

**Fort Carson Regional Growth Plan  
Housing Partnership Group Meeting Summary  
October 27, 2009  
Pikes Peak Area Council of Governments (PPACG)**

**Attendees:**

- Heidi Aggeler, BBC Research & Consulting (BBC)
- Emilia Carangelo, Richmond American Homes
- Roger DeKloe, New Generation Homes
- Kate Hatten, PPACG
- Effie Russell, Housing and Urban Development (HUD)
- Sarah White, PPACG

**Phase 2 Update/Status:**

Sarah White started introductions and provided a brief recap of items discussed at the October 21<sup>st</sup> Colorado Defense Mission Coalition (CDMC) meeting. Doug Jeavons and Josh Sidon with BBC Research & Consulting (BBC) gave a presentation at the CDMC meeting about the Growth Plan's economic impact model. Laura Russmann announced that rental vacancy rates dropped slightly in the 3<sup>rd</sup> Quarter of 2009. Rental rates also dropped because of increased competition, which hurts property owners who haven't been able to increase rental rates for seven years. The National Association of Residential Property Managers (NARPM) is working on a study to determine the inventory of single family detached rental units, as current data are very limited. BBC is working on getting NARPM data. Sales of homes are still low, and plenty of housing stock is available.

**BBC Research Updates:**

Heidi Aggeler gave an overview of the material provided to the attendees (attached). Ms. Aggeler reviewed the draft housing model numbers (flowchart), showing what data sources and demographic components (family status – accompanied or single Soldiers, age of spouse, children and Soldiers, and brigade/paygrade) will be utilized in the housing model and how the housing demand data will be allocated. The model projects how many Soldiers will be accompanied and the demographic makeup of the Soldiers and their families. Although the balance of the 4ID and 1BCT troops should be here by the end of the year, deployments will continue to affect the number of Soldiers and family members in area. The model will be useful for assessing future deployment behaviors, as the rental market is very sensitive to deployment effects.

Ms. Aggeler then presented the draft housing numbers for 1Q09 to 3Q09. She asked for the group's response to the numbers presented, especially for the number of purchase transactions and rental units absorbed. BBC's data show 4,993 purchase transactions for 2Q and 3Q in Colorado Springs only, with approximately 1,000 of those houses attributed to Fort Carson Soldiers. Effie Russell stated that there have only been 895

single family detached permits issued to-date this year and only 16 multi-family permits. It was noted that the 1,000 purchases include the resale market and are not solely new home purchases.

### **Open Discussion**

The group discussed the realities of the housing market and the severe decline in housing sales noting that uncertainties of continuing war and deployments are keeping most Soldiers and their families from purchasing homes. Developers anticipated an economic boon from the influx of Fort Hood Soldiers, which has not materialized. Roger DeKloe stated that this market is the worst he has seen in his 30 in the housing industry, noting that New Generation Homes, which specializes in providing affordable homes for Soldiers in the Security/Widefield area, has seen house sales of approximately 15% of their annual average for the last two years. He indicated that Soldier credit issues are not a large factor in the decline of home sales. He attributes the decline in home sales to Soldiers' uncertainty about their future and the future value of their homes.

BBC continues to work with data obtained from RD Niehaus based on the 2008 Fort Carson Housing Market Analysis and more recent research by Niehaus. The recent data suggest Soldiers' uncertainty in their lives, instability in their family units and the families' desire to stay or return home are all factors in families' decisions not to purchase homes. Competition for jobs and economic conditions in the area may also contribute to families' reluctance to relocate or purchase a home here.

Ms. Aggeler stated that, based on the analysis presented, there will be tight supply in certain rental market areas at times, but overall there is sufficient housing/rental supply. This is good for Soldiers, but not for developers. BBC and PPACG will continue to monitor local housing and economic factors to project housing demand and capacity and provide updated information as the housing tasks progress.

### **Next Steps:**

PPACG will host a housing forum on December 4<sup>th</sup> at 10:00 am at PPACG. The purpose of the forum will be to get industry reaction about data and analysis presented by BBC.

The group will not meet before the December 4<sup>th</sup> housing forum. PPACG will send invitations via email to the partnership group and will send a meeting summary and BBC's draft economic model presentation.

The meeting was adjourned at 5:00 pm.