



# REAL ESTATE INSIDER

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## READY TO SELL? GETTING THE PRICE RIGHT IS A GREAT START

For would-be home sellers, it's hard to beat the allure of the Northern Colorado real estate market. Job growth, attractive communities and beautiful scenery make it a place where people want to live – and buy homes. Especially in recent years, lack of demand is rarely an obstacle.

Still, sellers need to be savvy about how they place their property on the market. Research tells us that setting the correct initial list price is one of the most important decisions you'll make. When a home is overpriced, and price reductions are necessary, it can take up to three times longer to sell.

A recent experience with two similar homes on the same street in a west Fort Collins neighborhood provides a case in point. House No. 1 went on the

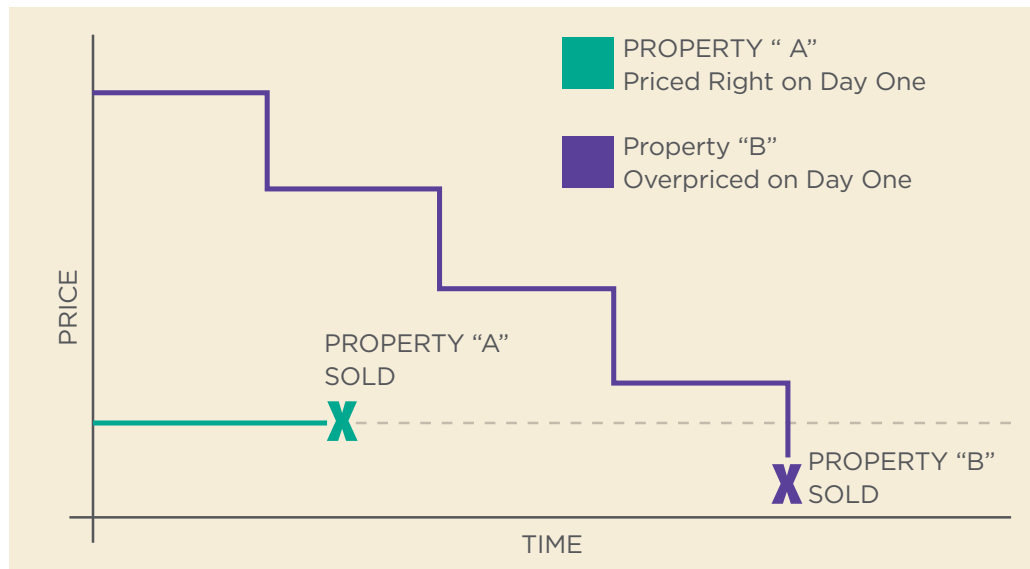
market in June, traditionally one of the most active months of the year for homebuyers. House No. 2 was listed in October, when activity usually slows.

House No. 1 was overpriced, and the seller subsequently reduced the price five times. An offer finally came through after 63 days. It sold at 93 percent of the asking price and required some other concessions from the seller. House No. 2 was priced right from the first day and was in better condition. The seller received an offer in two days and it's currently under contract at 102 percent of asking price.

**THE LESSON TO BE LEARNED:** When you price with the market and not above market, you'll improve your chances of success – no matter the time of year.

*Call me to learn how to put The Group's 43 years of leading the Northern Colorado real estate market to work for you.*

### SETTING THE CORRECT LIST PRICE ON DAY ONE



Source: The Group Inc. Real Estate

## DENVER RESIDENTS LOOKING FOR LESS COSTLY OPPORTUNITIES

As much as Denver has built a national reputation as a magnet for Millennials and a hot spot for hipsters, the Mile High City is also feeling the effects of its rising popularity. Higher home prices are apparently persuading some Denver-area residents to think about relocating.

According to a recent migration study by Redfin, a portal that tracks real estate searches, 23 percent of all Denverites searching for housing during the second quarter were looking outside of Denver. Topping their list for out-of-town searches were Fort Collins and Colorado Springs.

And what are they seeing when they search the Fort Collins area? If you consider Northern Colorado as a regional market, there are ample opportunities for moderate-priced housing. Choose any of the markets north of Denver and it's possible you'll find prices that start in the 200s. Recent inventory reports from Information Real Estate Services (IRES) show well over 200 homes for sale in Northern Colorado that are priced between \$200,000 and \$300,000.

## AT YEAR'S END, HOMEBUYERS CAN BE ON THE LOOKOUT FOR DEALS

Tradition tells us that as winter weather sets in, homebuyers are inclined to cool their heels until the spring "selling season." But there are reasons these days to buck tradition and jump into the market for end-of-year opportunities.

High on the list is the motivation for some homebuilders to finish 2018 strong to meet their sales targets. That often means offering incentives and discounts to move some of their standing inventory, or "quick move-in" homes, and to finish and sell homes that are still under construction. Common promotions include closing cost incentives, which buyers can use to buy down mortgage rates or prepay upcoming expenses. For instance, one builder active in Northern Colorado is currently offering \$5,000 toward closing costs.

Other incentives to watch for include upgrades on features such as appliances, window covering, and landscaping, or discounts on basement finishes. Neighborhood developers have also been known to kick in one-year memberships to a golf club or pool to entice buyers. Incentives are more common as prices get above \$500,000. However, first-time homebuyers who are looking at lower price ranges can still find a builder willing to provide closing cost incentives.

Considering the potential for incentives from builders, it's a prime opportunity for people living in lower-priced homes to sell and move up to a new neighborhood. That's because many builders also have the latitude to provide home sale contingencies for their customers, while resale home sellers typically do not.

*Call me to learn about available homes.*

**10 metro areas in the U.S. with the highest Net Outflows (more people looking to leave that area than looking to move in), according to Redfin.**

1. San Francisco, CA
2. New York, NY
3. Chicago, IL
4. Seattle, WA
5. Los Angeles, CA
6. **Denver, CO**
7. Milwaukee, WI
8. Houston, TX
9. Eugene, OR
10. Detroit, MI

## NORTHERN COLORADO AT A GLANCE

The following chart shows the 2017 gross domestic product (GDP) for metropolitan areas on the Front Range, how each ranked nationally for total GDP in 2017, their one-year growth from 2016 to 2017, and their growth ranking.

Metro Area	National Rank	2016 GDP	2017 GDP	1-year % Growth	1-year Ranking
Boulder-Longmont	107	\$24.178 B	\$25.274 B	3.1%	67
Colorado Springs	83	\$31.114 B	\$32.683 B	3.3%	58
Denver-Aurora-Lakewood	18	\$197.068 B	\$208.868 B	3.6%	47
Fort Collins-Loveland	143	\$15.988 B	\$17.164 B	5.7%	13
Greeley	181	\$11.258 B	\$12.586 B	9.4%	6
Pueblo	318	\$4.996 B	\$5.236 B	2.9%	86

Source: U.S. Department of Commerce Bureau of Economic Analysis

## REAL ESTATE BY NUMBERS

**\$28.9 million.** Price that investors paid for a 165,770-square-foot office tower in downtown Denver. The building, called Capitol Center, is located at 225 E. 16th Ave.

**124.** Number of units in the 11-story DMA Plaza tower, a senior citizen living facility in downtown Fort Collins, which is scheduled to undergo a \$16 million renovation. The project is due for completion in 2020.

**\$1 million.** Value of the grant awarded to the city of Fort Collins from the Bloomberg Philanthropies U.S. Mayors Challenge. Fort Collins plans to use the funds to help landlords make low-income properties safer and more energy efficient.

**255.** Acreage that the town of Erie plans to buy to be used for future economic development initiatives. Town officials agreed to pay about \$6.37 million to buy the vacant ground, located near the intersection of Erie Parkway and Interstate 25.

**62.** Number of rooms for a proposed new Microtel by Wyndham hotel in east Loveland. The property will be built at 3996 Peralta Drive, near the junction of Crossroads Boulevard and Interstate 25.

**\$49.5 million.** Investment that Aims Community College plans to make to improve and expand its facilities in Greeley and Windsor. Completion is scheduled for 2021 and 2022.

**No. 1.** Where Greeley ranks nationally for growth in jobs and the economy, according to a new study by WalletHub. The ranking was part of WalletHub's list of 2018's Fastest-Growing Cities in America.

**12,150.** Square footage that will be added to Colorado State University's veterinary campus, after school officials recently approved the expansion.

**87.3 percent.** Occupancy rate for hotels in Loveland during September, the highest among all cities in Northern Colorado. Estes Park reported 84.5 percent, Boulder 82.7, Greeley 82, Fort Collins 77.5, and Longmont 74.

**794.** Number of beds planned for The Standard, a 230-unit student apartment complex to be built in the 800 block of West Prospect Road in Fort Collins, near the Colorado State University campus.

**\$40.75 million.** Sale price for the state's largest single-story industrial building, located at 18875 E. Bromley Lane in Brighton. The 1.31 million-square-foot building is occupied by Sears as a regional distribution center.

**\$1.8 million.** Price paid by PetDine, a maker of private-label pet nutrition products, for the 10,248-square-foot industrial building at 4700 Innovation Drive in south Fort Collins.

**3.** Number of Colorado cities (Boulder, Denver and Fort Collins) ranked in the top 10 of Bloomberg's annual Brain Concentration Index.

**\$450,000.** Cost of 62 acres located on the south side of Barr Lake in Brighton. Jason A. Cranford bought the property from 2025 Investments.

**\$13.5 million.** Price paid for the Harmony Commons shopping center, a 27,501-square-foot retail complex located at 3541 E. Harmony Road in southeast Fort Collins.

**\$9.6 million.** Price that Brinkman Capital paid for a 57,287-square-foot office building at 2809 E. Harmony Road in southeast Fort Collins.

**\$149 million.** List price for West Creek Ranch near Gateway in Western Colorado. As of October 31, it was the fourth-most expensive home on the market in the United States.

**\$374.9 million.**  
*Record research funding raised by Colorado State University during fiscal year 2018, a 10.8 percent increase over the 2017 total.*

## THE GROUP DIFFERENCE

Some lenders advertise very attractive interest rates, but end up having high fees or adjustable rates which may not be in your best interest. Loan officers who are experienced with purchases, such as those with Group Mortgage, can sometimes provide solutions that aren't obvious. If you are buying a home, it is a good idea to meet with your loan officer face-to-face to learn what options are available. You will gain the peace of mind knowing your personal information is secure with someone you can trust, which also increases the likelihood your purchase transaction will close on time.



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# VITAL SIGNS

A quarterly snapshot of Northern Colorado's economic activity

						Likely Direction in Next 6 Months	Forecast			
<b>Mortgage Rates</b>										
October 2018	4.86%	October 2017	3.94%	October 2016	3.47%	↑	Low interest rates are expected to rise slightly			
<i>*Source: Freddie Mac</i>										
<b>Existing Single-Family Home Sales</b>										
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↓	Sales tend to slow in the 4th quarter			
3Q 2018	844	872	538	330						
3Q 2017	927	823	580	289						
3Q 2016	882	827	503	279						
<b>Single-Family Home Inventory During Quarter</b>										
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↓	Inventory will continue to drop until next spring			
3Q 2018	1,014	999	649	450						
3Q 2017	1,107	963	692	349						
3Q 2016	969	995	701	353						
<b>Average Existing Single-Family Sales Price</b>										
	Fort Collins Area	Greeley Area	Loveland Area	Windsor Area		↑	Low inventory will continue to push prices up			
3Q 2018	\$449,611	\$336,157	\$424,393	\$452,176						
3Q 2017	\$413,894	\$322,016	\$396,486	\$455,386						
3Q 2016	\$405,007	\$286,981	\$359,300	\$409,747						
<b>Apartment Vacancy Rates*</b>										
	Fort Collins Area	Greeley/Weld Area	Loveland Area			↔	Vacancy rates will remain low			
2Q 2018	4.1%	3.6%	2.7%							
3Q 2017	3.7%	1.4%	4.5%							
3Q 2016	3.2%	3.8%	8.4%							
<i>*Source: Colorado Division of Housing. 3Q 2018 not available at time of printing.</i>										
<b>Commercial Vacancy Rates**</b>										
	3Q 2018				3Q 2017					
	Fort Collins Area	Greeley Area	Loveland Area	Longmont Area	Fort Collins Area	Greeley Area	Loveland Area	Longmont Area	↓	Vacancy rates will continue to drop
Industrial	2.3%	2.6%	12.6%	7.5%	2.4%	4.2%	3.2%	3.7%		
Retail	5.0%	4.6%	3.2%	2.6%	5.1%	4.9%	3.6%	6.9%		
Office	4.2%	3.8%	8.4%	11.4%	4.9%	3.6%	9.5%	6.8%		
<i>**Source: Freddie Mac</i>										
<b>Employment***</b>										
	September '13	September '17	September '18	1-year growth ('17-'18)	5-year growth ('13-'18)	↑	Employment growth will continue to increase			
Larimer County	166,832	195,413	199,865	2.3%	19.8%					
Weld County	132,744	156,519	161,908	3.4%	21.9%					
Boulder County	167,617	185,863	188,210	1.3%	12.3%					
<i>***Source: Colorado Department of Labor &amp; Employment. Note: Figures are not seasonally adjusted.</i>										

