

# Land Market Report • 1st Quarter 2019

## Colorado Springs, CO



### Building Permit Activity

Year	Single Family	All Others	Annual % Change (Single-Family)	Annual % Change (All Types)
'08	1,223	762	-42.7%	-35.8%
'09	1,105	232	-9.65%	-32.6%
'10	1,404	311	27.1%	28.3%
'11	1,399	821	-.03%	29.4%
'12	2,218	767	59%	34.5%
'13	2,693	745	21.5%	15.2%
'14	2,439	1,090	-9.4%	2.6%
'15	2,739	2,046	12.3%	1.6%
'16	3,237	1,717	18.2%	38.1%
'17	3,361	1,321	3.8%	-5.49%
'18	4,083	1,701	21.5%	28.8%
10-Year Avg.	2,590			
Through March '18	1,034	402		
Through March '19	768	419	-27.3%	4.23%

Source: El Paso County Regional Building Department, Colorado Division of Housing and Apartment Association of Southern Colorado

**“The 1st quarter of 2019 has exceeded expectations with continued growth in nearly all market segments of the land market. All indicators point to an excellent 2019 that should remain sustainable for the next few years.”**

### 1st Quarter Highlights

- ◆ Catering to the continued growing need for more affordable for-sale housing (\$350,000 and less) and for-rent housing (\$1,000/per month or less) throughout the market will be the primary trend in 2019 and for the foreseeable future.
- ◆ Many home builders are focusing on purchasing land for affordable, for-sale and lease, high-density attached (townhomes and duplexes 6 to 12 units per acre) and detached residential (single family homes 6 to 10 units per acre) product. Also, new construction for condominiums have returned to the market for the 1st time since 2006.
- ◆ Demand for new homes remains high and steady, however an increase in building permits from 2018 are not likely in 2019 because of the continued labor shortage for both lot development and home construction. Additionally, the entitlement process has slowed down and requires typically more than 12 months to complete entitlements. These factors continue to increase prices for new and resale homes.
- ◆ Single family building permits remain dropped approximately 27% in the first quarter of 2019 compared to the 1st quarter of 2018. The primary reason was builders pulled extra permits at the end of 2018 to avoid new building standards and costs that will be required in 2019. The number of permits is still expected to exceed 3,500 permits in 2019.
- ◆ Apartment rental vacancies dropped to 5.9% and lease rates continue to increase. The average rent of \$1,171.62/per month in the 1st quarter of 2019, which set a new record for Colorado Springs.

### KEY TRANSACTIONS

\*Transaction Represented by Quantum Commercial Group

Buyer	Seller	Property	Amount
*Tracker, LLC (Local commercial developer/investor)	Indigo Ranch Investors, LLC (Regional development group)	5.32 acres of commercial property at NWC of Dublin Blvd. and Marksheffel Road	\$1,960,200
*Century Homes (public home building company)	Harry and Lynn Fries	4709 Chaparrel Road – 12.15 Acres with approved entitlements for single family and paired housing	\$1,400,000
*Local Investor	Lowell Capital, LLC	820 South Weber Street – 40,835 sf for 2 – 30 unit apartment buildings	\$600,000

