

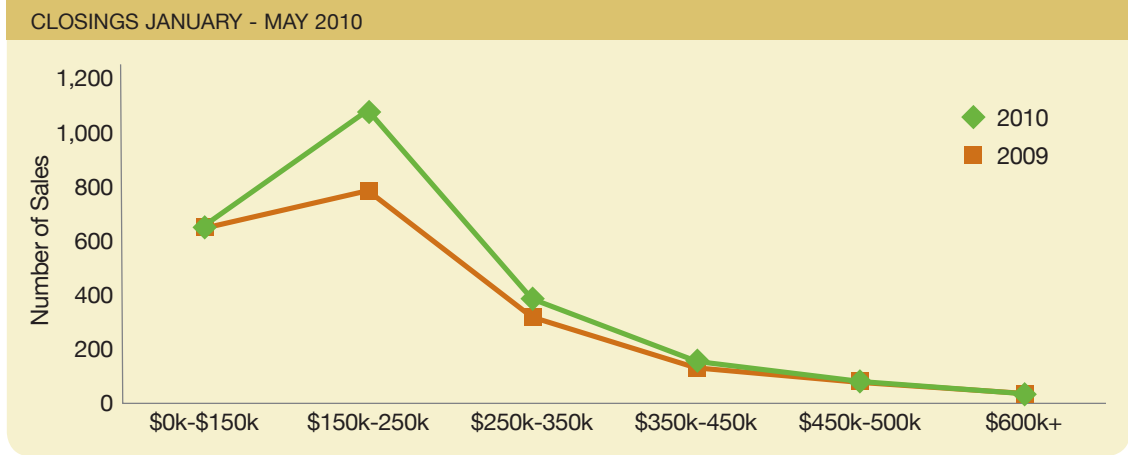


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**Tax credits boost sales; affordability will sustain market**



The numbers are in and they appear to reflect a sizeable impact in Northern Colorado from the recent homebuyer tax credits that ended April 30. And while that’s good news for the real estate market, there are additional signs to show this increase in home sales will continue.

Notably, the most significant strides in home sales during the January-May period were made in the entry-level price range of \$150,000-\$250,000, where approximately 1083 closings were registered in Northern Colorado. That compares to 789 closings in that price range for the same five-month period in 2009.

Americans clearly acknowledged the impact of the homebuyer credits—\$8,000 for first-time buyers and \$6,500 for repeat buyers. In a recent survey reported by Reuters, 90 percent of consumers said the tax credits helped first-time buyers and the housing market overall. But the tax credits are not the only factor in continuing housing recovery. In the same survey, only 8 percent of consumers said the expiration of the tax credit will change their own decision about buying a house, and nine out of ten Americans believe “the time to buy is now.”

Also, *The Kiplinger Letter*, which called the housing recovery “real and sustainable despite recent volatility,” said affordability was among reasons—along with improving consumer confidence and easing of credit conditions—that the recovery will continue.

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## Study finds CSU stirs Colorado's economy

Colorado State University employees and its alumni living across the state earn more than \$4.1 billion in household income, according to a recent report titled *Created to Serve: Colorado State University's Impact on the State's Economy*. According to the study, the collective income represents 3.1 percent of all household income in the state, generates \$130.8 million in state income taxes and \$50.2 million in annual sales taxes.

Other findings from the study include:

- CSU employees represent 11 percent of household income in Fort Collins.
- CSU generates more than \$300 million in annual research spending.
- CSU research results in a 0.2 percent increase in overall productivity of Colorado firms, worth \$79.7 million annually.
- Students spend \$168 million in Fort Collins each year, which supports 628 jobs.
- CSU employs 6,200 workers and approximately 50,000 CSU alumni are employed in the state.
- Spin-off companies created by CSU research have created 550 jobs in the state.

## Average Colorado home prices experience growth in latest quarter

Colorado remains one of the most stable residential markets in the country based on home price appreciation, according to the latest house price index (HPI) from the Federal Housing Finance Agency. Over the 12-month period ending on March 31, Colorado home prices increased an average of 1.51 percent, ranking fourth among the 50 states and the District of Columbia. Washington, D.C., North Dakota and California ranked 1-3. For the first quarter, Colorado prices increased 0.48 percent, one of only five states to see price appreciation in the quarter. Nationally, the average price change for the 12-month period was a *loss* of 3.07 percent.

Among 299 metro areas ranked for price appreciation, Fort Collins-Loveland was among the best in Colorado, ranking No. 70 for the 12-month period. Only Boulder was better at No. 50. Greeley came in at No. 133.

## Greeley is favorable destination for retirees

The July-August issue of *Where to Retire* magazine named Greeley, Colorado in the top ten. Cities were chosen based on lower real estate prices and high inventories of homes that retirees can comfortably afford. The article also said that Greeley is highly desirable because of its proximity to Denver and Rocky Mountain National Park and its citizens enjoy the amenities of the University of Northern Colorado.

## Project Payback

The *Remodeling* magazine's Cost vs. Value national property survey 2009-10 based on surveys of real estate professionals and appraisers shows the average percentage of cost of renovations recovered at resale.

### COST VS VALUE NATIONAL AVERAGES

	Cost	Resale Value	Recovered
Basement remodel	\$62,067	\$46,825	75.4%
Kitchen remodel (major)	\$57,215	\$41,260	72.1%
Attic bedroom addition	\$49,346	\$40,992	83.1%
Roofing replacement	\$19,731	\$13,133	66.6%
Bathroom remodel	\$16,142	\$11,454	71.0%
Deck addition (composite)	\$15,373	\$10,904	70.9%
Window replacement (vinyl)	\$10,728	\$8,217	76.6%
Entry door replacement (steel)	\$1,172	\$1,470	128.9%

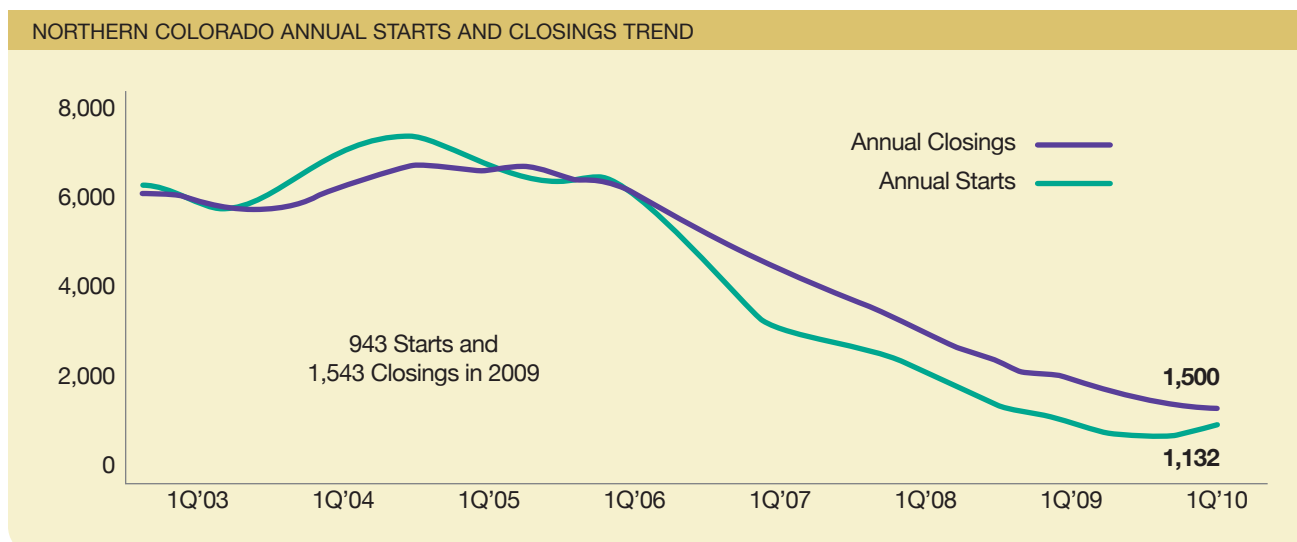
Source: "Remodeling" magazine

## Real estate by numbers

- **\$46.5 million** – What Texas billionaire Kelcy Warren paid for the 3,151-acre Bootjack ranch near Pagosa Springs. The ranch includes a 13,825-square-foot main house.
- **400,000 square feet** – The approximate size of the new Leprino Foods cheese manufacturing plant in Greeley. Leprino recently filed building plans for the facility, which is due to open in 2011.
- **\$288** – The price per square foot paid by investors to acquire the 9,292-square-foot Centerplace shopping center in west Greeley.
- **\$177 million** – The asking price for a 5,000-acre compilation of property located near the Interstate 25 corridor in southeast Larimer County. The property is composed of 9,370 lots and includes parts of nine different cities.
- **1** – Denver International Airport’s ranking in Executive Travel magazine’s annual reader survey of best airports. DIA has achieved the ranking for three years in a row.
- **369** – Number of housing construction starts in Larimer and Weld counties during the first quarter of 2010, up 105 percent over the same period in 2009.
- **\$15 million** – The combined cost of two road interchange improvement projects under way near Loveland. The roadwork is occurring at I-25 and Crossroads Boulevard, and I-25 and U.S. Highway 34.
- **6** – The acreage in the Harmony Technology Park that Fort Collins-based Integware plans to purchase for its new headquarters.
- **\$64.4 million** – The estimated investment by Hewlett-Packard Co. in a proposed 40,000-square-foot expansion at its Fort Collins campus.

## New home closings continue to outpace starts

Available new home inventory has been steadily decreasing since the first quarter of 2006 as closings have outpaced starts since that time. Homebuilders in the region have been under-supplying the new home market and selling through their inventory of product. This is a healthy dynamic for any market and will allow growth in new building in the near future. In the first quarter there were 369 new home starts in Northern Colorado, a 105 percent increase over the first quarter 2009.



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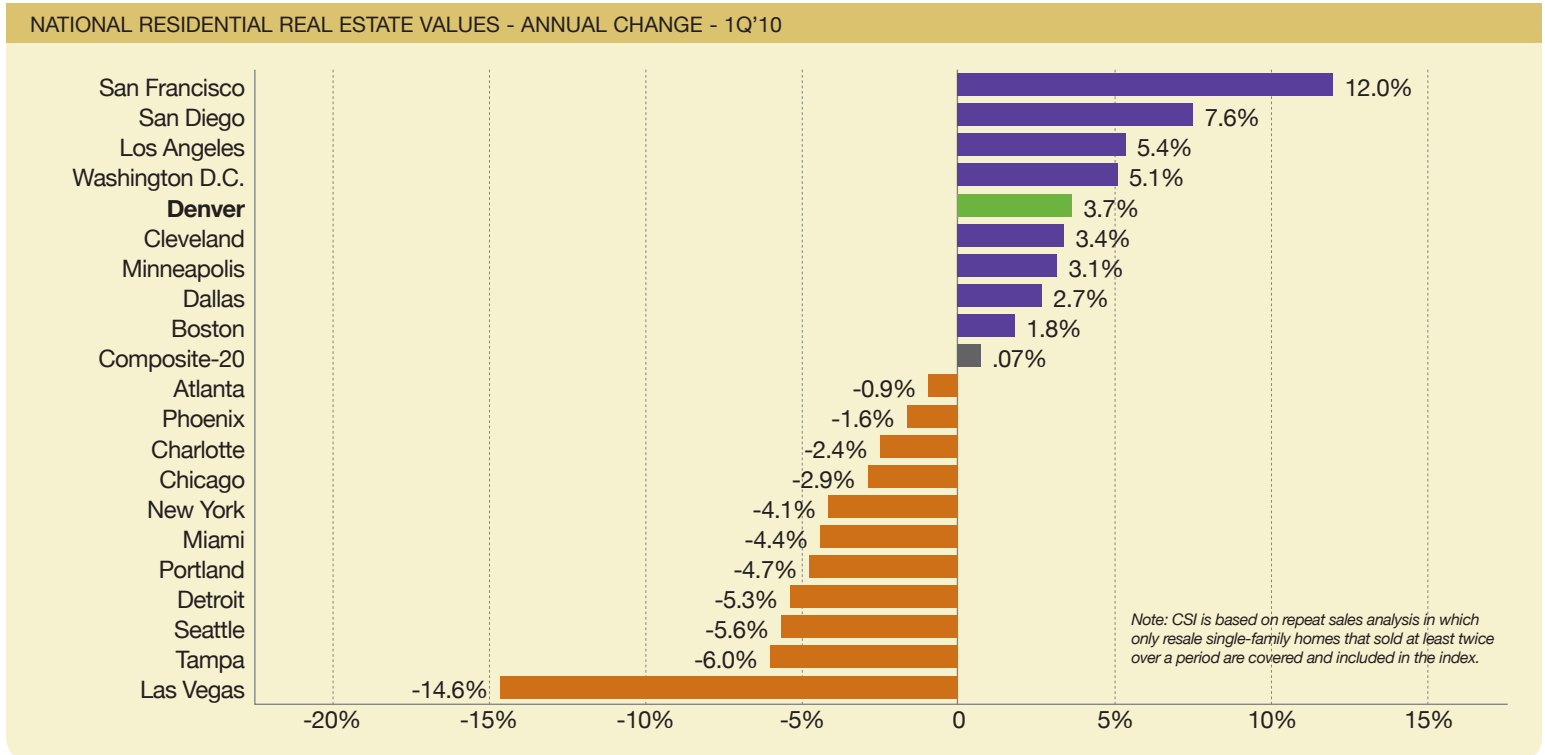
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## Colorado real estate holds value

The Case-Shiller Index reports changes in real estate values by analyzing resale single family homes that have sold at least twice over a period. Denver stacks up well against other major cities tracked by the Index, indicating that properties in Colorado continue to hold their value.



## Luxury home sales on the rise

Sales of luxury homes in the Denver area (priced at \$1 million or more) are up nearly 62 percent in May compared to one year earlier. Over 50 percent of the homes priced at \$1 million or more sold during the month, up from 34 percent last year.

The highest priced sale in the metro area was a four bedroom, seven bath, 8,000-square-foot home in Boulder that sold for \$4.45 million.

