

Midyear permits (January through June) issued for both single-family and multi-family permits decreased significantly compared to the same timeframe in 2018. A total of 86 permits were issued for single-family dwellings from January – June 2019, which is lower than the 210 permits issued from January – June 2018. This is a 59% drop. The original projection was that 345 single-family units would be permitted in 2019; however, only 25% of this projection has been permitted thus far in 2019.

Following the same trend as the single-family dwelling permits, the multi-family permit count also lowered, coming in at approximately 55% less than last year’s numbers at this point in the year. A total of 57 permits were issued for multi-family dwellings in the first half of 2019 compared to 126 in the same timeframe in 2018. A total of 422 multi-family units were anticipated in 2019; however, only 13.5% have been realized.

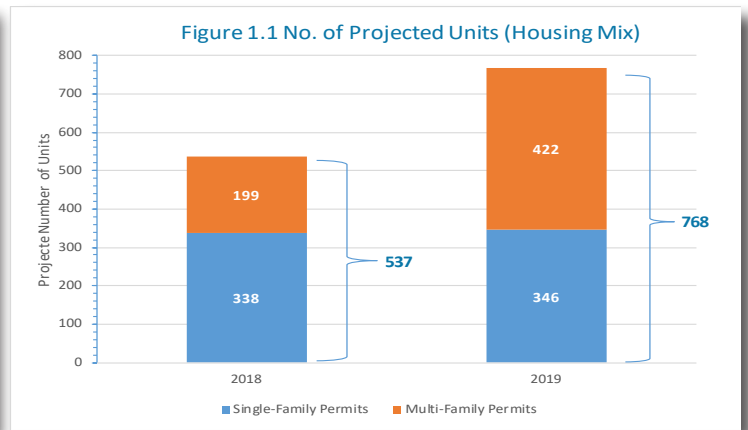
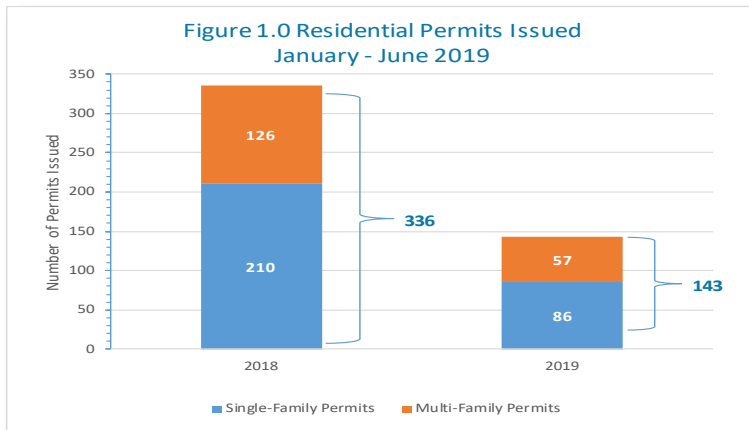


Figure 1.2 shows that the total number of units projected vs the existing permits issued for single-family and multi-family units combined year-to-date is 37% less than what was expected. This recent downturn in permits could be directly correlated with a combination of a sharp increase in real mortgage rates and bad spring weather. Activity in the housing market continues to be highly competitive because of the continued shortage of housing stock in the Greeley market; the decrease of building permits have only worsened this issue.

End of year projections, however, show a significant increase of up to 50% from the projected year to date statistics. With the fall of mortgage rates, an average of 3.5% year-to-date, the lowest since November 2018,* and a number of new subdivisions that were approved and currently being designed, the new end of year projections are anticipated to be 60% of the total pending residential permits shown on Figure 1.3., which is 30% greater than the end of year projection.

This increase of residential permits can be anticipated in the next upcoming year at Trails at Sheep Draw, Poudre Trail Apartments, City Center West Residential, University Flats Phase II, Centerplace North, and Gateway Park II Apartments.

Thus far, in 2019, the majority of the permits issued were constructed in three major subdivisions, Trails at Sheep Draw, Promontory West, and River Run at Poudre River Ranch.

Projected Year to Date	vs.	Existing Year to Date
384		143
Projected End of Year	vs.	New Projection End of Year
768		999

Subdivision	Number of Permits
Trails at Sheep Draw - Multi-Family	546
Trails at Sheep Draw - Single-Family	42
Centerplace North – Multi-Family	133
Poudre Trail - Multi-Family	256
University Flats Phase II - Multi-Family	42
City Center West Residential, 1st Filing - Multi-Family	264
Gateway Park II PUD - Multi-Family	144
Total	1,427

* Source: Primary Mortgage Market Survey, U.S. weekly averages as of July 18, 2019, www.freddie.com/pmms/