

Second Quarter 2012

Colorado Multi-Family Housing Vacancy & Rental Survey

covering

Colorado Springs, Fort Collins/Loveland, Grand Junction, Greeley, and Pueblo

sponsored by

Colorado Division of Housing

Apartment Realty Advisors

Pierce-Eislen

conducted by

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of
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The sponsors of the Colorado Multi-Family Vacancy and Rent Survey contract with an independent researcher to produce this report. No individual information is released by the researcher to a sponsor or to the public.

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Report Summary

The Colorado Division of Housing, Apartment Realty Advisors, and Pierce-Eislen sponsor this report as a service to the multi-family housing industry in Colorado. The purpose of this survey is to report vacancy and rent levels for multi-family housing in selected markets. The survey is conducted to provide residents, owners and managers of rental property, local and state government officials, and investors and developers with accurate and up-to-date information on the multi-family rental housing industry.

The survey reports averages so there may be significant differences in vacancy and rental rates by market area, size and location of multi-family buildings. The survey was possible because of the excellent cooperation of participating apartment managers, owners, and property managers. For the Second Quarter 2012 Survey 28,145 reported compared to 30,048 for the Second Quarter 2011 Survey. In the Second Quarter 2010, 29,191 units reported and 26,713 for the Second Quarter 2009 Survey. All information collected on each building/complex is TOTALLY CONFIDENTIAL. Only summary data is reported.

The overall composite Colorado state vacancy rate for the market areas surveyed and the metro Denver area decreased to 4.9 percent for June of 2012 compared to 5.6 percent for December 2011 compared to 5.2 percent in June 2011, compared to 5.8 percent for December 2010. It was 6.2 percent for June 2010. It is difficult to generalize, but a 5.0 percent vacancy rate is considered to be an equilibrium rate. The vacancy rate varies with Colorado Springs at 6.0 percent; Fort Collins/Loveland, 3.5 percent, Grand Junction, 5.5 percent; and Greeley, 5.4 percent.

The overall average rent per square foot ranges from a low of 83 cents in Pueblo to a high of 116 cents in Fort Collins/Loveland. Rent per square foot is generally the highest in efficiency apartment units and the lowest in three bedroom units. Rental rates are generally lowest with 2 to 8 unit buildings, 9 to 50 and 51 to 99 unit buildings being in the mid-range, and rates highest in the largest buildings (100 and up). Rents are based on the units being unfurnished with residents paying gas and electricity.

This report features information on resident turnover. Turnover rate is defined as the frequency at which renters move-out of their apartment units. This information has been calculated for the larger rental markets in our survey: Colorado Springs, Fort Collins/Loveland, Grand Junction, Greeley, and Pueblo. It is summarized under, Resident Turnover per Month by Size of Building and Resident Turnover per Month by Age of Building. In Colorado Springs, the turnover rate for is 5.6 percent. This means that tenants moved out of 5.6 percent of the units the previous month.

All data is for the month of June except for turnover. That data is based on data from the previous month. Data for June represents move-outs from May. The turnover is only for one month. In some markets, seasonal fluctuations limit the use of this data to a monthly comparison and should not be used to extrapolate an annual turnover rate.

Survey management and analysis was done by Dr. Ron L. Throupe, of The University of Denver and Jennifer L. Von Stroh of Colorado Economic and Management Associates. Information furnished by participants is considered reliable. The sponsors and author make no warranty, express or implied, and assume no legal liability or responsibility for the inclusion of data from the participants in the survey or for the use of the data from the survey. Material contained in this publication is within the public domain and may be reproduced without special permission when proper reference is given to the Colorado Division of Housing and Colorado Economic and Management Associates.

INTRODUCTION

The purpose of this Colorado Multi-Family Vacancy and Rental Survey is to show vacancy rates by type of apartment (efficiency; one bedroom; two bedroom, one bath; two bedroom, two bath; three bedroom; and other) and rent levels by location, age and size of building. The Survey includes all multi-family rental, two units and up.

The Survey covers seventeen major market areas for the First and Third Quarters: Alamosa, Aspen, Buena Vista, Canon City, Colorado Springs, Durango, Eagle County, Fort Collins/Loveland, Fort Morgan/Brush, Glenwood Springs, Grand Junction, Gunnison, Lake County, Montrose, Pueblo, Salida, Southeast Colorado, Steamboat Springs, Sterling, Summit County, and Weld County. For the Second and Fourth Quarters only metropolitan areas in the state are surveyed. Because of the size of some of the markets, three areas were sub-divided: Colorado Springs has seven sub-markets, Fort Collins/Loveland has five, and Pueblo has four.

The boundaries for Colorado Springs are:

Northwest: on the east, I-25 and on the south, Cimarron Street, Eighth Street and Lower Gold Camp Road; Northeast: on the west and southwest, I-25, Nevada Avenue, Austin Bluffs Parkway, Union Blvd., and Circle Drive and on the south, Platte Avenue; on the north, northeast, and east, Academy Boulevard; Far Northeast: on the west and northwest, Academy Boulevard; on the south, Platte Avenue; Southeast: on the north, Platte Avenue, on the west, Circle Drive and I-25 and on the south, Drennan Road; Security/Widefield/Fountain: on the north, Drennan Road and on the west, I-25; Southwest: on the east, I-25 and on the north and west, Cimarron Street, Eighth Street, and Lower Gold Camp Road; and Central: on the north and east, Austin Bluffs Parkway, Union Blvd, Circle Drive and on the south and west, Circle Drive and I-25.

The boundaries for Fort Collins are:

Northwest: on the east, College Avenue and on the south, Prospect Road; Northeast: on the west, College Avenue and on the south, Prospect Road; Southeast: on the north, Prospect Road and on the west, College Avenue; and Southwest: on the east, College Avenue and on the north, Prospect Road. The boundary for Loveland is the City of Loveland.

The boundaries for Pueblo are:

Northwest: on the east, I-25 and on the south, the Arkansas River; Northeast: on the west, I-25 and on the south, the Arkansas River; Southeast: on the north, the Arkansas River and on the west, I-25; Southwest: on the east, I-25 and on the north, the Arkansas River.

The boundaries for the other market areas generally use the incorporated city limits of each jurisdiction.

Each table in the Survey is labeled by a market or sub-market area. With the tables for each market or sub-market area, for each type of apartment by rent level, the following format is used:

9 = number of units vacant (first figure)
194 = total number of units reporting (second figure)
4.6% = vacancy rate (third figure)

When no figures are shown, no apartments of the specific size and rent level were reported. With the summary tables, there may be no data or there may be only a limited number of complexes and disclosing the information would reduce confidentiality. All vacancy rates are as of the 10th of September for the September Survey (except for 2000 which was for October 10), and the 10th of March for the March Survey.

The samples were taken with the assumption that the rates were for unfurnished rental units with tenants paying electricity and gas. Apartment complex/building lists were developed from official lists. Returned survey forms were checked for completeness, then coded and entered into the computer for processing. Tabulations were performed by the use of a computerized program. The cumulative totals have a confidence interval of +/-1 percent at the 95 percent confidence level.

The information for this Survey was obtained from participating apartment managers, owners, and property managers. All information collected on each building/complex is TOTALLY CONFIDENTIAL. Only Survey totals are published. Information furnished by participants is considered reliable. The sponsors and author make no warranty, express or implied, and assume no legal liability or responsibility for the inclusion of data from the participants in the Survey or for the use of the data from the Survey. Any quotations and/or reproductions of the Survey must indicate the **sponsors and the author**. This report is copyrighted by Jennifer L. Von Stroh.

Since 1995 the Division of Housing of the State of Colorado has funded the Multi-Family Housing Vacancy and Rental Survey for various Colorado Communities. A state-wide Survey (except Metro Denver) covers the first and third quarters. Starting with the fourth quarter of 2006, Greeley, Fort Collins/Loveland, Colorado Springs, Pueblo, and Grand Junction will be surveyed in the second and fourth quarters. A public/private partnership has worked to make this possible. In the spirit of cooperation, sponsors share in the credit for this combined effort to provide information on the apartment industry. The intent is to provide information that will be used by all individuals associated with the industry.

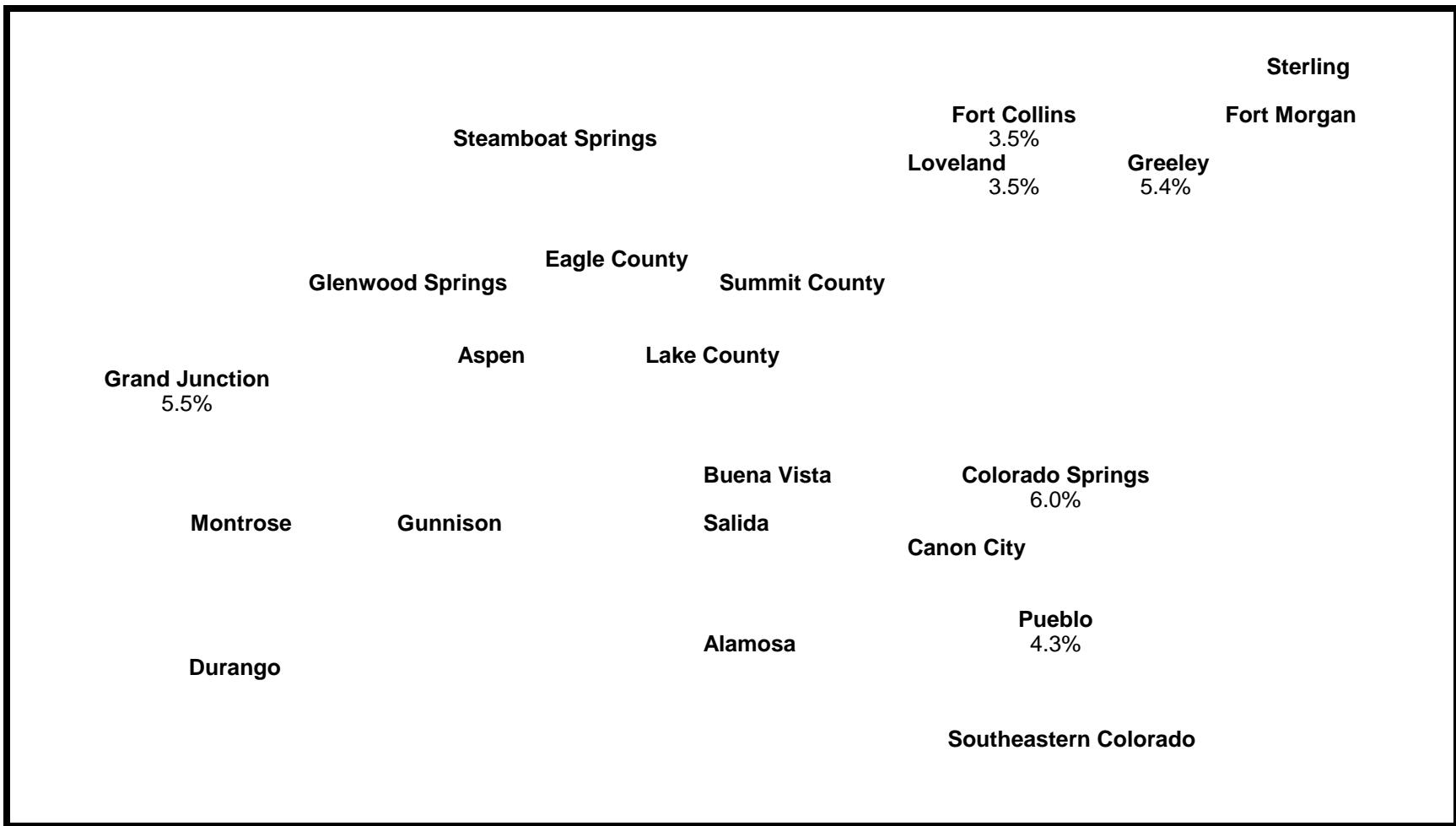
The excellent industry cooperation by various apartment associations, county and local officials, owners and apartment managers is appreciated. Survey management and analysis was done by Jennifer L. Von Stroh of Colorado Economic and Management Associates, and Ron L. Throupe of the University of Denver.

The Division of Housing will use the Survey as a data source for compiling current market information for updates to its community housing profiles, which are contained in the Consolidated Plan. The Consolidated Plan is a strategic investment plan, which enumerates the actions the State will take to assist communities in meeting their housing and infrastructure needs. Additionally, as federal dollars for public housing decrease, accurate rental market information will be essential in order for public housing authorities to verify local fair market rents established by the United States Department of Housing and Urban Development.

The sponsors and author of this report view it as a work in progress. The intent is to make this Survey consistent in methodology and scope with the Denver Area Apartment Vacancy and Rental Survey. The ultimate goal is to have multi-family rental market data that is consistent statewide. As the sample size stabilizes and the research procedures become fixed, new market areas will be added to the report. The market areas selected for the report were determined on the basis of market size, perceived regional importance and/or the percentage of renters paying a high share of income for shelter. Changes in format and in the tables and graphs are possible if user recommendation indicate a change is warranted.

The accuracy and reliability of this Survey can be improved by increasing the size of the sample returns for each market area. If you are an owner or manager of multi-family rental housing in the listed market areas and would like to participate in the Survey, please contact Jennifer Von Stroh at VonStrohHousingSurvey@gmail.com.

STATE OF COLORADO VACANCY RATES BY MARKET AREA



**RENTS AND VACANCIES
FOR THE TOTAL STATE OF COLORADO****

| Year/Quarter | Vacancy Rate (In Percent) | Average Rent (In Dollars) | Median Rent (In Dollars) |
|--------------------|------------------------------|------------------------------|-----------------------------|
| 3rd Quarter 2001** | 6.2 | 785.19 | |
| 1st Quarter 2002** | 8.4 | 781.35 | 765.34 |
| 3rd Quarter 2002** | 9.1 | 766.53 | |
| 1st Quarter 2003** | 11.6 | 773.01 | 787.29 |
| 3rd Quarter 2003** | 11.1 | 792.59 | |
| 1st Quarter 2004** | 11.2 | 772.16 | 737.17 |
| 3rd Quarter 2004** | 9.8 | 792.59 | |
| 1st Quarter 2005** | 10.4 | 785.53 | 747.78 |
| 3rd Quarter 2005** | 8.6 | 805.72 | 759.68 |
| 1st Quarter 2006** | 7.7 | 798.26 | 753.72 |
| 3rd Quarter 2006** | 7.2 | 824.54 | 788.02 |
| 1st Quarter 2007** | 7.5 | 805.94 | 765.12 |
| 2nd Quarter 2007* | 6.7 | 823.71 | 771.63 |
| 3rd Quarter 2007** | 5.7 | 821.41 | 781.13 |
| 4th Quarter 2007* | 6.6 | 824.35 | 784.23 |
| 1st Quarter 2008** | 6.1 | 823.01 | 784.22 |
| 2nd Quarter 2008* | 6.7 | 848.06 | 802.91 |
| 3rd Quarter 2008** | 6.6 | 851.47 | 808.21 |
| 4th Quarter 2008* | 8.0 | 851.81 | 797.23 |
| 1st Quarter 2009** | 8.5 | 844.39 | 796.13 |
| 2nd Quarter 2009* | 9.1 | 837.32 | 784.11 |
| 3rd Quarter 2009** | 7.4 | 841.88 | 789.46 |
| 4th Quarter 2009* | 7.9 | 839.86 | 782.53 |
| 1st Quarter 2010** | 6.6 | 840.44 | 803.67 |
| 2nd Quarter 2010* | 6.2 | 862.24 | 812.70 |
| 3rd Quarter 2010** | 5.5 | 871.78 | 824.50 |
| 4th Quarter 2010* | 5.8 | 871.82 | 821.30 |
| 1st Quarter 2011** | 5.5 | 873.94 | 828.91 |
| 2nd Quarter 2011* | 5.2 | 877.02 | 826.58 |
| 3rd Quarter 2011** | 5.0 | 898.15 | 851.97 |
| 4th Quarter 2011* | 5.6 | 900.05 | 848.21 |
| 1st Quarter 2012** | 5.2 | 914.95 | 861.34 |
| 2nd Quarter 2012* | 4.9 | 942.03 | 888.31 |

Denver Metro Area Apartment Vacancy and Rent Survey
Colorado Multi-Family Housing Vacancy and Rent Survey

** Includes data for all market areas surveyed for respective quarters.

* Only includes data for Colorado Metropolitan Areas.

AVERAGE RENTS BY SIZE OF BUILDING

(In Dollars)

| Market Area | 2007 | | | | 2008 | | | | 2009 | | | | 2010 | | | | 2011 | | | | 2012 | | | | | | | | | | | | | | | | |
|------------------------|---|---|---------|---|---------|---|---------|---|---------|---|---------|---|---------|---|---------|---|---------|--|---------|---|---------|--|---------|--|--|---|--|---|--|--|--|--|--|--|--|---|--|
| | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | | | | | | | | | | | | | |
| Alamosa | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 476.73 422.88 | | 480.51 437.50 | | 490.54 447.88 | | 488.75 472.88 | | 584.17 333.27 | | 462.50 589.32 347.88 | | 462.50 589.51 348.27 | | 462.50 591.15 349.04 | | 512.50 596.26 349.42 | | 537.50 596.44 349.42 | | 617.70 470.19 | | | | | | | | | | | | | | | |
| Aspen | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 1138.19 1016.76 1170.78 | | 1146.25 1148.84 1261.66 | | 1171.25 1007.48 1279.39 | | 1039.31 1283.11 | | 986.60 1086.99 | | 991.11 1093.41 | | 1093.33 1095.78 | | 1016.36 1095.78 | | 1284.56 1019.14 1096.62 | | 1019.14 1097.64 | | 916.91 | | | | | | | | | | | | | | | |
| Buena Vista | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 507.74 | | 517.26 | | 526.79 | | 528.87 | | 607.74 | | 610.71 | | 610.71 | | 591.67 | | 591.67 | | 586.90 | | 650.00 | | | | | | | | | | | | | | | |
| Canon City | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 612.50 562.50 540.00 | | 612.50 | | 633.15 586.16 565.00 | | 587.50 635.90 562.50 | | 582.18 583.48 574.26 | | 592.29 584.82 575.00 | | 592.29 584.82 562.50 | | 607.18 584.82 587.50 | | 630.05 584.82 587.50 | | 630.05 584.82 587.50 | | 608.48 612.50 | | | | | | | | | | | | | | | |
| Colorado Springs | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 537.92 493.83 543.81 614.37 788.99 637.49 | | 583.45 510.81 574.55 606.85 737.74 705.09 | | 549.13 509.79 563.76 629.98 777.38 656.63 | | 548.99 520.14 583.75 597.20 751.02 695.73 | | 583.87 522.77 580.42 634.20 775.69 681.30 | | 547.66 535.06 583.12 645.21 781.15 692.49 | | 575.17 525.22 584.97 634.52 747.27 659.29 | | 591.25 501.11 630.57 649.86 794.72 595.39 | | 556.68 504.67 595.74 635.33 774.87 562.56 | | 563.65 511.32 622.68 634.40 793.94 588.15 | | 575.09 525.28 609.03 623.75 803.44 609.62 | | 562.37 524.32 615.03 637.59 809.61 616.74 | | 606.97 624.32 643.83 670.73 798.93 654.10 | | 610.63 625.45 707.11 728.82 802.63 691.05 | | 650.06 598.56 635.18 682.98 803.37 668.88 | | 595.31 585.39 635.18 728.82 848.09 660.00 | | 1182.81 593.77 636.23 745.81 836.20 707.61 | | 1084.81 600.82 647.74 732.92 818.60 706.54 | |
| Durango | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 747.68 851.07 | | 612.50 759.42 848.35 | | 616.67 748.81 853.86 | | 604.17 733.26 774.10 | | 861.58 758.89 815.81 | | 811.67 758.89 957.95 | | 811.67 758.89 957.95 | | 629.17 744.81 957.95 | | 633.33 733.59 777.19 | | 637.50 731.80 777.19 | | 637.50 727.29 777.19 | | 827.25 | | | | | | | | | | | | | |
| Eagle County | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 838.07 1125.98 1128.46 | | 1055.17 1073.85 1109.63 | | 1009.87 1056.89 1109.75 | | 1105.07 1073.06 1107.29 | | 887.50 1033.82 1094.75 1075.53 | | 900.00 1019.99 1104.55 1131.63 | | 1037.50 907.71 1028.44 1119.05 1144.01 | | 1037.50 1453.25 1026.06 1079.09 1157.29 | | 1037.50 900.69 1215.93 1083.32 1157.29 | | 1037.50 1215.93 1112.50 1083.32 1165.37 | | 1028.30 1122.50 1165.37 | | 935.41 958.76 1052.00 | | | | | | | | | | | | | |
| Fort Collins/ Loveland | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 766.91 680.55 765.96 756.50 722.83 1106.52 | | 768.38 708.93 720.73 771.71 788.07 1209.58 | | 737.50 645.55 724.22 688.19 743.28 1209.58 | | 688.29 718.97 689.24 749.93 788.53 1204.99 | | 696.64 582.15 704.08 697.23 881.37 1243.71 | | 745.84 711.59 725.14 669.05 803.92 1243.71 | | 779.64 733.06 743.43 667.79 822.10 1301.60 | | 737.81 726.00 726.00 643.53 824.48 1301.60 | | 1160.73 649.30 644.64 762.17 869.84 1291.71 | | 769.16 649.40 649.40 755.46 885.79 1336.24 | | 1169.09 759.87 690.06 759.99 857.59 1336.24 | | 1906.67 764.25 662.41 825.08 891.78 1336.24 | | 695.00 793.04 694.63 815.56 893.01 1369.58 | | 934.31 722.46 759.11 886.34 925.78 1369.58 | | 1304.55 720.03 751.50 870.75 939.49 1363.68 | | 1131.94 729.78 788.13 769.79 999.58 1369.58 | | 788.45 803.56 880.89 953.69 1019.72 1307.13 | | | |
| Fort Morgan/ Brush | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 324.40 399.80 | | 308.09 382.12 438.38 | | 320.11 382.12 459.34 | | 330.98 382.12 465.55 | | 336.41 458.46 439.53 | | 337.50 503.87 439.53 | | 325.54 490.64 439.53 | | 328.80 473.57 475.42 | | 452.57 475.42 | | 453.99 488.17 | | 447.54 492.94 | | | | | | | | | | | | | | | |
| Glenwood Springs | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 898.55 542.24 879.24 | | 863.21 688.41 770.64 | | 864.84 665.38 745.09 | | 828.29 627.24 974.93 | | 857.50 765.37 974.93 | | 852.50 746.57 974.93 | | 1058.33 746.57 974.20 | | 1058.33 808.82 854.77 | | 910.56 810.29 854.27 | | 1058.33 814.95 854.27 | | 740.63 896.94 | | | | | | | | | | | | | | | |
| Grand Junction | 2 to 8 9 to 50 51 to 99 100 to 199 200 to 349 350 up | 458.96 609.76 645.23 525.62 | | 487.50 594.95 646.45 473.41 | | 387.50 683.92 650.54 528.33 | | 551.88 602.03 655.11 550.34 | | 512.50 604.30 680.92 593.59 | | 786.76 682.69 682.69 598.73 | | 795.50 698.74 678.64 593.59 | | 538.09 609.95 653.32 612.35 | | 756.44 596.73 642.36 615.38 | | 696.29 767.88 767.88 595.90 | | 778.03 716.21 642.14 604.45 | | 537.75 591.15 553.73 616.96 | | 695.48 726.79 602.33 616.96 | | 716.25 726.79 616.09 625.03 | | 711.46 619.12 734.41 630.47 | | 586.00 544.76 602.48 782.64 | | 736.14 778.26 825.70 784.47 | | | |

