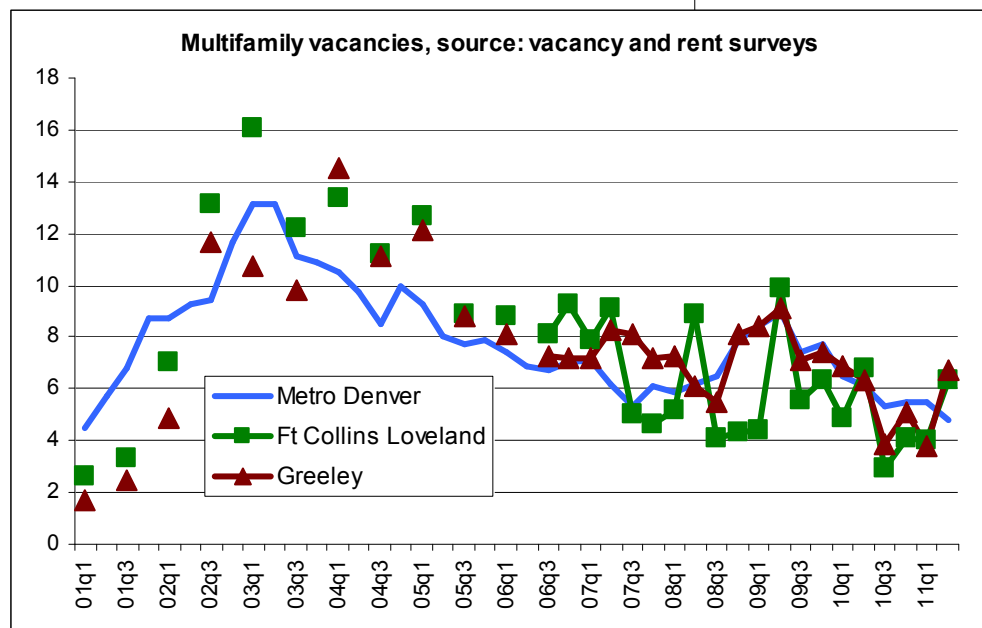
# VACANCIES IN NORTHERN COLORADO FALL AS RENTS RISE

Following an initial increase in apartment vacancies following the financial crisis of 2008, vacancies have declined significantly over the past two-and-a-half years. As can be seen in the graph at right, vacancy rates headed down consistently from late 2009 through the first quarter of 2011. In the Ft. Collins-Loveland area, the vacancy rate fell from 9.9 percent during the second quarter of 2009 to 6.3 percent during the second quarter of 2011. During the same time period in Greeley, the vacancy rate fell from 9.1 percent to 6.7 percent. Year over year, vacancy rates increased slightly from the second quarter of 2010 to the second quarter of 2011, although this may be due at least partially to property managers

attempting to push rents, which has led to turnover. Overall demand is strong and is reflected in rent growth, although a lack of income growth among renters may be making it more difficult to push rents. From the second quarter of 2009 to the same period of 2011,

average rent grew 6.9 percent in Ft. Collins-Loveland and 3.3 percent in the Greeley area. As of the second quarter of this year, the average rent in Greeley was \$649, and the average rent in the Ft. Collins-Loveland area was \$882.

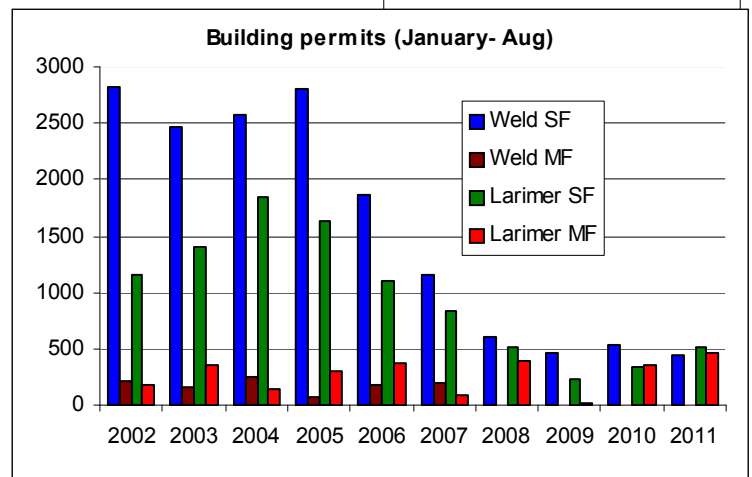
*From the second quarter of 2009 to the same period of 2011, average rent grew 6.9 percent in Ft. Collins-Loveland and 3.3 percent in the Greeley area.*



# PERMIT ACTIVITY, CONTINUED

2008, 2009, 2010, or 2011. In Larimer County, which has been one of the most active counties in the state for new multifamily permits issued, there were 454 new multifamily permits issued from January through August of 2011 making 2011's multifamily permits total the highest 8-month total recorded in ten years. Multifamily

permit activity in Larimer County has almost matched single-family permit activity during the first eight months of this year. Larimer County is one of 4 counties driving 95 percent of new multifamily permit activity in the state right now. The other counties are El Paso, Denver and Jefferson counties.



Colorado Division of  
Housing

1313 Sherman Street #500  
Denver, CO 80203  
Dola.colorado.gov/cdh



HOUSING

Visit us on our searchable blog:

[www.Divisionofhousing.com](http://www.Divisionofhousing.com)

*The mission of the Colorado Division of Housing is to ensure that Coloradans live in safe, decent and affordable housing by helping communities meet their housing goals.*

*All articles on this newsletter appear in longer and more detailed form at the Division of Housing blog: [www.divisionofhousing.com](http://www.divisionofhousing.com)*

**DOH is your partner in providing financial assistance and services that increase the availability of housing to residents of Colorado who can least afford it.**

- The next northern Colorado regional vacancy data will be released in mid-November 2011
- 3rd Q foreclosure totals for Weld and Larimer counties will be available in early November 2011.

*Housing Snapshot is written by Ryan McMaken*

## FORECLOSURE SALES FALLING SINCE MAY 2010 IN WELD, LARIMER COUNTIES

Weld County and Larimer County have generally followed state trends in foreclosure sales at auction (completed foreclosures) since 2008. As can be seen in the graph of 6-month moving averages

below, foreclosure sales peaked around May 2010 and have declined since. They have declined the most in Weld County where foreclosure sales fell by 33 percent between May 2010 and September 2011.

During the same period, foreclosure sales have fallen by 26 percent in Larimer County, and they've fallen by 24 percent in the combined metro-county total which includes 12 large metropolitan counties. In overall totals, from January through September of this year, there have been 590 foreclosure auction sales in Larimer County compared to 728 during the same period of last year. In Weld County, from January to September of this year, there have been 1,044 foreclosure auction sales compared to 1,377 during the same period last year. Activity in new foreclosure filings on newly defaulting loans have also declined in recent months in both Weld and Larimer counties.

