

## Apartment rents soar in northern Colorado

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**By Contributing Writer**



Rents in Colorado rose statewide during the first quarter of 2014, with the statewide average rent hitting a new fourth-quarter high of \$1,026. According to a report released this week by the Colorado Division of Housing, the average rent during the first quarter was up 8 percent from last year's first-quarter average rent of \$950, and it was up from last year's fourth-quarter rent of \$992.

Rent growth was not uniform statewide. The average rent was flat in Pueblo from the first quarter of 2013 to the first quarter of 2014. In Grand Junction, during the same period, the average rent fell 5.2 percent. On the other hand, rents soared in northern Colorado with the average rent rising 17.2 percent, year over year, in Ft. Collins, and 12.6 percent in Greeley.

Average rents in all metropolitan areas measured for the first quarter of 2014 were Colorado Springs, \$822; Ft. Collins, \$1216; Loveland, \$1026; Grand Junction, \$525; Greeley, \$793 and Pueblo, \$595. The average rent in metro Denver, measured last month in a separate survey, was \$1073.

"Rent growth has accelerated in northern Colorado and metro Denver over the past year, pushed along by job growth and demand that continues to outpace new construction in many market areas," said Ryan McMaken, an economist with the Colorado Division of Housing. "We have seen vacancies pushed up a little in some markets with a significant amount of new multifamily construction, such as Colorado Springs and metro Denver, but it has not been enough to push the average rent back down."

The vacancy rate for Colorado apartments during the first quarter of 2014 rose across the state with the statewide composite vacancy rate rising year over year to 5.2 percent from 2013's first-quarter vacancy rate of 4.9 percent. The first quarter's rate was down from 2014's fourth-quarter rate of 5.4 percent.

Vacancy rates varied in different areas of the state, however, with the Ft. Collins/Loveland area's vacancy rate dropping to a 13-year low of 1.7 percent while Colorado Springs's vacancy rate increased to 6.7 percent. Grand Junction's vacancy rate dropped to a 5-year low of 5.3 percent.

“Greeley is one of those places where brand-new buildings in the process of lease-up have increased the vacancy rate, with Greeley’s rate rising to 4.4 percent,” McMaken said. “But if we ignore the brand-new buildings in our calculations, we find a vacancy rate of only 0.7 percent in Greeley overall which shows that there’s still a very tight market there.”

Vacancy rates in all metropolitan areas measured for the first quarter of 2014 were Colorado Springs, 6.7 percent; Ft. Collins/Loveland, 1.7 percent; Grand Junction, 5.3 percent; Greeley, 4.4 percent and Pueblo, 8.1 percent. The vacancy rate in metro Denver, measured last month in a separate survey, was 5.1 percent.

A vacancy rate of 5 percent or below suggests a tight market. The statewide composite vacancy rate and average rent includes metro Denver.

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 website: [www.divisionofhousing.com](http://www.divisionofhousing.com).