

# Growing optimism

## BUBBLES/

### LOCAL

Veteran economist rejects talk of possible recession, housing bubble

**BY DENNIS DARROW**

THE PUEBLO CHIEFTAIN

A rebound in jobs and home sales puts Pueblo and the rest of Colorado on track for more economic gains, a veteran economist says.

Ted Jones, chief economist of Houston-based Stewart Title Guaranty Co., delivered his assessment during a visit to Pueblo last Tuesday for a series of client briefings, including a luncheon hosted by I Mortgage.

“This just isn’t a flash in the pan,” Jones said in an interview prior to the luncheon, breaking with some economists who say the housing recovery and other economic gains in Colorado and the U.S. since the Great Recession are modest and at risk of flaming out.

Pueblo and much of Colorado are poised for a longer run of economic growth, starting with this summer’s tourism season, Jones said.

With gas prices low and new car sales hot, people are eager to hit the road for summer trips, he said. “You’re going to see in Colorado — and here, too — the best tourism season you’ve ever had,” Jones predicted.

Pueblo’s housing market reflects the economic gains, he said.

Home sales in Pueblo County were up 14.9 percent in the first quarter from the same period a

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*Housing is set up for an incredible run and it’s not going to be a bubble.*

*TED JONES ECONOMIST*



**Ted Jones**

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year earlier, he said.

“That’s a big number,” up nearly three times the U.S. growth rate of 5.6 percent, he said. Further, “that’s not a bubble. It’s driven by extremely strong job growth, which results in larger demand for housing.”

Local home values have rebounded from their recession lows, he noted.

The area’s cheaper cost of housing is a draw, he said.

And mortgage interest rates remain historically low, he said. (“You and I may never see lower interest rates in our lives ... so, if you’re going to buy a house, be certain to get a fixed-rate loan,” he said.) As for the lingering weakness in home construction in Pueblo and elsewhere, Jones cites three main factors: increased regulations and scarcity of developable land, a lack of skilled laborers and rising construction costs.

Also, young adults are showing less interest than their parents and grandparents in larger single-family homes with yards, and they’re also more open to renting than owning, he said.

Nationally, “we have to rethink our densities and product types,” Jones said.

The demand for new houses and apartments is there, Jones said.

“Colorado could build 60 percent to 80 percent more homes and technically not be overbuilt as long as it is the right location, right product and right price range,” he said.

Jones, raised in Montrose and a graduate of Colorado State University- Fort Collins, said the economic measures convince him that “housing is set up for an incredible run and it’s not going to be a bubble.”

