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REAL ESTATE

Insider



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Opportunities await sellers in certain housing categories

The number of homes for sale has decreased across Northern Colorado compared to this time last year, likely an indication that would-be sellers are shying away from what they see as a buyer's market.

Not so fast. In fact, The Group's assessment of the listings shows a distinct lack of supply within certain geographical and pricing pockets. What does it mean? If your property is priced at fair market value, is in 'parade-ready' condition for showing, and in one of these low-supply property categories, it can be a prime time to place it on the market. A property is 'parade-ready' after it is detailed, staged and in its best possible condition.

For instance, as the accompanying chart shows, the availability of single-family homes under \$300,000 is down across the region. In Greeley, there's a shortage of multi-family units on the west side of the city, and Loveland's supply of ranch-style homes under \$225,000 is lean. Meanwhile, Fort Collins is low on properties under \$450,000 in the southeast quadrant of the city.

NORTHERN COLORADO HOT PROPERTIES

Group Sales Partners notice a demand and limited supply for specific property types in our region. The following are examples, the full list can be obtained from your Group REALTOR®.

Northern Colorado Region

- Single family homes under \$300,000
- Single family homes with 3-car garages under \$350,000
- Ranch-style homes under \$400,000
- Properties on up to 5 acres under \$550,000

Fort-Collins Specific

- Properties in Southeast Fort Collins under \$450,000
- Properties on larger homesites under \$225,000

Loveland Specific

- Brick ranch-style properties under \$225,000
- Income-producing duplexes

Greeley Specific

- Multi-family properties West of 23rd Avenue
- Single-family, 3 bedroom, 2 bathroom, 2-car garage under \$175,000

Call me today for a copy of the full list of Hot Properties in the region.

Remember, all markets are local. The opportunities may be greater than you think. Your home may be in higher demand than you realize.

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Commercial real estate activity on the rebound

If the proof is in the purchases, then investors are showing faith once again in Northern Colorado's commercial real estate market. In recent months the region has witnessed a range of high-ticket transactions, including local retail centers and apartment properties.

Largest among these deals was the \$75.5 million sale of Promenade Shops at Centerra to New York-based private equity firm DRA Advisors LLC. Also, the Greeley Mall was acquired by LNR Property of Miami, Fla., for \$33.8 million. On the multi-family front, Stone Creek Apartments in Fort Collins fetched \$12,950,000. Boulder-based CD&CG LLC bought the 90-unit Lake West Apartments near Colorado State University for \$5.45 million.

The surge of deals seems to bear out last fall's report from the CSU Everitt Real Estate Center, which forecast "bright spots in leasing and sales transactions, and value growth possibilities for multi-family and senior housing."

Economist: Lenders have opportunity to boost economy

Lenders have pulled the strings so tight on home loans that the default rate on mortgages issued since 2009 is down to 1.2 percent on Fannie Mae loans and 1.1 percent on Freddie Mac loans - the lowest rates in decades (By comparison, default rates were 28.7 percent and 22.3 percent, respectively, in 2007).

According to Lawrence Yun, chief economist for the National Association of REALTORS®, such a low default rate is proof that lenders have overcorrected from the previous loose lending policies. Yun advocates that lenders could take strides toward stimulating the economy if they simply returned to "historically normal" underwriting standards.



'Sleeper' house draws yawns at foreclosure auction

People driving west along Interstate 70 have long gawked at the famed "Sleeper" or "Sculptured House" in Genesee.

The futuristic home, which appeared in the 1973 Woody Allen movie *Sleeper*, was purchased for \$1.5 million at a foreclosure auction, just \$1 above the minimum bid. It sold for \$3.4 million in 2006.

Can you hear them now? Verizon considering big investment in the west

Telecommunications giant Verizon is considering Northern Colorado among the locations where it could build a major data center, creating up to 200 permanent jobs. According to the trade journal Data Center Knowledge, and reports from the Laramie Boomerang newspaper, Verizon is looking at sites near Fort Collins, Boise, and Laramie and Cheyenne.

Verizon has already acquired an option for 160 acres on the north side of Laramie. If built, the data center is expected to require up to 75 megawatts of power capacity. Verizon has recently started development of a 900,000-square-foot data center near Buffalo, N.Y. Last fall, Verizon announced a major expansion of its data center network worldwide.

Are you being served? It's the rule for real estate licensees

Real estate agents in Colorado are licensed to serve, not just sell. A new ruling by the Colorado Real Estate Commission declared that licensees in the state must provide licensed services - such as property presentation, negotiation of offers, and communications through the transaction process - if they intend to list their properties on the Multiple Listing Service. This ruling is intended to stop the practice of agents who might sell access to the MLS to other sellers - such as "For Sale by Owner" - then not take part in any service that supports the transaction.

By working with a Group REALTOR[®], you can be confident you're working with a true real estate professional who adheres to the Real Estate Commission's principles.

Fort Collins makes top real estate markets for 2011

Trulia, a real estate search engine, has recently pegged Fort Collins as one of "The 10 Real Estate Markets That Will Thrive in 2011." Fort Collins measured highly on a range of Trulia's key categories, including its relative employment growth (11.7 percent between 2000 and 2010), home prices that are favorable for the local population (Trulia estimates 78 percent of local households can afford to buy a home), and a highly educated population (48 percent of residents have at least a college degree).

Invest in these five projects *before* you sell your house to get the biggest return

Remodeling Magazine recommends considering tackling these smart "mid-range" upgrade projects before you put your house on the market:

1. **Replace the entry door** – Select an attractive, new steel door for around \$1,218; recoup an average of 102.1%.
2. **Replace garage door** – Install a four-section garage door on new galvanized steel tracks; average cost of \$1,291 and recover 83.9% in value.
3. **Replace siding** – Install cement siding—vs. composite or pressboard—and recover 80% of costs; 1,250 square feet of installed siding costs \$13,382 on average.
4. **Remodel kitchen** – For \$21,695, replace 30 linear feet of countertops and replace cabinet fronts with new raised-panel wood doors and drawers, including new hardware. Replace wall oven and cooktop with energy efficient models. Install mid-priced sink/faucet and replace flooring to recoup 72.8% of costs.
5. **Add deck** – Install 16 x 20 square-foot pressure-treated wood deck, and include a built-in bench or planter and stairs; recoup 72.8% of the average cost of \$10,973.

CSU at the center of climate change research

Colorado State University has emerged as a regional hub for climate science research, with its recent selection to host a U.S. Department of Interior Climate Science Center. CSU will anchor a research consortium of nine schools, including the Colorado School of Mines and the University of Colorado, which will focus on the impact of climate patterns on land, water and wildlife in the north-central region of the country. CSU has also received a \$2.75 million National Science Foundation grant to train water scientists.

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



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Real Estate by the Numbers

- **23** - The acreage acquired by Noble Energy in Greeley's HighPointe Business Park. Noble plans to build a 66,500-square-foot regional office at the site.
- **1.8 percent** - Weld County led Colorado in new job growth by percentage in 2010, according to a preliminary December employment report for the 365 U.S. metro areas by the U.S. Bureau of Labor Statistics.
- **55.8 percent** - Occupancy rates in Fort Collins hotels for 2010, up from 49.7 percent in 2009.
- **3** - Where Colorado ranks among the states for its investment in science and technology, according to the Milliken Institute
- **\$111.18 million** - Venture capital raised by Fort Collins-based Abound Solar during the fourth quarter of 2010.
- **17 percent** - Growth in construction jobs in Greeley from 2009 to 2010, according to the Associated General Contractors of America. Greeley ranked third nationally in construction job growth last year.
- **30** - The number of properties on the Front Range competing for the proposed Aerospace and Clean Energy Manufacturing and Innovative Park. The candidates include the former Agilent Technologies complex in south Loveland.
- **\$11.85 million** - The purchase price for the former Johnson Printing building at 380 W. 37th St in Loveland. A real estate trust sponsored by Griffin Capital Corp. bought the 169,816-square-foot industrial building.
- **79,715** - The square footage (1.83 acres) acquired by Banner Health for a future medical facility in southwest Loveland. Banner Health paid \$677,680 for the ground at Taft Avenue and 14th St. SW.
- **\$1.775 million** - The price paid by RMJ LLC of Torrance, Calif., for the retail space at 110 Collins Ave. in Eaton, which includes a KFC/Taco Bell restaurant.

