

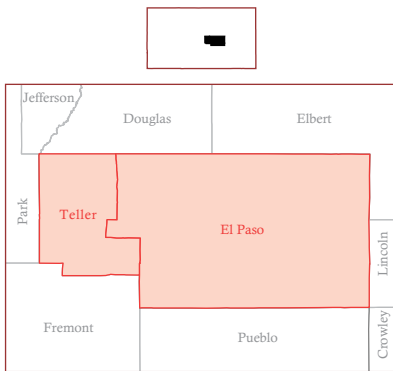


# Colorado Springs, Colorado

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of November 1, 2015



## Housing Market Area



The Colorado Springs Housing Market Area (HMA) includes El Paso and Teller Counties in south-central Colorado and is coterminous with the Colorado Springs, CO Metropolitan Statistical Area. The city of Colorado Springs in El Paso County is the economic and service center for the HMA and much of southern Colorado. Large military installations in the HMA—Fort Carson (U.S. Army), Peterson Air Force Base (AFB), Schriever AFB, North American Aerospace Defense Command, and the U.S. Air Force Academy—have a significant effect on the local economy and housing markets. El Paso County is the second most populous county in Colorado, after Denver County.

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## Summary

### Economy

The economy of the Colorado Springs HMA began improving in 2010 and has since surpassed the previous peak in nonfarm payrolls during 2007. During the 12 months ending October 2015, nonfarm payrolls rose by 4,200 jobs, or 1.6 percent, to 265,800. The average rate of increase was also 1.6 percent annually from 2011 through 2014. The unemployment rate as of the 12 months ending October 2015 was 5.0 percent, down from 6.4 percent a year earlier.

### Sales Market

The sales housing market is slightly tight, with an estimated vacancy rate of 1.4 percent, down significantly from 2.4 percent in April 2010. During the 3-year forecast period, demand is expected for 11,700 sales units (Table 1). The demand is expected to be evenly distributed across the 3 years of the forecast period, as troop increases remain moderate. The 200 units under construction and a portion of the 11,000 other vacant units currently in the HMA that may reenter the sales market will satisfy some of this demand.

### Rental Market

The rental housing market is balanced, with an estimated vacancy rate of 4.9 percent, down from 7.8 percent in April 2010. The apartment market is also currently balanced, with a vacancy rate of 4.7 percent during the third quarter of 2015, down slightly from 4.8 percent a year ago (*Apartment Insights*). During the 3-year forecast period, demand is estimated for 2,325 rental units (Table 1). The 150 units currently under construction and 360 units in planning will likely meet a portion of that demand.

**Table 1. Housing Demand in the Colorado Springs HMA During the Forecast Period**

	Colorado Springs HMA	
	Sales Units	Rental Units
Total demand	11,700	2,325
Under construction	200	150

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of November 1, 2015. A portion of the estimated 11,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is November 1, 2015, to November 1, 2018.*

*Source: Estimates by analyst*

# Economic Conditions

The climate, location, and military infrastructure for enlisted and retired military personnel in the Colorado Springs HMA have a positive effect on in-migration, contributing to economic growth. Economic conditions in the HMA have recovered from the most recent national recession, and job growth since 2010 has mirrored growth in the nation. Nonfarm payroll growth averaged 1.6 percent annually from 2011 through 2014, equal to the national rate.

During the 12 months ending October 2015, nonfarm payrolls in the HMA increased by 4,200 jobs, or 1.6 percent, to an average of 265,800 jobs (Table 2). The recent job gains are

in sharp contrast to annual declines of 2.4 percent from 2008 through 2009. Before the most recent economic downturn, nonfarm payrolls increased by an average of 4,200 jobs, or 1.7 percent, annually from 2004 to 2007. Payrolls also declined in 2002 and 2003, primarily because of a decrease in manufacturing payrolls.

During the 12 months ending October 2015, employment gains were greatest in the education and health services and the leisure and hospitality sectors, which grew by 1,400 jobs, or 4.2 percent, each. The mining, logging, and construction sector grew by 300 jobs, or 2.1 percent, during the 12 months ending October 2015, mainly because of increased residential construction of single-family homes. The unemployment rate averaged 5.0 percent during the 12 months ending October 2015, down from 6.4 percent a year earlier, as resident employment gains far outstripped labor force increases. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2014.

The fast-growing economy of the 1990s reversed direction in 2002 when the computer manufacturing and information industries, struggling with overcapacity and weak demand, began to lay off workers and close plants. In 2002 and 2003, nearly 8,000 workers in more than 80 companies lost their jobs, many in high-paying areas such as computer chip and disk-drive manufacturing.

The economy began to recover in 2004 because of an increase in defense contracting, the expansion of hospitals, and the establishment of insurance claims-processing centers. Net job growth occurred despite the deployment of a significant number

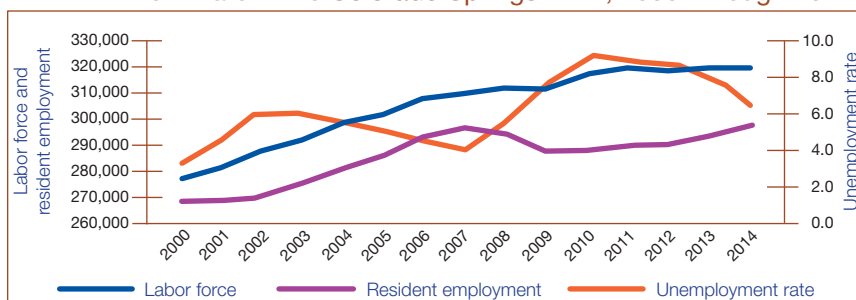
**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Colorado Springs HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	October 2014	October 2015		
Total nonfarm payroll jobs	261,600	265,800	4,200	1.6
Goods-producing sectors	25,900	26,100	200	0.8
Mining, logging, & construction	14,000	14,300	300	2.1
Manufacturing	11,900	11,800	-100	-0.8
Service-providing sectors	235,700	239,700	4,000	1.7
Wholesale & retail trade	35,900	36,500	600	1.7
Transportation & utilities	4,500	4,600	100	2.2
Information	6,800	6,700	-100	-1.5
Financial activities	16,400	16,400	0	0.0
Professional & business services	41,400	41,200	-200	-0.5
Education & health services	33,500	34,900	1,400	4.2
Leisure & hospitality	33,200	34,600	1,400	4.2
Other services	15,500	15,900	400	2.6
Government	48,600	49,000	400	0.8

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through October 2014 and October 2015.

Source: U.S. Bureau of Labor Statistics

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Colorado Springs HMA, 2000 Through 2014



Source: U.S. Bureau of Labor Statistics

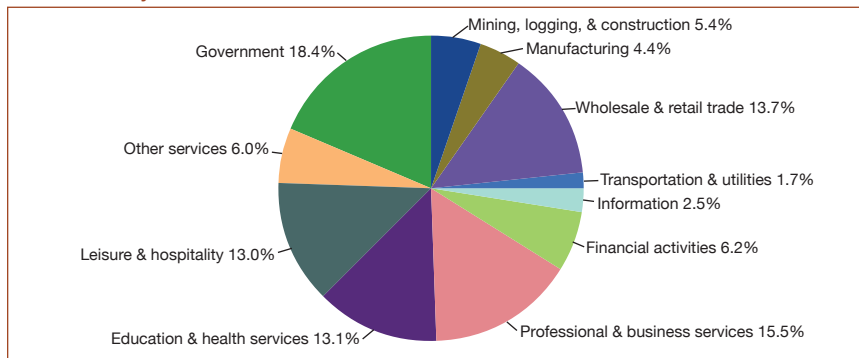
of Army personnel to the Middle East/Gulf region, which affected local businesses that serve soldiers and their dependents. In the 4-year period between December 2006 and December 2010, troop levels at Fort Carson grew from 14,900 to 25,600, as the base benefited from the 2005 Base Realignment and Closure (BRAC) round.

Government employment is the leading component of the economy in the Colorado Springs HMA; the presence of four large military installations significantly affects the

local economy. Government is the largest payroll sector, with more than 18 percent of payrolls (Figure 2), and was the second fastest growing sector from 2000 to the current date, behind the education and health services sector (Figure 3). The government sector has remained relatively stable since 2010, however, because declines in the federal and local government subsectors offset gains in the state government subsector. During the 12 months ending October 2015, the sector increased by 400 jobs, or 0.8 percent, to 49,000. The sector is not expected to grow substantially during the forecast period.

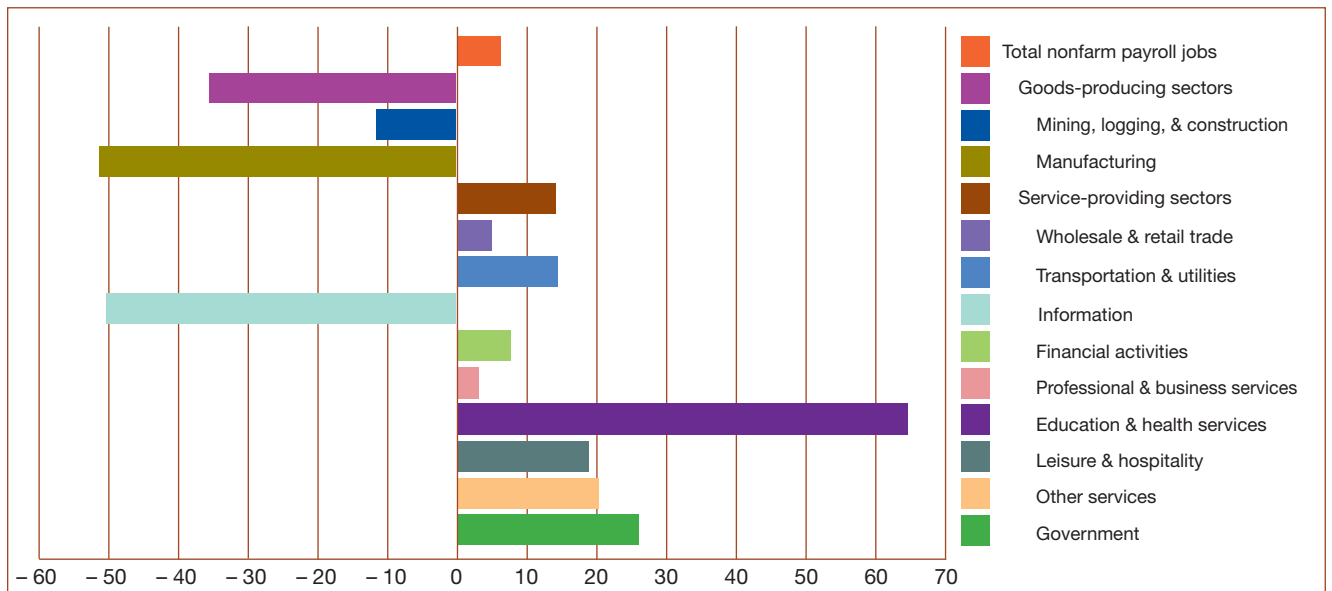
Jobs at military installations in the HMA totaled 52,000 during 2014, including military, civilian, and contractor jobs (Colorado Department of Military and Veterans Affairs). The estimated direct and indirect annual economic impact of the military—including expenditures for payroll, construction, services, materials, and secondary employment—was \$5 billion in 2014, or nearly 28 percent

**Figure 2.** Current Nonfarm Payroll Jobs in the Colorado Springs HMA, by Sector



Note: Based on 12-month averages through October 2015.  
Source: U.S. Bureau of Labor Statistics

**Figure 3.** Sector Growth in the Colorado Springs HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through October 2015.  
Source: U.S. Bureau of Labor Statistics

of the region's gross metropolitan product. Fort Carson, the second largest employer in Colorado, employs approximately 29,800 active-duty military and civilian personnel in the HMA and supports more than 35,000 indirect jobs a year, roughly one-half of which are off post (Pikes Peak Area Council of Governments). Troop counts at Fort Carson account for about 75 percent of total troop counts in the HMA. Fort Carson began adding a 2,700-troop Combat Aviation Brigade in late 2013 and will benefit from the reorganization of the 4th Infantry Division to three Brigade Combat Teams. The Army projects that the remaining additions from the Combat Aviation Brigade and the reorganization will net an additional 1,800 troops to Fort Carson by 2019, more than offsetting the slight decline of 365 troops leaving because of the July 2015 Army force realignment announcement.

Military installations and related defense-contracting service providers help to support the professional and business services sector, which is the second largest payroll sector in

the HMA. During the 12 months ending October 2015, sector payrolls averaged 41,200 jobs, a slight decrease of 200 jobs, or 0.5 percent, from a year earlier. The sector has remained generally stable since 2000, rising by an average annual rate of 0.2 percent, or approximately 100 jobs, a year through 2014. Lockheed Martin Integrated Systems and Solutions Inc., the largest private-sector employer in the HMA, develops defense message systems, satellite communications services, and global switching systems (Table 3). Raytheon Company, a defense contractor, recently announced plans to hire 700 people in the Colorado Springs area after being awarded a \$700 million defense contract to monitor threats from air and space. Hiring will be complete by the end of 2016, and the new employees will add to the existing 100 Raytheon employees already in the HMA.

The HMA is the fifth largest military retirement community in the nation. Military veterans represent approximately 19 percent of the HMA population over the age of 18, which is nearly double the national average of 10 percent. These military retirees contribute to the demand for health services in the HMA. The education and health services sector is the fourth largest payroll sector and had the largest increase since 2000, largely because of gains in the health services subsector.

During the 12 months ending October 2015, the strongest payroll growth in the HMA occurred in the education and health services sector, which grew by 1,400 jobs, or 4.2 percent, to 34,900. The sector is expected to continue to grow during the forecast period, partly because of increased demand for health services from an

**Table 3. Major Employers in the Colorado Springs HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fort Carson Army Base	Government	29,825
Peterson Air Force Base	Government	10,785
U.S. Air Force Academy	Government	8,105
Schriever Air Force Base	Government	2,805
Lockheed Martin Integrated Systems and Solutions Inc.	Professional & business services	NA
Security Service Federal Credit Union	Financial activities	NA
Progressive Corporation	Financial activities	NA
USAA	Financial activities	NA
The Broadmoor	Leisure & hospitality	NA
Amtel Corporation	Manufacturing	NA

NA = data not available.

Notes: Excludes local school districts. The number of employees at the military installations includes military employment of active-duty, National Guard, and reserve troops and professional and nonprofessional civilian staff. The military counts do not include independent contractors. Private-sector employee counts are not reported.

Sources: Military data—Summit Economics, Comprehensive Military Value and Economic Impact of Department of Defense Activities in Colorado, 2015; private-sector data—Colorado Springs Book of Lists, 2015



aging population and increasing numbers of military retirees. The U.S. Department of Veterans Affairs recently opened a clinic to expand services to military veterans in the HMA; it will replace two existing clinics and will be able to serve up to 6,000 more veterans. In addition, Penrose-St. Francis Health Services has announced plans to expand the St. Francis Medical Center by 134,000 square feet, at a cost of \$100 million, by the end of 2018. The expansion will add nearly 20 emergency room beds, 25 neonatal intensive care beds, and 3 additional operating rooms.

During the next 3 years, nonfarm payrolls in the HMA are expected to grow by 5,200 jobs annually, or 2.0

percent. The education and health services and the leisure and hospitality sectors are expected to contribute most of the estimated nonfarm payroll growth during the forecast period. Job growth will also occur as a result of the recently expanded Colorado Springs commercial aviation zone. The expansion will enable Sierra Completions, which turns wide-body aircraft interiors into flying offices for high-end customers, to build an \$88 million hangar complex and is expected to add more than 2,100 jobs in 5 years. Trine Aerospace & Defense and Rampart Aviation will also add about 115 jobs during the forecast period, in response to the expanded aviation zone.

## Population and Households

The current population of the Colorado Springs HMA is estimated at 702,700, an increase of 10,200, or 1.5 percent, a year since 2010. From 2000 to 2005, the population increased 1.9 percent annually, and net in-migration averaged 4,950 people annually, accounting for less than 50 percent of population growth. Population growth was strongest from 2005 to 2006 and from 2009 to 2010, increasing 2.3 and 3.0 percent, respectively (U.S. Census Bureau, July 1 estimates). Troop counts increased dramatically during these periods, and net in-migration accounted for 8,050 and 13,450 people, or 60 and 71 percent, respectively, of population growth. Since 2010, population growth has slowed, averaging 1.5 percent annually, as net in-migration declined to an average of 4,825 people annually. From

2010 to 2014, overall troop counts in the HMA increased by an average of 180 troops, or 0.5 percent, annually, putting less upward pressure on in-migration (Defense Manpower Data Center). Figure 4 shows population and household growth in the HMA, and Figure 5 shows the components of population change in the HMA, from 2000 to the forecast date.

Military personnel in the HMA have a significant effect on population and household changes. After the 2005 BRAC round, troop counts increased in the HMA, boosting net in-migration. Troop counts in the HMA increased from 26,050 in 2005 to 33,700 in 2010, or more than 5 percent each year, and the number of dependents increased from 14,600 to 20,400, or nearly 7 percent annually. Growth in the number of troops and dependents in the HMA

**Population and Households** *Continued*

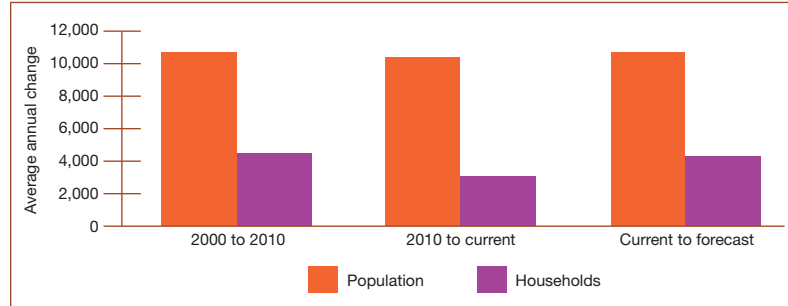
slowed from 2010 through 2014, rising by average annual rates of 0.5 and 0.6 percent, respectively. Net in-migration is expected to increase moderately during the next 3 years, to an average of 5,325 people annually,

as troop counts rise slightly. The Army projects that, from 2015 to 2019, the Fort Carson troop population will increase by 1,800 soldiers, many bringing dependents with them.

The number of households in the Colorado Springs HMA increased by 4,625, or 2.1 percent, a year from 2000 to 2010, to approximately 246,600 households. Delayed household formation, because of the effects of the national recession and slowing growth in troop counts, has slowed the increase in households to 1.2 percent annually since 2010. New households migrating to the HMA typically prefer to rent initially, increasing the demand for rental housing as in-migration increases. Despite foreclosure rates well below the national average, homeownership rates have declined since 2010 because of tight lending standards and limited availability of for-sale housing, encouraging households to rent. The homeownership rate in the HMA is currently estimated at 62.7 percent, down from 65.0 percent in 2010 and even lower than the 66.0-percent rate in 2005.

During the next 3 years, the population of the HMA is expected to increase by an average of 10,800, or 1.5 percent, a year, to 735,100, with less than 50 percent of the growth from net in-migration. Household growth is expected to average 4,250, or 1.6 percent, annually, to reach 277,000 households during the next 3 years. Household growth rates are expected to slightly outpace population growth as the population ages and household sizes decrease. Figure 6 shows the number of households by tenure from 2000 to the current date. Table DP-1 at the end of this report shows additional data.

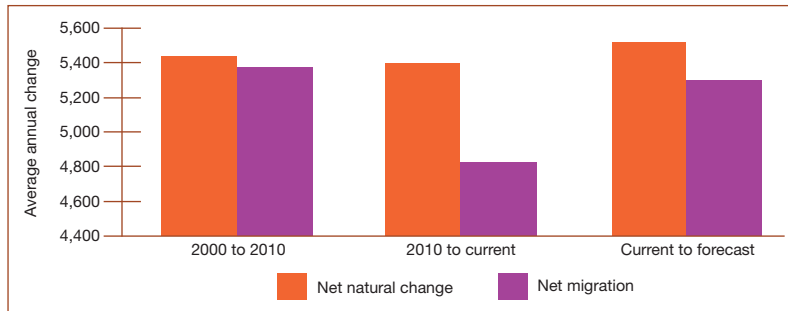
**Figure 4. Population and Household Growth in the Colorado Springs HMA, 2000 to Forecast**



Notes: The current date is November 1, 2015. The forecast date is November 1, 2018.

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

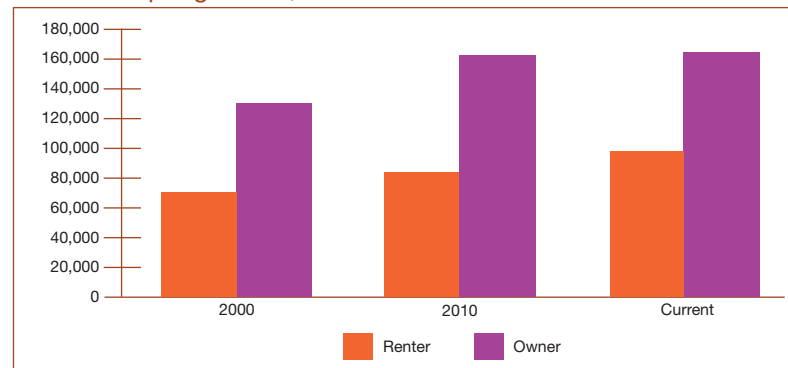
**Figure 5. Components of Population Change in the Colorado Springs HMA, 2000 to Forecast**



Notes: The current date is November 1, 2015. The forecast date is November 1, 2018.

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

**Figure 6. Number of Households by Tenure in the Colorado Springs HMA, 2000 to Current**



Note: The current date is November 1, 2015.

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

# Housing Market Trends

## Sales Market

Sales housing market conditions in the Colorado Springs HMA are slightly tight, with an estimated 1.4-percent vacancy rate, down from 2.4 percent in April 2010. During the 12 months ending September 2015 (the best representative data available), 17,400 new and existing single-family homes, townhomes, and condominiums sold, an increase of 15 percent from a year earlier (CoreLogic, Inc., with adjustments by the analyst). Home sales reached a recent peak in 2005, totaling 23,550, before declining precipitously to 11,650 during 2011, a decline of 2,000 home sales, or 11 percent, annually. This decline occurred despite increased troop counts during the period, partly because the lack of available financing for builders limited the supply of homes for sale, and tightening lending standards limited demand. The number of sales increased by 1,300, or 10 percent, annually from 2011 through 2014, primarily because of an increase in existing home sales on the heels of stronger economic growth and increased access to credit. During the 12 months ending September 2015, home prices averaged \$245,900, up nearly 6 percent from a year earlier. By comparison with average home sales, which declined 11 percent annually from 2005 through 2011, average home prices declined only slightly more than 2 percent annually during the period.

Although existing home sales in the HMA increased in the past year, they are still more than 10 percent less than the average of 17,100 homes sold annually in 2004 and 2005, partly because of low inventory levels. During October 2015, a 1.1-month supply of homes was for sale, down

slightly from a 1.2-month supply a year earlier and much less than the 7.5-month supply during 2007 (Pikes Peak Realtor® Service Corp.). During the 12 months ending September 2015, 15,050 existing homes sold, up more than 14 percent from a year earlier (CoreLogic, Inc., with adjustments by the analyst). Existing home sales decreased by 1,120 homes sold, or more than 8 percent, annually from 2005 through 2011. As a result of economic and population growth, existing home sales increased by 1,050, or more than 9 percent, annually from 2012 through 2014.

The increase in home prices in the mid-2000s was not as pronounced in the Colorado Springs HMA as in the rest of the nation because the HMA was still recovering from the previous recession. As a result, the effects of the subsequent housing crisis were also less severe in the HMA than they were in the nation. Of all home loans in the HMA, 2.7 percent were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status as of September 2015, down from 2.9 percent a year ago and less than the peak of 5.0 percent reached during February 2010 (Black Knight Financial Services, Inc.). By comparison, the percentage of loans that were seriously delinquent or had transitioned into REO status in the HMA was much lower than the 4.4-percent national rate during September 2015.

The condominium market in the HMA is also tight. Colorado's Construction Defect Reform Act of 2001 was revised in 2007 to expand the ability of homeowners in high-density

## Housing Market Trends

### Sales Market *Continued*

housing to sue developers as part of a class-action lawsuit. Since the law was revised, home builders have been constructing fewer condominiums in Colorado because of real or perceived costs and risks associated with repairs, liability insurance, and the potential for construction defect lawsuits. As a consequence, the supply of new condominiums in the HMA is very low. From 2000 through 2007, construction of condominiums averaged 640 units annually, based on the number of units permitted. The number of condominiums constructed declined sharply, to an average of 120 units annually from 2008 through 2011, in part because of the recession. As the economy recovered, however, condominium construction continued to decline, to an average of 60 units annually from 2012 through 2014. By contrast, single-family home construction also declined, from an average of 5,800 homes annually from 2000 through 2007 to an average of 1,575 homes from 2008 through 2011, but then construction increased to 2,650 homes annually from 2012 through 2014 as economic conditions improved.

Strong demand for condominiums is also contributing to the tight market. In October 2015, the number of condominiums listed for sale represented a 1.1-month supply at the current rate of sales, unchanged from a year earlier (Pikes Peak Realtor® Services Corp.). Nationally, by comparison, the for-sale condominium inventory comprised a 4.8-month supply in September 2015, down from a 5.1-month supply a year earlier (National Association of Realtors®).

From 2011 through 2014, the average price of new condominiums in the HMA increased 14 percent annually,

compared with 5-percent annual growth for new single-family homes (Metrostudy, A Hanley Wood Company). Despite the rapid increase in condominium prices, condominium demand continues to rise, and sales are increasing. Condominium sales (new and existing) totaled 810 during the 12 months ending October 2015, up more than 23 percent from the previous 12 months and greater than the 17-percent increase in single-family home sales during the same period (Metrostudy, A Hanley Wood Company).

Improving economic conditions and net in-migration encouraging household growth are supporting new home sales in the HMA. New home sales increased nearly 4 percent from a year ago, to 2,350, during the 12 months ending September 2015, and the average new home sales price increased nearly 3 percent, to \$319,000 (CoreLogic, Inc., with adjustments by the analyst). New home sales peaked in 2005, with 5,650 homes sold, but new home sales prices peaked in 2006 at \$309,000, the same years that new home sales and prices peaked in the nation. From 2007 through 2011, new home prices in the HMA decreased nearly 3 percent annually, to \$265,000, and the number of new home sales decreased 22 percent annually, to 1,600 homes sold, despite stronger population growth from increased troop counts. Increased deployment cycles and local effects of the national recession led many households to rent. From 2011 through 2014, economic growth encouraged households to purchase homes, and the number of new home sales increased 12 percent annually, to 2,250. During that period, the average price of a new home increased nearly 6 percent annually, to \$312,900.



**Housing Market Trends**  
Sales Market *Continued*

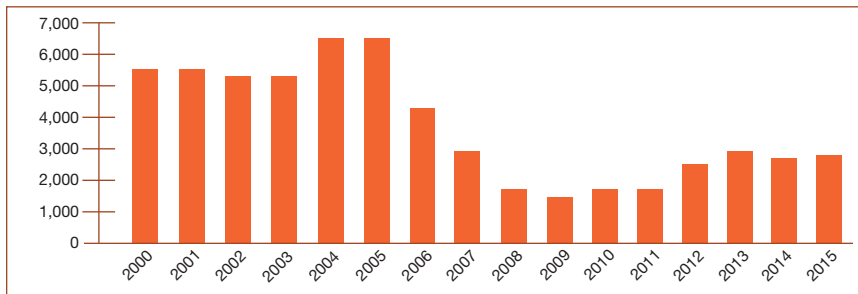
Economic and household growth after the most recent national recession has supported single-family home construction in the HMA. Single-family permitting averaged 6,450 homes annually during 2004 and 2005 before declining more than 30 percent annually, to a low of 1,350 homes permitted during 2009 (Figure 7). Homebuilding activity began to recover in 2010, and new home construction increased 20 percent annually to 2,875 homes permitted in 2013. During the 12 months ending October 2015, 2,950 single-family homes were permitted in

the HMA, a 12-percent increase from the 2,650 homes permitted during the previous 12 months, in response to an improving sales market and better economic conditions (preliminary data).

Banning Lewis Ranch, which was at one time a 24,000-acre cattle-ranching operation, has since become the location of new single-family home construction in the HMA. Seven builders are constructing homes in this master-planned community. Classic Homes is selling homes priced from \$260,000 to \$390,000, whereas prices at Oakwood Homes range from \$237,000 to \$466,000. Nor'wood Development Group purchased 16,000 acres in November 2014 but has not announced development plans for the acquisition.

During the next 3 years, demand is expected for 11,700 new single-family homes, townhomes, and condominiums (Table 1). The 200 homes currently under construction and a portion of the estimated 11,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is November 1, 2015, to November 1, 2018. Demand for new homes is anticipated to be strongest for homes priced between \$300,000 and \$399,999. Table 4 highlights the estimated demand for new market-rate sales housing, by price range, during the 3-year forecast period.

**Figure 7. Single-Family Homes Permitted in the Colorado Springs HMA, 2000 to Current**



Notes: Includes townhomes. Current includes data through October 2015.  
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 4. Estimated Demand for New Market-Rate Sales Housing in the Colorado Springs HMA During the Forecast Period**

Price Range (\$)		Units of Demand	Percent of Total
From	To		
220,000	299,999	3,525	30.0
300,000	399,999	4,100	35.0
400,000	499,999	2,925	25.0
500,000	and higher	1,175	10.0

Notes: The 200 homes currently under construction and a portion of the estimated 11,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is November 1, 2015, to November 1, 2018.  
Source: Estimates by analyst

**Rental Market**

The rental housing market in the Colorado Springs HMA is currently balanced, with an overall vacancy rate of 4.9 percent, down from 7.8 percent during April 2010 (Figure 8). Continued net in-migration and moderate inventories of for-sale housing have

contributed to rising rental demand since 2010. The apartment market in the HMA is also balanced, as apartment construction has kept pace with renter household growth. The apartment vacancy rate was 4.7 percent during the third quarter of 2015, down

slightly from 4.8 percent a year earlier (*Apartment Insights*). The average apartment rent was \$870 in the third quarter of 2015, up more than 5 percent from a year ago. Balanced vacancy rates and sustainable rent growth have caused concessions to decline to a record low of \$5 monthly. Monthly rents averaged \$560, \$760, \$800, and \$890 for studio, one-bedroom, two-bedroom, and three-bedroom units in the HMA, respectively.

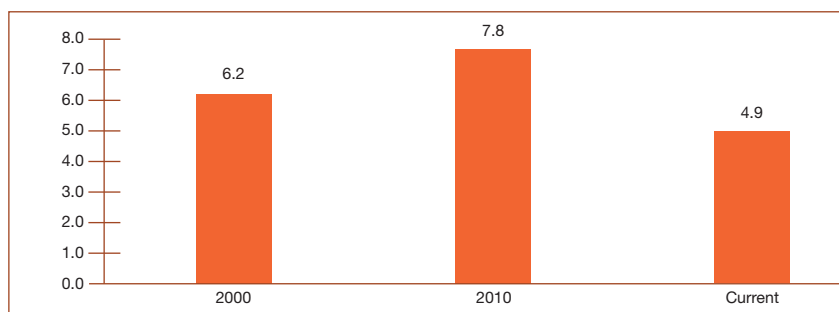
Military personnel in the HMA have a significant effect on the overall demand for rental housing. The military and its contractors operate approximately 4,650 family units and 10,500 barracks beds at the four bases. Approximately 70 percent of the military personnel stationed in the area live off base, most in rental units. Approximately two-thirds of enlisted personnel are renters, whereas

one-third of officers are renters (Fort Carson housing office). From 2005 through 2009, after the privatization of family housing at Fort Carson, more than 1,600 units were constructed and 1,800 were substantially renovated on the base. These additions helped ease the housing shortage in the off-base rental market after an increase of 8,000 troops at Fort Carson resulting from the 2005 BRAC round. Multifamily construction in the HMA declined to an average of 890 units annually from 2005 through 2009, from an average of 2,000 units annually from 2000 through 2004. Although privatization and on-base housing construction eased the demand for off-base rental housing, renter household growth exceeded construction, and the average apartment vacancy rate declined from 11.9 percent in 2005 to 6.6 percent in 2010.

Partly in conjunction with the introduction of the Combat Aviation Brigade at Fort Carson in 2013, a number of new apartment developments emerged. Builders increased multifamily construction, as measured by the number of multifamily units permitted, to an average of 950 units annually during 2013 and 2014. Builders, however, decreased construction to 570 units permitted during the 12 months ending September 2015, as troop counts and net in-migration are expected to increase only moderately during the next 3 years (preliminary data). With reduced apartment construction and the expected increase in renter households, rental market conditions may tighten during 2016 and 2017. Figure 9 shows the number of multifamily units permitted in the HMA from 2000 to the current date.

Recent developments under way in the HMA include The Lodge at

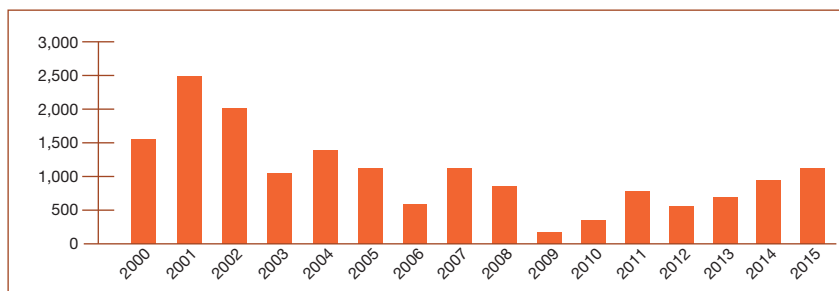
**Figure 8.** Rental Vacancy Rates in the Colorado Springs HMA, 2000 to Current



Note: The current date is November 1, 2015.

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

**Figure 9.** Multifamily Units Permitted in the Colorado Springs HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through October 2015.

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

## Housing Market Trends

### Rental Market *Continued*

Black Forest Apartments, a 288-unit apartment complex, which is approximately halfway complete. Rents are expected to range from \$910 for one-bedroom units, to \$1,175 and \$1,425 for two- and three-bedroom units, respectively. Cascade Apartments and Wahsatch Apartments, with 190 and 170 units, respectively, are expected to be complete by late 2016.

During the next 3 years, demand is expected for 2,325 new rental units

in the HMA (Table 1). The estimated 150 units currently under construction and 360 additional planned completions will meet a portion of the expected demand. Additional construction in the HMA should be timed to enter the market during the second and third years of the 3-year forecast period. Table 5 shows the forecast demand for new market-rate rental housing in the submarket by rent level and number of bedrooms.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Colorado Springs HMA During the Forecast Period

Zero Bedrooms		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	Monthly Gross Rent (\$)	Units of Demand
860 or more	230	910 or more	980	1,175 or more	980	1,425 or more	140
Total	230	Total	980	Total	980	Total	140

Notes: Monthly rent does not include utilities or concessions. The 150 units currently under construction will likely satisfy some of the estimated demand. The forecast period is November 1, 2015, to November 1, 2018.

Source: Estimates by analyst

## Data Profile

**Table DP-1.** Colorado Springs HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	268,447	288,875	301,000	0.7	0.9
Unemployment rate	2.9%	9.3%	5.2%		
Nonfarm payroll jobs	249,800	246,100	265,300	-0.1	1.6
Total population	537,484	645,613	702,700	1.8	1.5
Total households	200,402	246,604	264,250	2.1	1.2
Owner households	130,901	160,233	165,600	2.0	0.6
Percent owner	65.3%	65.0%	62.7%		
Renter households	69,501	86,371	98,650	2.2	2.4
Percent renter	34.7%	35.0%	37.3%		
Total housing units	212,790	266,377	282,700	2.3	1.1
Owner vacancy rate	1.4%	2.4%	1.4%		
Rental vacancy rate	6.2%	7.8%	4.9%		
Median Family Income	\$53,995	\$67,211	\$71,236	2.2	1.2

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through October 2015. Median Family Incomes are for 1999, 2009, and 2014. The current date is November 1, 2015.

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: 11/1/2015—Analyst’s estimates  
 Forecast period: 11/1/2015–11/1/2018—  
 Analyst’s estimates

The metropolitan statistical area definition noted 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 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 [huduser.gov/publications/pdf/CMARtables\\_ColoradoSpringsCO\\_16.pdf](http://huduser.gov/publications/pdf/CMARtables_ColoradoSpringsCO_16.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 [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).