

THE GROUP INC.

# REAL ESTATE

## Insider



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### Home prices: These are the good old days

*Index shows affordability is on the rise in Northern Colorado*

Ever catch yourself thinking of those good old days in the mid 1990s when homes in Northern Colorado were more affordable?

Well, don't look back because these are the good old days.

According to the latest PMI Affordability Index, homes in the Fort Collins-Loveland market are 47 percent more affordable today than in 1995. In Greeley, affordability is 28 percent greater than in 1995.

The PMI Affordability Index, which tracks 381 metropolitan markets across the United States, measures affordability in a given market relative to a baseline year of 1995. Any score over 100 – the 1995 baseline – shows greater affordability. Any score under 100 shows less affordability.

Home prices are only one component of affordability. The PMI Index accounts for three pillars of affordability:

- Prices
- Income
- Interest rates

The following table compares PMI Affordability Index scores for Colorado metropolitan areas in the first quarter of 2009 to the fourth quarter of 2008 and the first quarter of 2008:

PMI AFFORDABILITY INDEX SCORES			
City	1Q '09	4Q '08	1Q '08
Boulder	148.82	134.25	113.04
Fort Collins-Loveland	147.54	131.87	121.02
Colorado Springs	137.95	123.57	120.16
Denver-Aurora	135.27	121.55	112.38
Greeley	128.11	121.70	114.47
Grand Junction	100.41	89.20	89.38

Source: PMI Economic and Real Estate Trends report

Lower interest rates have improved affordability nationwide. In fact, the average PMI Index score across the country for the first quarter was 133.3, or 33.3 percent more affordable than 1995. That's an improvement from 120.6 in the fourth quarter of 2008. Declining home prices in many markets have also contributed to higher affordability.

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## New President takes over the helm at The Group, Inc.

*Eric Thompson becomes third president in firm's 33-year history*

The Group, Inc. Real Estate has ushered in a new era of leadership with the arrival of Eric Thompson as President of the company. Thompson, previously Managing Broker at Slifer Smith & Frampton Real Estate in Summit County, joined The Group, Inc. in November. At Slifer Smith & Frampton, Eric led the company from No. 5 to No. 1 in local market share in four years.

“Eric’s values and beliefs are in perfect alignment with the culture of The Group,” said Chuck McNeal, Chairman and CEO of The Group. McNeal praised Thompson’s vision for the future of our company as well as the broad experience he brings. “We are very excited to have someone of this caliber as president of The Group, and I am confident he will become an important part of the Northern Colorado real estate and business community.”



Thompson, 39, wife Julie, and 11-month-old daughter Noelle are “thrilled” for the opportunity to live in Northern Colorado. Thompson holds a Bachelor of Arts degree in economics from the University of Colorado and has extensive experience in all aspects of real estate brokerage. McNeal said his construction and development background will be crucial in his new role, since typically between 20 percent and 30 percent of The Group’s business is in that arena.

With more than 300 people in six real estate offices in Fort Collins, Greeley, and Loveland, McNeal noted it is a high-profile position that requires someone capable of stepping up to such a managerial and leadership role. During the nationwide search, it became clear that finding the right person to be a fit for the company would be difficult because “The Group is a very different kind of company, both because of our unique employee-owned culture, and our high productivity.”

“The Group’s culture is actually very similar to Slifer Smith & Frampton’s,” McNeal said. “We’ve always had a great relationship with that company.” Thompson became acquainted with The Group several years ago through one of its founders, Larry Kendall. He was impressed. “The company is known as a leader in real estate not just in Northern Colorado but all across the country,” Thompson said. “They are known for their outstanding customer service, training programs, and high productivity. I’m honored to be taking the helm.”

## Economic development agency targets job creation

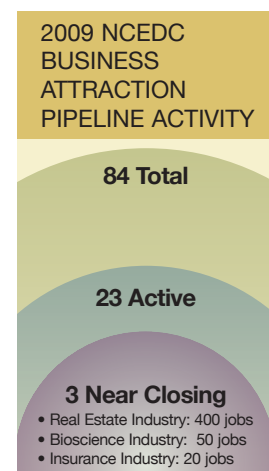
*NCEDC says prospective employers keep knocking on region’s door*

Even in the healthiest of economic times, a community stands to experience an outflow of jobs. In an average local market, 3-5 percent of local primary jobs over a 12-month period will be lost to business closings or job cuts. In a sustainable employment market, those jobs are replaced when new companies open their doors, or existing companies add positions.

Local workforce sustainability, which is a cornerstone of a stable real estate market, stands to benefit from the work of the Northern Colorado Economic Development Corporation. Recently, the NCEDC has reported a high rate of interest from employers who are looking at relocating or expanding in the region.

Currently, the NCEDC counts 84 prospects “in the pipeline,” of which 23 are actively looking and three are close to making a location decision between Northern Colorado or another community. Furthermore, the NCEDC is actively involved in assisting the expansion of 31 local employers.

The chart on the right shows details about the NCEDC’s prospect pipeline, and the potential impact on the local jobs market.



## Report shows local economies expanded from 2005-2008

*Federal analysis measures output of goods and services at metropolitan level*

The NCEDC's prospect pipeline is not the only sign of economic strength for Northern Colorado. A recent report by the U.S. Bureau of Economic Analysis sheds light on how the local economy has expanded since 2005.

According to the BEA, the Fort Collins-Loveland area saw its local GDP increase from \$9.5 billion in 2005 to \$11.04 billion by the end of 2008 – an expansion of 16.2 percent. In the same time frame, the Greeley area experienced 17.9 percent growth in GDP, from \$6.089 billion to \$7.18 billion. Overall, Fort Collins-Loveland is ranked No. 160 among 336 metropolitan statistical areas, and Greeley is No. 213. GDP, or gross domestic product, reflects the total value of goods and services generated in a local economy.

The following list shows how GDP grew for Colorado's metropolitan areas between 2005 and 2008, the percentage growth in that time frame, and the national ranking for each city:

GROSS DOMESTIC PRODUCT FOR COLORADO'S METRO AREAS				
City	2005 GDP	2008 GDP	3-Yr.Growth	U.S. rank
Boulder	\$15.125	\$17.813	17.77%	110
Colorado Springs	\$21.206	\$24.062	13.46%	86
Denver	\$131.072	\$150.81	15.05%	17
Grand Junction	\$3.737	\$5.227	39.87%	260
Greeley	\$6.089	\$7.185	17.99%	213
FC-Loveland	\$9.509	\$11.036	16.05%	160

Source: Northern Colorado Economic Development Corporation

## Fort Collins grants grace period to out-of-compliance landlords

*Rental owners must obtain certificate of occupancy (CO) for dwelling units by June 15, 2011*

Under Fort Collins city code, owners of rental dwelling units must have a certificate of occupancy before they can lease or offer to lease. If you don't have a CO for your rental property, the city is allowing time to come up to standards. This is of particular concern to owners of older converted duplex units. Contact the city's Zoning Department (970) 416-2745 for information on how to apply.

The grace period for compliance runs until June 15, 2011. However, application fees grow more expensive as time passes.

Call me for information about the city's Rental Housing Standards and for a copy of the Unapproved Dwelling Unit Compliance Action Form.

## Home in world's ultimate gated community for sale; guests will be cleared by Secret Service

The 17-room brick house next door to President Obama's Chicago residence may sell for up to \$2.5 million. The Obama factor? It last sold in 1973 for \$35,000. No solicitors allowed.

## THE GROUP DIFFERENCE

It's a reality that many homeowners are contending with hardships. The Group, Inc. is uniquely positioned to assist in those cases. More than 60 Group brokers have recently completed training as Certified Distressed Property Experts through the Distressed Property Institute. CDPEs understand the options, solutions, and most effective methods to help homeowners avoid foreclosure.

*If you know someone who would like to receive this newsletter, please call me.*



**Horsetooth Office** 375 E. Horsetooth Road, Fort Collins, CO 80525 970.223.0700  
**Mulberry Office** 401 W. Mulberry Street, Fort Collins, CO 80521 970.221.0700  
**Greeley Office** 3257 W. 20th Street, Greeley, CO 80634 970.392.0700  
**Loveland Office** 1401 W. 29th Street, Loveland, CO 80538 970.663.0700  
**Centerra Office in Loveland** 5401 Stone Creek Circle, Loveland, CO 80538 970.613.0700  
**Harmony Office** 2803 E. Harmony Road, Fort Collins, CO 80528 970.229.0700

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## Colorado's supply of mortgage originators thinned

*Impact of new regulations caused state to cancel 4,560 licenses on August 31, 2009*

Approximately half of Colorado's mortgage loan originators lost their licenses on Aug. 31, after license holders failed to meet new requirements for education and testing. In all, 4,560 licenses were canceled by the Colorado Division of Real Estate.

This recent development underlines the importance of knowing who you are dealing with for mortgage lending services. The Group Guaranteed Mortgage represents a partnership between The Group, Inc. and Bank of America, which is licensed to operate in 50 states.

*Call me if you'd like to know five questions that you should ask your lender to make sure he or she is the right fit for you.*

## Real estate by numbers

- **\$625,000** – The amount paid by Jeff and Mary Hiatt to acquire a 4,500-square-foot building at 129 E. Fourth St. in Loveland. The 121-year-old building, which features main-floor retail space and a 1,500-square-foot penthouse loft, was sold by Janice Pierce.
- **6,000** – The square footage for a new Sherwin Williams store, planned for a pad site at 2033 W. Eisenhower Blvd. in Loveland. McWhirter Realty Partners bought the pad for \$285,000.
- **No. 4.** – Colorado's ranking by Forbes.com among the best states for business. Colorado improved from No. 6 last year. The ranking was based on a variety of factors, such as labor supply, prospects for growth, economic climate, quality of life, regulatory environment and business costs.
- **105 and 194** – Where Fort Collins and Greeley rank, respectively, among America's "Best Sports Cities," according to The Sporting News. The magazine ranks 399 metropolitan areas based upon Rankings are influenced by a city's number of teams, fan attendance, regular-season won-lost records, playoff berths, bowl appearances and tournament bids, championships and fan fervor.
- **32,699** – The square footage that will be leased by Center Partners in the Avago Wireless USA campus, 4380 Ziegler Road in Fort Collins. The call center business plans to occupy the space with up to 300 employees.

