

Economic Conditions

Economic conditions in the Greeley HMA began to improve after the end of the most recent recession in 2009. During the 12 months ending September 2012,

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

	12 Months Ending September 2011	12 Months Ending September 2012	Percent Change
Total nonfarm payroll jobs	80,300	81,700	1.7
Goods-producing sectors	21,200	22,800	7.5
Mining, logging, & construction	10,300	11,000	6.8
Manufacturing	11,000	11,800	7.3
Service-providing sectors	59,100	58,900	-0.3
Wholesale & retail trade	11,300	11,400	0.9
Transportation & utilities	2,800	2,500	-10.7
Information	800	700	-12.5
Financial activities	4,000	3,900	-2.5
Professional & business services	7,400	7,600	2.7
Education & health services	8,400	8,400	0.0
Leisure & hospitality	6,600	6,800	3.0
Other services	2,700	2,700	0.0
Government	15,100	15,000	-0.7

Notes: Based on 12-month averages through September 2011 and September 2012. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

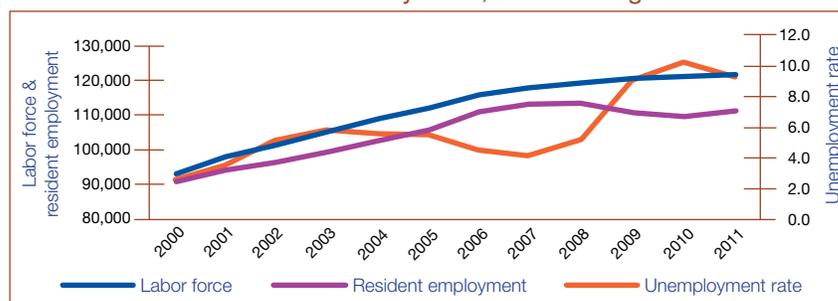
Table 3. Major Employers in the Greeley HMA

Name of Employer	Covered Payroll Sector	Number of Employees
JBS USA LLC	Manufacturing	4,700
Banner Health	Education & health services	3,000
Hensel Phelps Construction Co.	Mining, logging, & construction	2,250
University of Northern Colorado	Government	1,600
Vestas Wind Systems A/S	Manufacturing	1,600
State Farm Mutual Automobile Insurance Company	Professional & business services	1,460
Wal-Mart Stores, Inc.	Wholesale & retail trade	1,015
StarTek Inc.	Professional & business services	850
Carestream Health, Inc.	Education & health services	520
TeleTech Holdings, Inc.	Professional & business services	500

Note: Excludes local school districts.

Sources: JBS USA LLC; Moody's Analytics, Inc.; Upstate Colorado Economic Development

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Greeley HMA, 2000 Through 2011

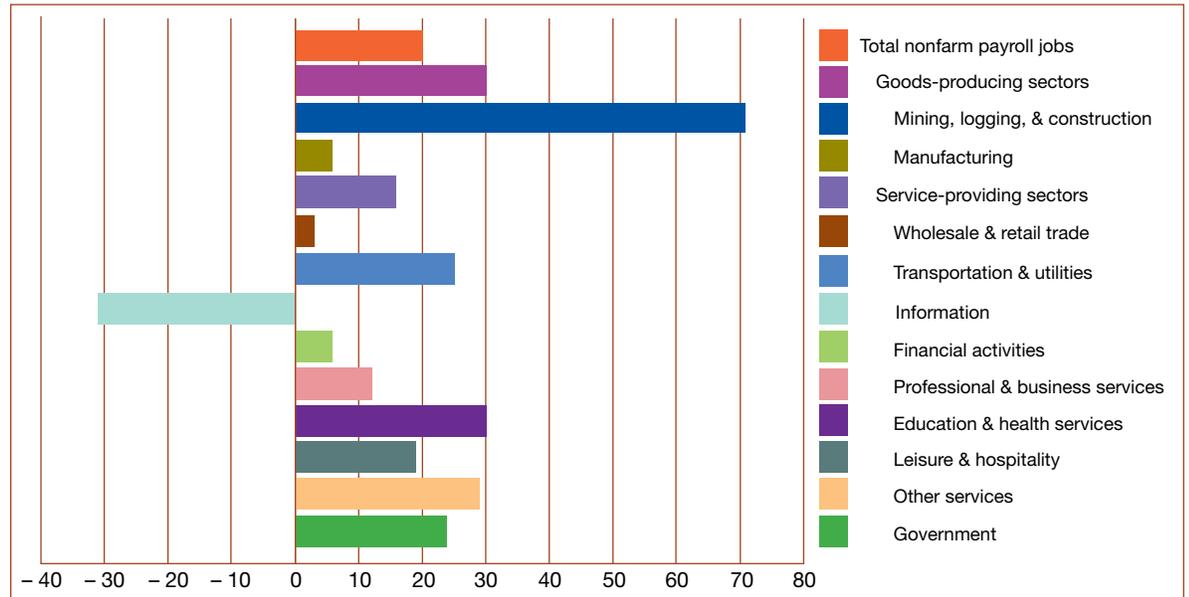


Sources: U.S. Bureau of Labor Statistics

total nonfarm payrolls increased by 1,400 jobs, or 1.7 percent, to 81,700 jobs compared with the number of jobs recorded during the previous 12 months (Table 2). During 2011, nonfarm payrolls increased by 2,300 jobs, or 2.9 percent, from 2010. The mining, logging, and construction and the manufacturing sectors led growth during 2011, adding 900 and 800 jobs, increases of 9.5 and 7.7 percent, respectively. In 2008 and 2009, total nonfarm payrolls declined by 4,000 and 500 jobs, or 4.8 and 0.6 percent, respectively. One-half of the jobs lost in 2008 were in the mining, logging, and construction sector, which decreased by 2,100 jobs, or more than 18.0 percent. Previously, total nonfarm payrolls increased by an average of more than 1,900 jobs, or 2.8 percent, annually from 2000 through 2007. The largest employers in the HMA are meat-processing company JBS USA LLC, with 4,700 employees; Banner Health, with 3,000 employees; and Hensel Phelps Construction Co., with 2,250 employees. Table 3 lists major employers in the HMA. The University of Northern Colorado (UNC), the fifth largest employer in the HMA, with 1,600 employees, estimates that it has a direct and indirect economic impact in the HMA of \$131 million a year. The unemployment rate during the 12 months ending September 2012 averaged 8.8 percent, decreasing from 9.6 percent a year earlier. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate, and Figure 2 shows growth by job sector since 2000.

Agriculture significantly influences the economy in the HMA. Weld County is ranked 8th nationally for value of agriculture products produced, the only county in the top 10 outside California.

Figure 2. Sector Growth in the Greeley HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through September 2012.

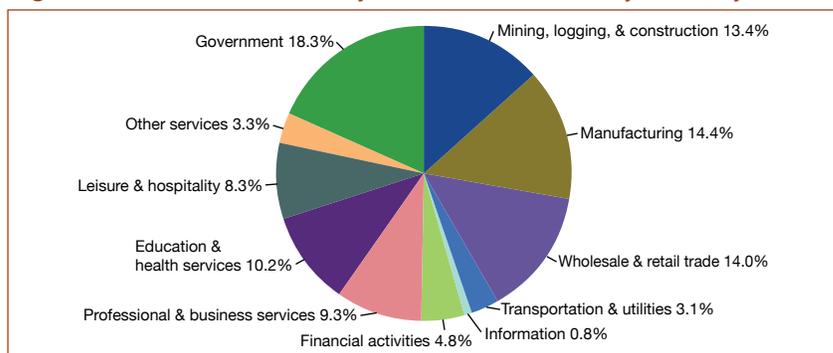
Source: U.S. Bureau of Labor Statistics

According to the 2007 Census of Agriculture, the most recent data available, the total market value of agricultural goods produced in the HMA was more than \$1.72 billion, a 19-percent increase from 2002 (adjusted to 2012 dollars). Weld County ranks second nationally in the value of cattle and calves produced, at nearly \$800 million, or about 47 percent of the total market value of agricultural goods produced. In 2011, the agriculture, forestry, fishing, and hunting industry in the HMA averaged nearly 3,450

jobs, an increase of 135 jobs, or 4.0 percent, compared with the number of jobs recorded during 2010.

Nonfarm employment growth during the 12 months ending September 2012 was led by the manufacturing sector, which increased by 800 jobs, or 7.3 percent, from the previous 12 months. The sector represents 14.4 percent of nonfarm payrolls in the HMA (Figure 3). JBS USA LLC employs about 500 people at its cattle and lamb feedlots and another 4,200 people at its local processing plants and corporate headquarters in the city of Greeley. Leprino Foods Company opened a cheese-manufacturing plant in the HMA in November 2011, which currently has 100 employees and is expected to create an additional 400 jobs during the next 3 years as it becomes fully operational. In 2012, PTI Group, Inc., opened a facility with 250 employees to manufacture portable housing for the oil and gas industry. Previously, the manufacturing sector struggled,

Figure 3. Current Covered Payroll Jobs in the Greeley HMA, by Sector



Note: Based on 12-month averages through September 2012.

Source: U.S. Bureau of Labor Statistics

decreasing by an average of more than 1.0 percent annually from 2000 to 2007, and the sector remained nearly stagnant from 2008 through 2011.

The recent gains in manufacturing jobs were partially offset by losses in the renewable energy-related industry, which included 150 jobs at Abound Solar in June and 30 jobs at Vestas Wind Systems A/S in August.

Unlike renewable energy-related employment, the mining, logging, and construction sector in the Greeley HMA grew by 700 jobs, or 6.8 percent, to 11,000 jobs during the 12 months ending September 2012 compared with the number of jobs recorded during the previous 12 months. Employment gains in this sector were led by oil and gas exploration and extraction, as technological advances in hydraulic fracturing improved access to reserves in the nearby Niobrara Formation. Since the fall of 2011, Anadarko Petroleum Corporation has hired 200 employees, Halliburton has announced plans to add 300 jobs at a new warehouse in Fort Lupton, and Noble Energy Inc. has created 300 jobs at a new field office in the city of Greeley. Before the recent recession, the mining, logging, and construction sector provided strong and steady growth in employment, increasing by an average of 10.0 percent annually from 2000 through 2007. This increase included growth in construction, including homebuilding, and mining activity. Employment in residential building construction increased 73 percent, from about 290 jobs in 2001 to 500 jobs in 2007. The sector declined in only 1 year since 2000, but that decline was significant: a loss of 2,100 jobs, or more than 18.0 percent, during the recession from 2008 to 2009.

Approximately 1,500 jobs were lost in the construction industry and 600 in mining-related employment. Employment in the sector remains 7 percent less than in 2008, when mining, logging, and construction sector nonfarm payrolls averaged 11,500 jobs.

The professional and business services sector expanded during the 12 months ending September 2012, with virtually all the job growth in customer-service call centers. Employment increased by 200 jobs, or 2.7 percent, during the 12 months ending September 2012 compared with the number of jobs during the previous 12 months. TeleTech Holdings, Inc., opened a new call center in 2012 with 500 employees. By the end of 2012, Xerox Corporation is expected to open a new call center with 350 permanent jobs and Otter-Box plans to employ 150 people in a new call center. Losses in some of the other service-providing sectors partially offset those recent employment gains. The transportation and utilities sector declined by 300 jobs, or 10.7 percent, during the 12 months ending September 2012 from the previous 12 months. The information sector lost 100 jobs during the same period, a decrease of 12.5 percent of the employment in the sector. The financial activities and government sectors both decreased by 100 jobs, or 2.5 and 0.7 percent, respectively.

During the 3-year forecast period, nonfarm payrolls are expected to increase to 86,700 jobs, growing by an average of 1,875 jobs, or 2.3 percent, annually. The mining, logging, and construction and the professional and business services sectors are expected to continue to lead growth, as energy companies and customer-service call centers complete their anticipated

hiring. The future of the renewable energy industry is uncertain, with the federal wind-production tax credit scheduled to expire in December

2012. Vestas Wind Systems A/S announced that it would eliminate another 275 positions in the HMA in late 2012.

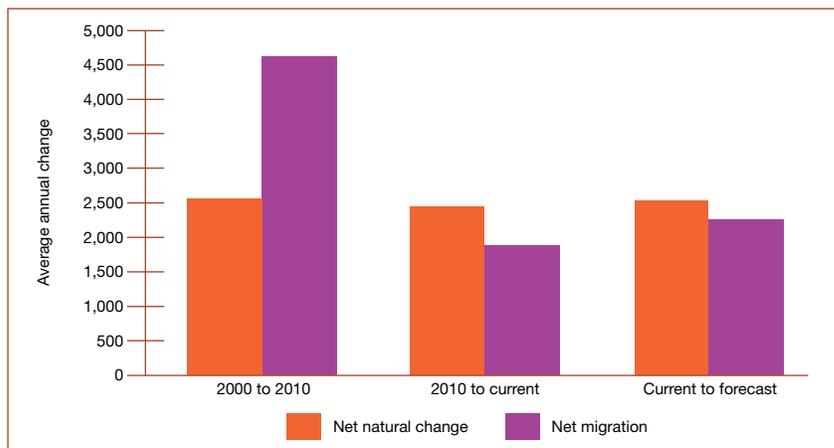
Population and Households

As of October 1, 2012, the population in the Greeley HMA is estimated to be 263,700. From 2000 through 2006, the population increased by an average of nearly 8,000, or 4.3 percent, annually. From 2007 through 2009, as the economy slowed, population growth also slowed, to 5,830 people, or 2.2 percent, annually. Population growth has continued to slow since 2010, with average increases of 4,350 people, or 1.7 percent, annually. Net natural change (resident births minus resident deaths) remained relatively steady from 2000 to 2010, averaging an increase of 2,575 people annually. It slowed slightly after 2010, to about 2,450 people a year. From 2000 through 2002, net in-migration averaged nearly 7,650 people, or 78 percent of population growth. From

2003 to 2008, net in-migration slowed to average 4,200 people annually, which was 54 percent of population growth. After 2009, net in-migration continued to decrease to average nearly 2,050 people annually. Table DP-1 at the end of the report contains information on population and household growth for the HMA from 2000 to the current date.

During the next 3 years, population growth is expected to remain slow but increase gradually and average 4,775 people, or 1.8 percent, annually. After expected improvements in economic conditions, growth is expected to be strongest during the third year, increasing by 5,300 people, or 1.9 percent. Nearly 53 percent of the growth is expected to result from net natural change. Figure 4 shows the components of population change since 2000.

Figure 4. Components of Population Change in the Greeley HMA, 2000 to Forecast

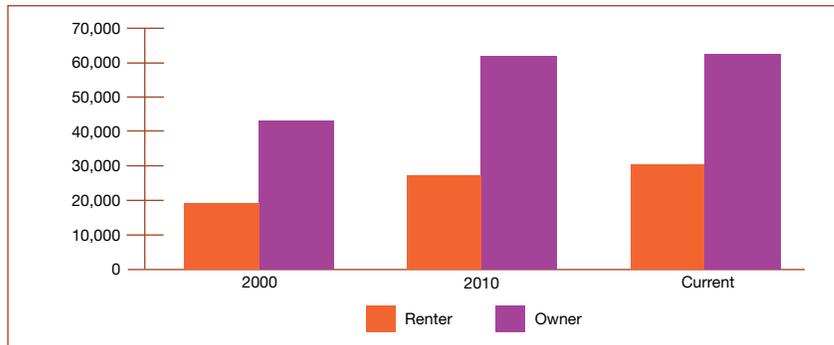


Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

An estimated 92,900 households currently reside in the HMA. From 2000 to 2010, the number of households increased by an average of 2,600, or 3.5 percent, annually. With the decrease in net in-migration resulting in slower population growth since 2010, household growth declined to 1,425 households, or 1.6 percent, annually. The tenure of households has gradually shifted toward renters since 2010. Homeownership rates increased from 68.6 percent in April 2000 to 69.5 percent in 2010, which may have been

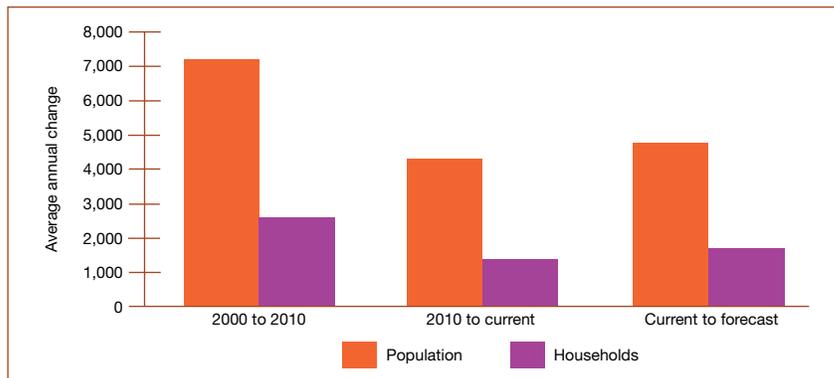
partially because of the first-time homebuyers' tax credit that took effect in 2008 and expired in 2010. This rate has since decreased to an estimated 67.5 percent, in part because

Figure 5. Number of Households by Tenure in the Greeley HMA, 2000 to Current



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

Figure 6. Population and Household Growth in the Greeley HMA, 2000 to Forecast



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

of tighter mortgage lending standards and an increase in student enrollment at UNC, resulting in stronger renter household growth. In the fall of 2012, UNC's main campus enrolled 11,250 students, an increase of nearly 1,100 students compared with the fall 2010 enrollment. Figure 5 shows the number of households by tenure since 2000. With continued improvements in the economy and anticipated increases in population growth, the number of households in the HMA is expected to increase by an average of 1,725 households, or 1.8 percent, annually during the next 3 years. Figure 6 shows population and household growth since 2000.

Housing Market Trends

Sales Market

The sales housing market in the Greeley HMA is currently soft, but it improved during the past 2 years. The current vacancy rate is estimated to be 2.6 percent, a decrease from 2.8 percent in April 2010. According to Hanley Wood, LLC, during the 12 months ending September

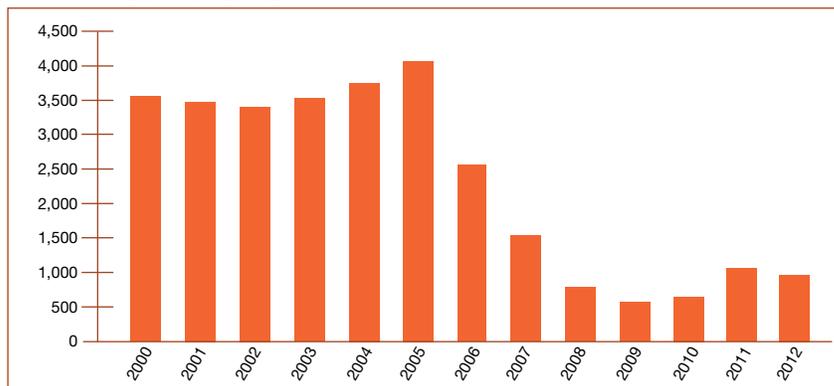
2012, approximately 5,850 new and existing homes, townhomes, and condominiums sold, a 2-percent increase from the 12 months ending September 2011 but 15 percent less than the average annual number of home sales from 2008 through 2010. Home prices in the HMA during the

12 months ending September 2012 averaged \$207,600, an increase of 13 percent from the previous 12 months and nearly 12 percent more than the average sales price from 2008 through 2010. With relatively affordable housing prices in the HMA, more than 60 percent of employees commute outside the HMA for work, primarily to the Denver-Aurora-Broomfield, CO metropolitan statistical area (Denver MSA). From 2005 through 2007, the price of a home sold averaged 21 percent less in the HMA than in the Denver MSA. During this period, 47 percent of employed residents in the HMA worked in the HMA and nearly 26 percent worked in the Denver MSA. From 2008 through 2010, the price of homes in the Greeley HMA decreased to 27 percent less than the average sales price in the Denver MSA. Subsequently, the share of employed residents of Weld County that worked in the HMA decreased to 40 percent, and the share of residents working in the Denver MSA increased to 30 percent. In 2010, the most recent data available, 38 percent of employed residents worked in the HMA compared with the more than 32 percent of residents who worked in the Denver MSA.

Foreclosed and REO (Real Estate Owned) home sales have declined since 2010. According to data from Hanley Wood, LLC, nearly 2,520 foreclosed and REO homes sold during the 12 months ending September 2012, a decrease of 18 percent from the previous 12 months and a decrease of more than 30 percent from the average of 3,650 sold annually from 2006 through 2010. According to data from LPS Applied Analytics, as of September 2012, 4.1 percent of home loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 5.0 percent in September 2011.

Single-family home construction activity, as measured by the number of homes permitted, increased in the past year. During the 12 months ending September 2012, approximately 1,210 new homes were permitted compared with the 930 homes permitted during the previous 12 months, an increase of 30 percent. Since 2006, single-family home construction has decreased significantly. From 2000 through 2005, single-family construction averaged 3,625 homes annually. As the housing market in the Greeley HMA weakened, construction decreased to average 1,225 new homes annually from 2006 through 2011 (Figure 7). Prices for new condominiums and townhomes in the HMA start at about \$160,000, and prices for new single-family detached homes start at about \$200,000. Most of the recent new home construction occurred in the corridor between western Greeley and Windsor, to the west, including the Greenspire at Windsor Lake, Mountain Shadows, Peakview Estates, and Promontory subdivisions. Home prices in Greenspire at Windsor

Figure 7. Single-Family Building Permits Issued in the Greeley HMA, 2000 to 2012



Notes: Includes townhomes. Includes data through September 2012.

Sources: Local sources; estimates by analyst

Lake start at \$235,000. Since 2005, permits have been issued for nearly 40 of the 75 lots in the first phase of the subdivision. Since 2004, permits have been issued for 295 of the nearly 320 lots at Peakview Estates. In the HMA, 25 percent of platted lots are in these two Windsor subdivisions, which account for 41 percent of

single-family home construction in the HMA. Home prices at Mountain Shadows, Peakview Estates, and Promontory start at about \$200,000.

During the next 3 years, demand is expected for approximately 4,300 new homes, approximately 1,000 in the first year and 1,650 in each of the next 2 years (Table 1). The 400 homes already under construction will meet a portion of that demand. In addition, a portion of the 2,400 other vacant units in the HMA may reenter the market and satisfy some of the forecast demand. More than one-third of the demand for new homes is expected to be in the \$200,000-to-\$250,000 range. Table 4 shows demand by price range for new home sales in the HMA.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Greeley HMA, October 1, 2012, to October 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
160,000	199,999	990	23.0
200,000	249,999	1,525	35.5
250,000	299,999	1,000	23.2
300,000	349,999	370	8.5
350,000	399,999	190	4.3
400,000	and higher	240	5.5

Note: The 400 homes currently under construction and a portion of the estimated 2,400 other vacant units in the HMA will likely satisfy some of the forecast demand.
Source: Estimates by analyst

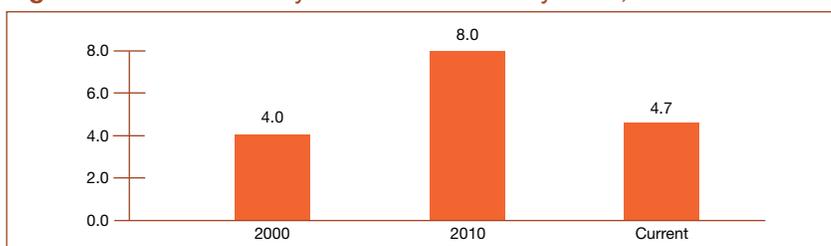
Rental Market

The rental housing market in the Greeley HMA is currently tight. The vacancy rate is estimated at 4.7 percent, a significant decrease from 8.0 percent in April 2010 (Figure 8). According to data from the Census Bureau, nearly 57 percent of renter households lived in single-family or mobile homes in 2011, an increase from 54 percent in 2009 and from about 46 percent in 2000. Several communities in the HMA have few, if any, market-rate multifamily developments; in these localities, single-family homes or

mobile homes are the primary source of rental housing. Most apartment complexes in the HMA are in the city of Greeley and in the nearby cities of Windsor and Evans, which together serve as the economic and population center in the HMA.

Apartment construction was limited in recent years. Based on the number of units permitted, about 125 new multifamily rental units were authorized during the 12 months ending September 2012 compared with no units permitted during the previous 12-month period. Development of new rental housing averaged 255 units annually from 2000 through 2003 but has declined to average 25 units annually since 2004 (Figure 9). More than 400 units built since 2000 are designated as either affordable or age-restricted housing. A lack of

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



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

Housing Market Trends

Rental Market *Continued*

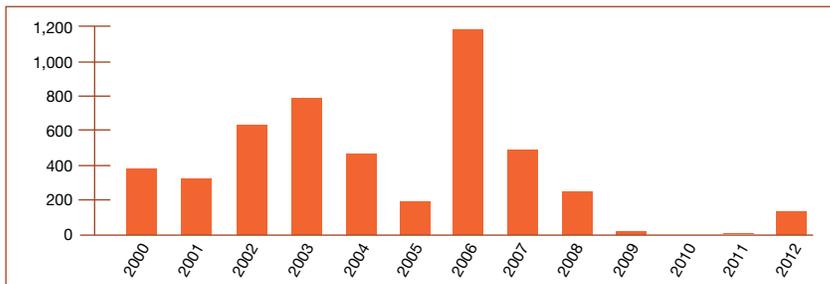
apartment construction in 2010 and 2011 and an increase in rental demand contributed to a drop in the vacancy rate since 2010. No new large-scale, market-rate apartments have been constructed in the HMA since 2003, although 90 units of off-campus student housing are under construction, with capacity to house 300 students; they are expected to be complete by the fall of 2013. Students comprise an estimated 9 percent of renter households in the HMA. Although enrollment at UNC has increased by approximately 1,100 students since 2010, on-campus housing and occupancy have not changed. UNC currently has no plans to alter the

on-campus housing supply, thereby increasing the demand for off-campus rental housing.

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 all apartments during the third quarter of 2012 was \$694, nearly 2 percent more than the average rent the previous year and more than 10 percent more than the \$629 average rent for the third quarter of 2009.

During the next 3 years, demand is expected for 800 new market-rate rental units, which include the 100 units currently under construction (Table 1). Projects under way include 90 units at Village Student Housing in the city of Greeley. These fully furnished student apartments, which will offer individual leases for up to 300 students, are expected to be complete before the start of the fall 2013 semester, with rents starting at approximately \$500 per bedroom. In addition, the 25-unit Cedarwoods Apartments in the city of Greeley is in the final stages of planning. The Windsor Housing Authority is planning 80 units of affordable housing in Windsor, in conjunction with the Loveland Housing Authority, and it anticipates that construction will begin in the spring of 2013. Table 5 shows demand for new market-rate housing by rent level and number of bedrooms during the forecast period.

Figure 9. Multifamily Building Permits Issued in the Greeley HMA, 2000 to 2012



Notes: Excludes townhomes. Includes data through September 2012.

Sources: Local sources; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Greeley HMA, October 1, 2012, to October 1, 2015

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
800 or more	190	950 or more	500	1,300 or more	110
Total	190	Total	500	Total	110

Notes: Numbers may not add to totals because of rounding. The 100 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	91,212	109,387	112,700	1.8	1.7
Unemployment rate	2.7%	10.2%	8.8%		
Nonfarm payroll jobs	68,300	78,400	81,700	1.4	2.4
Total population	180,926	252,825	263,700	3.4	1.7
Total households	63,245	89,349	92,900	3.5	1.6
Owner households	43,412	62,130	62,750	3.6	0.4
Percent owner	68.6%	69.5%	67.5%		
Renter households	19,833	27,219	30,150	3.2	4.2
Percent renter	31.4%	30.5%	32.5%		
Total housing units	66,192	96,281	98,400	3.8	0.9
Owner vacancy rate	1.7%	2.8%	2.6%		
Rental vacancy rate	4.0%	8.0%	4.7%		
Median family income	\$49,569	\$64,151	\$59,610	2.6	- 3.6

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2012. Median family incomes are for 1999, 2009, and 2010.

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: 10/1/2012—Analyst’s estimates
Forecast period: 10/1/2012–10/1/2015—
Analyst’s estimates

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 the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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 www.huduser.org/publications/pdf/CMARtables_GreeleyCO_13.pdf.

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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 HUD’s Economic and Market Analysis Division. 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
www.huduser.org/publications/econdev/mkt_analysis.html.