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Report: Fort Collins-Loveland homes a better bet for price gains

The risk of a housing price decline in the Fort Collins-Loveland market is just 10.4 percent, according to the latest PMI (Private Mortgage Insurance) U.S. Market Risk Index. The report, which ranks 384 metropolitan markets across the country, says Fort Collins-Loveland is the safest market among Colorado cities, and therefore has the best opportunity for housing price gains in the state. The next safest market in Colorado is Boulder, which registered a 21.4 percent risk of price decline.

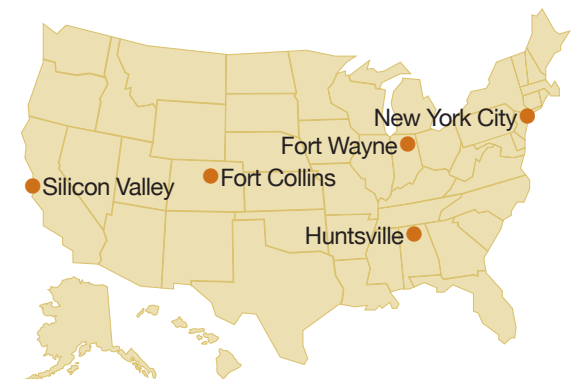
Another way to interpret the PMI report – Fort Collins-Loveland homes have an 89.6 percent chance of holding steady or increasing in price.

The PMI score, which is recalculated every quarter, projects risk for a two-year period. The risk for the Fort Collins-Loveland market declined significantly in the fourth quarter, down from reaching 20.4 percent in the third quarter. Nationally, Fort Collins-Loveland ranked 54th safest out of 384. The average risk for depreciation is 53 percent across the country.

Price risk is generally improving across the country. Out of 384 metro areas surveyed, risk declined in 356. And the number of metro areas in the highest-risk category (90 percent or higher) decreased by 26.4 percent. The number of metros in the lowest-risk category (10 percent or less) increased by 79 percent. Seven of the 10 highest-risk cities are located in south Florida.

Report focuses on Fort Collins among cities on the rebound

A recent article in USA Today featured Fort Collins, CO; Silicon Valley, CA; New York City, NY; Huntsville, AL and Fort Wayne, IN – among 200 metro areas out of 384 nationally – that are experiencing pockets of economic recovery in the country. Fort Collins was recognized for the diversity of employment, including 6,100 workers at Colorado State University and an emerging alternative energy sector that has created 827 new jobs since the middle of 2006.



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Economist: 30-year mortgages to reach 5.6 percent by end of 2010

While mortgage rates continue to hover near 5 percent, expect rates to rise in the near future. According to Lawrence Yun, chief economist for the National Association of REALTORS®, a resurgent U.S. economy combined with growing federal deficit will nudge mortgage rates higher over the coming months. In his latest projections, Yun said 30-year fixed mortgage rates should reach 5.6 percent by the end of the year and maybe even 6.5 percent by late 2011.

While such rate increases may seem minimal, each percentage increase can have significant ramifications on purchase power. That's because each 1 percent increase in mortgage rates erodes total buying power by 10 percent. So, if you are in the market for a \$300,000 house, and rates increase from 5.0 percent to 5.5 percent, you'll need to adjust your price point down to \$285,000.

30-YEAR FIXED MORTGAGE RATES

2009			
1Q	2Q	3Q	4Q
5.1%	5.0%	5.2%	4.9%
2010			
1Q	2Q	3Q	4Q
5.0%	5.2%	5.5%	5.6%
2011			
1Q	2Q		
5.8%	5.9%		

The chart from the National Association of REALTORS® tracks average mortgage interest rates with projected rates for the second half of 2010 and first half of 2011.

In-state applications to CSU on record pace: UNC up 7%

Apparently there's no place like home for Colorado high school graduates this year. Colorado State University and the University of Northern Colorado are each reporting large waves of applications from in-state students for next fall's freshman class.

As of May 15, CSU reported 8,548 in-state applications, up 1 percent over last year's total of 8,467. UNC has fielded 6,325 in-state applications. Out-of-state applications at CSU, meanwhile, slipped this year, with 6,390 requests for acceptance, down 6 percent. UNC reported 1,268 out-of-state applications.

Overall, to date CSU has received 14,938 applications, and expects the freshman class to total about 4,500, likely making it the largest incoming class ever. The previous freshman class record was 4,404 in 2008. The 2010 class is also shaping up to be the most ethnically diverse ever, with a 15 percent increase in minorities. UNC has received 7,593 applications, a 7 percent overall increase from 2009. The school expects 3 percent growth for the incoming class over last year's 2,377 freshman class.

Survey finds single women have growing role in housing market

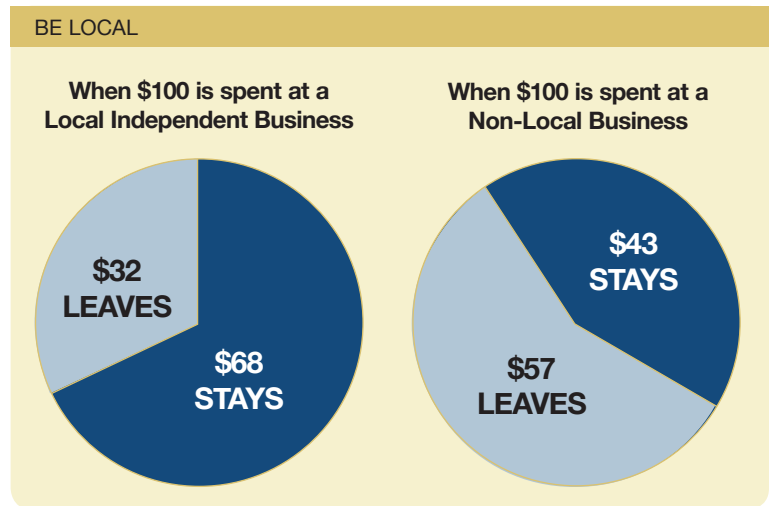
Single women have become an increasing force in the residential real estate market, representing 21 percent of all homebuyers in 2009, according to an assessment by the National Association of REALTORS®. That compares to just 14 percent of the market as recently as 1995. Some additional statistics about impact of single-women buyers:

- Second-largest share of adult households who purchase homes
- One quarter of all first-time homebuyers
- 17 percent of all repeat buyers
- 58 percent of single-women buyers were first-time buyers

How 634 = \$1 million: Be Local

When a customer spends \$100 at a local independent business, 68 of those dollars stay locally. If that same \$100 is spent at a non-local business, only \$43 stay here, according to the Andersonville Study of Retail Economics.

The Be Local 20/20 Challenge, sponsored by Be Local Northern Colorado, asks residents to pledge to spend \$20 per week from their normal household budget at local, independent businesses for the next 20 weeks.



As of May 21, 2010, 634 people had accepted the 20/20 challenge. The direct dollar-amount impact of this is \$253,000. With the economic multiplier effect, where a dollar turns over and circulates in the economy four to seven times, these 634 people have at least a \$1,014,400 dollar impact on our local economy.

To learn more or take the 20/20 challenge pledge, visit www.belocalnc.org/2020-challenge/.

THE GROUP DIFFERENCE

Group sends scholars to school

The 2010 Group Scholar is Ola Fialkowski from Thompson Valley High School in Loveland. Each year at least one student – who has been accepted into the CSU College of Business – is awarded a full-tuition scholarship from The Group. Eighteen Northern Colorado high school graduates have been awarded the Group Scholarship since 2000.

The 2010 Nesbitt Scholar is Kyle Thomas Axner. Established in 2001 in memory of Harvey G. Nesbitt, a long-time Group Partner who graduated from CSU, this full-tuition scholarship is granted to an upper-classman who has a concentration in finance, strong academic skills and community involvement.

For information about both scholarships visit www.biz.colostate.edu/scholarships.

Stuck on a Cure

The Group office in Greeley has been a proud sponsor of the American Cancer Society Relay For Life of Weld County event for several years and also fields a team, which features at least ten passionate Group partners. The sponsorship dollars go towards the American Cancer Society for putting on the event while the team money goes directly to cancer research and resources.

To participate or donate visit www.weldrelay.org.



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Real Estate by Numbers

- **5** – The number of cities ranked in the top 30 of Forbes magazine’s list of the best places for business and careers. Fort Collins ranked No. 4 and Greeley ranked No. 29. Other Colorado cities on the list: Denver (6), Colorado Springs (12) and Boulder (14).
- **5.66** – Percentage Greeley homes increased in price in March compared to last year, according to the latest data from CoreLogic Home Price Index.
- **\$2.675 million** – The amount paid by a Fort Collins investment group to purchase 9,292-square-foot retail building in the Centerplace shopping center in West Greeley.
- **\$2 million** – The sale price for the 59-unit Oasis apartment building in downtown Greeley.
- **15,000** – The additional square feet that Abound Solar is leasing at the Centerra development Loveland. The company will use the space – added to its existing 7,500-square-foot offices at Centerra – for its certification and reliability laboratory.
- **\$3.15** – The price per square foot that W.W. Reynolds Cos. paid to acquire 5.29 acres of land along the I-25 corridor near Longmont. Applied Materials sold the ground for \$726,000. The land is located adjacent to the Abound Solar manufacturing building that W.W. Reynolds purchased late last year.
- **\$5 million** – The winning bid by First National Bank of Greeley for the 42-acre Boyd Lake Village development in Loveland, which was sold at a foreclosure sale.
- **120** – The number of jobs that could be realized with the approval of a new National Guard Readiness Center in Windsor.
- **20,000** – Square footage for new Wirsol Solar facility, planned for construction in Fort Collins.
- **87,000** – Colorado State University graduates currently residing in Colorado.
- **\$12.9 million** – The total Colorado State University effect on local Fort Collins revenue.

