

## Douglas No. 1 in growth

### Expanding housing market puts county on top of U.S. Census list

By Janet Forgive and John Rebchook

Douglas County added new homes at a greater rate than any other U.S. county in the year ended July 1, 2002.

The 8.3 percent growth rate in housing units during that period put the Colorado county at the top of the U.S. Census Bureau's list of fastest-growing counties, according to a report released today.

The report shows the estimated growth of homes and apartments between July 1, 2001, and July 1, 2002. Broomfield County came in at No. 6.

A 2.9 percent increase statewide placed Colorado second among states in terms of growth rates, behind first-place Nevada. Texas added the most new units, 149,000, but its growth rate was 1.8 percent.

Only the District of Columbia saw a decrease, losing 929 units or 0.3 percent.

Overall, the country's housing stock grew by 1.3 percent, to 119.3 million, the report said.

Housing units include everything from mansions to studio apartments. The information is culled from a combination of new building permits and follow-up inspections to make sure the new units are built, said Dennis Johnson, program coordinator for the Denver Regional Census Office.

Nancy McCallin, chief economist for Gov. Bill Owens, said the strong showing does not surprise her.

"It's always good to be ranked high for economic activity," McCallin said. "It is indicative of overbuilding in apartments, but we already knew that. We're not seeing

rampant speculation. The 2.9 percent growth for the state is not something to worry about."

She said the housing market had remained relatively stable during that time period, but apartments were overbuilt. And low mortgage rates have kept the housing market going, she added.

"Clearly, a lot of our growth has taken place in Douglas County and in Broomfield, because that's where we have land," she said. "Douglas County has been at the top for quite some time."

Mike Rinner of the Genesis Group, which tracks real estate across the Front Range, agreed with McCallin that apartment growth likely helped send Douglas County to the top of the list.

"Douglas County is one of the most overbuilt areas as far as apartments," Rinner said. Growth in Douglas County makes sense, he said.

"You like to see growth without 'leapfrogging' over areas without the established infrastructure," Rinner said. "You could say that Douglas County growth is good, logical growth. You could argue that the growth in Highlands Ranch is now infill development because it is so established."

The numbers in the report are a year old, and it's unlikely that they'll look the same a year from now, some experts said.

"I don't expect this to hold up in 2003," McCallin said. Byron Koste, head of the Real Estate Center at the University of Colorado's Leeds School of Business, said the census statistics reflect a time period when builders and buyers didn't fully

grasp the seriousness of the economic downturn.

"We were still riding that 2001 wave," he said. "The economy was adjusting . . . but this is certainly not sustainable. We're not going to see these counties repeat this kind of performance from '02 to '03. I'll be astounded if they're even in the top ten."

Koste said in the coming year, the only thing that would fuel growth in Douglas County and in Broomfield is buyers moving there from other parts of the metro area.

"If people who still have jobs perceive that Douglas County and Broomfield are the best locations, then they will be able to make the move. But again, that is not the type of growth that is sustainable over time."

Stephen Miller, vice president and chief economist for the Southeast Business Partnership, said that the 2003 numbers may go down a bit.

"I think based upon job loss in the south corridor, we might see growth ebb a bit," he said. "But one of the interesting anomalies is that (Douglas County) continues to grow despite the economy."

He cites an outstanding school system, low crime, and land preservation programs as key reasons families continue to move to the county.

"I'm not surprised (at today's numbers) because I continue to be astounded by Douglas' ability to continue to grow," he said.

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