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Job growth sign of promise for NoCo market

It's a maxim of residential real estate: job growth leads to housing demand, which is followed by housing construction. So the news that Northern Colorado employers have added 4,300 jobs over the 12-month period ending in June bodes well for the local housing market in 2012.

The job formation figures, reported by market analysis firm Metrostudy, stand out in several ways. Not only has Metrostudy tracked 12 consecutive months of job growth in Northern Colorado, but the 4,300 new jobs in the region more than double the job growth in the Denver metro area over the same time period. Of the 4,300 jobs, more than half--2,300--were generated in the professional and businesses services category, while another 1,200 came from the education and health services sector.

As a general rule, housing tend to increase roughly a year after job growth increases. Metrostudy's research shows that Northern Colorado is positioned for new construction activity next year to meet the demand created by our increasing population and employment.

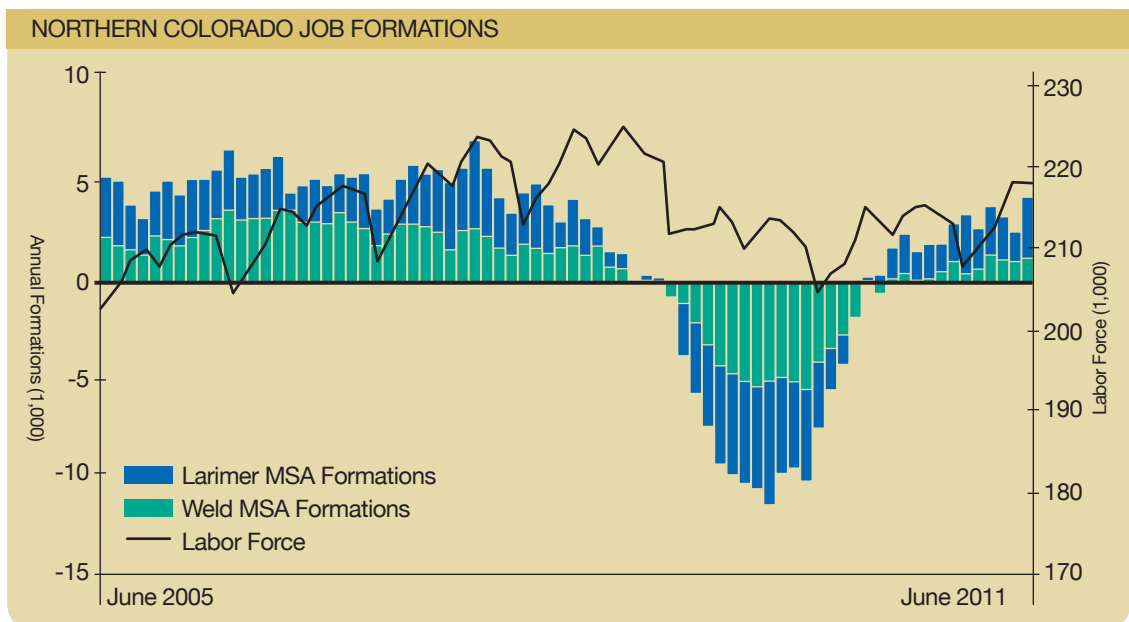
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Source: Bureau of Labor Statistics



FC-Loveland, Greeley near the top for home value appreciation

Northern Colorado's largest cities are experiencing some of the best home price appreciation in the country, based on the latest Federal Housing Financing Agency (FHFA) quarterly House Price Index.

The Greeley and Fort Collins-Loveland metro areas each landed among the top 12 percent nationally in the FHFA report, showing relative price stability in the second quarter of 2011. The FHFA report ranks Greeley 20th and Fort Collins-Loveland 35th in the index, which tracks 308 metro areas.

Each of the local markets showed price stability compared to the rest of the country, with Greeley experiencing 0.17 percent average home price appreciation over the 12-month period ending June 30 and Fort Collins-Loveland registering a slight 0.44 percent decline in the same period.

Call me to learn more about the FHFA report and what it means for you.

Three's not a crowd: I-25 in line for more lanes—eventually

It's been a long time on the drawing board, and it may yet be a long time before fruition, but plans are moving forward to widen Interstate 25 between Longmont and Fort Collins. The Colorado Department of Transportation recently disclosed the North I-25 Final Environmental Impact Statement (EIS), which includes a proposal to add one lane in each direction. The result would be three lanes of traffic each way between U.S. Highway 14 (Mulberry Street) in Fort Collins and Colorado Highway 66 on the north end of Longmont.

The EIS, in the works since 2003, also covers plans to add commuter bus and rail service on the I-25 corridor between Fort Collins and Denver, bus service on U.S. Highway 85 between Greeley and Denver, a high occupancy vehicle lane on I-25, and numerous I-25 interchange improvements in Larimer and Weld counties.

But it may not come quickly. In current dollars, the cost of the entire plan would be \$2.2 billion. Without new sources of funding, and based on the existing flow of transportation funding, CDOT has reported that it would take until 2075 to reach the stated goals.

THE GROUP DIFFERENCE

Group Real Estate experiences sales growth in summer months

Insider readers have come to know that all markets are different. So are results for real estate firms. Partners at The Group have proven the latter with significant growth in home closings over the summer. In July Group partners completed 383 closings, representing growth of 18.9 percent over July of 2010. Even more impressively, August closings at The Group totaled 339, up 30.4 percent over August of 2010.

Cropping up: Farmland prices sprouting in Weld County

As food prices continue to climb, so have the values of farmland in one of the most productive agricultural counties in the country. Values for Weld County farm acreage in the Greeley area are up 10 percent over the past five years, according to a report in the *Greeley Tribune*.

While the pressure of urban development - a recent contributor to farmland values in Colorado - has eased, the demand for farm commodities is helping to push prices up. Demand for water along the Front Range also lends to the value of agricultural property.

Nevertheless, local farm values aren't climbing at the rate of Midwestern prices, where prices are driven almost entirely by crop prices. In parts of Iowa, for instance, values have nearly doubled in the past six years.

Enrollments surging at region's universities, community colleges

It's become nearly as reliable as the school year itself. Enrollments at local universities and community colleges increased again this fall. Colorado State University reported a record 26,735 enrollment, up 1.4 percent over 2010. That figure includes a largest-ever freshman class of 4,504. The University of Northern Colorado grew 1.9 percent to 12,389, of which 2,297 are freshmen.

Aims Community College in Greeley reported a mid-September headcount of 5,237, up 3.25 percent over 2010. At Front Range Community College's Larimer Campus, enrollment for fall 2011 is essentially flat with 6,333 students. FRCC has reported 10 – 12% growth for the previous two year and served 6,328 students in fall 2010 compared with 5,838 in the fall of 2009.

Report: Northern Colorado cities see economic growth in 2010

Total economic output for the whole Fort Collins-Loveland area exceeded \$11.5 billion in 2010, while the Greeley area surpassed \$7.3 billion, according to the newest figures released by the U.S. Bureau of Economic Analysis.

At \$11.552 billion, the Fort Collins-Loveland economy grew 2.95 and ranks 156th for Gross Metropolitan Product among 366 cities measured. The Greeley area, which totaled \$7.341 billion in GMP, experienced 1.89 percent growth and rated 212th among all metro areas. For growth rate between 2009 and 2010, Fort Collins-Loveland ranked 113th and Greeley ranked 191st.

The average economic growth rate for metropolitan areas across the United States in 2010 was 2.5 percent. The growth rate for other Colorado metro areas included: Boulder, 4.03 percent; Colorado Springs, 3.46 percent; Denver, 1.3 percent; Pueblo, 0.84 percent, and Grand Junction, -3.25 percent.

Call me to learn more about the report or to get your own copy.

A highway runs through it

The stretch of U.S. Highway 85 that runs through Greeley has a new name. Greeley's city council has dubbed the roadway Centennial Highway. Greeley officials are also urging other Weld County towns bisected by U.S. 85 - Ault, Eaton, Evans, Fort Lupton, Gilcrest, Lasalle, Lucerne, Nunn, Pierce and Platteville - to follow suit as a sign of unity for the county's sesquicentennial this year.

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



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Real estate by the numbers

- **\$2.5 million** – The price paid for Evans Self Storage, a 469-unit complex, by a local investment group. The 63,628-square foot facility is located near Greeley’s southern city limits at 1405 and 1515 32nd Street.
- **608,000** – The square footage of a proposed mixed-use development at College and Maple streets on the north edge of downtown Fort Collins. Loveland-based McWhinney is planning apartments, office and retail space, as well as a parking garage.
- **63** – Where *U.S. News and World Report* ranks Colorado State University in its ranking among public universities in its annual “America’s Best Colleges” edition.
- **\$875,000** – Sale price for the office property at 400 E. Horsetooth Road in Fort Collins. The building was sold by Wells Fargo Bank to Fort Collins investor Realhorse LLC.
- **\$3.8 million** – The amount paid by Harmony Entrance LLC for the commercial property at 4709 S. Timberline Road. The building includes an Old Chicago restaurant.
- **\$11.1 million** – Amount University of Northern Colorado received in funding from grants for 2010-11, a \$3.3 million increase in awards from 2009-10.
- **2.9 percent** – Percentage by which home prices—including distressed sales—increased in Fort Collins-Loveland in July 2011 when compared to July 2010 according to the CoreLogic July Home Price Index. Prices increased 2.6 percent from June 2010 to June 2011. Excluding distressed sales, which include short sales and real estate-owned transactions, prices increased year-over-year by 2.6 percent from July 2010.
- **\$10 million** – Cost of a project funded by the ongoing Campaign for Colorado State University for the new Engineering II building on the CSU campus.

