

# HUD PD&R Housing Market Profiles

## Greeley, Colorado

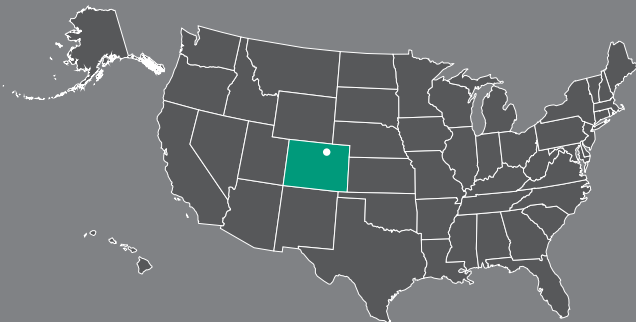


### Quick Facts About Greeley

Photo: Courtesy of the City of Greeley

By Antonio Purcell de Ogenio | As of June 1, 2019

- Current sales market conditions: slightly tight
- Current apartment market conditions: slightly tight
- Approximately 90 percent of all crude oil production and more than one-third of all natural gas production in Colorado is in the Greeley metropolitan area, making it the largest supplier of energy in the state ([www.weldgov.com](http://www.weldgov.com)).



## Overview

The Greeley metropolitan area is coterminous with Weld County and contains 32 incorporated municipalities. It is the fastest growing metropolitan area in Colorado, and the Greeley metropolitan area is the largest producer of cattle, grain, sugar beets, and dairy products in Colorado ([www.weldgov.com](http://www.weldgov.com)). JBS USA (formerly Swift & Company), a leading agriculture company, is headquartered in the metropolitan area, and is the largest employer, with 4,600 employees. The second largest employer is the North Colorado Medical Center (NCMC), a 378-bed hospital, employing approximately 3,550 workers. The Greeley Stampede, a 2-week event that concludes with Independence Day, is one of the ten largest rodeos in the United States and will be celebrating 100 years in operation in 2021. From 2012 through 2014, ticket sales revenue for the Greeley Stampede increased nearly 40 percent, to \$1.1 million, and attendance averaged approximately 250,000 people each year (latest data available).

- As of June 1, 2019, the population of the Greeley metropolitan area is estimated at 323,300. The population has risen by an average of 9,775, or 3.3 percent, a year since 2015. By contrast, from 2007 to 2014, during and after the last recession, population growth averaged 5,475, or 2.2 percent, annually.

continued on page 2



PD&R

continued from page 1

- Since 2015, net in-migration averaged 7,175 people a year, accounting for nearly 75 percent of the population growth, compared with average net in-migration of 3,000 people a year from 2007 to 2014. The Greeley metropolitan area population grew by 24 percent from 2010 to 2018, making it the sixth fastest growing metropolitan area in the nation (U.S. Census Bureau population estimates).

- The Greeley metropolitan area has a relatively young population with 43.3 percent of the residents under age 29, compared with 39.6 and 39.2 percent for Colorado and the nation, respectively (2017 American Community Survey [ACS] 1-year estimates). The relatively young population is partly attributable to the presence of the University of Northern Colorado (UNC), with an enrollment of nearly 13,000 students in the fall semester of 2018.

## Economic Conditions

From 2011 through 2017, job growth strengthened in the Greeley metropolitan area, but slowed in 2018, partly because of the tight labor market and the uncertainty on how proposed state and local regulations would impact the oil and gas industry. Since 2012, annual oil production in the metropolitan area has more than quadrupled from 37 million barrels of oil to nearly 158 million in 2018 (*Greeley Tribune*), despite Colorado becoming the first state in the nation to regulate methane emissions from oil and gas production sites in 2014 (*Denver Post*). Nonfarm payrolls returned to pre-recession levels in 2011, growing at an average annual rate of 4.3 percent from 2012 to 2018. By comparison, during the same period, payrolls at the state and national levels increased at average annual rates of 2.7 and 1.7 percent, respectively.

During the 3 months ending May 2019—

- Nonfarm payroll jobs in the metropolitan area averaged 111,400 jobs, a gain of 2,600 jobs, or 2.4 percent, from a year earlier.

During the same time, state and national payroll growth averaged 1.8 and 1.6 percent, respectively. By comparison, from 2011 through 2018, payroll growth was stronger, averaging a gain of 3,700 jobs, or 4.2 percent, a year, compared with state and national rates of 2.3 and 1.6 percent, respectively.

- UCHealth opened the three-story, 115,000-square-foot Greeley Medical Center, adding nearly 380 new positions that will include primary care and multiple specialty care services, contributing to job gains in the education and health services sector.
- The mining, logging, and construction sector led job gains, with the addition of 800 jobs, or 4.1 percent, to 20,400 jobs. Although the sector was the largest, accounting for 30 percent of all nonfarm payrolls, the rate of job growth slowed recently due to new state and local regulations on the oil and gas industry; during the same 3 months in 2018, the sector added 2,600 jobs or increased 9.5 percent.

continued on page 3

### During the 3 months ending May 2019, the number of jobs in all nonfarm payroll sectors in the Greeley metropolitan area increased or remained stable.

	3 Months Ending		Year-Over-Year Change	
	May 2018 (Thousands)	May 2019 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	108.8	111.4	2.6	2.4
Goods-Producing Sectors	33.3	34.4	1.1	3.3
Mining, Logging, & Construction	19.6	20.4	0.8	4.1
Manufacturing	13.7	14.1	0.4	2.9
Service-Providing Sectors	75.5	77.0	1.5	2.0
Wholesale & Retail Trade	14.4	14.7	0.3	2.1
Transportation & Utilities	4.2	4.5	0.3	7.1
Information	0.7	0.7	0.0	0.0
Financial Activities	4.4	4.4	0.0	0.0
Professional & Business Services	10.5	10.7	0.2	1.9
Education & Health Services	10.3	10.5	0.2	1.9
Leisure & Hospitality	9.3	9.3	0.0	0.0
Other Services	3.6	3.9	0.3	8.3
Government	18.0	18.4	0.4	2.2
	<b>(Percent)</b>	<b>(Percent)</b>		
Unemployment Rate	2.7	2.6		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



continued from page 2

- The unemployment rate averaged 2.6 percent, down slightly from 2.7 percent a year earlier. From 2016 through 2018, the unemployment rate averaged 3.0 percent, the lowest since 2000, when the unemployment rate was 2.7 percent.

The manufacturing and the government sectors tied for the second highest number of jobs added in the 3 months ending May 2019, increasing by 400 each, or 2.9 and 2.2 percent, respectively, from a year earlier. In 2018, a renewable energy company, Vestas Blades America, which manufactures wind turbines, completed a \$27 million equipment upgrade, creating approximately 100 new jobs. Hexcel Corporation, a composite material manufacturer and supplier to Vestas Blades America, added a \$20 million second equipment line increasing production capabilities and adding 50 new jobs. Vestas Nacelles America, a wind turbine nacelle manufacturer in the city of Brighton, added a second production line, increasing capacity and adding 200 new jobs. Basalite Building Products, a concrete products manufacturer, will relocate from the city of Denver to Fort Lupton in Weld County on a new 60-acre campus, potentially moving approximately 85 employees to the area. All jobs added in the government sector in the 3 months ending May 2019 came from the local government subsector, increasing by 500 jobs, or 4 percent, making up the losses in the state government subsector, which declined by 100 jobs, or 1.4 percent.

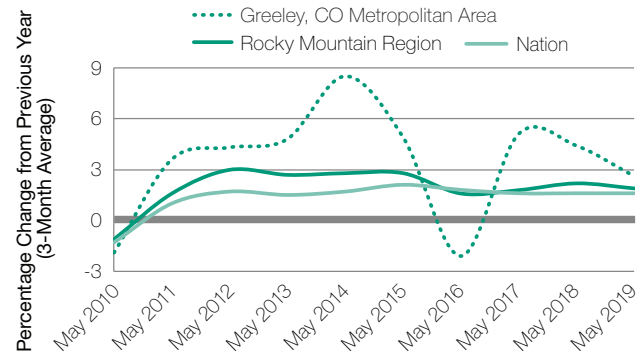
## Sales Market Conditions

Sales housing market conditions in the Greeley metropolitan area are currently balanced, with an estimated sales vacancy rate of 1.3 percent, down from 2.8 percent as of the April 2010 census, when conditions were soft. Recovery after the Great Recession began in 2011, as oil and natural gas activity accelerated, and net in-migration increased. In April 2019, the number of active home listings represented a 1.2-month supply of homes available for sale, up from a 1.1-month supply of homes for sale in March 2018, but down from a 4.1-month supply in April 2010. During 2010, 6.3 percent of home loans in the metropolitan area were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, compared with 4.8 and 8.1 percent for Colorado and the nation, respectively (CoreLogic, Inc.). As of March 2019, the rate of seriously delinquent loans and REO properties in the metropolitan area was 0.5 percent, down from 0.8 percent a year earlier. This was the same as the 0.5-percent rate for Colorado but below the 1.6-percent rate for the nation.

During the 12 months ending May 2019—

- The average sales price for new and existing homes decreased less than 1 percent from a year earlier to \$366,300, while the

The nonfarm payroll growth rate has been higher in the Greeley metropolitan area than in the nation and the Rocky Mountain region since early 2017.



Note: Nonfarm payroll job growth.  
Source: U.S. Bureau of Labor Statistics

## Largest Employers in the Greeley Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
JBS USA	Manufacturing	4,600
Banner Health—North Colorado Medical Center	Education & Health Services	3,550
Vestas Blades America	Manufacturing	2,275

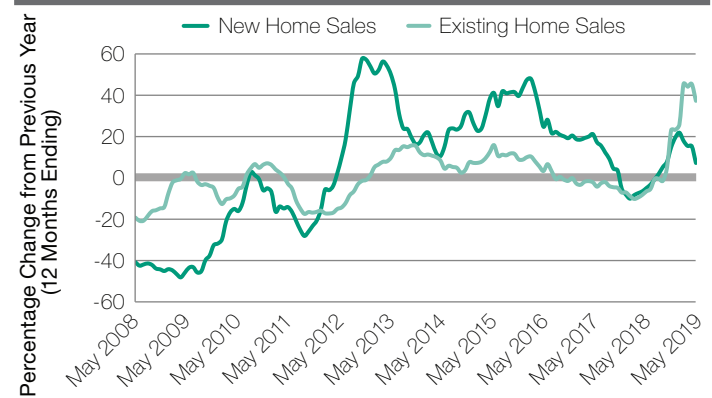
Note: Excludes local school districts.  
Source: Upstate Colorado Economic Development

volume of sales totaled approximately 11,400 homes sold, a 30-percent increase from a year earlier (Metrostudy, A Hanley Wood Company, with adjustments by the analyst).

- Existing home sales (including regular resale and REO homes sales) totaled 8,975, reflecting a 38-percent increase from a

continued on page 4

Existing home sales increased five times the rate of new home sales in the Greeley metropolitan area by the end of 2018.

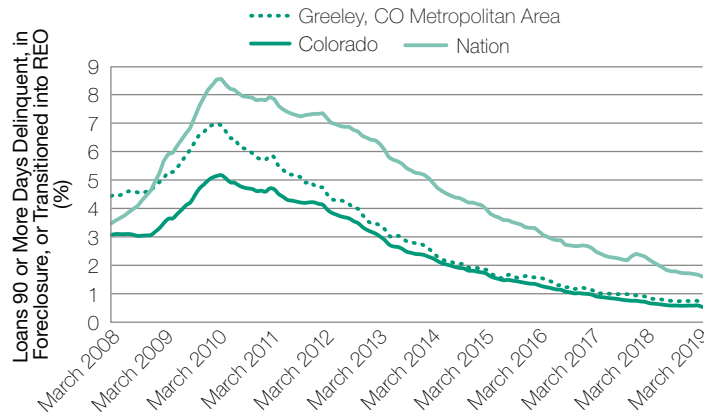


Note: Includes single-family homes, townhomes, and condominiums.  
Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst



continued from page 3

The rate of seriously delinquent home loans and REO properties in the Greeley metropolitan area has consistently been below that of the nation, but above that of the state since 2009.



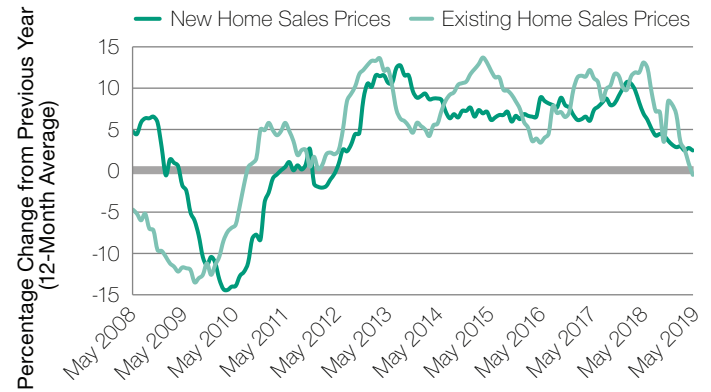
REO = real estate owned.  
Source: CoreLogic, Inc., with adjustments by the analyst

- year ago. By comparison, existing home sales increased at an average annual rate of more than 4 percent from 2013 through 2017.
- New home sales increased nearly 8 percent to 2,425 sales compared with a year ago. By contrast, new home sales increased at an average annual rate of 28 percent from 2012 through 2017.
- The average sales price of a new home was \$400,700, up nearly 2 percent from the previous 12 months. By comparison, average annual price growth was almost 8 percent from 2012 through 2017. The average sales price for an existing home was \$318,900, unchanged from the previous 12 months, as more homes were listed for sale.

Homebuilding activity, as measured by the number of single-family homes permitted, has increased, reflecting the increase of net in-migration during the past 4 years. The metropolitan area has become popular with families looking for larger and more affordable single-family homes, in contrast to the more expensive homes in the adjacent Boulder and Denver-Aurora-Lakewood metropolitan areas, west and south of the Greeley metropolitan area.

- During the 12 months ending April 2019, 2,550 single-family homes were permitted, reflecting an increase of 250 homes from the previous year (preliminary data).
- Homebuilding activity from 2015 through 2018 was relatively steady, averaging 2,650 homes a year, well above the average of 790 homes a year from 2008 through 2011.

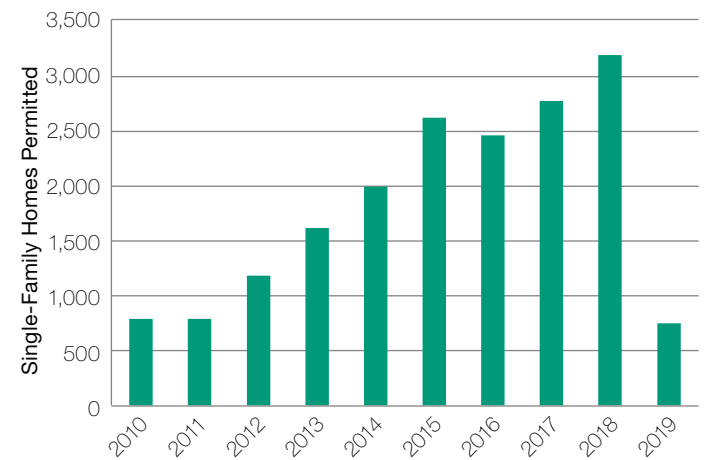
In the Greeley metropolitan area, new and existing home sales prices have been rising since 2011 as economic recovery continued, but price increases slowed in the past year.



Note: Includes single-family homes, townhomes, and condominiums.  
Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst

- The town of Windsor was named the safest community in Colorado (safewise.com, 2018), and is situated west of the city of Greeley. Significant residential construction is under way in the areas near Interstate 25 (I-25), in western Weld County, due to their access to jobs in neighboring metropolitan areas. Construction in the RainDance community began in late 2018, with 25 single-family homes completed and 112 under construction. The price for a new three-bedroom, two-bathroom home starts at about \$323,000.

New home construction has been strong since 2015 in the Greeley metropolitan area.



Note: Includes preliminary data from January 2019 through April 2019.  
Source: U.S. Census Bureau, Building Permits Survey





## Apartment Market Conditions

Apartment market conditions in the Greeley metropolitan area are currently slightly tight. Conditions have eased from tighter conditions during the past 5 years because of the high levels of apartment construction, particularly in the southwest, I-25 corridor, closer to the Denver metropolitan area (*Apartment Insights*).

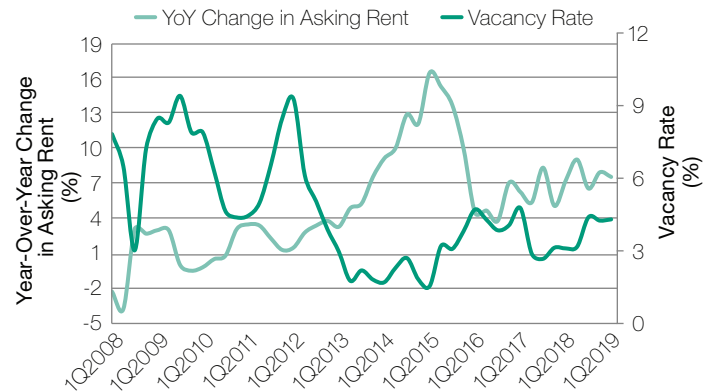
During the first quarter of 2019—

- The apartment vacancy rate was 4.3 percent, up from 3.1 percent a year earlier (*Apartment Insights*).
- Despite more than 900 units entering the market in 2018, the average rent for apartments in the Greeley metropolitan area was \$1,160, an increase of nearly 8 percent from an average rent of \$1,078 during the first quarter of 2018.
- The average rents for studios, one-, two-, and three-bedroom apartments were \$726, \$1,045, \$1,065, and \$1,039, respectively.

Multifamily construction, as measured by the number of multifamily units permitted, increased 12 percent to approximately 960 units permitted in 2018, which was the most units permitted in a single year since 1980.

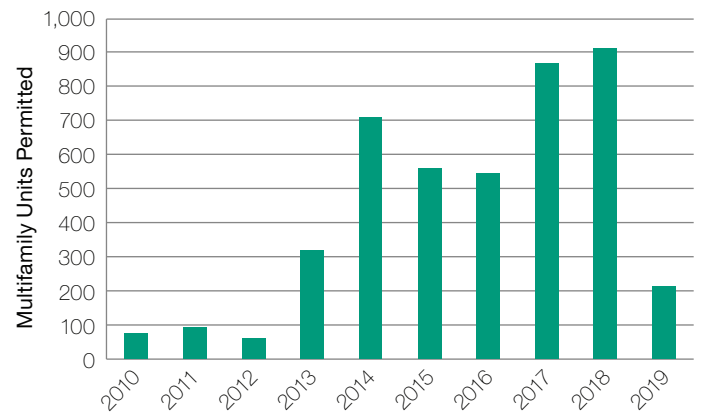
- During the 12 months ending May 2019, approximately 520 units were permitted, down 62 percent from the 1,350 units permitted the previous 12 months (preliminary data).
- As migration increased, multifamily construction averaged 600 units annually from 2013 through 2017, up from an average of 70 units annually from 2009 through 2012.
- Multifamily construction in the Greeley metropolitan area peaked from 2017 through 2018, averaging approximately 910 units permitted (preliminary data), with larger concentrations built along the I-25 corridor and within the city of Greeley.
- Recent construction activity in the southwestern part of the city of Greeley includes the Reserve at West T-Bone, a 76-unit apartment development just south of U.S. Route 34. This property began lease-up in late 2018 and consists of studio, one-, two-, and three-bedroom apartments with rents starting at about \$1,200, \$1,275, \$1,382, and \$1,695, respectively.

The tight market from 2013 to 2015 has eased as more apartment units were completed in the Greeley metropolitan area.



1Q = first quarter. YoY = year-over-year.  
Source: *Apartment Insights*

Multifamily permitting in the Greeley metropolitan area reached a new peak in 2017 and 2018.



Note: Includes preliminary data from January 2019 through April 2019.  
Source: U.S. Census Bureau, Building Permits Survey