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FOR IMMEDIATE RELEASE

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Colorado rental vacancies down in some cities, up in others

Apartment vacancy rates were up in Fort Collins and Colorado Springs, but Greeley experienced a significant decline in vacancies during the second quarter. According to a report released today by the Colorado Department of Local Affairs' Division of Housing, trends in vacancies varied greatly across the state, with Grand Junction reporting one of the lowest vacancy rates ever recorded.

At 1.6 percent, Grand Junction continues to experience record low vacancies while Colorado Springs again climbed into double-digit vacancies to 10.2 percent, up from 9.6 percent a year earlier.

Both Colorado Springs and Fort Collins reported increases over the past year, with Fort Collins climbing from 8.5 percent to 9.5 percent.

While vacancies in Grand Junction have remained below 3 percent since 2006, some areas of the state reported some notable declines in vacancies since the second quarter of last year.

Loveland reported the lowest vacancy rate on the Front Range, falling to 5.7 percent from the 10.4 percent rate reported a year earlier.

Pueblo's vacancies are down to 6.4 percent from 8.4 percent a year earlier, and Greeley's vacancy rate dropped 27 percent from 8.3 percent to 6.1 percent over the last year. 6.1 percent is the lowest vacancy rate for Greeley since the first quarter of 2002.

The metro Denver vacancy rate, released earlier this month, was 6.2 percent, which was unchanged from the rate a year earlier.

"This really illustrates how real estate is driven by local factors," said Kathi Williams, Director of the Colorado Division of Housing. "Statewide, though, we do know that for-sale housing is not as attractive as it was a couple of years ago, and that's driving people to rental housing. But economic realities affecting vacancies vary quite a bit between the Western Slope and the Front Range and from one region of the state to the next."

Williams pointed to factors like military deployments in Colorado Springs that have kept vacancies high, and new developments like the announced cheese plant in Greeley that may drive down vacancies there.

The highest rents were found in the Fort Collins/Loveland area where rents increased from \$800 to \$835 over the past year. The lowest average rents were found in Pueblo where average rents increased from \$497 to \$532.

All areas of the state reported increases in average rents compared to the second quarter of 2007.

"What we're seeing with rents is a 'cost-push' situation in which the cost of doing business is pushing up

rents.” Said Gordon Von Stroh, Professor of Business at The University of Denver and the report’s author. “If it were only a factor of demand, we’d expect rents in places like Colorado Springs to be going down.”

The Vacancy and Rent Surveys are a service provided by the Colorado Division of Housing to renters and the multi-family housing industry on a quarterly basis. The Colorado Vacancy and Rent Survey reports averages and, as a result, there are often differences in rental and vacancy rates by size, location, age of building, and apartment type. The Report is available online at the Division of Housing web site: <http://dola.colorado.gov/cdh>.

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