



THE
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Real Estate

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Market Trends

The Group's team of Sales Partners met recently to discuss the trends so far this year in the Northern Colorado market. Here are the themes that have combined the first part of 2011:

2011 MARKET TRENDS



Multiple Offers

High demand and low inventory in certain price ranges and neighborhoods has caused strong competition among buyers. This has led to multiple offers being received on single properties.



Homes For Sale

The number of properties on the market is down 13 percent compared to one year ago. There are many segments of the market that are under-supplied.



Out-Of-State Buyers

Activity from out-of-state buyers has increased dramatically as the Northern Colorado region continues to receive high accolades from the national press.



New Home Supply

The months of supply in the new home market is at the lowest level in the last five years.



Investor Buyers

Low interest rates and low vacancy rates have produced the best investor market in many years.

The Group's Sales Partners also noted a significant increase in sales in certain price brackets from the first quarter to the second quarter of 2011:

- **Greeley** - homes priced between \$400,000 and \$500,000 increased 266 percent.
- **Fort Collins** - homes priced over \$500,000 increased 193 percent.
- **Loveland** – homes priced between \$300,000 and \$440,000 increased 100 percent.
- **Windsor** – homes priced between \$160,000 and \$240,000 increased 97 percent.

Contact me for more details on what is happening in today's market.

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Downtown development: Surge of activity in Loveland, FC

A pair of multi-family projects are mixing up commercial construction in two of the region's downtown districts. And one local builder is in the middle of both initiatives.

Fort Collins-based Brinkman Partners is planning a 72-unit project at Sixth Street and Lincoln Avenue in Loveland. Brinkman is negotiating with the city of Loveland to take over the 0.64-acre site, where the builder would construct apartments and live-work units.

At the same time, Brinkman broke ground in July on a four-story, 30-unit apartment building in the Penny Flats development in downtown Fort Collins. Lease rates for the project, called Mason Street Flats, will range from the mid-\$800s to \$1,600.



Rendering of North Catalyst project, design by Oz Architects
Courtesy of Brinkman Partners

In each city, the Brinkman projects are part of a broader wave of activity. In Loveland, the \$4.2 million, 20,000-square-foot Rialto Bridge development is under construction. Scheduled for completion in January, Rialto Bridge will feature office space, a tapas bar, and a community gathering space. In Fort Collins, the former Mountain Shop outdoor store at 630 S. Mason St. was remodeled to become the city's newest craft beer haven, called the Mayor of Old Town.

Investor acquires South College building for \$1.9 million

Roseben Inc., a California-based investor, paid \$152.86 per square foot to buy the Fairway Estates Commercial building at 4900 S. College Ave. Roseben acquired the 12,429-square-foot building for \$1.9 million in a 1031 tax-deferred exchange.

The building, constructed in 1983 and remodeled in 2007, is occupied by Avis Rent A Car, VCA Animal Hospital and Caliber Funding.

Magazines: NoCo cities good for business - and more

Forbes magazine ranks both Fort Collins and Greeley among the best cities in America in which to pursue business and careers. In the annual ranking, Fort Collins placed fifth and Greeley 42nd out of 200 cities that *Forbes* surveyed. Among the criteria are cost of living, crime rates, culture and recreation, the education of the local population, job growth, low taxes and weather. Other Colorado cities with high rankings include Denver (9), Colorado Springs (30), and Boulder (44).

For Fort Collins, the *Forbes* ranking adds to a list of national recognitions received by the city. *Atlantic Monthly* magazine called Fort Collins the nation's second-best city for bicycling - based on the percentage of commuters who bike to work. And *Money* magazine recently picked the city as the sixth-best place to live in the U.S.

Loveland experiences surge in sales tax growth

Fueled by retail activity at The Promenade Shops lifestyle center at Centerra, Loveland's annual taxable sales have almost doubled over the past decade, according to a recent assessment of regional tax collections. Annual sales jumped from about \$600 million in 2001 to nearly \$1.1 billion. The city's also experienced a 40% growth rate in sales tax revenue during that period.

Centerra's development contributed approximately 2 million square feet of retail space over the course of the decade. Elsewhere in the region, tax revenue growth over that period was 25 percent in Greeley and 10 percent in Fort Collins.

Top-12 home remodeling trends reveal trend of tackling small projects

CBS-moneywatch.com commissioned a poll from the National Association of the Remodeling Industry and determined most people are not starting major renovation projects due to the economy, but are taking care of the smaller jobs around the home.

2011 REMODELING TRENDS

1. Update bathroom even if it's only replacing grungy tile.
2. Tackle "have to" projects such as siding repairs or leaks.
3. Warm up the house with warm or earthtone colors which are coming back. White is out.
4. Add or update a deck to increase outdoor living space.
5. Take your time and hire a great contractor: Do your homework.
6. Pay in cash
7. Open up rooms to maximize flexibility with current square footage
8. Go bronze which complements the trend towards warmer colors
9. Go green with triple-paned windows, bamboo floors, thatched roofs or even bark siding!
10. Bring in an industrial flair with stainless steel cable and architectural products
11. Create a relaxation space, which might include a zen-like bathroom.
12. Plan ahead for your aging body with easy-open cabinets, hand-held showers and accessible kitchens and baths

I-25 interchange at Windsor exit to undergo makeover

Long-awaited improvements to the interchange at I-25 and Colorado Highway 392 are expected to begin construction by early August. Look for the upgraded highway junction - a traffic snag for several years at morning and evening rush hours - to ease regional travel and even enhance the potential for commerce for local businesses.

Real estate by the numbers

- **25,000** - The square footage of the new TJ Maxx store at the Centerplace of Greeley II shopping center, 4578 Centerplace Drive.
- **16,000** - The square footage required for a new canning line proposed by the New Belgium Brewery in Fort Collins.
- **10** - The number of years on the lease that All Occasions Catering signed at Drake Centre in west Fort Collins. All Occasions has taken over 26,000 square feet of space at the one-time Steele's Market location.
- **\$8 million** - The cost of expanding and remodeling the Loveland public library. The first phase of the project - a 24,000-square-foot addition - was due for completion on August 8.

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



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VITAL SIGNS

A quarterly snapshot of Northern Colorado's economic activity

						Likely Direction in Next 6 Months	Forecast
Mortgage Rates							
June '11	4.51%	June '10	4.74%	June '09	5.42%	↑	Record-low interest rates won't last forever
Existing Single-Family Home Sales							
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↓	Sales activity tends to decrease in 3Q
2Q 2011	702	581	380	165			
2Q 2010	832	627	422	151			
2Q 2009	654	528	331	130			
Single-Family Home Inventory							
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↓	Inventory tends to fall in 3Q
2Q 2011	1,129	739	590	263			
2Q 2010	1,199	885	657	229			
2Q 2009	1,127	856	579	244			
Average Existing Single-Family Sales Price							
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↔	Prices will remain stable
2Q 2011	\$240,420	\$159,760	\$216,878	\$278,456			
2Q 2010	\$268,348	\$164,059	\$241,678	\$309,720			
2Q 2009	\$253,974	\$144,218	\$222,121	\$279,217			
Commercial Vacancy Rates							
	June '11			June '10			
	Fort Collins Area	Greeley Area	Loveland Area	Fort Collins Area	Greeley Area	Loveland Area	↔
Industrial	5%	8%	16%	7%	11%	19%	Vacancy rates should remain stable
Retail	8%	11%	6%	9%	11%	6%	
Office	10%	7%	11%	11%	8%	10%	

Sources: Sperry Van Ness/The Group Commercial, IRES.

