



2020
**ANNUAL
GROWTH &
DEVELOPMENT
PROJECTIONS
REPORT**

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ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

The Annual Growth and Development Projections Report offers a snapshot of the City's residential growth estimates anticipated at the beginning of each year. It also provides historical trends of median home sale prices, housing, employment and regional growth in Northern Colorado and the Metropolitan Statistical Areas.

Over the course of 28-years, the number of new single-family homes has significantly exceeded the number of multi-family units, but since the most recent economic recovery, the number of permitted units reveals that from 2012 through 2019 an average of 57% of the residential units permitted was multi-family, except 2012 and 2018. Additionally, the number of building permits issued shows that residential construction continues to be in high demand in Greeley. Greeley was the second-highest in Northern Colorado, and it is estimated that approximately 1,000 more residential permits may be issued by the end of 2020. Yet, the residential construction is not quick enough to keep up with Greeley's household growth. Greeley forecasts an estimated 41,306 housing units and an estimated population of 111,748 in 2020, growth driven by natural increase (*or births minus deaths*) and net migration.

Low vacancy rates suggest that there is an exponential demand for rental units over purchasing a home, which is possible due to tighter mortgage restrictions, low inventory levels, and rising home prices, which is cause for other underlying factors. Although the median home sale price in Greeley is relatively lower in Northern Colorado, aside from Evans, the opportunity to purchase a home for the growing population is becoming more difficult for new families, so multi-family housing has been in high demand since 2012. In 2019, 82% of the residential units permitted were multi-family, and it is estimated that more multi-family units will be permitted in 2020.

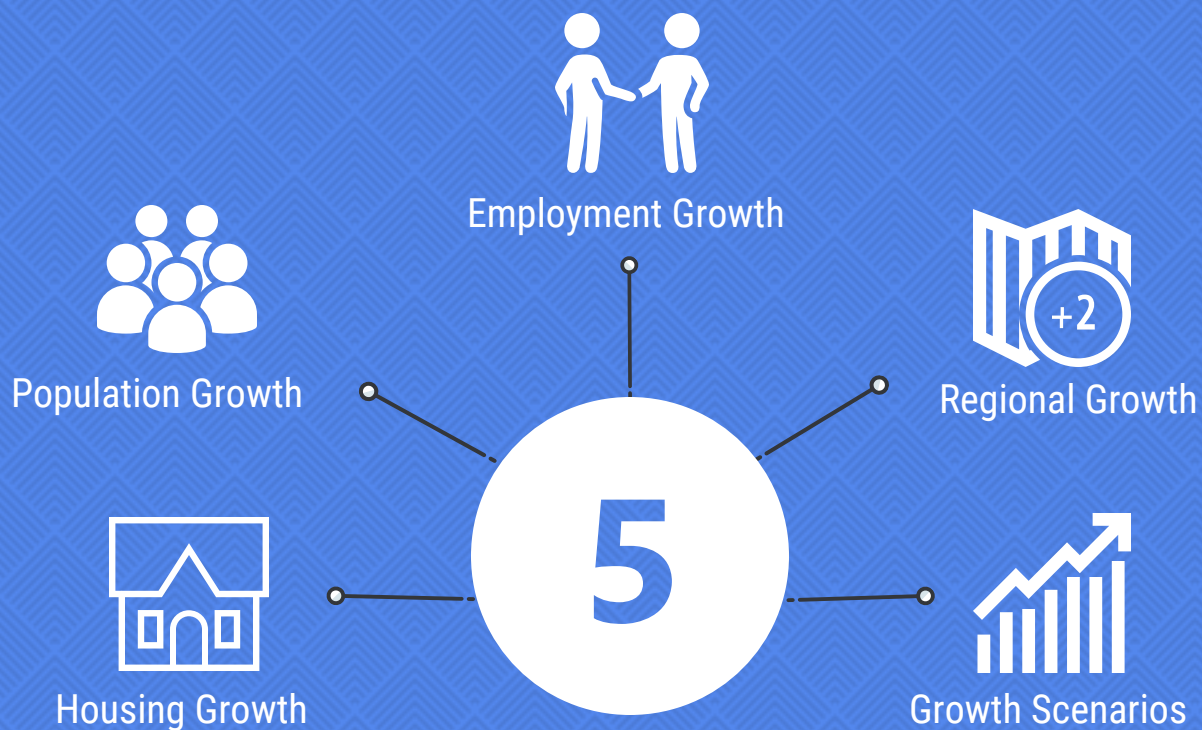
The increase in residential units and low vacancy rates also supports the employment growth data. Greeley's economy has a diverse employment industry, and thus, has enormous competitive assets. It is now poised to be a top economic player in the region with increased job growth opportunities. Since 2010, Greeley has had the highest job growth and lowest unemployment rates in Northern Colorado and leading statewide by 19%, a sign that the City is thriving significantly.



ABOUT THIS REPORT

The analysis generated in this report is used to create the City's Capital Improvements Plan (CIP) and as a general resource for the public and City-wide departmental objectives. A CIP is a working blueprint for maintaining and improving the community's infrastructures on a time schedule. As such, it is central to the City's departmental coordination of finance capacity and physical development.

The data contained in this report is derived from the actual history of growth and development trends that have occurred in previous years, regional economic and housing projections, and other factors that have the potential to affect expected growth trends. The analysis concluded from the city, state, and national comparisons provide a general picture of population growth, residential construction, and job creation. The report has been prepared into five parts:





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HOUSING GROWTH





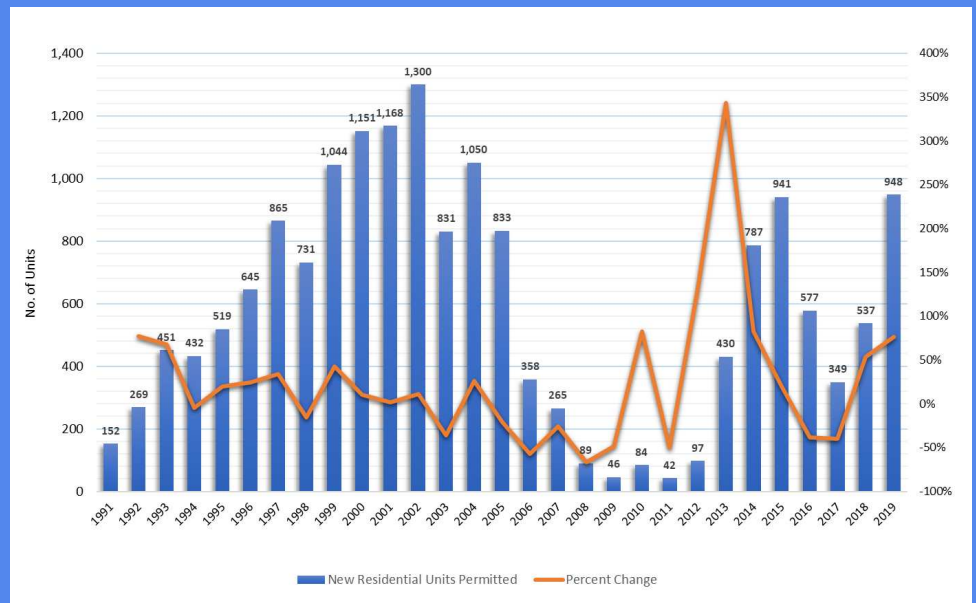
HISTORICAL GROWTH



The Great Recession was a period of decline observed world wide during the late 2000s and early 2010s. The scale, timing, and intensity varied from one region to another. In Greeley, the number of residential units permitted was notably down in 2005 by 21% and in 2006 down by 57%. The number of permitted units in 2011 reached an all-time low of 42 units (see *Figure 1.1*).

In 2012, the housing market began showing signs of recovery. The number of units permitted increased from 95 units in 2012 to 430 units in 2013, a change of 353%, and continued to increase in 2014 and 2015, although the change was not as dramatic. In 2016, there was drop in the number of units permitted, a change of 39%, from 2015 and another 39% in 2017. However, in 2018 the City of Greeley permitted 537 residential units, an increase of nearly 54%, from 2017.

Figure 1.1: New Residential Units Permitted, Greeley, CO 1991-2019



This past year, in 2019, Greeley permitted a total of 948 units, the greatest since 2004, when 1,050 units were permitted, a change of 77% from 2018. These numbers suggest that Greeley’s economy is relatively on a strong growth trajectory.

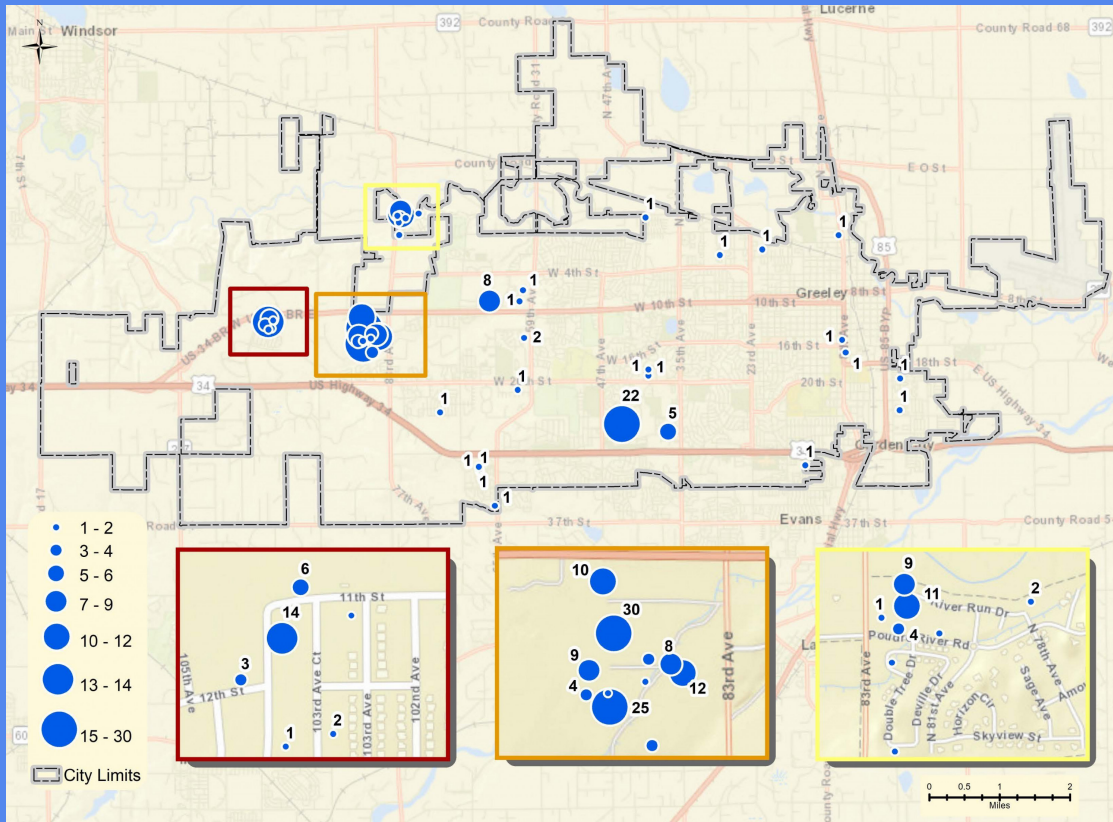
The number of residential land use cases that have been processed and approved from 2015 to 2019 provides a glimpse of how many residential units may be permitted by 2020. Greeley projects that approximately 1,000 new residential units may be permitted by the end of 2020, notwithstanding other unpredictable factors such as a recession, interest rate increases, or vacancy rates (see *page 35*).



GEOGRAPHIC AREAS



Map 1.1 : Building Permits Issued, Greeley CO 2019



Nonetheless, multiple building permits may be issued in the same area for single-family housing and so the circles reflect larger building permit numbers. An example is at Promontory Residential, 14 building permits were issued, but each building permit represents one single-family house.

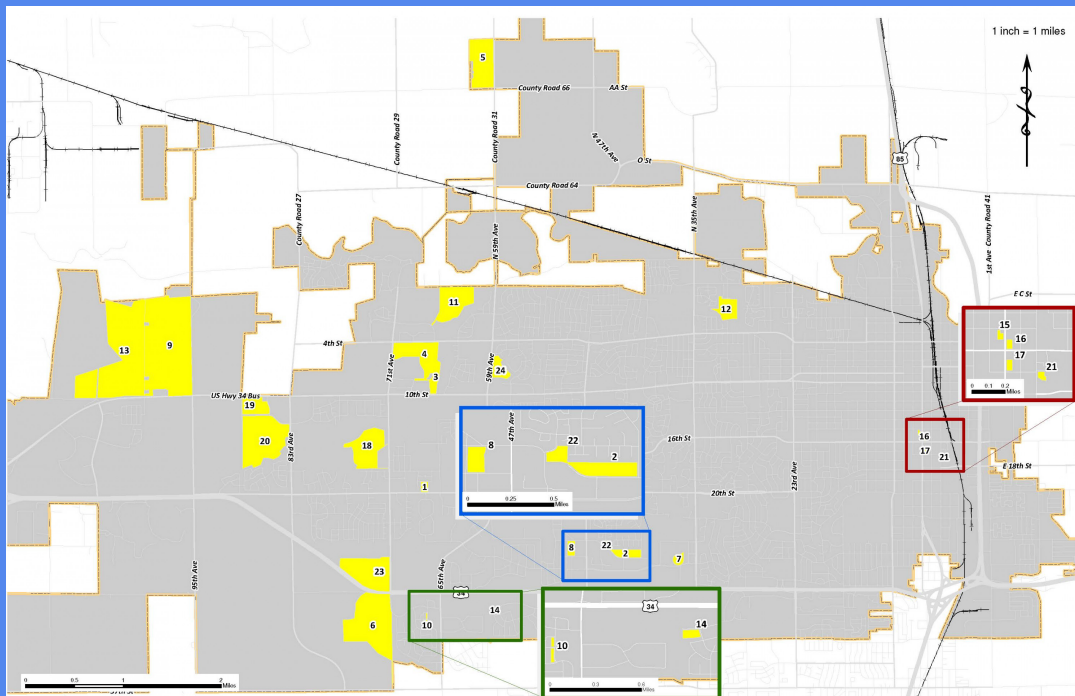
Cumulatively, the number of residential units adds to the existing housing stock in terms of new units available for Greeley residents. Map 1.1 shows all of the areas where building permits have been issued in 2019, it does not, however, reflect the number of units permitted. The larger clusters are zoomed in and shown on the inset maps, which identify the number of building permits issued at a closer level. A developer or an applicant may request one single permit for multiple units, and so the number of units is not counted for all building permits issued. For example, the South Madison Apartments, which are three large developments, have more than 50 apartment units per building, but each had only one building permit issued, this is why there is a number one shown at each site shown on the map.



GEOGRAPHIC AREAS



Map 1.2 : Residential Projects Processed, Greeley CO 2017-2019



The inventories of older subdivisions approved prior to 2015 such as Allison Farms, Crestview, Fox Run, Pine Ridge Estates, Promontory Residential, Pumpkin Ridge, River Run at Poudre Ranch, and St. Michael's (*not shown on map*) are almost built out. Although each of these subdivisions had only a small portion of residential units permitted, combined, they add to the bulk of the 2019 permitted units (*948 units total*).

Map 1.2 shows the number of residential projects (*15 units or greater*) that were processed between 2017 and 2019. The 24 projects listed combined have approximately 5,200 residential units. At the end of 2019, the Trails at Sheep Draw subdivision had 410 out of the 425 single-family and 210 out of the 546 multi-family residential units constructed. Projects such as the South Madison Apartments, Gateway Park II PUD, Village Cooperative of Greeley, and City Center West 1st Filing are projects that started construction in 2019.

- 1) Cardinal Acres (16)
- 2) Centerplace North MFR (133)
- 3) City Center West, 1st Filing MFR (264)
- 4) City Center West, 2nd Filing (276)
- 5) Clark Subdivision (29)
- 6) Cobblestone PUD (500)
- 7) Gateway Park II PUD MFR (144)
- 8) Grapevine Subdivision (65)
- 9) Lake Bluff (1200)
- 10) Lofts at St. Michaels (32)
- 11) Northridge Estates (234)
- 12) Poudre Trails MFR (256)
- 13) Promontory Heights PUD
- 14) The Reserve II at West T-Bone Ranch (76)
- 15) South Madison Apartments - Block 164 (81)
- 16) South Madison Apartments - Block 165 (83)
- 17) South Madison Apartments - Block 172 (57)
- 18) Triple Creek Subdivision (93)
- 19) Trails at Sheep Draw MFR (546)
- 20) Trails at Sheep Draw SFR (425)
- 21) University Flats MFR (42)
- 22) Village Cooperative of Greeley (52)
- 23) Westgate PUD (494)
- 24) Westpoint 7th Filing (31)



HOUSING MIX



The cumulative housing stock in Figure 1.2 shows that the number of single-family units year-over-year exceeds the number of multi-family units and has remained relatively constant between 2015 to 2019, the average rate of 64% single-family units and 36% multi-family units (see Figure 1.2).

Additionally, the data reveals that a large proportion of multi-family residential units permitted in 2019, exceeded the number of single-family units by 82% (see Figure 1.3). The increase of multi-family housing units could be as a result of a few contributing factors such as securing raw water (costs have risen more than 51% from 2015), the value of land, the increase of tap fees, and the rising interest rates that affect the supply of single-family residential construction.

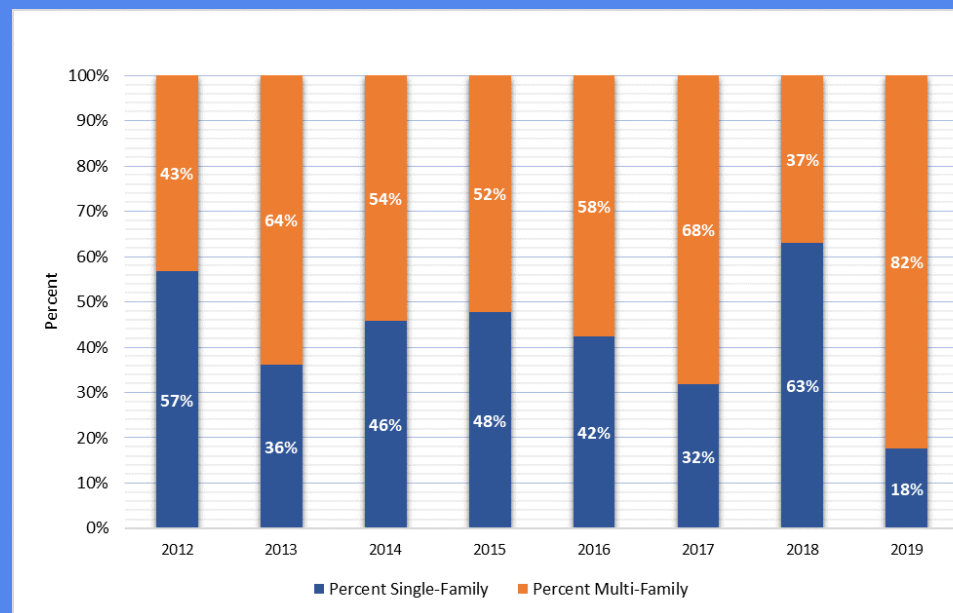
Figure 1.2: 5-Year Housing Characteristics, Greeley, CO 2015-2020

	2015	2016	2017*	2018*	2019	2020*	% Change
Total Housing Units	37,410	38,351	38,912	39,359	40,307	41,306	9.2%
Single-Family Units	24,221	24,670	24,910	25,021	25,189	25,988	7.9%
Multi-Family Units	13,189	13,681	14,002	14,338	15,118	15,318	11.5%
% Single-Family Units	64.74%	64.33%	64.02%	63.57%	63.56%	63.99%	-0.75%
% Multi-Family Units	35.26%	35.67%	35.98%	36.43%	36.44%	36.44%	0.75%
Vacancy Rates**							
Occupied Units	36,220	37,154	37,981	38,242	38,700	--	--
Vacancy Units	1,190	1,197	931	1,117	1,197	--	--
Homeowner Rate (SFR)	2.9%	2.8%	2.5%	2.4%	2.5%	--	-0.4%

* Projected Total Housing Units

** New Vacancy Rates are based off updated American Community Survey (ACS) 5-Year Housing Characteristic Survey Data, combined with updated units permitted.

Figure 1.3 Percent Single and Multi-Family Units Permitted, Greeley, CO 2012-2019





VACANCY RATES



Since 2010, Greeley's multi-family housing vacancy rate has averaged 3.5%; a tight market for renters. A healthier multi-family housing stock is generally thought to be between 5% and 8%. As stated in last year's Annual Growth and Development Projections Report (GDP), a tighter inventory results in higher rent costs. The same is with single-family housing, the less inventory of single-family units there are, the higher the median home sales price becomes. Balancing out the housing market price would mean that more residential units would need to be permitted to meet projected population numbers (see Figure 1.4).

Figure 1.4: Vacancy Rates, Greeley, CO 2010-2019



This current multi-family housing trend may provide a healthier vacancy rate incrementally for renters, until the City of Greeley can strategize on different entry-level market sale housing. The disparity of housing and household income may make homeownership prohibitive, if not impossible given the median home price of \$320,000.

2

POPULATION GROWTH





HISTORICAL GROWTH



It is of fundamental importance to comprehend population growth, composition, and distribution as they all have essential interrelationships with land-use. Population growth affects the demand for housing, commercial services, parks/recreation, and employment. Understanding these dynamics helps communities plan for necessary resources such as schools, fire stations, and libraries.

Greeley has had a population increase of over 66,000 people in the last 60 years, and it is forecasted to grow up to 111,748 in 2020 (see *Figure 2.2*). The fastest periods were between 1960 and 1980 with an average growth rate of 42%. The population grew nearly 48% between 1960 to 1970, and grew 36% in the 1980s, with a relaxed growth rate of 14% in the 1990s.

Figure 2.1: Census Population Estimates, Greeley, CO 1960-2010

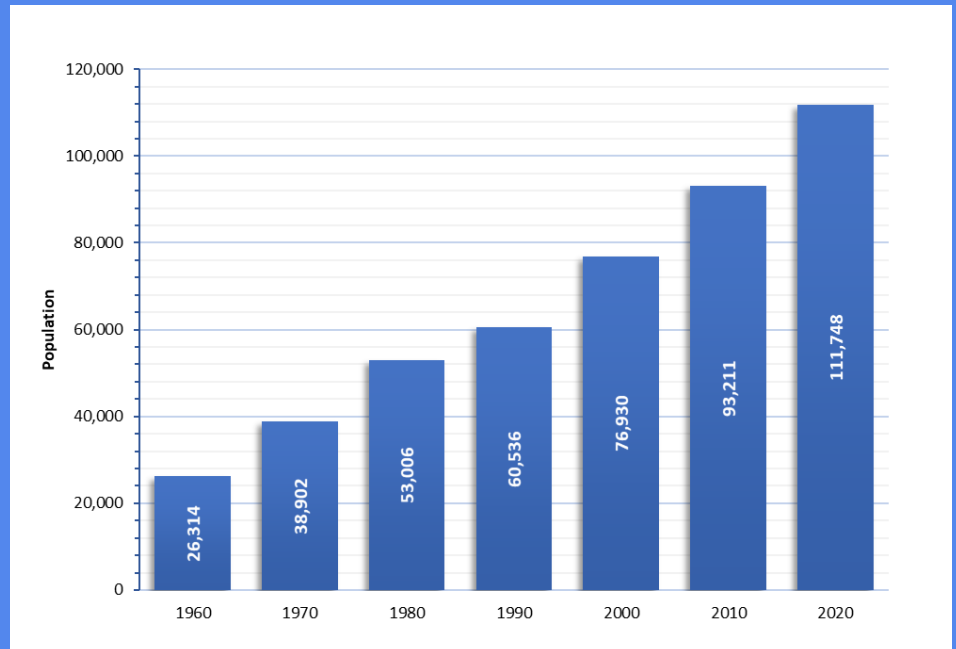
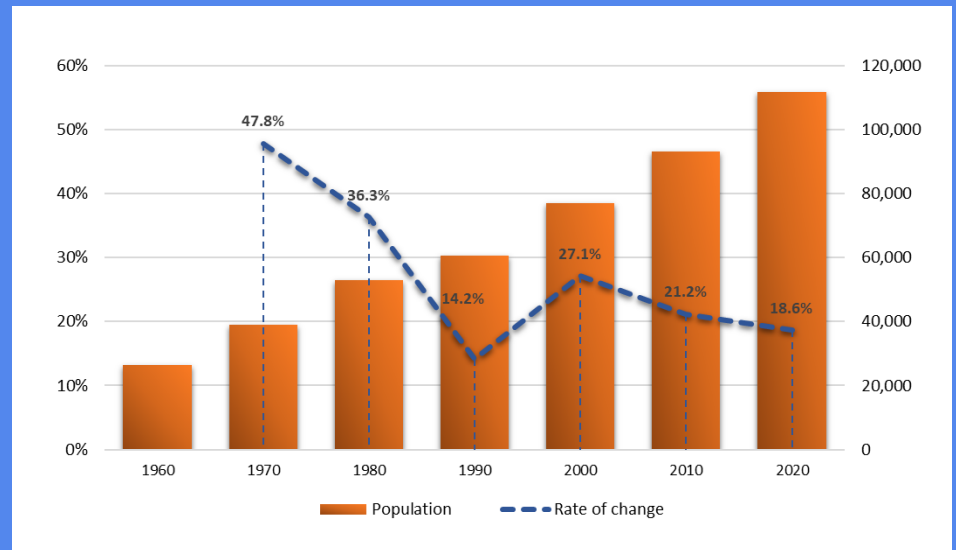


Figure 2.2: Estimated Population and Rate of Change, Greeley, CO 1960-2010





RECENT GROWTH

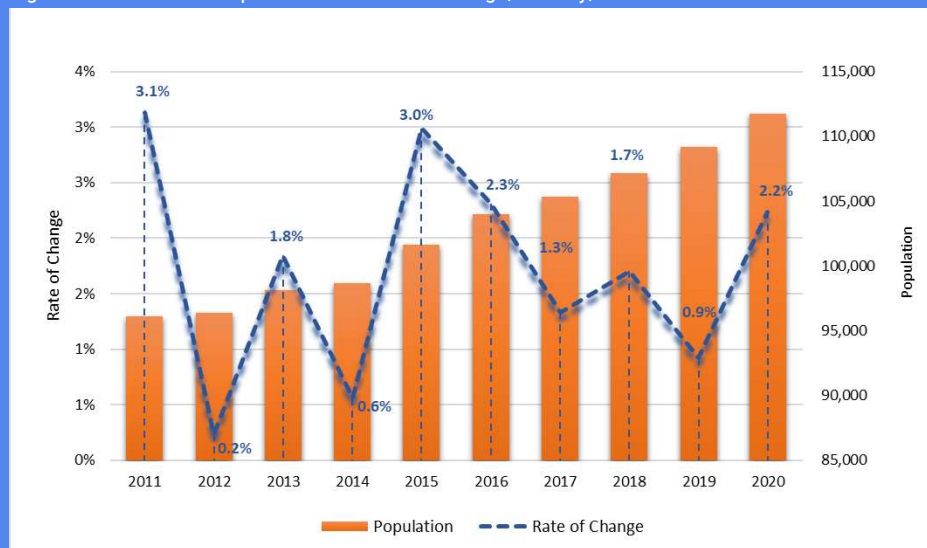


Population estimates since the 2010 decennial census have been calculated using the Modified Housing Method, which uses the actual number of permits issued in a year to estimate population-based on average household size and occupancy rate. Figure 2.3 and Figure 2.4 shows the annual estimated population between 2011 and 2020.

Greeley's population grew 254% between 1960 and 2000, resulting in an average decennial growth rate of 30% (see Figure 2.2 in previous page). From 2000 to 2010, the population grew 21% and it is estimated that it will grow another 19% by the end of 2020.

The average rate of change from 2011 to 2017 was 1.8%. In 2015, there was a notable population increase of 3%, but growth was minimal in 2019 at 0.9% (see Figure 2.3) It is estimated that there will be a 2% growth in 2020.

Figure 2.3: Estimated Population and Rate of Change, Greeley, CO 2011-2020



Rate of change corrected from 2019 Report chart.

Figure 2.4: Population Estimates, Greeley, CO 2011-2020

Year	Single Family Units	Single Family Occupancy	Multi Family Units	Multi Family Occupancy	Average Household Size	Students Living On Campus	Population
* 2020	25,988	0.976	15,318	0.964	2.71	3,008	111,748
** 2019	25,189	0.975	15,118	0.966	2.71	3,122	109,200
2018	25,021	0.976	14,338	0.964	2.71	3,033	107,146
2017	24,910	0.975	14,002	0.978	2.71	3,196	105,353
2016	24,670	0.972	13,681	0.963	2.71	3,347	103,968
2015	24,221	0.971	13,189	0.963	2.71	2,671	101,618
2014	23,976	0.970	12,856	0.987	2.71	3,196	98,672
2013	23,743	0.967	12,581	0.937	2.71	2,900	98,124
2012	23,688	0.967	12,539	0.968	2.71	2,980	96,348
2011	23,646	0.959	12,539	0.936	2.70	3,027	96,127
2010	23,570	0.955	12,539	0.949	2.70	3,090	93,211

* Projected population

** Revised numbers based on end of year residential units permitted

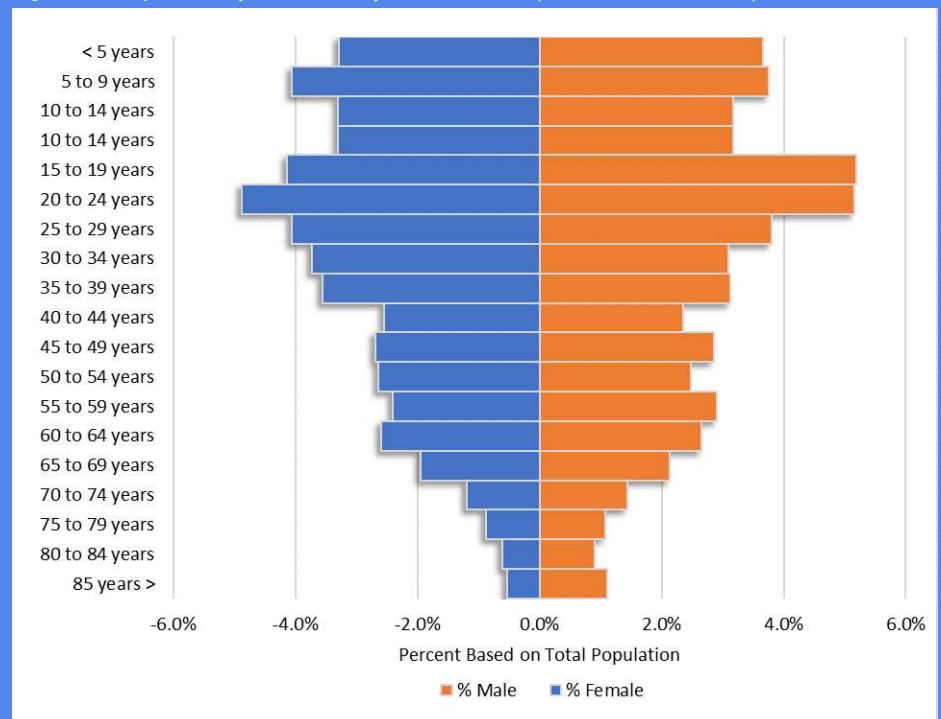


POPULATION CHARACTERISTICS



Figure 2.5 is a Population Pyramid that displays the distribution of a population through a pair of back-to-back histograms. Population Pyramids are essential for detecting fluctuations in population patterns in age groups and sexes. Also, the outline of a Population Pyramid can be used to deduce information about a group of persons within a particular age group or sex. A pyramid with a wide base and a narrow top suggest that the population in that community has a high fertility and death rate, while a pyramid with a very wide base and a narrower top would suggest an aging population with low fertility rates. Additionally, Population Pyramids are used to estimate the amount or the type of resources needed for communities. For example, an aging population that is not reproducing would eventually run into issues such as not having enough offspring to care for the elderly, in which case cities could plan for elderly type services.

Figure 2.5: Population Pyramid, Greeley, CO 2013-2018 (5-Year ACS Estimates)



Greeley's Population Pyramid shows that the age groups from Birth to 29-year-olds make up 48.5% of the population. The largest five-year cohort is the 20 to 24-year-olds, which make up 10% of the people in Greeley (see Figure 2.5). This large concentration of youth is due to the college-age demographics within the University of Northern Colorado (UNC) campus and the University District.

Another notable trend is seen in the birth to 5-year-olds and the 25 to 39-year-olds. These age groups make up 28% of the population and, per past historical trends, are cohorts that are typically living where relatively newer single-family residential housing has been built, such as at Trails at Sheep Draw, Boomerang Ranch 2nd Filing, and Promontory.



HOUSEHOLD CHARACTERISTICS



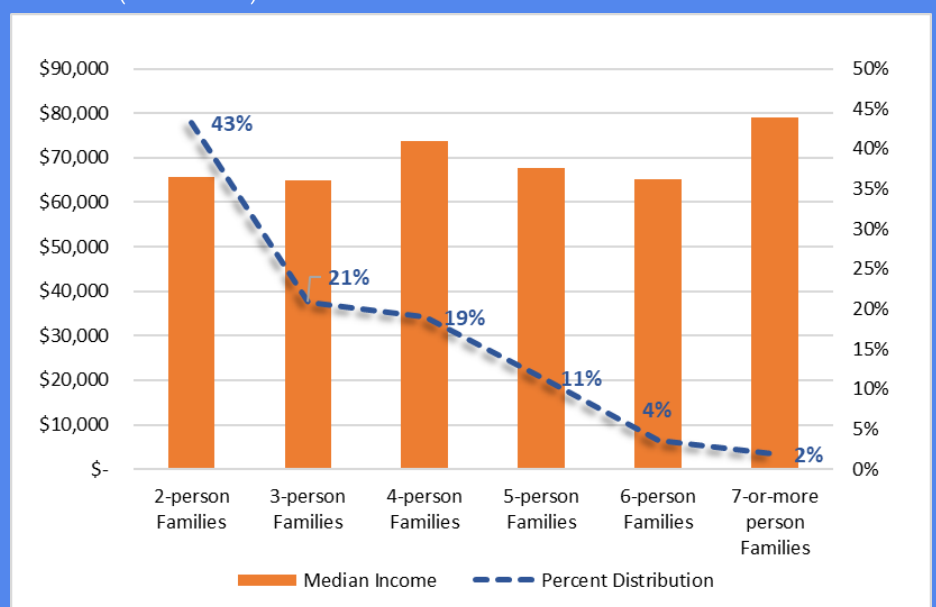
The data presented in this chapter is used to determine the economic health or to compare living conditions in the City of Greeley. The data shows that the median household income in Greeley has been steadily increasing since the Great Recession on average by 4.20% (see *Figure 2.6*). From 2017 to 2018, the average household income rose to 8.78%. This data also correlates with the high vacancy rates and the increased number of the overall units permitted, since 2015, which supports the notion that Greeley's economy remains strong for households.

Figure 2.7 demonstrates two things, the household income and the number of persons living in the household. The largest distribution is the 2-person family household, while the smallest distribution is the 7-or-more person family household in Greeley. The top household income, also the smallest distribution, could reflect a social and economic status in that an "economic squeeze" prolongs the stay of adult children living at home (see *Figure 2.7*).

Figure 2.6: Median Household Income, Greeley, CO 2010-2018 (ACS 2018- 1-Yr Estimates)



Figure 2.7: Distribution of Family Households and Median Household Income, Greeley, CO 2014-2018 (ACS 5-Yr Est.)





HOUSEHOLD CHARACTERISTICS

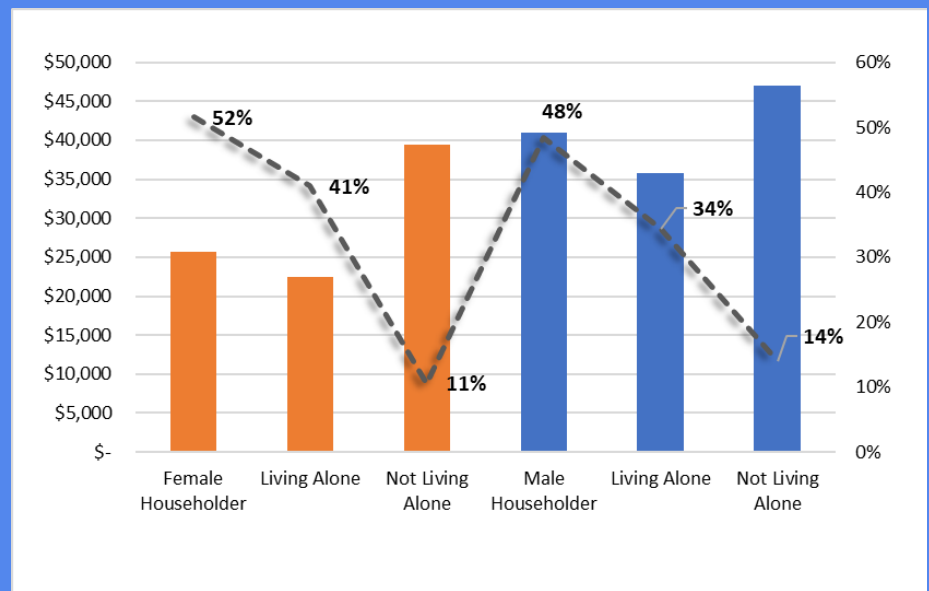


The U.S. Census Bureau defines a family household having two or more individuals that are interrelated by blood, marriage, or adoption. Households are basic units of analysis in demographic research and are not the same as families. Non-family households consist of individuals living alone or who share their residence with unrelated individuals.

Figure 2.8 shows the distribution of non-family median household income in the City of Greeley. The orange bars represent the female population, while the blue bars represent the male population. The data suggest that there is a higher distribution of female householders and females living alone than their male counterparts.

Interestingly, the data also shows a gender pay gap even when not living alone. The non-family female householder earns, on average, 46% less than the non-family male householder in all classifications. Focusing on just the householder classification, the first bar to the left, females earn 59% less than their male counterparts.

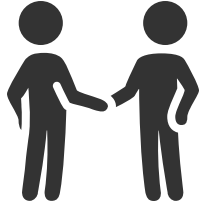
Figure 2.8: Distribution of Non-Family Households and Median Household Income, Greeley, CO 2014 -2018 (ACS 2018- 5-Yr Estimates)



This data does not provide age relations, but living arrangements change over time during the life stage of an individual. Traditionally, a person starts out in a family household, leaves to create a new household alone or with friends, and eventually forms a family of their own. As a senior, the individual may live alone again due to divorce or a death of a spouse. Not everyone passes through these experiences, but it is not uncommon for an individual to go through these stages of life.

3

EMPLOYMENT GROWTH





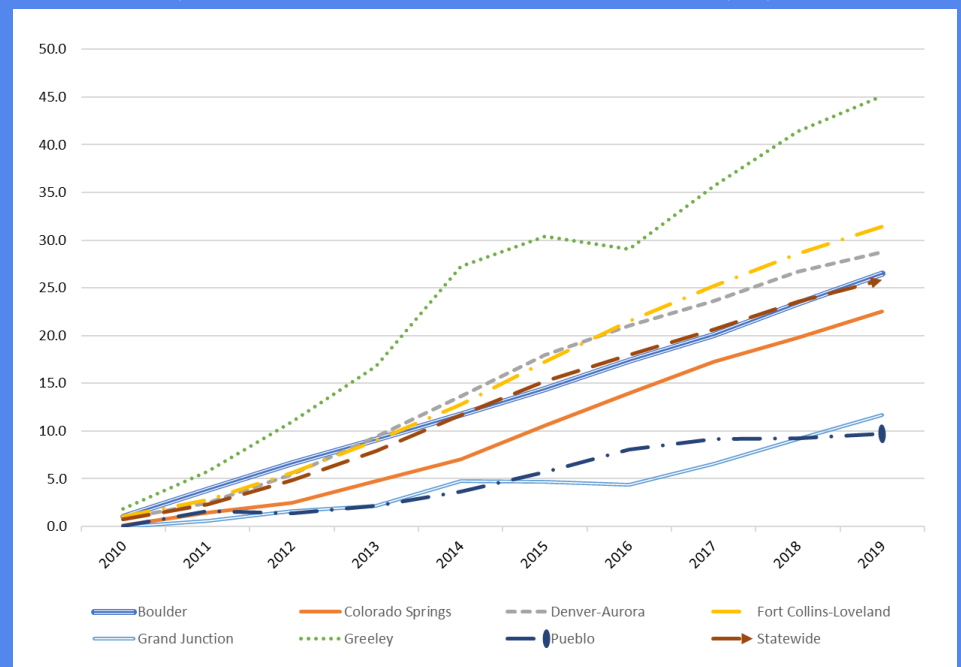
REGIONAL JOB GROWTH



Colorado has proven to be a magnet for job opportunities in the last decade, and significantly more in Northern Colorado than it has been Statewide (see Figure 3.1). Greeley has continually shown to be a contender in last year's job growth in Colorado's Metropolitan Statistical Areas (MSA).

Year-over-year job growth from 2010 to 2019 in Greeley has been on average 24%. Greeley leads Pueblo by 19%, leads the state by 19%, and Denver and Fort Collins by 9%.

Figure 3.1: Employment in Metropolitan Statistical Areas, MSA 2010 -2019, (BLS)





JOB GROWTH



In economics, the employment-to-population ratio is the measure of a civilian labor force to the total working-age population. The data represented in Figure 3.2 and Figure 3.3 demonstrate the job growth and unemployment rates from 1990 to 2019.

Greeley MSA (includes Weld County statistical area) has had a significant job growth from 1990 to 2019, with a rate of change of 163%. The number of jobs in Greeley’s MSA increased 2.8% from 2018 to 2019, which translates to 3,964 jobs (see Figure 3.2).

Job growth in the City of Greeley (non-MSA) also increased 2.8% from 2018 to 2019. The number of jobs in Greeley alone increased by 16% from 2014 to 2019, resulting in the creation of 7,234 jobs (see Figure 3.3).

Figure 3.2: Job Growth & Unemployment Rates, Greeley MSA 1990- 2019 (BLS)

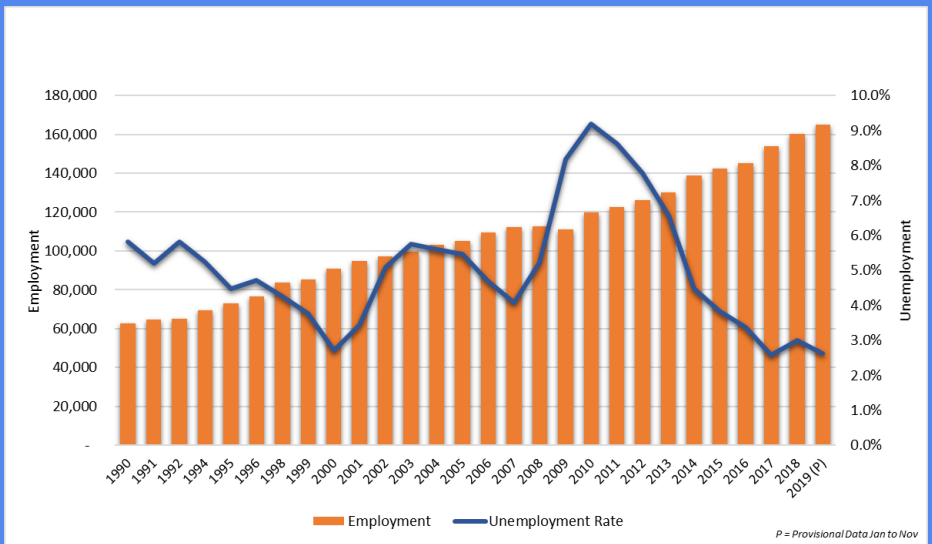
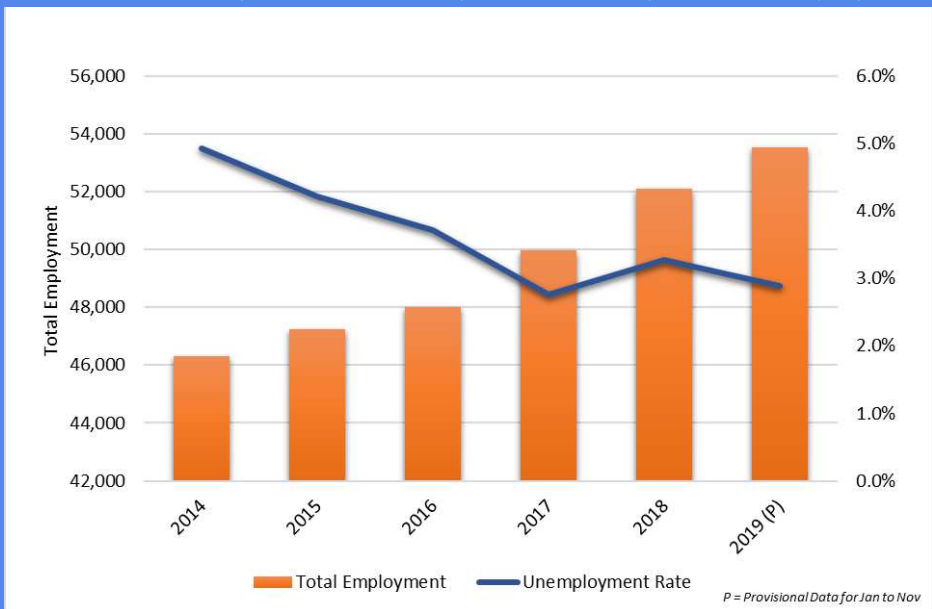


Figure 3.3: Annual Employment Total & Unemployment Rates, Greeley, CO 2014- 2019 (BLS)





JOB GROWTH



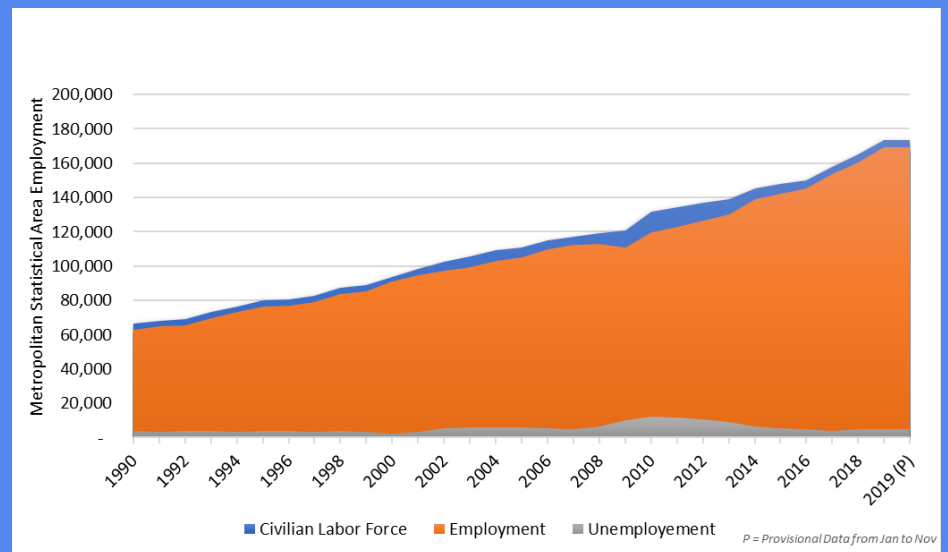
Examining low unemployment rate in the Greeley MSA (*includes Weld County*) appears to also indicate that there could be significant pent-up regional demand for housing, which is also demonstrated in the low vacancy rates. The demand may currently be addressed through doubling up on housing units, long distance commuting, or employed persons living on campers or group housing (*see Figure 3.4*)

Figure 3.4: Year-over-Year Workforce Comparison, Greeley MSA 2012 - 2019 (BLS)

Year	Civilian Labor Force	% Change	Employment	% Change	Unemployment Rate	% Change
2019	170,950	3.26%	166,800	4.37%	4.2%	---
2018	165,552	3.27%	159,811	2.42%	3.5%	18.9%
2017	160,310	6.26%	156,034	6.27%	2.7%	29.6%
2016	150,860	3.03%	146,822	3.89%	2.7%	0.0%
2015	146,422	-0.27%	141,322	-0.11%	3.5%	-22.9%
2014	146,820	5.47%	141,479	7.37%	3.6%	-2.8%
2013	139,199	1.65%	131,770	3.60%	5.3%	-32.1%
2012	136,937	1.30%	127,186	2.40%	7.1%	-25.4%

Figure 3.5 demonstrates the total annual employment, workforce, and unemployment from 1990 to 2019 in Greeley MSA. During the most recent recovery, Greeley's economy was beginning to depend less and less on oil and gas, which was the primary labor force during the 1980s. The decline of oil prices had little to almost no impact on the broader Greeley economy. This shift in the economy from a single income source toward a range of sectors and markets created that foundation of economic health and development in the City of Greeley.

Figure 3.5: Annual Employment, Labor Force & Unemployment, Greeley MSA 1990-2019 (BLS)





JOB HOUSING BALANCE

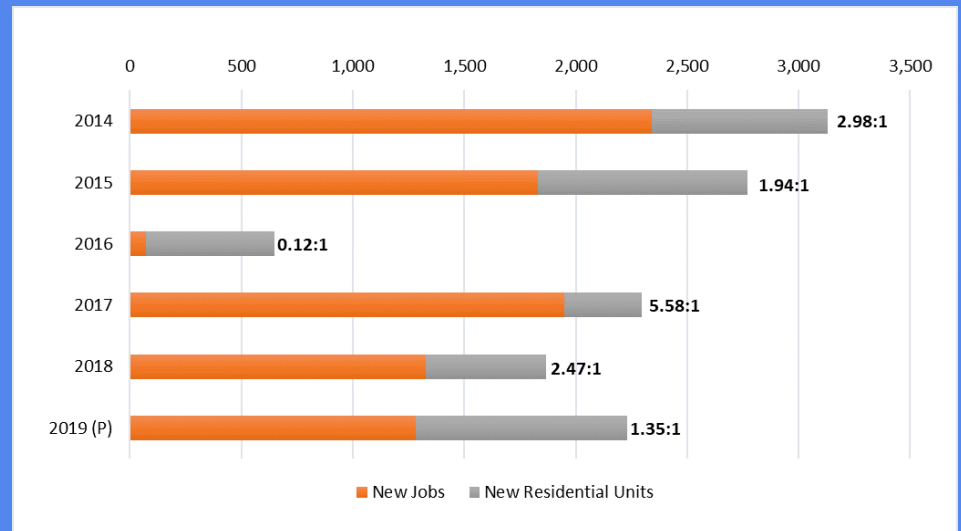


The job housing balance is the ratio of a new residential unit built for every new job that is created. The higher the number, the higher the imbalance between jobs and residential housing.

Figure 3.6 shows the relationship between the number of jobs and the number of units permitted. The average ratio of job to housing balance between 2014 and 2019 was 2.41. Meaning that for every new residential unit built, 2.41 new jobs were created. A total of 1,283 jobs were created while 948 housing units were permitted.

When the economy is strong, there are more jobs present. Nonetheless, jobs overall still grow faster than residential units are permitted. In 2019, the ratio gap between jobs and housing was closer than it had been in 2018.

Figure 3.6: Job Housing Balance, Greeley, CO 2014 - 2019 (BLS 2014-2018/LAUS 2019)





EMPLOYMENT INDUSTRY



Greeley also shows the diversification in the economy that has built up over the years. There are over 2,700 different employment industries in Greeley ranging from small family-owned startup companies to state colleges, from extensive healthcare facilities to regional and national retail trade. The top employing industries this past year (2019) were Health Care and Social Assistance at 13%, Retail Trade at 11%, and Manufacturing at 10% (see *Figure 3.7*).

Industries that show to have under 2% of the share of jobs are (*right to left on chart*) Arts, Entertainment & Recreation (1%), Agriculture (1%), Forestry (1%), Fishing and Hunting (1%), Information (1%), and Utilities (.3%).



Employment by Industry

Figure 3.7: Employment Industry Distribution, Greeley, CO 2014 - 2019 (LAUS 2019)



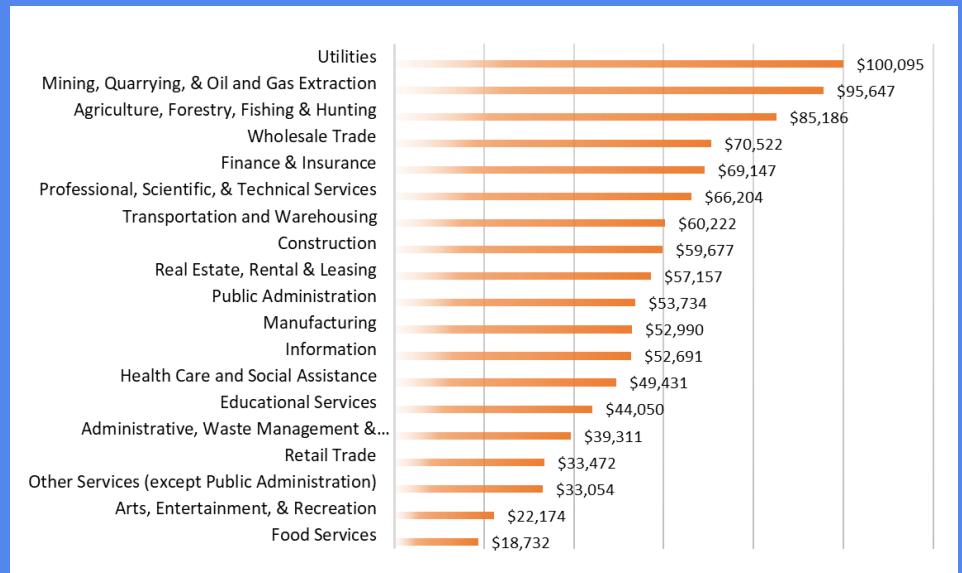
WAGE GROWTH



Greeley’s industries with the highest earning potential are Agriculture, Forestry, Fishing and Hunting, Management of Companies and Enterprises, Utilities, Mining and Quarrying, and Oil/Gas Extraction. Interestingly, however, they have the smallest share of employment in Greeley.

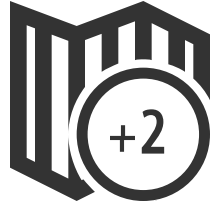
Greeley’s median household income increased from \$52,887 to \$55,446, a 4.8% increase. The total industry wages from 2013 to 2019 increased from \$213,740,356 to \$611,903,390, an 186% percent increase. The total industry wages calculated for 2019 is \$1,216,664 (see *Figure 3.8*).

Figure 3.8: Average Annual Wage by Industry, Greeley, CO 2019 (Jobs EQ and BLS)



4

REGIONAL GROWTH



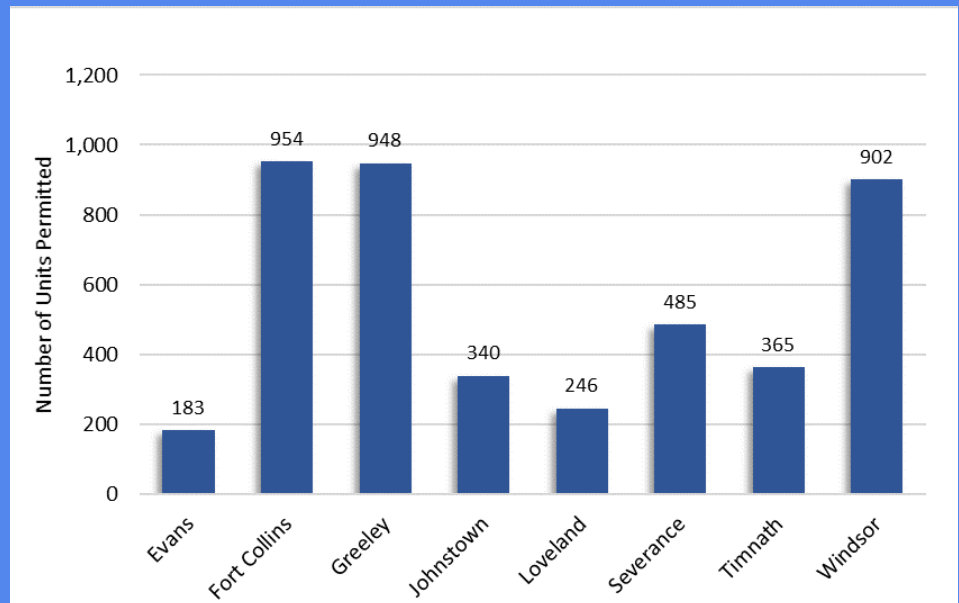


NEW PERMITS



Housing in Northern Colorado provides insight into what is occurring with the overall housing and job market in the region. Figure 4.1 shows the 2019 year-to-date comparisons of residential units permitted in Evans, Fort Collins, Greeley, Johnstown, Loveland, Severance, Timnath, and Windsor. This year, Greeley issued 948 residential housing units, just six residential units under Fort Collins, which issued 954 residential units. Windsor followed issuing a total of 902 residential units in 2019 (see Figure 4.2).

Figure 4.1 New Residential Units Permitted, Northern CO 2019 (Building Permit Reports)



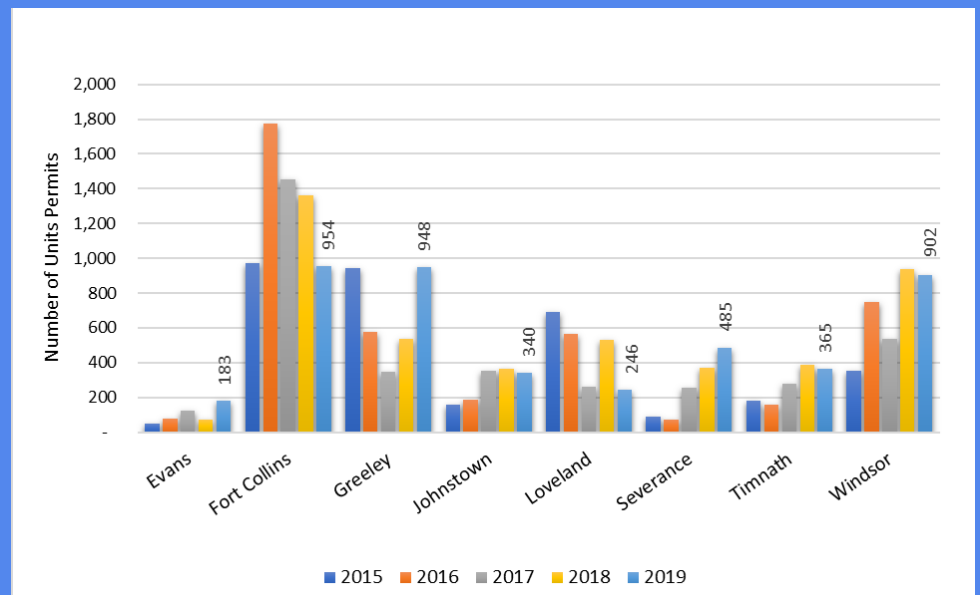


HOUSING MIX



Figure 4.2 demonstrates the number of housing units permitted between 2015 and 2019. Fort Collins has led since 2015, but this data suggests that Fort Collins may be slowing down. Greeley, however, still has a significant amount of land to offer new housing projects within City boundaries, and potentially within the Long Range Expected Growth Limits. With the arrival of a relatively large number of residential subdivisions processed since 2017, Greeley is expected to continue growing.

Figure 4.2: New Residential Units Permitted, Northern CO 2015-2019 (Building Permit Reports)





HOUSING MIX



These recent trends in the mix of housing units reveal a relationship between population size and housing, in that developers are focusing on what will offer the highest yield to offset the cost of housing. Multi-family housing has yielded a higher return in investments.

Over the last several years, Greeley and Fort Collins, the largest cities in the region, with more than 100,000 residents, permitted the majority of housing units with multi-family (except Johnstown) (see Figure 4.3 and Figure 4.4).

Smaller communities in the region with under 76,000 residents mostly permitted single-family housing units (see Figure 4.4). Severance is the only community that has not permitted multi-family housing.

Figure 4.3: New Residential Permits Housing Mix, Northern CO 2015-2019 (Regional Building Permit Reports)

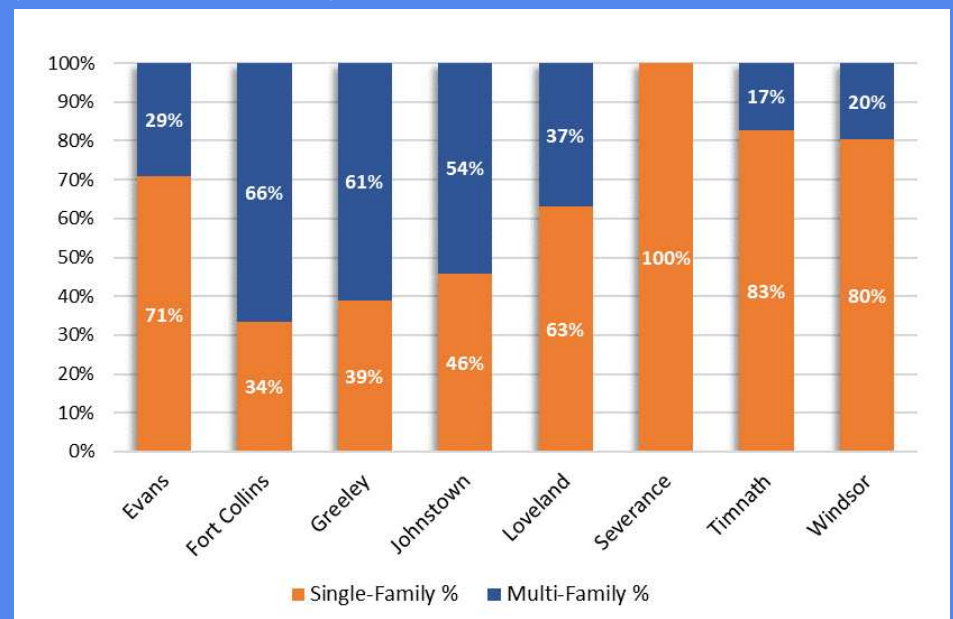
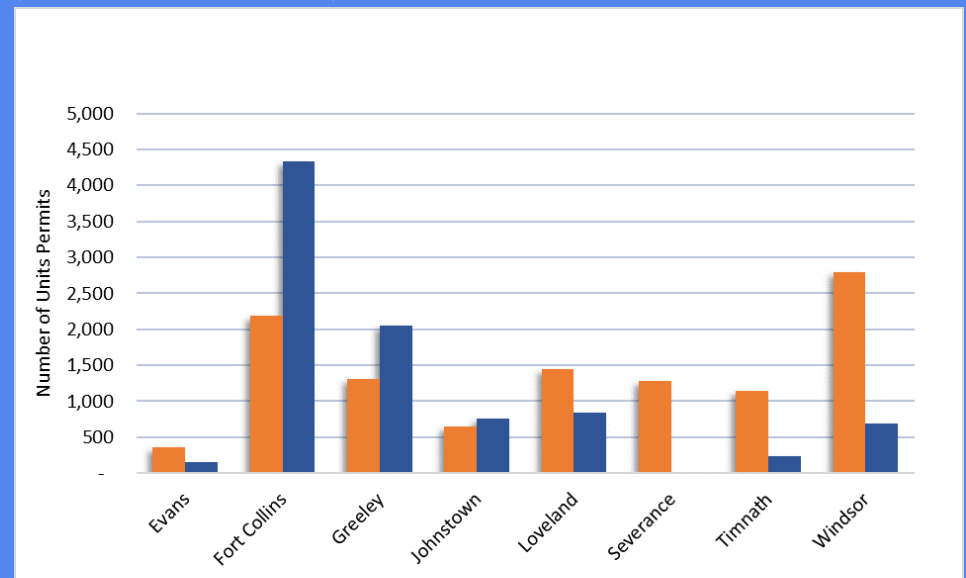


Figure 4.4: New Residential Permits Housing Mix, Northern CO 2015-2019 (Regional Building Permit Reports)





HOUSING COST

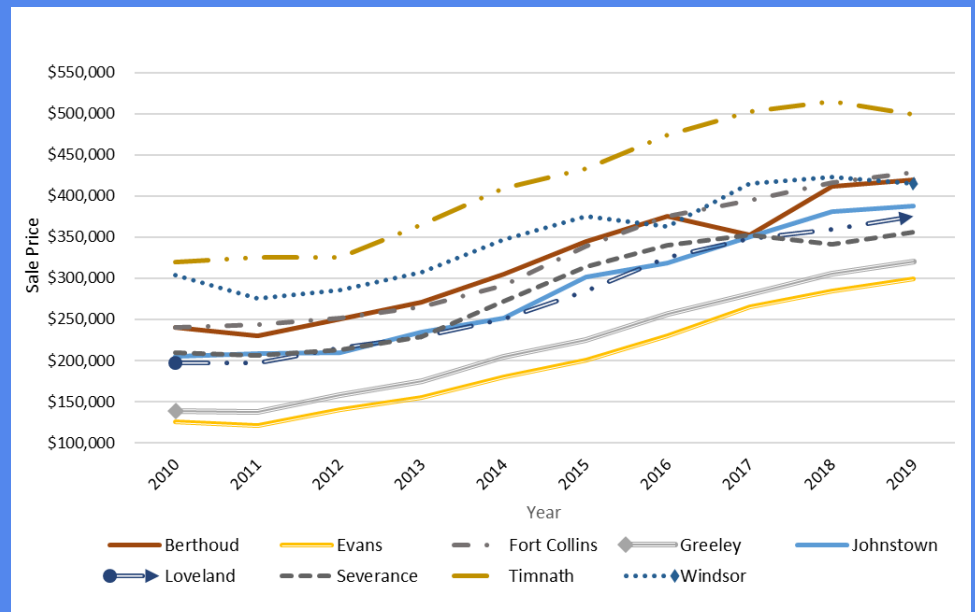


Figure 4.5 shows the median home sale price at the end of the 4th Quarter in 2019, for communities across the North Front Range between 2010 and 2019.

The cost of housing in Greeley continues to be more affordable than other communities in Northern Colorado (*except Evans*), with a median home sale price of \$320,000.

Timnath continues to top the market with a median home sale price listed at \$499,627 in 2019. The cost of housing in Loveland and Johnstown are relatively comparable median home sale prices that are currently listed at \$375,000 and \$387,500, respectively.

Figure 4.5: Median Residential Home Sales Price, Northern CO 2010 - 2019 (IRES MLS/Sears Real Estate)





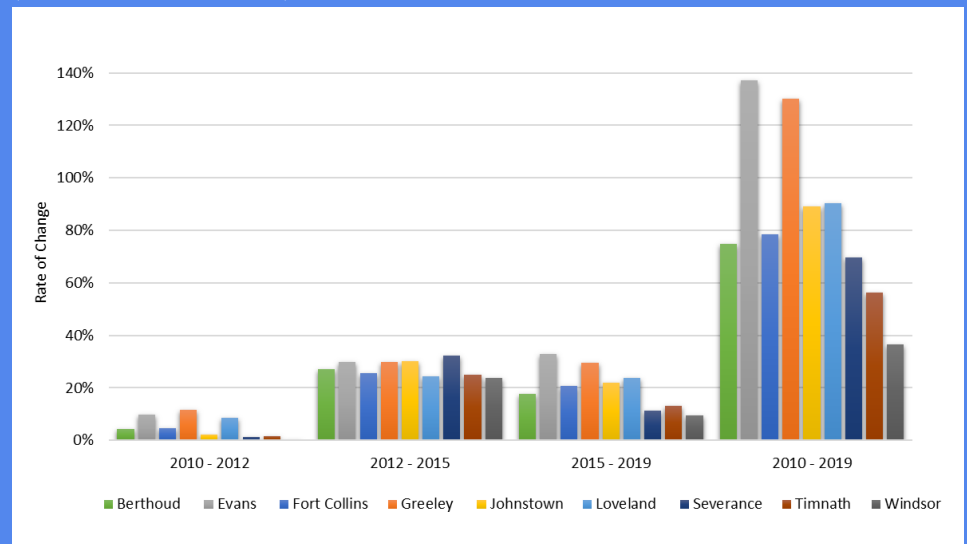
HOUSING COST



Figure 4.6 shows a pattern in median residential home sales from 2010 to 2019. The home sale rate just after the Great Recession grew 12% in Greeley from 2010 to 2012. The median residential home sales grew 32% in Severance from 2012 to 2015 but decreased by 12% from 2015 to 2019.

Greeley's median residential home sale prices had a constant rate from 2012 to 2019 of 30% annual increase, but from 2010 to 2019 the median home sale price in Greeley grew 130%.

Figure 4.6: Median Residential Home Sales Patterns, Northern CO 2010 - 2019 (IRES MLS/Sears Real Estate)



5

GROWTH SCENARIOS





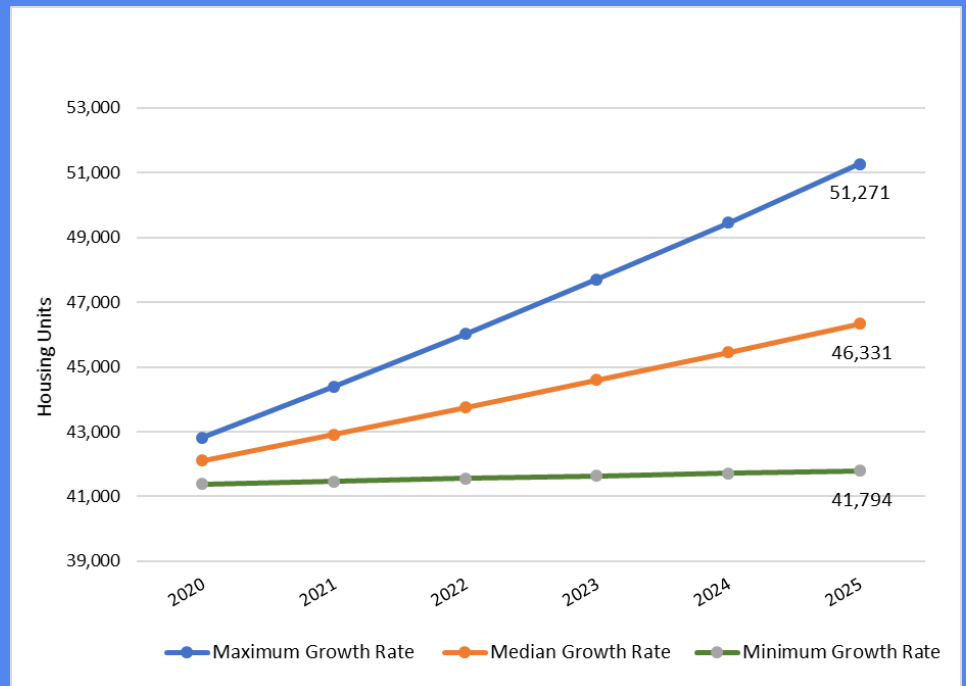
FORECAST METHODOLOGY



Greeley is expected to continue to grow at a variable rate, dependant on numerous factors including Greeley's ability to keep attracting residents, the supply and cost of housing, and the availability of jobs.

Using the Modified Housing Method and building permit data from 1991 to 2019, three possible growth scenarios were calculated and analyzed. Consecutive five-year periods with the highest and lowest housing growth rates were used to generate high, medium, and low growth scenarios (see *Figure 5.1*).

Figure 5.1: Linear Housing Growth Scenarios, Greeley, CO 2020 - 2025



Other factors that are considered are the highest consecutive housing growth periods that occurred between 1999 and 2003, which yielded an average growth rate of 3.6%, and the lowest housing growth period that occurred with the onset of the housing crisis and during its recovery between 2009 and 2013, at 0.19%.



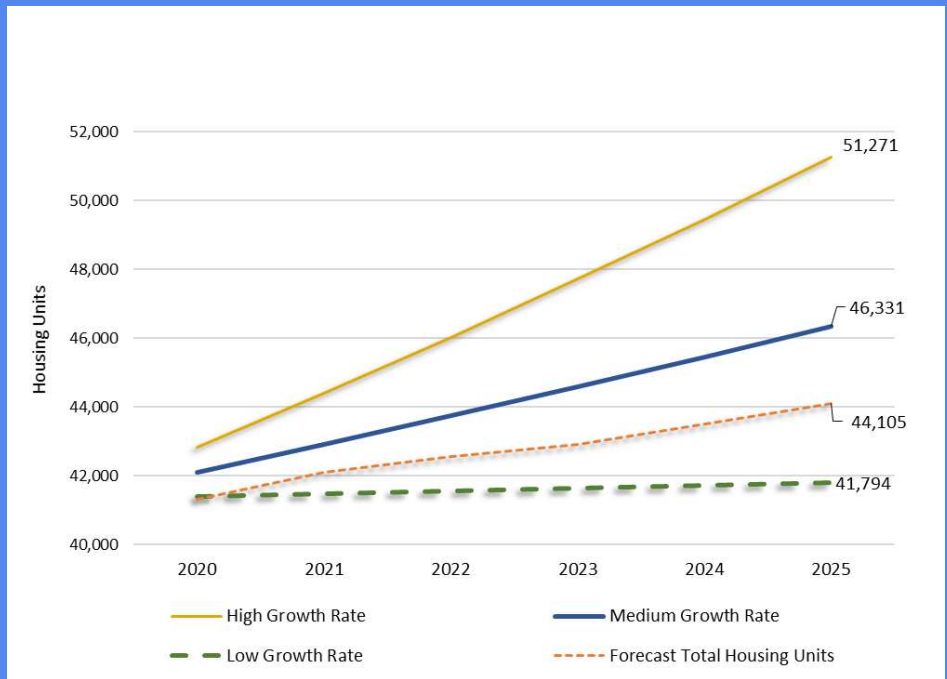
FORECAST SCENARIOS



Under a high growth scenario of 3.6%, Greeley could have 51,271 housing units by 2025, an increase of 9,965 units. Assuming a steady but low growth rate of 0.19%, Greeley could add 488 new units by 2025, for a total of 41,794 housing units. The medium growth scenario shows that Greeley could have an additional 5,025 units by 2025, a total of 46,331 housing units (see *Figure 5.1 on previous page and Figure 5.2*).

Growth rate trends for various periods have also been averaged with more weight given to permit activity occurring over the last 28 years. These rates helped inform staff's projections and provides perspective to recent development concerning high and low growth periods (see *Figure 5.2*).

Figure 5.2: Housing Growth Scenarios and Forecast Greeley, CO 2020-2025





FORECAST SCENARIOS



Given current development activity and the available inventory of buildable lots, staff anticipates two years of increased growth with a peak in the new construction of 999 residential units occurring in 2020 (see *Figure 5.3*). The Strategic Housing Plan and several newly approved subdivisions should fuel this growth for over the next five years or until the next recession hits.

The year 2018 “was the year that was,” as some economists call it because it was a challenging year with performance numbers being particularly low in the global markets. Because of this, many economists believed that a looming recession was underway in 2020, but a change occurred in 2019. There were strong, positive returns in the financial and global markets. Quantifiably, the market numbers in 2019 anticipate modest growth in 2020, rather than what was previously forecasted. Odds are that housing growth may continue, with a positive note that the housing prices may begin to decrease. Inventory is one major cause for the rise in housing sales; with more units, however, the median home sale price may go down, if no other variables interfere.

Acceleration of the new housing start will be slow in 2021, due to the time frame in which development entitlement occurs and also because there is a new trend in the labor market. The decrease in labor market mobility could suggest that there is an increase in telecommuting. More employees prefer to stay home, and with more of them not wanting to upgrade to a larger home, there are fewer homes available. Although telecommuting may be a factor in the reduction of labor mobility throughout the United States, labor mobility in Greeley is expected to continue due to a diversified industry. Greeley has a moderate number of manufacturing jobs, health, and social assistance, and public administration and educational services, to name a few. This, in turn, will help Greeley be on track with the housing goals for the coming years. As such, by the end of 2025, staff projects that Greeley could have up to 51,271 new residential units (*under the high growth scenario*), an increase of 9,965 units from 2019 (see *Figure 5.2 on previous page*).



HOUSING MIX



As the cost of water and construction prices rose across the state, many communities saw a shift in construction to higher-density development. Rising home prices further contributed to a boom in multi-family developments as people were priced out of homeownership.

Given recent development trends in both Greeley and the region, staff anticipates a continued trend toward higher-density development with the 999 projected residential units (see Figure 5.3).

A large proportion of single-family construction may continue in the next few years, but even more multi-family units may be permitted in 2020 and 2021 (see Figure 5.4). The projected housing mix in 2022 may tell a different story, in that more single-family units may be permitted once more. Time can only say how the housing market continues to build out, but given the low-interest rates, modest inflation, and increase in the labor market, Greeley should continue to see steady growth.

Figure 5.3: Projected New Residential Permits Greeley, CO 2020 - 2025

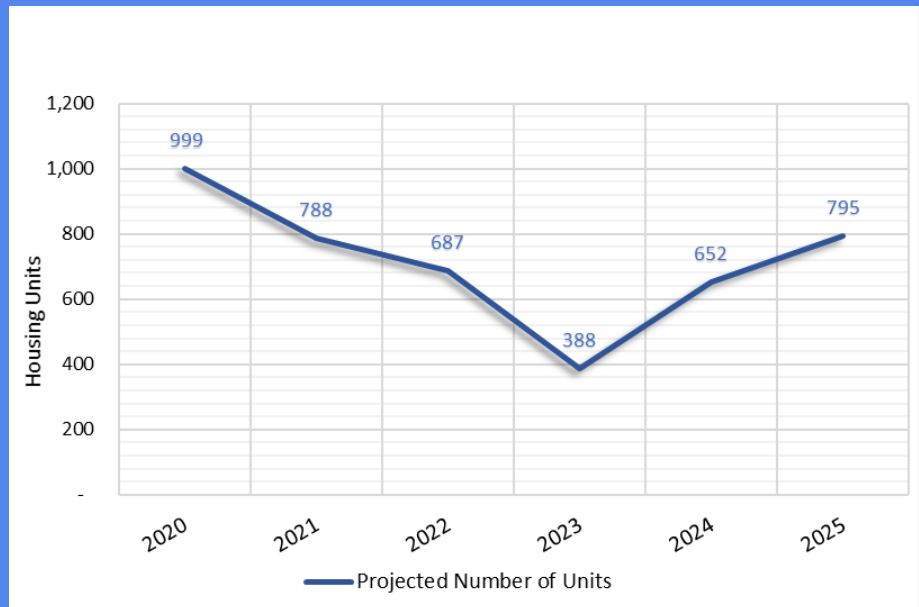
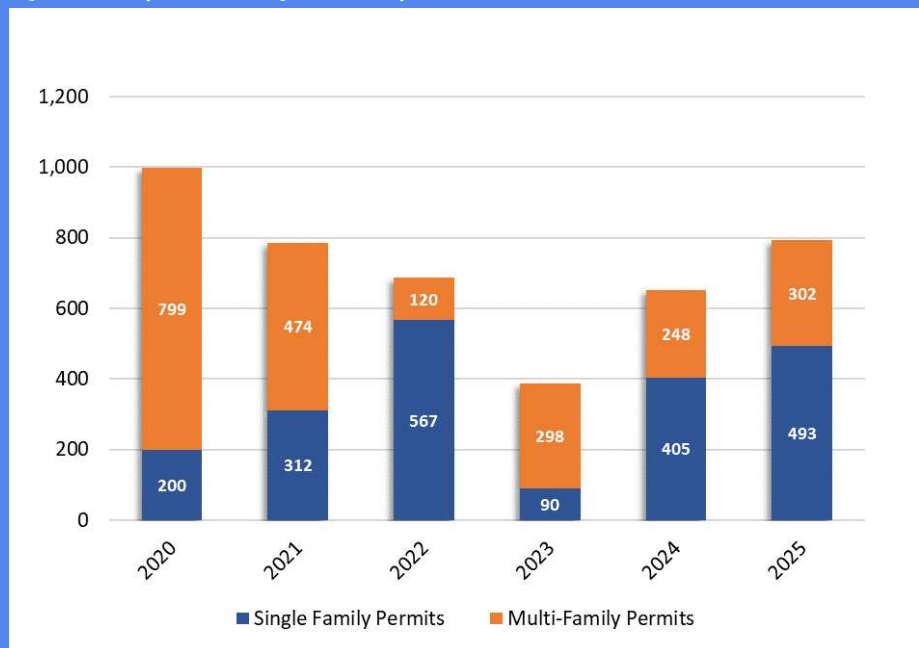


Figure 5.4: Projected Housing Mix, Greeley, CO 2020 - 2025



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