

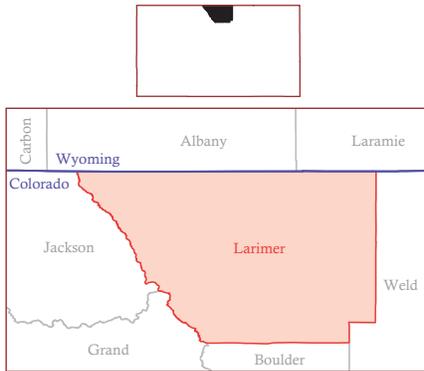


Fort Collins, Colorado

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of August 1, 2017



Housing Market Area



The Fort Collins Housing Market Area (HMA) is coterminous with the Fort Collins, CO Metropolitan Statistical Area, comprising Larimer County in north-central Colorado. The HMA is home to Colorado State University (CSU), which is the second largest university in the state. National forests, including Rocky Mountain National Park (RMNP), cover much of the western half of the HMA, creating demand for tourism-related services.

Market Details

- Economic Conditions 2
- Population and Households 5
- Housing Market Trends 7
- Data Profile 12

Summary

Economy

Economic conditions have improved in the Fort Collins HMA since 2010, and the rate of job growth increased during the past 12 months. Nonfarm payrolls averaged 165,100 during the 12 months ending July 2017, an increase of 4.1 percent. By comparison, payrolls rose 3.7 percent during the previous 12 months. Mining, logging, and construction was the fastest-growing sector because of increased residential and nonresidential construction. Government is the largest employment sector, anchored by CSU and University of Colorado Health, which are the two largest employers in the HMA. Nonfarm payrolls are expected to grow an average of 2.8 percent a year during the 3-year forecast period.

Sales Market

Sales housing market conditions in the HMA are tight with an estimated 0.5-percent vacancy rate, down from 2.0 percent in 2010. Total home sales remained flat during the 12 months ending July 2017, but the average sales price increased 9 percent. During the next 3 years, demand is estimated for 5,225 new homes (Table 1). The 400 homes under construction in the HMA will satisfy some of the forecast demand.

Rental Market

Rental housing market conditions in the HMA are currently balanced, and the vacancy rate is estimated at 4.5 percent, down from 5.1 percent in 2010. The market for apartments is slightly tight despite a large number of units in lease-up. During the forecast period, demand in the HMA is expected for 2,650 new market-rate rental units. The 1,600 units currently under construction will meet demand during the first 2 years of the forecast period (Table 1).

Table 1. Housing Demand in the Fort Collins HMA During the Forecast Period

	Fort Collins HMA	
	Sales Units	Rental Units
Total demand	5,225	2,650
Under construction	400	1,600

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2017. The forecast period is August 1, 2017, to August 1, 2020.

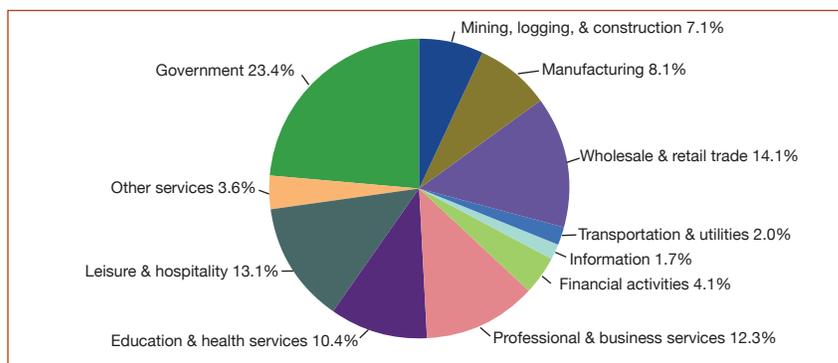
Source: Estimates by analyst

Economic Conditions

The Fort Collins HMA is home to CSU, the second-largest university in the state, and Rocky Mountain National Park, the fourth most visited national park in the

country (National Park Service). Because of these economic factors, the government and the leisure and hospitality sectors are the largest and third largest payroll sectors in the HMA, respectively, and provide a source of economic stability (Figure 1).

Figure 1. Current Nonfarm Payroll Jobs in the Fort Collins HMA, by Sector



Note: Based on 12-month averages through July 2017.
Source: U.S. Bureau of Labor Statistics

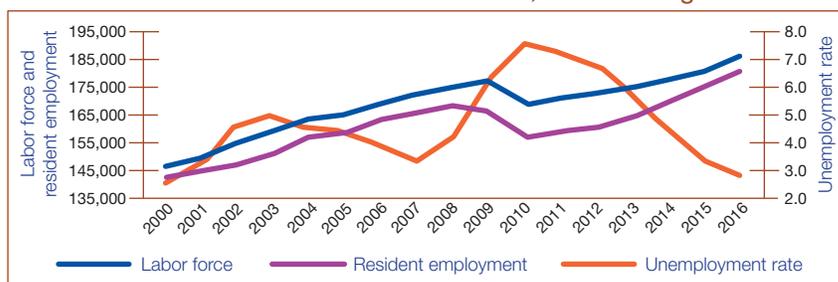
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Fort Collins HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	July 2016	July 2017		
Total nonfarm payroll jobs	158,600	165,100	6,500	4.1
Goods-producing sectors	23,700	25,200	1,500	6.3
Mining, logging, & construction	10,400	11,700	1,300	12.5
Manufacturing	13,300	13,400	100	0.8
Service-providing sectors	134,900	139,900	5,000	3.7
Wholesale & retail trade	22,800	23,300	500	2.2
Transportation & utilities	3,100	3,300	200	6.5
Information	2,800	2,800	0	0.0
Financial activities	6,600	6,800	200	3.0
Professional & business services	19,800	20,400	600	3.0
Education & health services	16,200	17,200	1,000	6.2
Leisure & hospitality	20,400	21,700	1,300	6.4
Other services	5,800	6,000	200	3.4
Government	37,400	38,700	1,300	3.5

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through July 2016 and July 2017.

Source: U.S. Bureau of Labor Statistics

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Fort Collins HMA, 2000 Through 2016



Source: U.S. Bureau of Labor Statistics

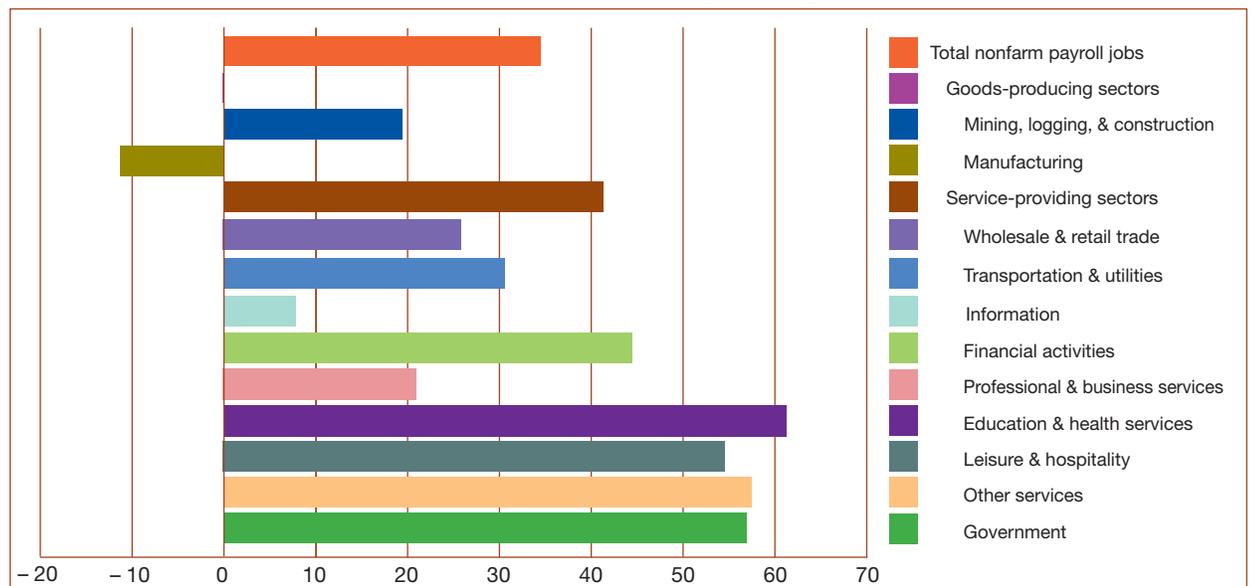
The HMA had strong economic growth after the most recent downturn caused by the Great Recession from 2007 to 2009. Nonfarm payrolls in the HMA declined by 4,300 jobs, or 3.1 percent, during 2009. More than 70 percent of the losses were concentrated in the mining, logging, and construction and the professional and business service sectors, which declined by 1,700 and 1,400 jobs, or 16.8 and 7.9 percent, respectively.

During the recovery and subsequent economic expansion from 2010 through 2016, nonfarm payrolls increased by an average of 3,900 jobs, or 2.7 percent, annually, and by 2012, nonfarm payrolls surpassed the previous high. During the period, nearly 30 percent of the annual growth was in the state government subsector, which grew by 1,100 jobs annually, followed by 600 and 500 jobs in the leisure and hospitality and the professional and business services sectors, respectively. During the 12 months ending July 2017, nonfarm payrolls rose by 6,500 jobs, or 4.1 percent, from a year earlier to 165,100 jobs and exceeded the 2008 average of 137,700 jobs by 20 percent (Table 2). The unemployment rate averaged 2.3 percent during the 12 months ending July 2017, down from 3.0 percent a year earlier as employment growth outpaced labor force growth. Figure 2 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2016.

The HMA economy contracted during the early 2000s before expanding from 2004 through 2008. From 2002 through 2003, nonfarm payrolls declined by an average of 200 jobs, or 0.2 percent, annually. The largest job losses in the HMA were in the manufacturing and the professional and business services sectors, which declined by 1,300 and 800 jobs a year, or 8.9 and 4.8 percent, respectively. From 2004 through 2008, nonfarm payrolls increased by an average of 2,400 jobs, or 1.8 percent, annually, to 137,700 jobs. Moderate growth in most sectors during this time offset the continued, albeit reduced, decline in the manufacturing sector, which averaged 200 jobs, or 1.3 percent, annually. An increase of 700 jobs, or 4.8 percent, annually in the education and health services sector led growth. The Medical Center of the Rockies, now part of University of Colorado Health, opened in Loveland in 2007 with nearly 700 employees. Figure 3 shows sector growth in the HMA from 2000 to current.

Government payrolls accounted for 38,700 jobs, or more than 23 percent of all payrolls. During the 12 months ending July 2017, the government sector increased by 1,300 jobs, or 3.5 percent, from a year earlier. The state government subsector, which led growth, increasing by 900 jobs, or 4.3 percent from a year earlier, accounts for about 56 percent of all government payrolls, primarily due to the presence of CSU, which is the largest employer in the HMA with 7,225 employees (Table 3). With 26,200 full- and part-time students enrolled as of the spring 2017 semester, enrollment increased more than 1 percent during the past year (CSU Institutional Research). Enrollment growth was strongest during and immediately following the national economic downturn, because people not in the workforce took the opportunity to learn new skills. Enrollment rose 2 percent annually from 2008 to 2012. As job opportunities returned with economic growth, enrollment slowed to an average of 1 percent annual growth from 2012 to

Figure 3. Sector Growth in the Fort Collins HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through July 2017.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Fort Collins HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Colorado State University	Government	7,225
UC Health	Government	5,740
Larimer County	Government	1,639
Hewlett Packard Enterprise Co.	Manufacturing	1,490
Banner Health	Education & health services	1,340
Broadcom	Manufacturing	1,300
Woodward, Inc.	Manufacturing	1,230
City of Fort Collins	Government	1,200
City of Loveland	Government	1,158
Hach	Manufacturing	800

Note: Excludes local school districts.

Sources: BizWest 2016 Book of Lists; Colorado State University Institutional Research

2016. The university budget increased more than 5 percent for fiscal year 2017, compared with a year earlier, to \$1.11 billion.

RMNP was the fourth most visited national park in 2016 behind the Great Smokey Mountains, Grand Canyon, and Yosemite National Parks. Approximately 4.5 million tourists visited the park, up nearly 10 percent from 2015. In 2016, visitors to the national park spent \$299 million in the surrounding communities in conjunction with their visits (Headwater Economics). Visitors to the park, who spent money on food, lodging, and activities, supported approximately 4,575 jobs in the leisure and hospitality sector (Headwater Economics). Prior to RMNP's centennial anniversary in 2015, tourism to the national park grew nearly 4 percent annually from 2011 through 2014, contributing to leisure and hospitality gains of 700 jobs, or 3.9 percent, annually, during that period. Sector growth increased from 2014 through 2016 to 900 jobs, or 4.8 percent, annually, as overall economic growth strengthened, and tourism to RMNP rose nearly 15 percent annually. During the 12 months ending July 2017, growth in the sector increased with a gain of 1,300 jobs, or 6.4 percent, to 21,700 jobs.

The greatest percentage growth in HMA payrolls during the 12 months ending July 2017 occurred in the mining, logging, and construction sector, rising by 1,300 jobs, or 12.5 percent, to average 11,700 jobs. After the bursting of the technology bubble in 2000, sector employment declined by an average of 300 jobs, or 2.5 percent, annually from 2002 through 2003, as residential and nonresidential construction declined. Sector employment improved from 2004 through 2006, increasing by an average of 400 jobs, or 3.6 percent, annually, as residential building activity rose. During 2006, nonresidential construction was under way on the 3,000-acre master-planned community of Centerra. The 5-million-square-foot development includes the UCHealth-Medical Center of the Rockies, the Marketplace at Centerra retail center, and the auto mall Motorplex at Centerra. In response to declining economic conditions and the national recession, the mining, logging, and construction sector lost 700 jobs, or 7.2 percent, annually from 2007 through 2011 to a low of 7,500 jobs in 2011, with 50 percent of the total losses occurring in 2009. From 2012 through 2016, sector employment recovered substantially, rising by 700 jobs, or 8.0 percent, annually, as residential construction nearly doubled during the period. Additionally, residential and nonresidential construction on the CSU campus supported sector growth during the period. Aggie Village, an \$87.5 million redevelopment of student apartments, was completed in time for the 2016 school year. The \$238.5 million football stadium, with a capacity of 41,000 people, was completed by the start of the 2017 school year. Sector employment is now 7 percent higher than the most recent peak reached in 2006.

During the next 3 years, nonfarm payrolls are expected to increase by 4,700 jobs, or 2.8 percent, annually. Job growth in the leisure and hospitality sector is expected to slow during the 3-year forecast period as growth in RMNP tourism moderates from

the 2014-to-current period. Continued commercial projects and apartment construction are expected to contribute to strong growth in construction employment, and other service-providing sectors are expected to increase to support the growing population.

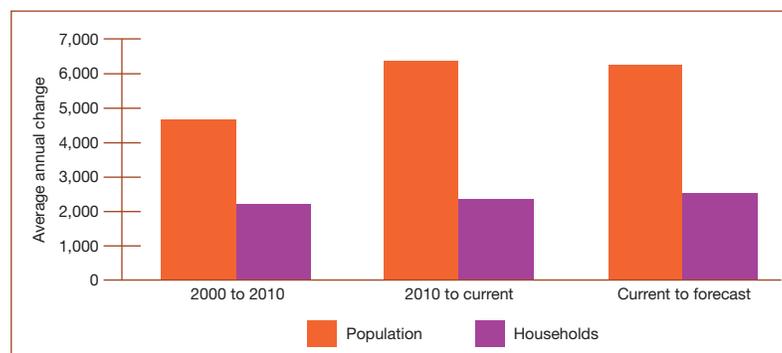
Population and Households

Enrollment at CSU influences population growth in the Fort Collins HMA, as approximately 80 percent of students are from outside the HMA (CSU Institutional Research). Net in-migration associated with job gains has become a much stronger factor than enrollment growth since 2010, however. The population of the HMA is estimated at 346,400 as of August 1, 2017, an average increase of 6,375, or 2.0 percent, a year since 2010. By comparison, from 2008 to 2010, when economic conditions were weaker, population growth averaged only 4,550 people, or 1.6 percent, annually (Decennial Census and Intercensal population estimates as of July 1). During the period, net in-migration

averaged 2,625 people, annually, and constituted 58 percent of population growth. Net in-migration averaged 4,425 people and comprised 75 percent of population growth from 2010 to 2014 and surged nearly 30 percent to an average of 5,675 people a year, or 81 percent of growth, from 2014 to the current date. Recent increasing net in-migration was not driven by enrollment at CSU, which increased by an average of only 230 students annually from 2012 to 2016, down from an average of 460 a year from 2008 to 2012. Figure 4 shows population growth in the HMA from 2000 to the forecast date.

From 2000 to 2002, the population of the HMA increased by an average of 6,175, or 2.4 percent, annually. Although job growth was moderate during this time, enrollment at CSU grew by an average of 820 students annually, comprising more than 18 percent of net in-migration of 4,350 people annually, or 70 percent of population growth. From 2002 to 2005, population growth slowed to average 3,250 people annually, or 1.2 percent. Despite stronger economic growth during this period, in-migration slowed to average only 1,400 people annually, or 43 percent of total population growth, while on-campus

Figure 4. Population and Household Growth in the Fort Collins HMA, 2000 to Forecast

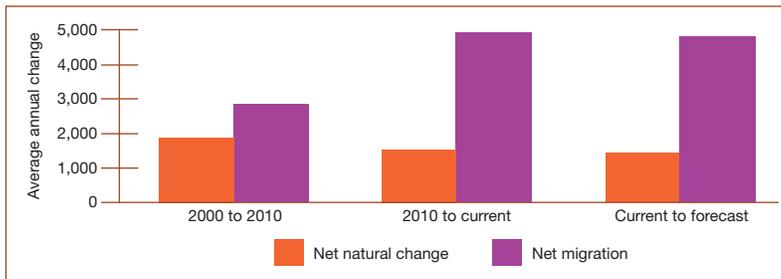


Notes: The current date is August 1, 2017. The forecast date is August 1, 2020. Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Population and Households *Continued*

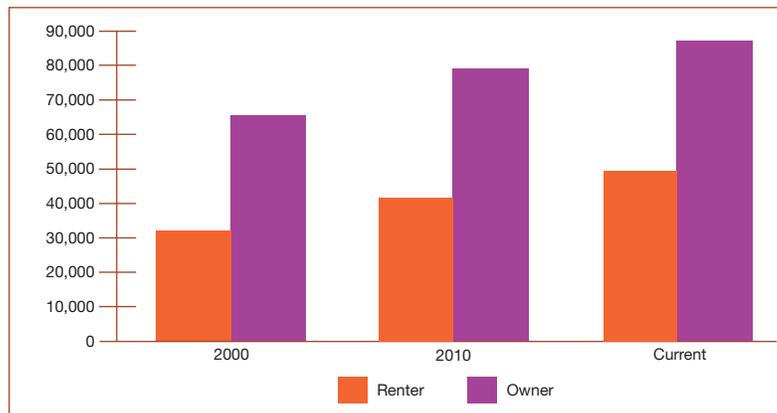
university enrollment increased by an average of only 70 students, annually. Employment growth remained moderately strong from 2005 to 2008, contributing to increased net in-migration despite slowed growth in college enrollment. Population increased by an average of 5,500 people, or 2.0 percent, annually, from 2005 to 2008; net in-migration rose to 65 percent of population growth, while enrollment increased by an average of only 20 students, annually.

Figure 5. Components of Population Change in the Fort Collins HMA, 2000 to Forecast



Notes: The current date is August 1, 2017. The forecast date is August 1, 2020.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Fort Collins HMA, 2000 to Current



Note: The current date is August 1, 2017.
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 5 shows the components of population change in the HMA from 2000 to the forecast date.

During the next 3 years, strong employment growth is expected to contribute to stable population growth, while growth in enrollment at CSU remains moderate. The population is expected to increase by an average of 6,275, or 1.8 percent, annually, with net in-migration comprising nearly 80 percent of population growth. University enrollment is estimated to increase approximately 1 percent annually.

The number of households in the HMA has increased by 2,375, or 1.9 percent, annually since 2010 to 137,700 currently. By comparison, household growth averaged 2,325, or 2.2 percent, annually from 2000 to 2010. The proportion of renter households is expected to increase during the 3-year forecast period, continuing an ongoing trend since 2000. Stricter access to credit, changing preferences toward renting, and population growth driven by net in-migration and student enrollment all contributed to the increase of renter households from about 32 percent of all households in 2000 to 36 percent currently. Figure 6 depicts the number of households by tenure from 2000 to the current date. During the forecast period, the number of households is expected to increase by 2,475, or 1.8 percent, annually, to 145,100. Table DP-1 at the end of this report shows additional data.

Housing Market Trends

Sales Market

The sales housing market in the Fort Collins HMA is currently tight with an estimated sales vacancy rate of 0.5 percent, down from 2.0 percent in 2010. Low levels of for-sale inventory contributed to tight market conditions. The 1.3-month supply of inventory of new and existing single-family homes, townhomes, and condominiums in July 2017 was slightly higher than the 1.1-month supply a year earlier but down significantly from the 5.1-month supply in 2010 (Core Logic, Inc., with adjustments by the analyst). Home sales in the HMA remained flat at 9,200 homes sold during the 12 months ending July 2017 compared with the previous 12 months, as a rise in new home sales offset a decline in existing home sales. The average home sales price, however, increased 9 percent to \$368,300.

Existing home sales in the HMA peaked in mid-2005 and began declining in late 2005 despite moderate economic and population growth. Demand for sales housing remained subdued prior to the national housing crisis in 2008 and 2009, in part because housing demand shifted in 2005 and 2006 toward relatively affordable rental units when the apartment market was slightly overbuilt. Existing home sales averaged 8,050 annually from 2000 through 2004 before decreasing by an average of 550 homes sold, or 8 percent, annually from 2005 through 2010 to 5,325 homes sold. Beginning in 2011 as the economy in the HMA continued to recover, existing home sales increased an average of 7 percent annually to 7,425 homes sold in 2016. A 39-percent average annual decline in real estate owned (REO) sales from 2011 through 2016 partly

offset the increase in home sales. The proportion of REO sales peaked at an average of 16 percent of existing home sales from 2008 through 2010 because of the large volume of foreclosures during that period and the relative affordability of the average REO sale price, which was approximately 30 percent less than the average price for regular resales. By comparison, REO sales decreased to less than 2 percent of existing home sales in 2016. The average sales price for existing homes increased 2 percent annually from 2000 through 2007 to \$244,800. During the housing crisis in 2008 and 2009, the average sales price decreased 7 percent annually, in part because of elevated REO sales. From 2010 through 2016 when the economy improved, the average existing home sales price increased 6 percent annually to \$337,500. During the 12 months ending July 2017, existing home sales fell 4 percent to 7,350 home sales, but the average existing home sales price rose 11 percent to \$357,600.

The improvement in the economy and in the sales market since 2011 has led to a reduction in the rate of seriously delinquent mortgages (loans that are 90 or more days delinquent or in foreclosure) and REO properties in the HMA. As of July 2017, 0.5 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 0.7 percent a year earlier. The rate of seriously delinquent loans and REO properties peaked in February 2010 at 3.5 percent of home loans. The rate in July 2017 is lower than the 0.8- and 2.2-percent rates for Colorado and the nation, respectively.

New home sales have increased since bottoming out in 2009, but sales remain low compared with a decade earlier. New home sales of 1,860 during the 12 months ending July 2017 were 16 percent higher than the average of 1,600 sales in 2015 and 2016 but still 30 percent less than the average of 2,625 new homes sold during the peak in 2004 and 2005 (Core Logic, Inc., with adjustments by the analyst). From 2005, new home sales declined an average of 32 percent annually to 550 homes sold in 2009, at the end of the national economic downturn. Part of this decline was a result of economic conditions. Following the economic downturn, new home sales increased an average of 6 percent annually to 620 homes in 2011. Increased net in-migration encouraged new home construction, and new home sales surged 19 percent annually from 2012 through 2014.

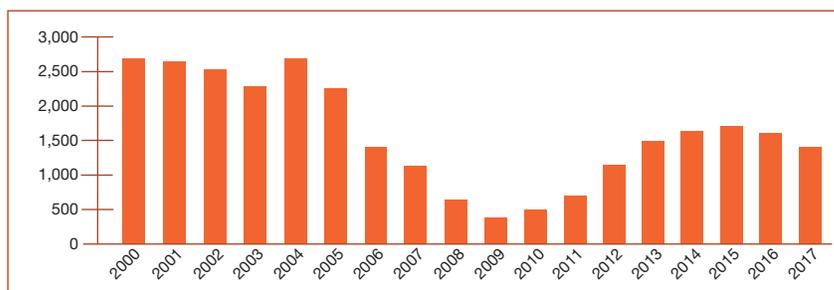
The average price of a new home, including single-family, townhomes and condominiums, in the HMA was \$410,800 during the 12 months ending July 2017, down slightly from \$411,300 a year earlier (Core-Logic, Inc., with adjustments by the analyst). From 2009 through 2010, the average price of a new home decreased 8 percent a year to a low

of \$257,500, in part because of weak economic conditions, before rising an average of 8 percent annually to \$382,900 in 2015. During the 12 months ending July 2017, townhomes and condominiums comprised 19 percent of new home sales in the HMA, and average new townhome and condominium sales prices were approximately 24 percent lower than the average price of a new detached single-family home (Metrostudy, A Hanley Wood Company). By comparison, townhomes and condominiums averaged 24 percent annually of new home sales during 2009 and 2010, before declining to 13 percent during 2015.

Single-family homebuilding activity, as measured by the number of homes permitted, is increasing in the HMA in response to tight sales market conditions and a low level of for sale inventory. During the 12 months ending July 2017, the number of homes permitted increased 35 percent, compared with a year earlier, to 2,100 homes (preliminary data). From 2000 through 2004, permitting averaged 2,575 annually (Figure 7). Home construction began to decline in 2005 as in-migration to the HMA slowed, decreasing an average of 37 percent annually to 360 homes permitted in 2009. Homebuilding activity began to recover in 2010 and increased 23 percent annually to 1,625 homes permitted in 2016.

Homebuilding in the HMA has been primarily in the cities of Fort Collins and Loveland, although development is expanding into the suburbs. Construction is under way at the 165-acre Kechter Farm master-planned community, with prices starting at \$384,000 for a two-bedroom,

Figure 7. Single-Family Homes Permitted in the Fort Collins HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through July 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

two-bathroom home. A total 415 homes are planned, and buildout is expected to take several years.

During the next 3 years, demand is estimated for 5,225 new homes in the HMA (Table 1). The 400 homes currently under construction will meet a portion of the demand during the first year. Development in the Fort Collins metropolitan area is constrained primarily to the eastern half of the HMA due to the national

park and forests to the west. Limited lot development and increasing lot prices in the cities of Fort Collins and Loveland pushed construction to more affordable suburbs with ample land for development, including Johnstown, Wellington, and Windsor, and the adjacent Greeley metropolitan area, a trend that is expected to continue into the 3-year forecast period. Table 4 shows estimated demand in the HMA by price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Fort Collins HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
200,000	249,999	1,200	23.0
250,000	349,999	1,825	35.0
350,000	499,999	1,575	30.0
500,000	999,999	520	10.0
1,000,000	and higher	100	2.0

Notes: The 400 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

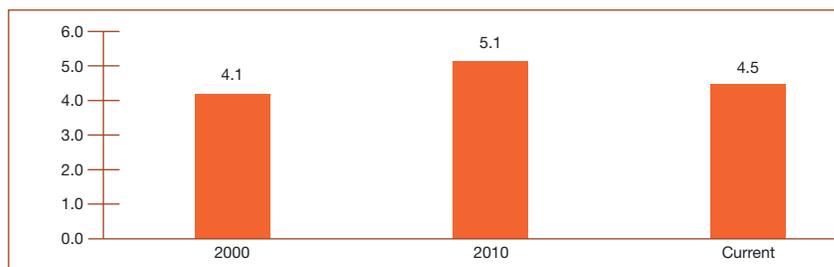
Rental Market

The rental housing market in the Fort Collins HMA is balanced. The overall rental vacancy rate is estimated at 4.5 percent, down from 5.1 percent in 2010 (Figure 8). Approximately 59 percent of renter households live in multifamily buildings, typically apartments, and 38 percent of renter households live in single-family homes (2016 American Community Survey 1-year data). Growth in renter

households has outpaced the increase in rental inventory since 2010. Despite a wave of apartment completions during the past year, apartment market conditions are slightly tight. Approximately 800 units are in lease-up, but the apartment vacancy rate during the second quarter of 2017 was 4.0 percent, down from 5.5 percent a year earlier (*Apartment Insights*). Absorption of newly constructed apartments reached a peak of 300 units during the second quarter of 2017, the highest number recorded for the HMA since 2006.

The large number of apartments in lease-up and increased use of concessions contributed to a slowdown in rent growth. Rent growth averaged more than 6 percent annually from the second quarter of 2010 through the second quarter of 2016, but during

Figure 8. Rental Vacancy Rates in the Fort Collins HMA, 2000 to Current



Note: The current date is August 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

the second quarter of 2017, average rents increased 4 percent compared with a year earlier to \$1,259. In addition, apartments offer moderate concessions such as a month free with a 12-month lease, especially during lease-up to assist in the initial absorption of units.

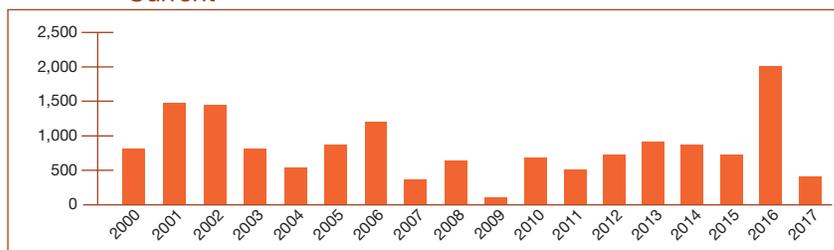
Student households comprise an estimated 13 percent of renter households in the HMA, primarily in the city of Fort Collins near CSU. In the Apartment Insights-defined Fort Collins North submarket, which includes the university, the apartment vacancy rate was 3.4 percent during the second quarter of 2017, down from 7.3 percent a year earlier, while rents increased about 5 percent to average \$1,230. On the CSU campus, the 620 dormitory beds at Laurel Village that were completed in 2013 and the recent addition of 690 beds at the Aggie Village redevelopment likely will meet the majority of expected student growth during the next 3 years. Enrollment is expected to increase approximately 1 percent a year during the 3-year forecast period.

Multifamily construction activity increased sharply since 2015 to more than double the average annual level constructed from 2010 to 2015, partly in response to the surge in net in-migration. Apartments have accounted for approximately 97 percent of

multifamily construction since 2010, up from about 60 percent during the previous decade. Builders responded to stronger net in-migration and renter household growth by increasing apartment construction. Multifamily construction activity, as measured by the number of units permitted, nearly doubled during the past year to 1,600 units during the 12 months ending July 2017 (preliminary data, with adjustments by the analyst). Multifamily permitting averaged 1,450 units in 2001 and 2002 and then decreased to an average of 670 units in 2003 and 2004 when population growth slowed (Figure 9). As economic conditions improved and population increased at a faster rate, multifamily permitting increased to average 1,025 units in 2005 and 2006. Beginning in 2007, multifamily construction decreased by an average of 370 units, or 58 percent, annually to 90 units permitted in 2009, partly in response to overbuilding earlier in the decade that led to slightly soft apartment market conditions in 2006. Apartment construction began to increase again in 2010, rising by an average of 210 units annually to 730 units in 2012. Multifamily construction increased to an average of 880 units annually in 2013 and 2014, as annual job growth, beginning in 2013, exceeded 3 percent for the first time since 2000.

Apartment projects recently completed and under way include the 310-unit Crowne at Timberline, which was completed in July 2017. Approximately one-half of the units were leased up by the second quarter of 2017, and starting rents range from \$1,400 for a one-bedroom unit to \$2,250 for a townhome-style three-bedroom unit. Concessions of 1-month free rent with leases of 13 or 14 months are offered for two-bedroom units. The 405-unit

Figure 9. Multifamily Units Permitted in the Fort Collins HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Cycle Apartments in the city of Fort Collins is expected to be complete by November 2017. Preleasing began in August 2017, and monthly rents for the studio, one-, and two-bedroom units start at \$1,270, \$1,460, and \$1,800, respectively. Modest concessions of \$250 with a lease of 12 months or longer are offered during the lease-up phase. The 276-unit Vibe Apartments in the city of Fort Collins is also under construction. Completion is expected in February 2018, with monthly rents ranging from \$977 for studios to \$1,997 for a two-bedroom unit.

During the forecast period, demand is expected for 2,650 new market-rate rental units in the HMA (Table 1). The 1,600 units currently under construction will satisfy a portion of the rental housing demand during the first 2 years of the forecast period. New rental developments should be timed to enter the market late in the third year to allow for the absorption of units currently in lease up and in the pipeline. Table 5 shows estimated demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Fort Collins HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
610 to 809	230	1,205 to 1,404	650	1,495 to 1,694	930	2,095 to 2,294	70
810 to 1,009	30	1,405 to 1,604	140	1,695 to 1,894	200	2,295 to 2,494	15
1,010 or more	30	1,605 or more	140	1,895 to 2,094	130	2,495 to 2,694	10
				2,095 or more	65	2,695 or more	10
Total	290	Total	930	Total	1,325	Total	110

Notes: Numbers may not add to totals because of rounding. The 1,600 units currently under construction will likely satisfy some of the estimated demand. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

Data Profile

Table DP-1. Fort Collins HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	142,656	157,025	188,000	1.0	2.8
Unemployment rate	2.5%	7.6%	2.3%		
Nonfarm payroll jobs	123,400	133,900	165,100	0.8	3.2
Total population	251,494	299,630	346,400	1.8	2.0
Total households	97,164	120,295	137,700	2.2	1.9
Owner households	65,767	78,741	87,850	1.8	1.5
Percent owner	67.7%	65.5%	63.8%		
Renter households	31,397	41,554	49,850	2.8	2.5
Percent renter	32.3%	34.5%	36.2%		
Total housing units	105,392	132,722	147,600	2.3	1.5
Owner vacancy rate	1.2%	2.0%	0.5%		
Rental vacancy rate	4.1%	5.1%	4.5%		
Median Family Income	\$53,300	\$75,200	\$78,200	3.5	0.6

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through July 2017. Median Family Incomes are for 1999, 2009, and 2016. The current date is August 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 8/1/2017—Estimates by the analyst
 Forecast period: 8/1/2017–8/1/2020—Estimates
 by the analyst

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified

as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_FortCollinsCO_18.pdf.

Contact Information

Sam Young, Economist
 Chicago HUD Regional Office
 312–913–8541
samuel.d.young@hud.gov

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.