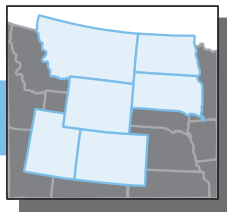


# Housing Market Profile

Rocky Mountain • HUD Region VIII



## Greeley, Colorado

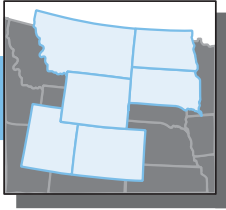
The Greeley metropolitan area, coterminous with Weld County in northern Colorado, is north of and adjacent to the Denver metropolitan area. As of January 1, 2013, the population in the metropolitan area was estimated at 264,300, with an average annual growth of 4,175 people, or 1.6 percent, since April 1, 2010. More than 40 percent of that population growth was from net in-migration. By comparison, from 2005 through 2010, the population increased by an average of 6,375, or 2.8 percent, annually, and nearly 60 percent of population growth resulted from net in-migration. Weld County is among the top 10 producers of agriculture among counties nationally and is ranked second nationally in value of cattle and calves produced. Employment in the manufacturing sector, including meat- and dairy-processing facilities, represents nearly 15 percent of total nonfarm payrolls in the metropolitan area. Meat processing company JBS USA LLC is the largest employer in the metropolitan area, with approximately 4,700 employees, followed by Banner Health and Hensel Phelps Construction Co., with 3,000 and 2,250 employees, respectively. The University of Northern Colorado (UNC) is the fifth largest employer in the metropolitan area, with 1,600 employees. In the fall of 2012, UNC's main campus enrolled 11,250 students, an increase of nearly 1,100 students compared with the number enrolled in the fall of 2010. UNC estimates its direct and indirect economic impact on the metropolitan area at \$131 million a year.

Nonfarm payrolls increased by 1,300 jobs, or 1.7 percent, to 82,000 jobs during the 12 months ending November 2012, somewhat slower than growth during the previous 12 months, when nonfarm payrolls increased by 2,400 jobs, or 3.1 percent. During the 12 months ending November 2012, the manufacturing and the mining, logging, and construction sectors posted the largest gains, of 700 and 600 jobs, or 6.6 and 6.2 percent, respectively. In 2012, PTI Group, Inc., opened a facility with 250 employees to manufacture portable housing for the oil and natural gas industry. The gains in the manufacturing sector occurred despite losses of about 300 jobs at Vestas and of 150 jobs at Abound Solar, when the company filed for bankruptcy and suspended operations. Oil and gas exploration and extraction in the nearby Niobrara Formation drove gains in the mining, logging, and construction sector. Since 2011, Anadarko Petroleum Corporation has hired 200 employees and Halliburton and Noble Energy Inc. have created 300 jobs each in the metropolitan area.

Employment in the service-providing sectors remained relatively unchanged during the last year. The largest gains were in the professional and business services and the leisure and hospitality sectors, which increased by 200 jobs each, or 2.3 and 2.6 percent, respectively. A loss of 200 jobs, or 8.8 percent, in the transportation and utilities sector partially offset those gains. During the 12 months ending November 2012, the unemployment rate averaged 8.7 percent, down from 9.4 percent during the previous 12 months.

The sales housing market in the Greeley metropolitan area is soft but improving. The sales vacancy rate was estimated to be 2.6 percent as of January 1, 2013, a decrease from 2.8 percent in April 2010. According to Hanley Wood, LLC, during the 12 months ending October 2012, approximately 6,050 new and existing single-family homes, townhomes, and condominiums sold, a 6-percent increase from the previous 12 months but a 12-percent decrease compared with the average annual level of home sales from 2008 through 2010. During the 12 months ending August 2012, the average number of days on the market for single-family detached and attached homes in the cities of Greeley and Evans was more than 102 days, nearly unchanged from 103 days a year earlier. Home prices during the 12 months ending October 2012 averaged \$208,100, an increase of about 14 percent from a year ago and of about 12 percent compared with the average annual sales price from 2008 through 2010. According to data from LPS Applied Analytics, as of November 2012, 3.9 percent of home loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or transitioned into REO (Real Estate Owned), a decrease from 4.6 percent in November 2011.

Single-family home construction activity, as measured by the number of homes permitted, increased sharply in the past year in response to increased demand. Based on preliminary data, during the 12 months ending November 2012, approximately 1,150 new homes were permitted in the metropolitan area, a 48-percent increase compared with the 780 new homes permitted during the previous 12 months. By comparison, an average of 790 homes were permitted annually from 2008 through 2010, down from the peak of 3,625 homes permitted annually from 2000 through 2005. Sales prices for new condominiums and townhomes in the metropolitan area start at about \$160,000, and new single-family detached home prices start at about \$200,000. Much of the recent new home construction occurred in the corridor between western Greeley and Windsor to the west, including the



Greenspire, Peakview Estates, and Promontory subdivisions. Home sales prices in Greenspire start at \$235,000 and in Peakview Estates and Promontory start at about \$200,000.

The rental market in the Greeley metropolitan area is tight. The overall vacancy rate was estimated at 4.5 percent as of January 1, 2013, a significant decrease from 8.0 percent in April 2010, a result of limited construction and increased rental demand. According to the Colorado Division of Housing, the apartment vacancy rate in the third quarter of 2012 (the most recent data available) was 3.1 percent, up from 1.8 percent a year earlier. Nearly 50 percent of rental households in the metropolitan area live in single-family homes. Most apartment complexes are in the cities of Greeley, Windsor, and Evans, which together serve as the economic and population center of

the metropolitan area. Based on preliminary data, about 65 new multifamily rental units were permitted during the 12 months ending November 2012 compared with the 100 units permitted a year earlier, a 36-percent decrease. Development of new rental housing averaged 255 units annually from 2000 through 2003 but declined to average 25 units annually since 2004. No large scale apartments have been developed since 2003. A 90-unit, off-campus student apartment project currently under construction will offer leases starting at about \$500 per bedroom and have the capacity to house approximately 290 students when complete in the fall of 2013. Average rents for apartments built since 2000 range from \$735 for a one-bedroom unit to \$870 for a two-bedroom unit and \$1,100 for a three-bedroom unit. The average rent for apartments during the third quarter of 2012 was \$694, up 2 percent from the previous year and 10 percent from 2010.