

COMPREHENSIVE HOUSING MARKET ANALYSIS

Fort Collins, Colorado

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of August 1, 2024



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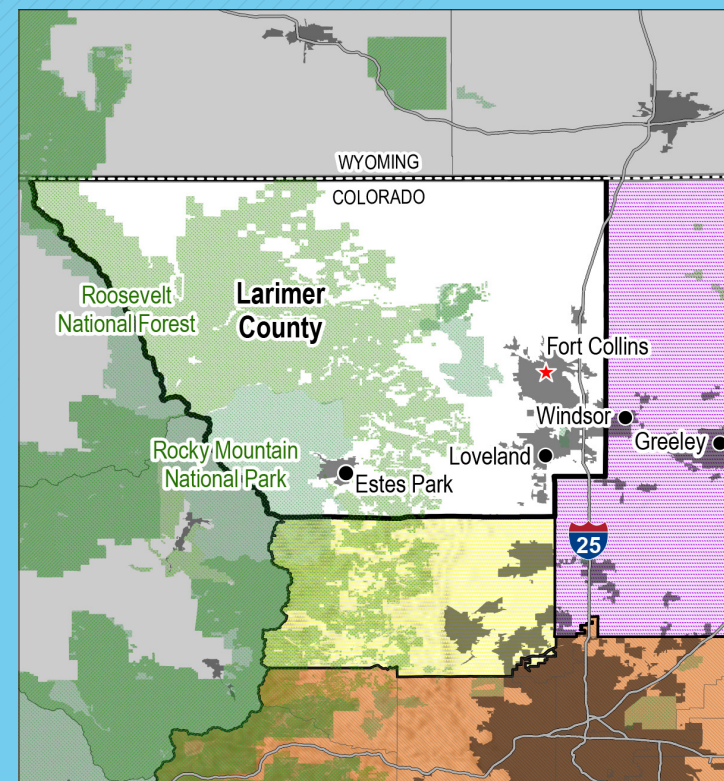
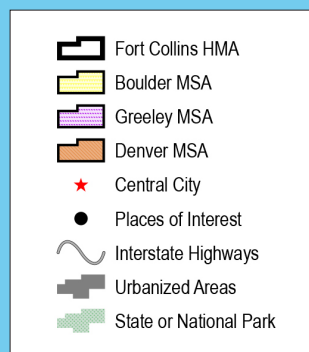
Executive Summary

Housing Market Area Description

The Fort Collins Housing Market Area (HMA) is coterminous with the Fort Collins, CO Metropolitan Statistical Area (MSA) and includes Larimer County in north-central Colorado. National forests, including Rocky Mountain National Park, cover much of the western part of the HMA, supporting jobs in the tourism industry.

The current population of the HMA is estimated at 377,300.

The city of Fort Collins is home to the flagship campus of Colorado State University (CSU), the second largest university in the state. In the fall of 2023, enrollment at the university was approximately 33,650 students. Economic activity related to CSU provides the city with approximately \$26.2 million in sales and use tax revenue annually (CSU System, 2020).



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Strong: Nonfarm payroll growth in the Fort Collins HMA has averaged more than 2.7 percent annually since 2021.

Economic conditions in the HMA were strong during the 12 months ending July 2024, with a gain of 6,300 jobs, or 3.5 percent, up from an increase of 4,800 jobs, or 2.7 percent, the previous year. The leisure and hospitality, the education and health services, and the government sectors led gains during the past 12 months. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 3.1 percent.

Sales Market



Balanced: Following a recent peak during 2021, the number of new and existing home sales fell sharply during the past 2 years, although the average home sales price increased moderately.

The home sales vacancy rate is currently estimated at 1.2 percent, unchanged compared with April 2020. New and existing home sales declined 9 percent during the 12 months ending July 2024, and the average home price increased less than 1 percent to \$600,400 (CoreLogic, Inc., with adjustments by the analyst). The inventory of homes for sale increased to a 3.5-month supply in July 2024 compared with 2.9 months a year earlier (CoreLogic, Inc.). During the forecast period, demand is estimated for 5,050 additional sales units. The 720 sales units under construction are expected to meet a portion of the demand during the first year of the forecast period.

Rental Market



Balanced: As of the second quarter of 2024, apartment rent growth slowed compared with a year earlier.

Rental market conditions in the HMA are balanced. The overall rental vacancy rate is currently estimated at 6.7 percent, down from 6.9 percent in April 2020 but greater than the 5.1-percent rate in April 2010. Apartment market conditions in the HMA are slightly soft, with an apartment vacancy rate of 8.8 percent as of the second quarter of 2024, up from 4.8 percent a year earlier because of an increase in units delivered during the past year (CoStar Group). During the forecast period, demand is expected for 2,875 rental units. The 1,025 rental units under construction are expected to satisfy demand during the first year of the forecast.

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3-Year Housing Demand Forecast			
Fort Collins HMA		Sales Units	Rental Units
	Total Demand	5,050	2,875
	Under Construction	720	1,025

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, 2024. The forecast period is August 1, 2024, to August 1, 2027.
Source: Estimates by the analyst



Economic Conditions

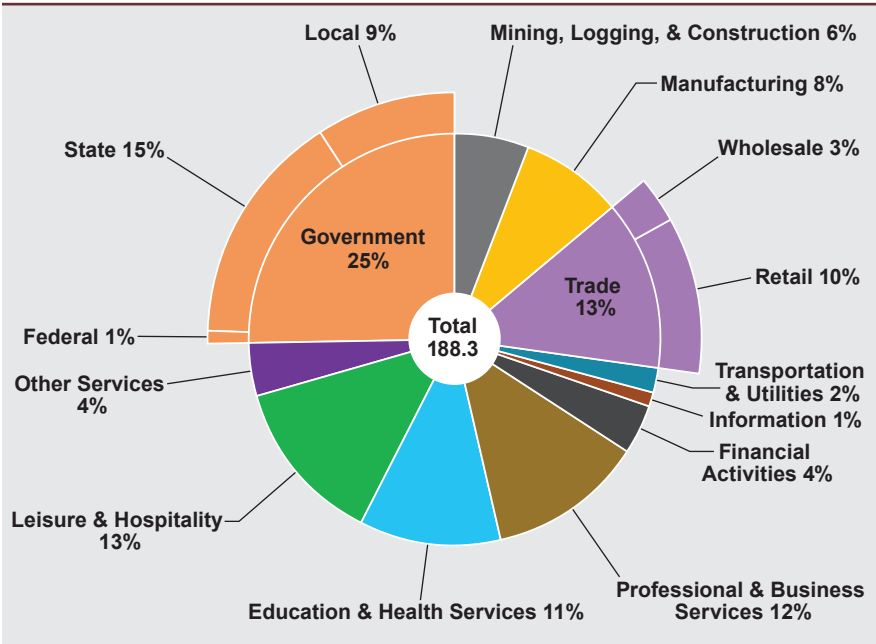
Largest Sector: Government

The government sector has added more jobs in the Fort Collins HMA than any other payroll sector since 2011.

Primary Local Economic Factors

Higher education, regional healthcare, and tourism support the HMA economy. The government sector is the largest job sector, with 25 percent of nonfarm payrolls (Figure 1), and has also added the most jobs in the HMA since 2011 (Figure 2). The state government subsector accounts for 59 percent of all government payrolls, primarily because of the presence of CSU, the largest

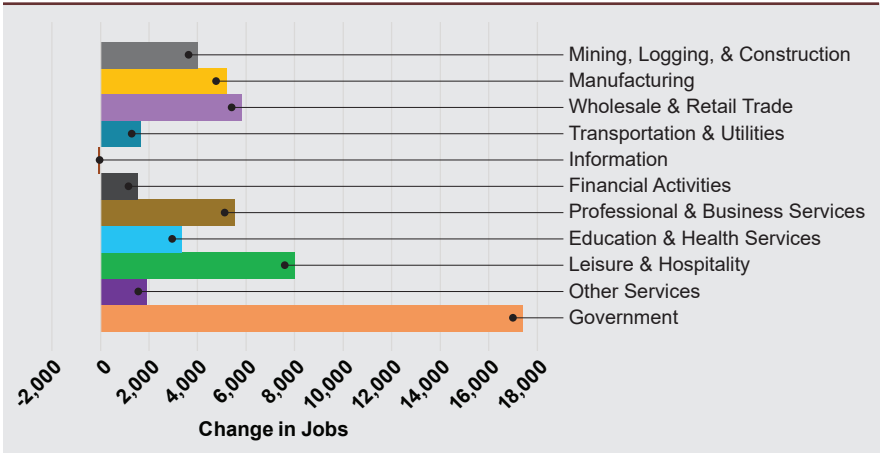
Figure 1. Share of Nonfarm Payroll Jobs in the Fort Collins HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through July 2024. Source: U.S. Bureau of Labor Statistics

employer in the HMA, with 7,600 employees. The subsector also includes UCHealth Poudre Valley Hospital, which is the second largest employer in the HMA, with 7,520 employees (Table 1). The education and health services sector accounts for 11 percent of nonfarm payrolls. Approximately 90 percent of education and health services jobs are in the healthcare and social assistance

Figure 2. Sector Growth in the Fort Collins HMA, 2011 to Current



Note: Current data are based on the 12-month averages ending July 2024. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Fort Collins HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Colorado State University	Government	7,600
UCHealth Poudre Valley Hospital	Government	7,520
Columbine Health Systems	Education & Health Services	1,690
Banner McKee Medical Center	Education & Health Services	1,530
Woodward, Inc.	Manufacturing	1,300
Hewlett Packard Enterprise Co.	Professional & Business Services	1,280
Broadcom Inc.	Manufacturing	1,100
Hach Company	Manufacturing	860
Qualfon, Inc.	Professional & Business Services	800
Tolmar, Inc	Manufacturing	750

Note: Excludes local school districts. Source: Metro Denver Economic Development Corporation, November 2022



industry, reflecting the role of the HMA as a regional hub for healthcare services in northern Colorado and the surrounding states. One of the primary reasons for recent job growth in this sector has been an increasing number of people in these areas aged 65 and older who create demand for more healthcare services.

Outdoor recreational amenities associated with the nearby national parks, mountains, and lakes attract visitors and residents to the HMA. The tourism industry supports jobs in the leisure and hospitality sector, which accounts for 13 percent of nonfarm payroll jobs in the HMA. Rocky Mountain National Park, covering the southwest portion of the HMA, had 4.1 million visitors in 2023, the fifth highest number of visitors among all national parks (National Park Service). Visitors to the park spend approximately \$306 million annually, supporting more than 4,300 local jobs and creating a total economic impact of \$464 million. The HMA extends west to the Continental Divide, and more than 50 percent of the land in the HMA is publicly owned, most of it within Roosevelt National Forest. In addition, areas managed by Colorado Parks and Recreation and Larimer County Parks and Open Spaces provide a wide range of recreational opportunities.

Current Conditions—Nonfarm Payrolls

During the 12 months ending July 2024, the economy expanded in the HMA, with job growth accelerating from the previous 12 months. The HMA recovered the total number of payroll jobs lost due to the effects of the 2020 recession by 2022 and has continued expanding since. Nonfarm payrolls increased year over year by 6,300 jobs, or 3.5 percent, during the 12 months ending July 2024 to 188,300 jobs (Table 2). By comparison, payrolls increased by 4,800 jobs, or 2.7 percent, during the 12 months ending July 2023. During the past 12 months, the government sector added the most jobs of any payroll sector, increasing by 2,300 jobs, or 5.2 percent. The state government subsector accounted for 65 percent of the growth. The leisure and hospitality and the education and health services sectors also grew significantly, increasing by 2,200 and 1,200 jobs, or 10.0 and

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Fort Collins HMA, by Sector

	12 Months Ending July 2023	12 Months Ending July 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	182.0	188.3	6.3	3.5
Goods-Producing Sectors	27.2	27.3	0.1	0.4
Mining, Logging, & Construction	11.9	11.6	-0.3	-2.5
Manufacturing	15.3	15.7	0.4	2.6
Service-Providing Sectors	154.8	161.0	6.2	4.0
Wholesale & Retail Trade	25.4	25.2	-0.2	-0.8
Transportation & Utilities	4.3	4.2	-0.1	-2.3
Information	2.5	2.4	-0.1	-4.0
Financial Activities	7.1	7.1	0.0	0.0
Professional & Business Services	22.3	23.0	0.7	3.1
Education & Health Services	19.7	20.9	1.2	6.1
Leisure & Hospitality	22.1	24.3	2.2	10.0
Other Services	6.8	6.9	0.1	1.5
Government	44.6	46.9	2.3	5.2

Notes: Based on 12-month averages through July 2023 and July 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

6.1 percent, respectively. By comparison, during the previous 12 months the leisure and hospitality sector added 700 jobs, or 3.1 percent, and the education and health services sector added 700 jobs, or 3.9 percent. Job losses in four sectors partially offset overall nonfarm payroll gains, led by the mining, logging, and construction sector, which fell by 300 jobs, or 2.5 percent. Payrolls in the wholesale and retail trade, the transportation and utilities, and the information sectors fell by 200, 100, and 100 jobs, or 0.8, 2.3, and 4.0 percent, respectively.

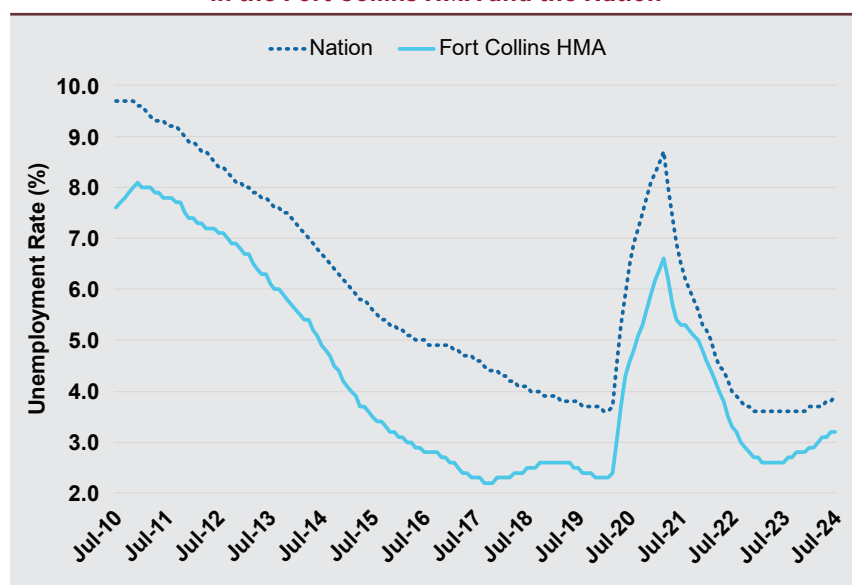
Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.2 percent during the 12 months ending July 2024, up from 2.6 percent during the previous 12-month period, because labor force growth of 2.8 percent outpaced the 2.1-percent growth in



resident employment. The unemployment rate reached a recent high of 6.6 percent during the 12 months ending March 2021, after the onset of the pandemic, compared with 2.3 percent during 2019, before the pandemic (Figure 3). The unemployment rate in the HMA previously peaked at 8.1 percent during 2010 because of the Great Recession. The current unemployment rate in the HMA is below the statewide rate in Colorado of 3.7 percent and the national rate of 3.9 percent.

Figure 3. 12-Month Average Unemployment Rate in the Fort Collins HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

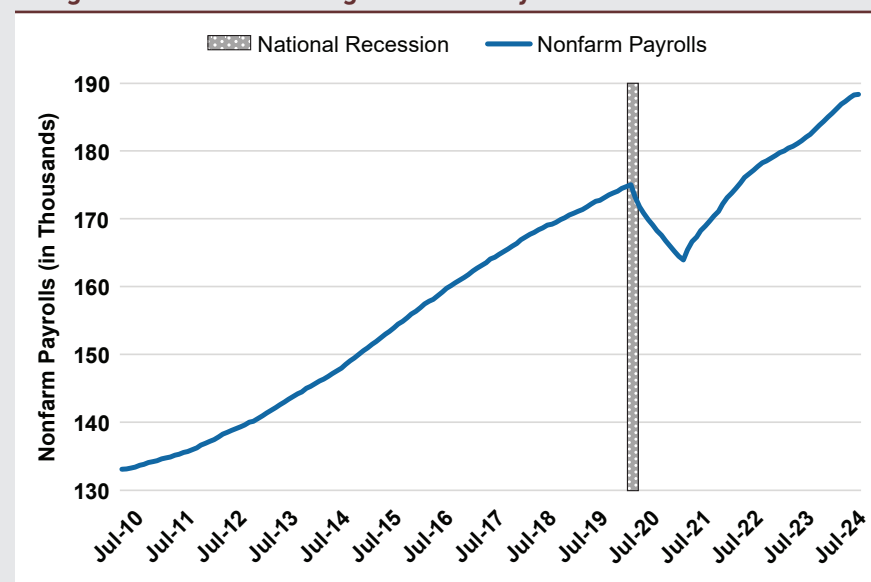
Economic Periods of Significance

Economic Recovery and Expansion: 2011 Through 2019

Following job losses that occurred because of the Great Recession, the HMA economy began to recover in 2010, and payrolls surpassed prerecession levels by 2012, then continued to expand through 2019 (Figure 4). Job growth in the HMA was stronger than in the nation overall. During the 9-year period, nonfarm payrolls in the HMA rose an average of 3.0 percent annually, nearly double the 1.6-percent average annual increase nationwide.

During 2011 and 2012, nonfarm payrolls in the HMA increased an average of 2.3 percent annually to 142,400 jobs. The leisure and hospitality sector led job growth, up by an average of 700 jobs, or 3.9 percent, annually. Job growth accelerated strongly from 2013 through 2015, with payrolls increasing by an

Figure 4. 12-Month Average Nonfarm Payrolls in the Fort Collins HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

average of 5,200 jobs, or 3.6 percent, annually. The government sector had the largest increase, although the gain was partially attributable to a reclassification of private healthcare jobs to the state government subsector in 2013, when UCHealth acquired Poudre Valley Hospital. The leisure and hospitality sector continued to have strong job growth, adding an average of 800 jobs, or 4.4 percent, annually from 2013 through 2015. In the late 2010s, job growth remained strong but moderated compared with the previous period. From 2016 through 2019, nonfarm payrolls increased by an average of 4,600 jobs, or 2.9 percent, a year. The government sector led job gains, adding an average of 1,200 jobs, or 3.1 percent, annually, with three-fourths of the job gains occurring in the state government subsector.

Job Losses During the COVID-19 Pandemic: 2020

Interventions taken in mid-March 2020 to slow the spread of COVID-19, including social distancing and discouraging nonessential travel, caused nonfarm payrolls in the HMA to decline significantly in March and April 2020. Although the HMA economy started recovering in May 2020, nonfarm payrolls were down during 2020 by 8,200 jobs, or 4.7 percent, compared with 2019. The sectors most affected were those heavily reliant on tourism and in-person interaction. During 2020, approximately 56 percent of the net jobs lost in the HMA were in the leisure and hospitality sector, down by 4,600 jobs, or 20.8 percent. Additional significant losses occurred in the wholesale and retail

trade and the government sectors, both of which decreased by 1,000 jobs, or 4.1 and 2.4 percent, respectively. A gain in the transportation and utilities sector partially offset those losses. The sector increased by 700 jobs, or 21.2 percent, supported by growth in online shopping and delivery. A large part of the increase in the sector was due to an Amazon.com, Inc. distribution center opening in the city of Loveland.

Recovery From the COVID-19 Recession and Expansion: 2021 and 2022

The HMA economy continued to recover during 2021, with nonfarm payrolls surpassing the previous peak by early 2022. During 2021 and 2022, nonfarm payrolls increased by an average of 6,700 jobs, or 4.0 percent, annually. A combined 67 percent of job growth was in the leisure and hospitality, the government, and the wholesale and retail trade sectors, which increased by annual averages of 2,200, 1,200, and 1,100 jobs, or 11.6, 2.9, and 4.4 percent, respectively. In the leisure and hospitality sector, increasing tourism to the HMA, which had declined significantly during the early stages of the COVID-19 pandemic, partially contributed to gains. During 2022, the hotel occupancy rate averaged 59.5 percent, up from 47.1 percent during 2020 (CoStar Group). The only sector to lose jobs during 2021 and 2022 was the information sector, which declined by an average of 200 jobs, or 6.9 percent, annually.

Commuting Patterns

In 2021, workers living in the HMA held approximately 60 percent of the jobs in the HMA (U.S. Census Bureau, OnTheMap). The cities of Fort Collins and Loveland are approximately 30 and 20 miles, respectively, from the city of Greeley, which is the primary job center in Weld County, contributing to considerable commuting among residents of the county and the HMA. Weld County, coterminous with the Greeley MSA, had the largest number of residents commuting to the HMA in 2021, accounting for 42 percent of

people who worked in the HMA but resided elsewhere. Weld County also received a significant number of commuters from the HMA, accounting for 20 percent of people who lived in the HMA but worked elsewhere. The HMA has a lower average home sales price than the nearby Denver and Boulder MSAs, which contributes to notable commuting outflows from the HMA to job centers in those areas. Approximately 44 and 17 percent of residents who commuted to jobs outside the HMA traveled to the Denver and Boulder MSAs, respectively.



The average home prices in the Boulder and Denver MSAs during the 12 months ending July 2024 were 11 and 48 percent higher than average home prices in the HMA, respectively (CoreLogic, Inc., with adjustments by the analyst).

Forecast

During the 3-year forecast period, the economy of the HMA is expected to continue expanding strongly, with nonfarm payrolls rising an average of 3.1 percent annually. Job growth is expected in most sectors, including

the education and health services, the transportation and utilities, the manufacturing, and the government sectors. Amazon.com, Inc. is building another distribution center in the city of Loveland, with plans to add 1,000 new jobs at the facility. When it opens, the facility will be one of the largest Amazon distribution centers in Colorado. In addition, Broadcom Inc. plans to increase employment at its Fort Collins manufacturing plant, which produces components for the information technology and telecommunications industry. The plant is the seventh largest employer in the HMA, with 1,100 workers.



Population and Households

Current Population: 377,300

Population growth in the Fort Collins HMA has slowed since 2020 because of lower levels of both net in-migration and net natural increase than during the previous decade.

Population Trends

As of August 1, 2024, the population of the HMA is estimated at 377,300, representing an average increase of 4,225, or 1.1 percent, annually since 2020 (Table 3). During the period, net in-migration averaged 3,850 people a year, accounting for 91 percent of the population growth. By comparison, from 2010 to 2020, the population increased by an average of 5,950, or 1.8 percent, annually, and average net in-migration of 4,750 people a year accounted for 80 percent of the increase.

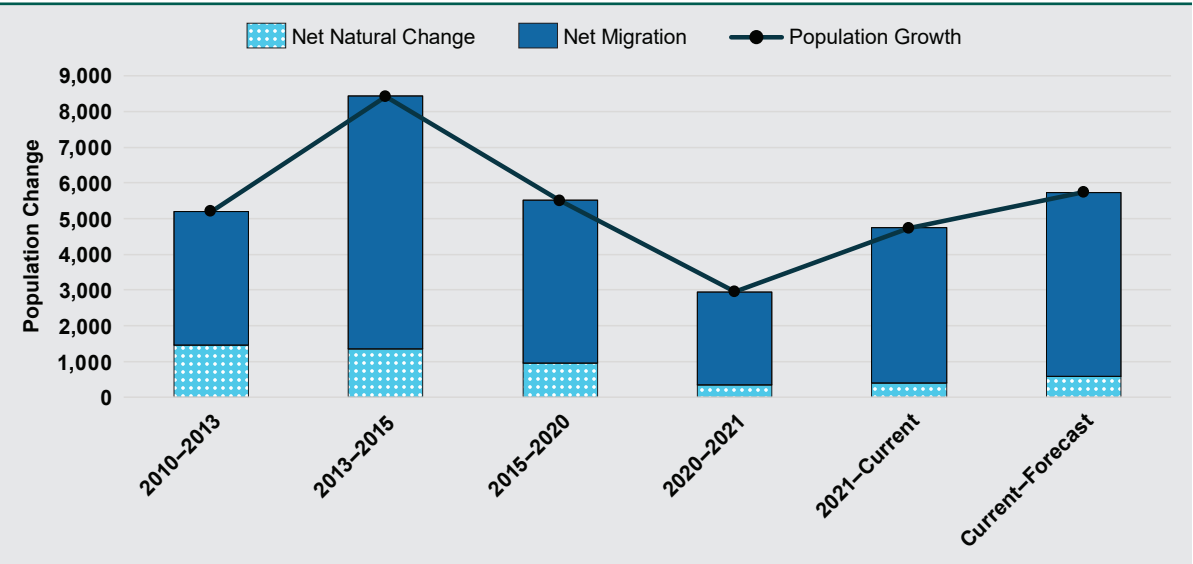
Historically, population growth trends in the HMA have generally mirrored job growth, which affected migration. From 2010 to 2013, population growth averaged 5,050 people, or 1.7 percent, annually (Census Bureau decennial counts and population estimates as of July 1; Figure 5). Net in-migration during this period averaged 3,600 people annually, and net natural increase averaged 1,450 people annually. Population growth increased to an average of 8,425 people, or 2.6 percent, annually from

Table 3. Fort Collins HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast	
	Population	359,066	377,300	394,600
	Average Annual Change	5,950	4,225	5,750
	Percentage Change	1.8	1.1	1.5
Household Quick Facts	2020	Current	Forecast	
	Households	144,360	157,400	164,900
	Average Annual Change	2,400	3,000	2,500
	Percentage Change	1.8	2.0	1.6

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (August 1, 2024) to August 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Fort Collins HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is the current date (August 1, 2024) to August 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

2013 to 2015. Net in-migration increased to an average of 7,075 people annually, the greatest level since 2010. Economic opportunities from accelerating job growth, affordable housing relative to other areas of Colorado, and an abundance of outdoor recreational amenities contributed to the high level of net in-migration. From 2015 to April 2020, population growth decelerated to an average increase of

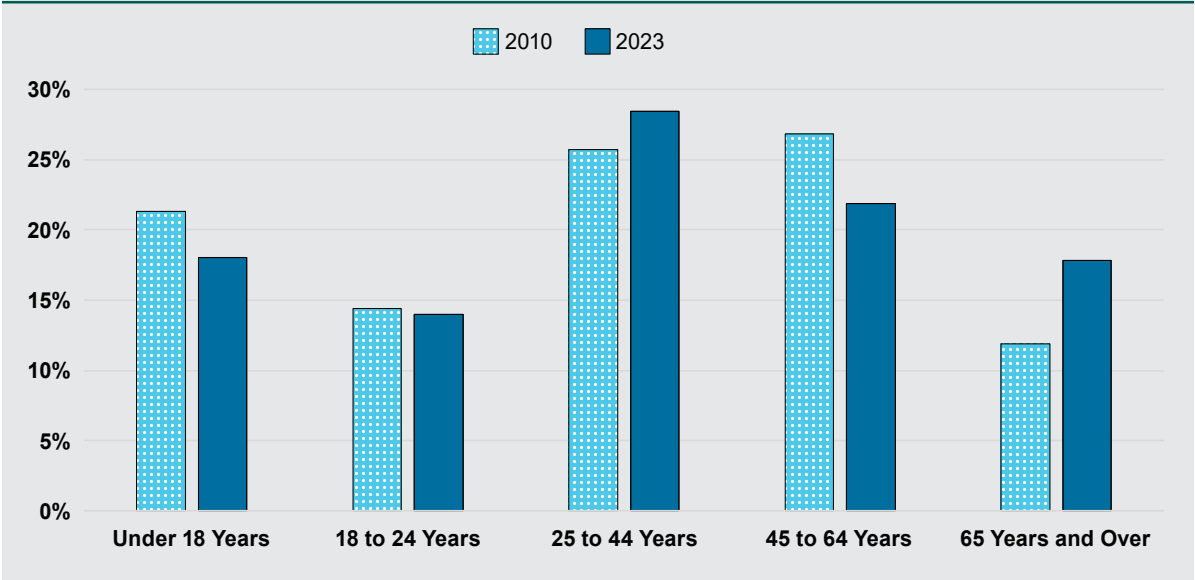


5,500 people each year, or 1.6 percent, annually, partly because of slower job growth. During the period, net in-migration slowed to an annual average of 4,550 people, accounting for 83 percent of population growth. From April 2020 to 2021, the population in the HMA increased by an average of 2,950, or 0.8 percent, annually, representing the lowest level of population growth since 2010. During the period, net in-migration slowed to an annual average of 2,600 people, and net natural increase slowed to 340 people annually, partly because of a greater number of resident deaths associated with the COVID-19 pandemic. Since 2021, population growth has partially rebounded and has averaged 4,725 people, or 1.3 percent, annually. Net in-migration has accelerated from the previous period, averaging 4,325 people each year, or 92 percent of population growth, whereas net natural increase strengthened only slightly, partly because of lingering effects from the pandemic.

Age Cohort Trends

The HMA attracts both young professionals and retirees, offering a lower cost of living and competitive home prices relative to the neighboring metropolitan areas. The fastest growing age cohort in the HMA is people aged 65 and older, which expanded from approximately 11.9 percent of the population in 2010 to 17.8 percent in 2023 (Figure 6). During the same period, the share of the population younger than 18 declined to approximately

Figure 6. Population by Age Range in the Fort Collins HMA



Source: 2010 and 2023 American Community Survey 1-year data

18.0 percent, down from 21.3 percent in 2010. In 2023, the largest age cohort in the HMA included residents aged 25 through 44, accounting for 28.4 percent of the total population. This age group was the only other cohort to expand since 2010, rising from 25.7 percent of the population. An increase in remote work since the pandemic has allowed many young professionals to move to the HMA, including many who desire outdoor recreation amenities and the lower cost of living than in the neighboring Boulder and Denver MSAs.

Household Trends

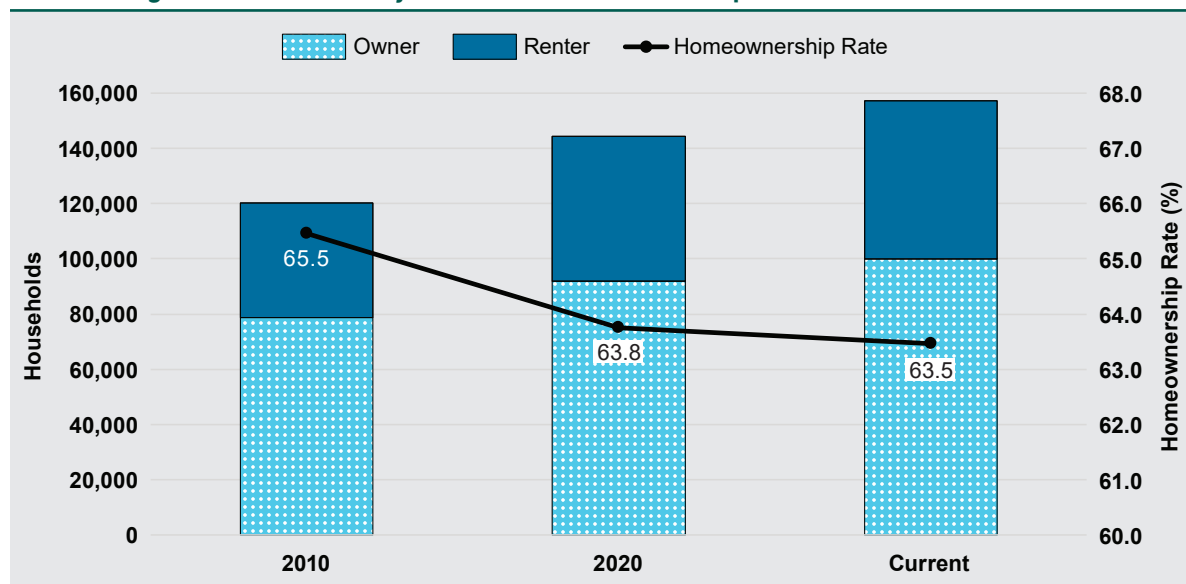
The household growth rate in the HMA has exceeded the population growth rate since 2020. As of August 1, 2024, the number of households is estimated at 157,400, representing an average increase of 3,000, or 2.0 percent, a year since 2020. By comparison, from 2010 to 2020, the number of households increased by an average of approximately 2,400, or 1.8 percent, a year, matching the population growth rate. The rate of household growth in the HMA has been above the rate of population growth since 2020, partly because of the increasing share of people aged 65 and older, who tend to have smaller household sizes; in addition, many members of the Millennial and Generation Z cohorts moved into their own

homes following the onset of the pandemic. An estimated 63.5 percent of households in the HMA are currently homeowners, slightly less than the homeownership rate of 63.8 percent in 2020 and below the 65.5-percent rate in 2010 (Figure 7).

Forecast

During the next 3 years, the population and number of households in the HMA are expected to increase at average annual rates of 5,750 and 2,500, or 1.5 and 1.6 percent, respectively. The population is expected to increase because net in-migration and net natural increase are expected to rise to averages of 5,150 and 600 people, respectively. Household growth is expected to continue to slightly outpace population growth. On the basis of expected economic growth and net in-migration, the population and the number of households in the HMA are estimated to reach 394,600 and 164,900, respectively, by August 1, 2027, with generally steady growth expected throughout the 3-year forecast period.

Figure 7. Households by Tenure and Homeownership Rate in the Fort Collins HMA



Note: The current date is August 1, 2024.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Balanced

The average home sales price during the 12 months ending July 2024 increased less than 1 percent, and reduced demand, partly because of higher mortgage interest rates, contributed to a 9-percent decline in sales compared with the previous 12 months (CoreLogic, Inc., with adjustments by the analyst).

Current Conditions

Home sales market conditions in the Fort Collins HMA are currently balanced, with an estimated 1.2-percent vacancy rate (Table 4), unchanged from 2020 and below the 2.0-percent rate from 2010. The market has eased since late 2022, and as of July 2024, the number of homes available for sale in the HMA represented 3.5 months of supply, up from 2.9 months in July 2023 (CoreLogic, Inc.). During 2020 and 2021, market conditions tightened, partly because of increased home sales demand stemming from historically low mortgage interest rates. Although the average interest rate for a 30-year fixed-rate mortgage reached 6.8 percent during July 2024, the average rates

Table 4. Home Sales Quick Facts in the Fort Collins HMA

Home Sales Quick Facts	Fort Collins HMA		Nation
	Vacancy Rate	1.2%	NA
	Months of Inventory	3.5	3.4
	Total Home Sales	6,500	4,983,000
	1-Year Change	-9%	-10%
	New Home Sales Price	\$624,600	\$493,000
	1-Year Change	-2%	0%
	Existing Home Sales Price	\$595,300	\$405,300
	1-Year Change	1%	6%
	Mortgage Delinquency Rate	0.2%	0.9%

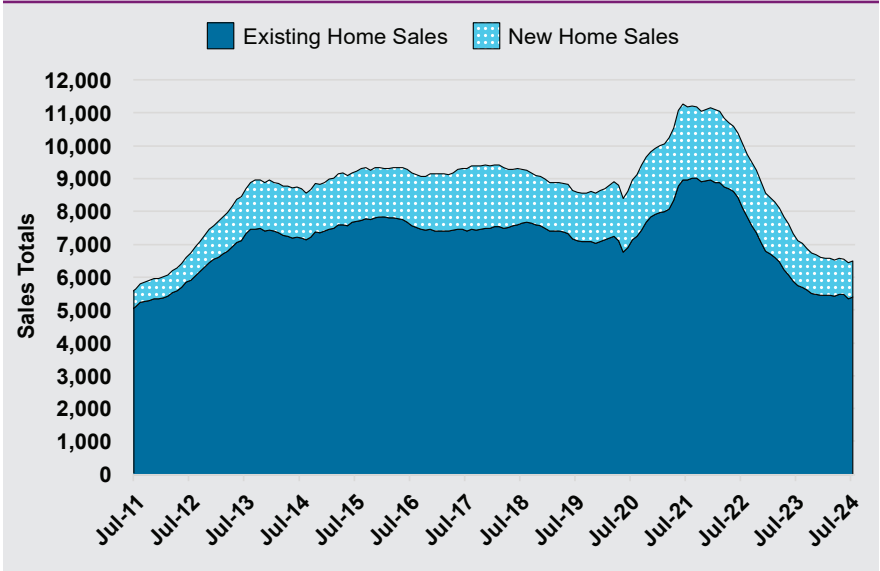
NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2024; and months of inventory and mortgage delinquency data are as of July 2024. The current date is August 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with adjustments by the analyst

were 3.1 and 3.0 percent during 2020 and 2021, respectively, representing the two lowest average annual rates in at least the past 50 years (Freddie Mac). Starting in late 2022, the number of home sales fell when mortgage rates increased. The average home price continued to rise, although at a much slower rate than during the previous period, when market conditions were tight. During the 12 months ending July 2024, the average home price rose less than 1 percent annually after increasing 5 percent during the previous 12 months (CoreLogic, Inc., with adjustments by the analyst).

New Home Sales and Prices

New home sales have accounted for approximately 17 percent of total home sales in the HMA since 2010. An average of 750 new homes sold annually from 2010 through 2012, when the economy transitioned from recovery to expansion after the Great Recession, before rising to an average of 1,600 homes annually from 2013 through 2019 (Figure 8). From 2020 through 2021,

Figure 8. 12-Month Sales Totals by Type in the Fort Collins HMA



Source: CoreLogic, Inc., with adjustments by the analyst

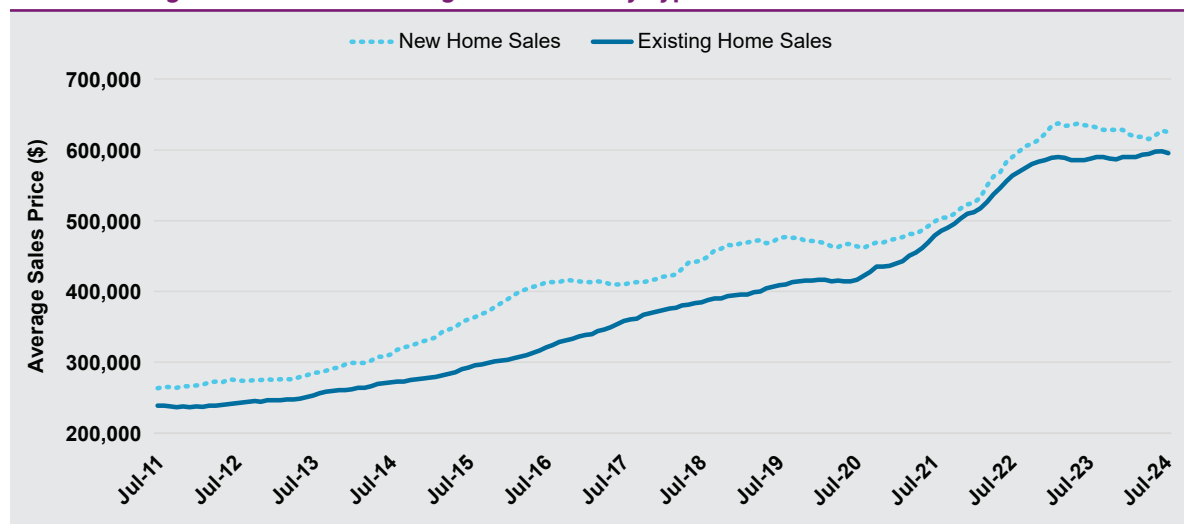


when demand was strong during the COVID-19 pandemic, an average of 2,100 new homes sold annually, but sales fell to 1,775 homes sold in 2022. Sales then declined further, with rapidly rising mortgage interest rates significantly reducing homeownership affordability. In 2023, new home sales decreased to 1,175, the lowest annual total since 2013, and have continued to decrease recently. During the 12 months ending July 2024, 1,125 new homes sold, representing a 19-percent decrease from the previous 12 months, when 1,375 new homes sold. From 2011 through 2019, the average new home price increased an average of 7 percent a year (Figure 9). New home prices were relatively flat during 2020, but price growth accelerated sharply during 2021 and 2022. The average new home price increased an average of 16 percent annually, partly because of rising costs for building materials, which contributed to higher new home construction costs. Since late 2022, rising mortgage interest rates have reduced demand for new home purchases, and annual price growth slowed to less than 1 percent during 2023. The average new home price fell nearly 2 percent to \$624,600 in the 12 months ending July 2024 compared with the 12 months ending July 2023, when the average new home price rose more than 7 percent to \$634,500.

Existing Home Sales and Prices

Similar to national trends, existing home sales in the HMA peaked after the onset of the pandemic, when 8,900 homes sold in 2021. By comparison,

Figure 9. 12-Month Average Sales Price by Type of Sale in the Fort Collins HMA



Source: CoreLogic, Inc., with adjustments by the analyst

an average of 5,725 existing homes sold annually from 2010 through 2012, a figure that rose to an average of 7,450 homes annually from 2013 through 2019. During 2020 and 2021, when sales demand was strong, existing home sales increased to an average of 8,425 homes sold annually. However, rising mortgage interest rates reduced demand, and with the for-sale inventory remaining low, home sales subsequently slowed. During 2022 and 2023, an average of 6,125 existing homes sold annually. During the 12 months ending July 2024, 5,375 existing homes sold in the HMA, down 6 percent from the 12 months ending July 2023, when existing home sales declined 29 percent to 5,725. Despite the recent decline in sales activity, prices for existing homes have continued to increase. The average price of an existing home in the HMA rose 1 percent to \$595,300 during the 12 months ending July 2024, following a 4-percent increase to \$588,100 during the 12 months ending July 2023. From 2011 through 2019, the average price of an existing home rose an average of 6 percent a year before accelerating to an average increase of 12 percent each year from 2020 through 2022, when the sales market was tight.

Seriously Delinquent Mortgages and Real Estate Owned Properties

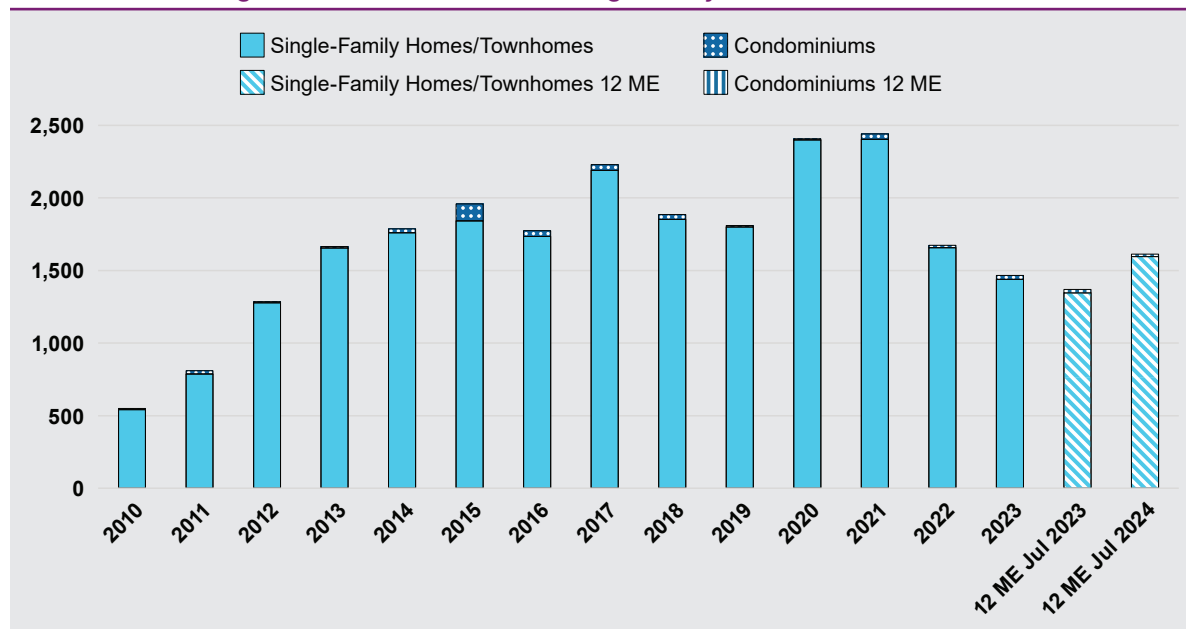
The rate of seriously delinquent mortgages and real estate owned (REO) properties has declined sharply in the HMA after increasing briefly in 2020 because of the pandemic. The share of seriously delinquent mortgages and REO properties in the HMA was only 0.2 percent in July 2024, the same as a year earlier

and below the recent high of 2.1 percent in July 2020 (CoreLogic, Inc.). By comparison, the national percentage of seriously delinquent mortgages and REO properties was 0.9 percent in July 2024, down from 1.0 percent in July 2023 and below the recent 4.4-percent peak rate in August 2020.

Sales Construction

The Great Recession and its aftermath contributed to relatively low home sales construction activity at the beginning of the 2010s, when the housing market was soft and demand for new housing remained relatively low. New home construction—as measured by the number of sales housing units permitted (see [building permits](#)), including single-family homes, townhomes, and condominiums—averaged 880 units annually from 2010 through 2012 (Figure 10). Net in-migration to the HMA was strong beginning in 2013 because the economy expanded and consumer confidence improved, leading to an increase in the demand for new homes. Home construction increased an average of 12 percent annually from 2013 through 2017. A decrease in net in-migration to the HMA during the late 2010s contributed to home construction slowing during 2018 and 2019 by an average of 210 homes, or 10 percent, a year. Permitting then increased by an average of 320 homes, or 16 percent, annually during 2020 and 2021 because of increased new home sales demand. During 2022 and 2023, the number of homes permitted declined an average of 23 percent annually, falling from a recent peak of 2,450 during 2021 to 1,475

Figure 10. Annual Sales Permitting Activity in the Fort Collins HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

during 2023. During the 12 months ending July 2024, 1,625 homes were permitted, up 18 percent from 12 months earlier, when 1,375 homes were permitted, but similar to the average annual permitting during 2022 and 2023 (preliminary data; estimates by the analyst). Demand remains steady despite the higher cost associated with purchasing a new home.

New Home Developments

Much of the recent home construction activity has been concentrated near the eastern border of the HMA along the Interstate-25 corridor, providing easy commuting access to both the city of Fort Collins and the Denver MSA. Fossil Creek Ranch in the western portion of the town of Windsor is a new home community that is adding 140 homes targeted to first-time homebuyers looking for smaller, more affordable single-family homes. The five floor plans range in size from three to five bedrooms, and prices start at \$477,990. Urban Collection at Kinston, a new master-planned community, is under construction near downtown

Loveland. Prices for townhomes start at just under \$400,000, and the units are approximately 1,450 square feet in size. The current phase includes 59 units and will be ready for occupancy in October 2024.

Forecast

During the next 3 years, demand is estimated for 5,050 new homes (Table 5). Although demand in the market has eased in the past 2 years, new home sales demand is expected to remain stable each year of the 3-year forecast period, partly because of increasing employment and net in-migration. The 720 homes

under construction are expected to meet a portion of the demand during the first year of the forecast period.

Table 5. Demand for New Sales Units in the Fort Collins HMA During the Forecast Period

Sales Units	
Demand	5,050 Units
Under Construction	720 Units

Note: The forecast period is August 1, 2024, to August 1, 2027.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Elevated levels of rental construction, including a recent peak in 2023, have led to increased apartment vacancy rates in the Fort Collins HMA.

Current Conditions and Recent Trends

Rental market conditions in the HMA are balanced, similar to conditions in 2020 and easing from tighter conditions in the early 2010s. The vacancy rate for all rental units—including apartments, renter-occupied single-family homes, townhomes, condominiums, and mobile homes—is estimated at 6.7 percent, down slightly from 6.9 percent in 2020 but up from 5.1 percent in 2010 (Table 6). In 2023, 46 percent of all renter households in the HMA lived in multifamily structures with five or more units, typically apartments (2023 American Community Survey 1-year data). Approximately 36 percent of all renter households in the HMA lived in single-family homes in 2023.

Apartment market conditions in the HMA are slightly soft, partly because of a significant number of new units completed during the past year, with supply exceeding absorption. During the 12 months ending June 2024, apartment absorption in the HMA totaled 920 units, whereas the number of units delivered totaled 2,225, leading to a rise in the apartment vacancy rate. As of the second

Table 6. Rental and Apartment Market Quick Facts in the Fort Collins HMA

Rental Market Quick Facts		2020 (%)	Current (%)
	Rental Vacancy Rate	6.9	6.7
		2010 (%)	2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	39	36
	Multifamily (2–4 Units)	15	16
	Multifamily (5+ Units)	41	46
	Other (Including Mobile Homes)	5	1

Apartment Market Quick Facts		2Q 2024	YoY Change
	Apartment Vacancy Rate	8.8	4.0
	Average Rent	\$1,698	2%
	Studio	\$1,416	4%
	One-Bedroom	\$1,545	2%
	Two-Bedroom	\$1,808	2%
	Three-Bedroom	\$1,863	3%

2Q = second quarter. YoY = year-over-year.
Notes: The current date is August 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

quarter of 2024, the apartment vacancy rate was 8.8 percent, up from 4.8 percent a year earlier (CoStar Group). However, the average apartment vacancy rate for stabilized properties as of the second quarter of 2024 was 3.8 percent, down from 4.2 percent as of the second quarter of 2023 but up from 3.5 percent as of the second quarter of 2022. As of the second quarter of 2024, the average asking apartment rent in the HMA increased 2 percent to \$1,698 compared with the second quarter of 2023, when the average rent increased 3 percent from the previous year. The asking rents for studios and one-, two-, and three-bedroom apartments as of the second quarter of 2024 averaged \$1,416, \$1,545, \$1,808, and \$1,863, respectively.

Historical Apartment Rent Growth and Vacancy Rates

Asking rents for apartments increased steadily from 2010 to 2020 before rent growth increased sharply in 2021, when demand increased and the apartment vacancy rate fell. From the second quarters of 2010 to 2020, rent growth averaged 3 percent annually before sharply increasing to 8 percent annually from the second quarters of 2020 to 2022 (Figure 11). The apartment vacancy rate averaged 4.5 percent from the second quarters of 2010 to 2017 before increasing to 9.9 percent as of the second quarter of 2019

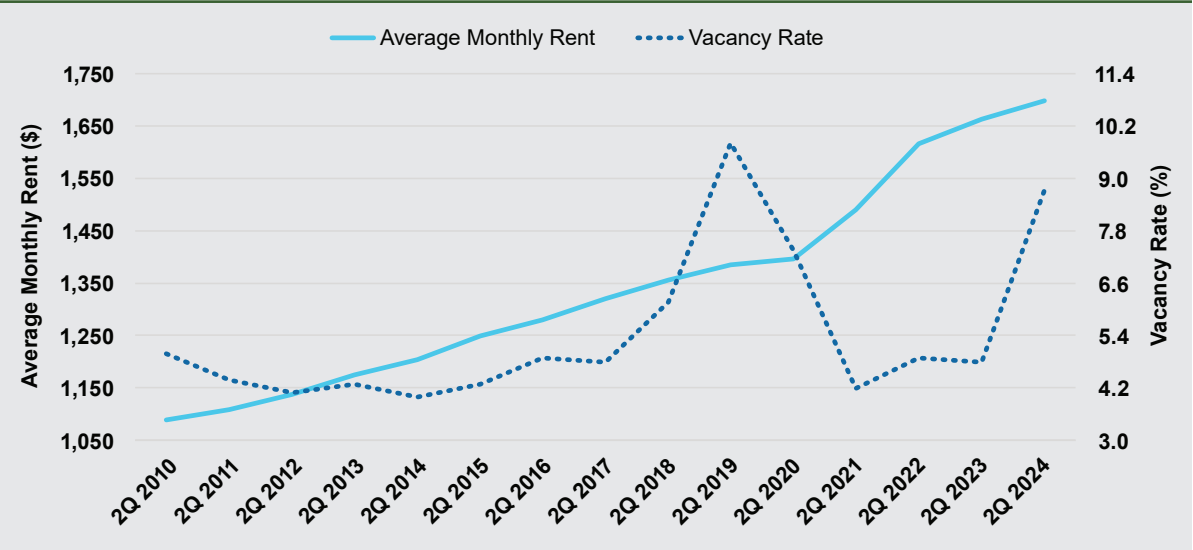


because of increases in apartment deliveries. The vacancy rate then decreased during the next 2 years because deliveries slowed and absorption increased. As of the second quarter of 2021, the apartment vacancy rate was only 4.2 percent. The second quarter vacancy rate subsequently remained below 5.0 percent through the second quarter of 2023.

Apartment Market Conditions by Geography

Among the six CoStar Group-defined market areas in the HMA, the two largest in terms of the number of units are Fort Collins and Loveland. Conditions are balanced in the Fort Collins market area, which includes the city of Fort Collins. As of the second quarter of 2024, the average apartment vacancy rate in the Fort Collins market area was 6.3 percent, up from 3.6 percent the previous year. The average asking rent of \$1,683 as of the second quarter of 2024 was 2 percent more than the previous year. Apartment deliveries in the market area averaged 400 units annually during the past 5 years after peaking in the 12 months ending June 2019, when 1,175 units were completed. Apartment market conditions in the Loveland market area are soft. As of the second quarter of 2024, the average apartment vacancy rate was 14.0 percent, up from 7.4 percent the previous year. Deliveries were elevated, with 1,450 units completed during the 12 months ending June 2024, up from 290 units delivered

Figure 11. Apartment Rents and Vacancy Rates in the Fort Collins HMA



2Q = second quarter.
Source: CoStar Group

the previous year and 480 units delivered during the 12 months ending June 2022. The average asking rent of \$1,723 as of the second quarter of 2024 was 3 percent more than the previous year.

Student Housing

Students attending CSU have a notable effect on the rental housing market in the HMA, particularly near the campus in the city of Fort Collins. Among the approximately 33,650 students enrolled at CSU during the fall of 2023, an estimated 27,650 lived off campus (CSU). Those students represented approximately 9,225 renter households, or 16 percent of all renter households in the HMA. Apartments targeted to students living off campus account for an estimated 17 percent of all apartments in the HMA and generally have lower vacancy rates than the overall apartment market. Off-campus student apartments typically lease by the bedroom, which makes them more affordable for students. The vacancy rate among off-campus student apartments averaged 4.8 percent as of the second quarter of 2024, up from 4.3 percent a year earlier (CoStar Group). The average asking rent for such units increased 5 percent from a year earlier to \$811 per bedroom as of the second quarter of 2024.



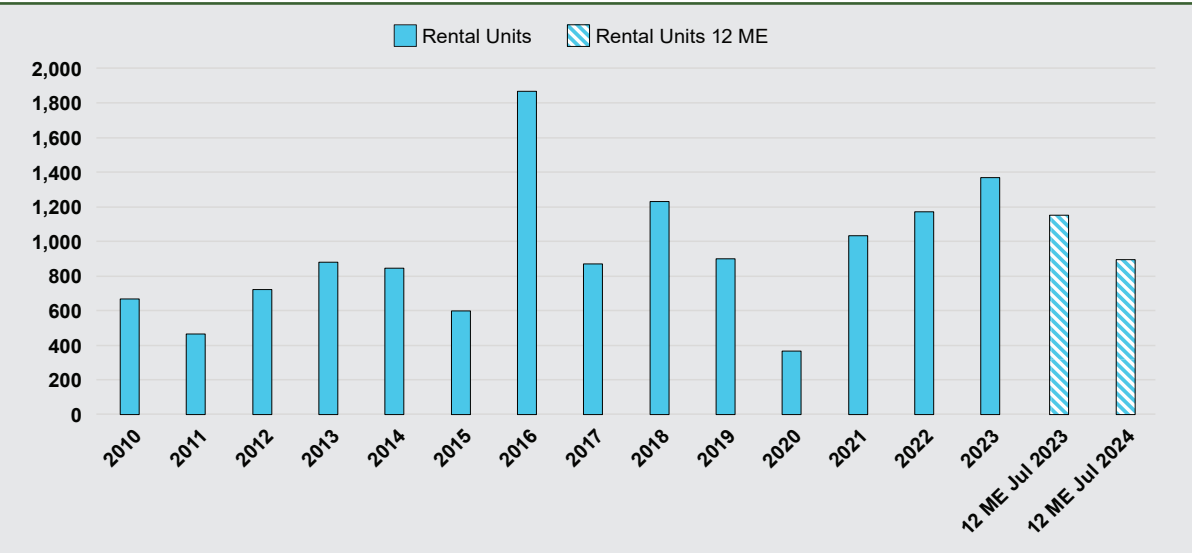
Rental Construction

Construction of new rental units, as measured by the number of rental units permitted, moderated during the past year following steady increases from 2021 through 2023. During the 12 months ending July 2024, 890 units were permitted compared with 1,150 rental units during the previous 12 months (preliminary data, with adjustments by the analyst; Figure 12). Following the Great Recession, the level of apartment construction was low, but job and population growth contributed to the rental market tightening. From 2010 through 2015, permitting averaged only 700 rental units annually. The number of units permitted subsequently increased to a record high of 1,875 units permitted in 2016, including four large projects in downtown Fort Collins that accounted for 1,150 units. Rental construction remained relatively strong from 2017 through 2019, averaging 1,000 units annually despite increasing apartment vacancy rates during most of the period. In 2020, however, permitting fell to only 370 units, when developers responded to high apartment vacancy rates. When the excess inventory was subsequently absorbed, the apartment vacancy rate fell, and rental permitting increased again. During 2021 and 2022, rental permitting averaged 1,100 units annually before increasing further in 2023 to 1,375 units.

Rental Construction by Geography

Recent rental construction activity in the HMA has been strongest in the cities of Fort Collins and Loveland. Overlook Apartments is a 210-unit

Figure 12. Annual Rental Permitting Activity in the Fort Collins HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

apartment community under construction in the city of Loveland. The development is expected to open in the first quarter of 2025 and will offer a mix of one-, two-, and three-bedroom units. The Landing at Lemay is under construction in the city of Fort Collins and is expected to have 154 one-bedroom units, 160 two-bedroom units, and 30 three-bedroom units. The apartment community is expected to open in December 2025.

Forecast

During the 3-year forecast period, demand is estimated for 2,875 new rental units (Table 7). Demand is expected to be relatively steady throughout the forecast period, with job and population growth supporting the demand for rental units. The 1,025 units under construction are expected to satisfy demand during the first year and a portion of demand during the second year of the forecast period.

Table 7. Demand for New Rental Units in the Fort Collins HMA During the Forecast Period

Rental Units	
Demand	2,875 Units
Under Construction	1,025 Units

Note: The forecast period is August 1, 2024, to August 1, 2027.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
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.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Forecast Period	8/1/2024–8/1/2027—Estimates by the analyst.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.

Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once it reaches an occupancy rate of 90 percent or above or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.

B. Notes on Geography

1.	The metropolitan statistical areas definition noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau’s 2020 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2020 Census.

C. Additional Notes

1.	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.
2.	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.



D. Photo/Map Credits

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