CREJ Multifamily Owners and Managers Conference

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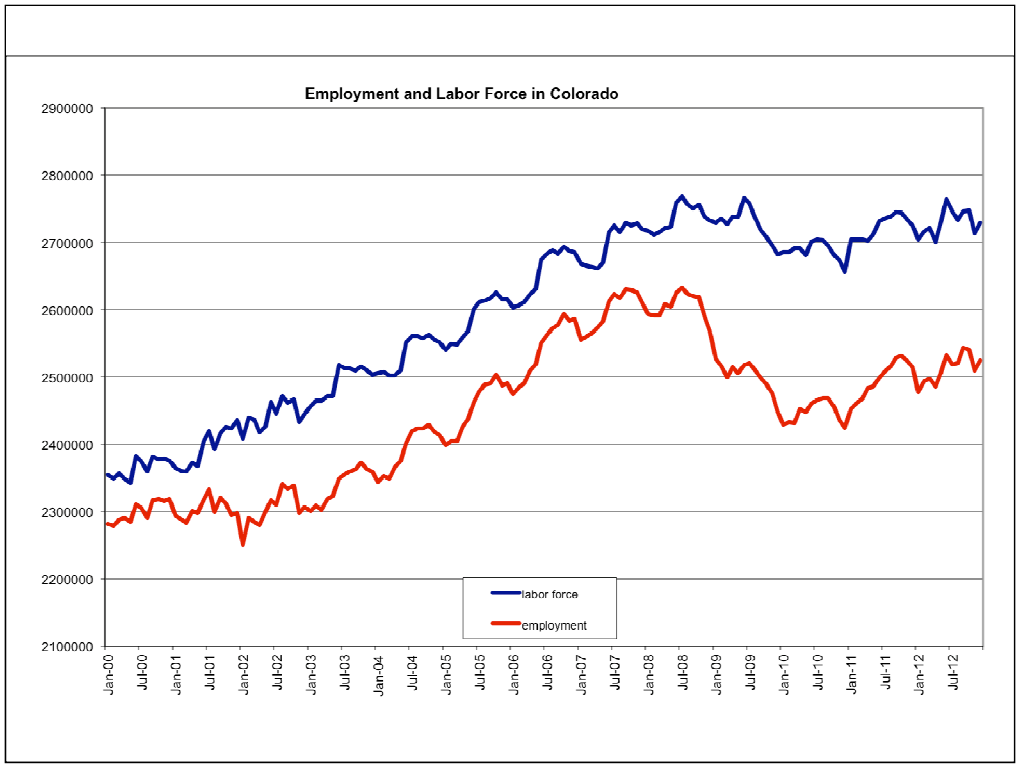
Economist, Colorado Division of Housing



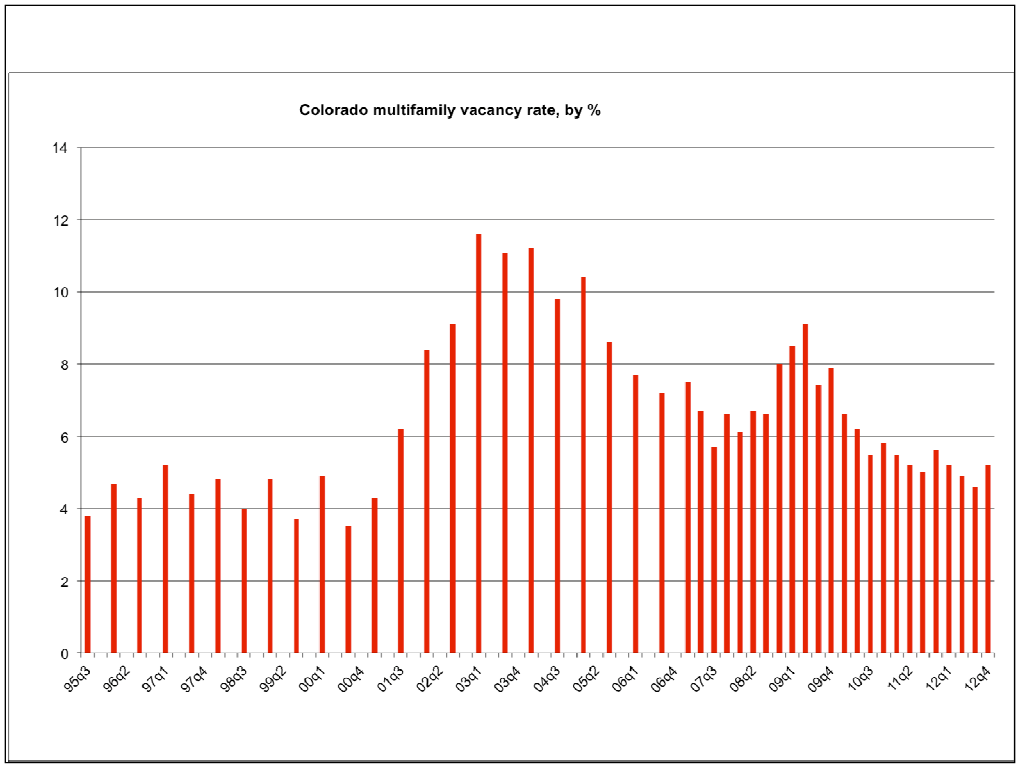
98,668 below peak as of January 2013

Up 55,132 for year

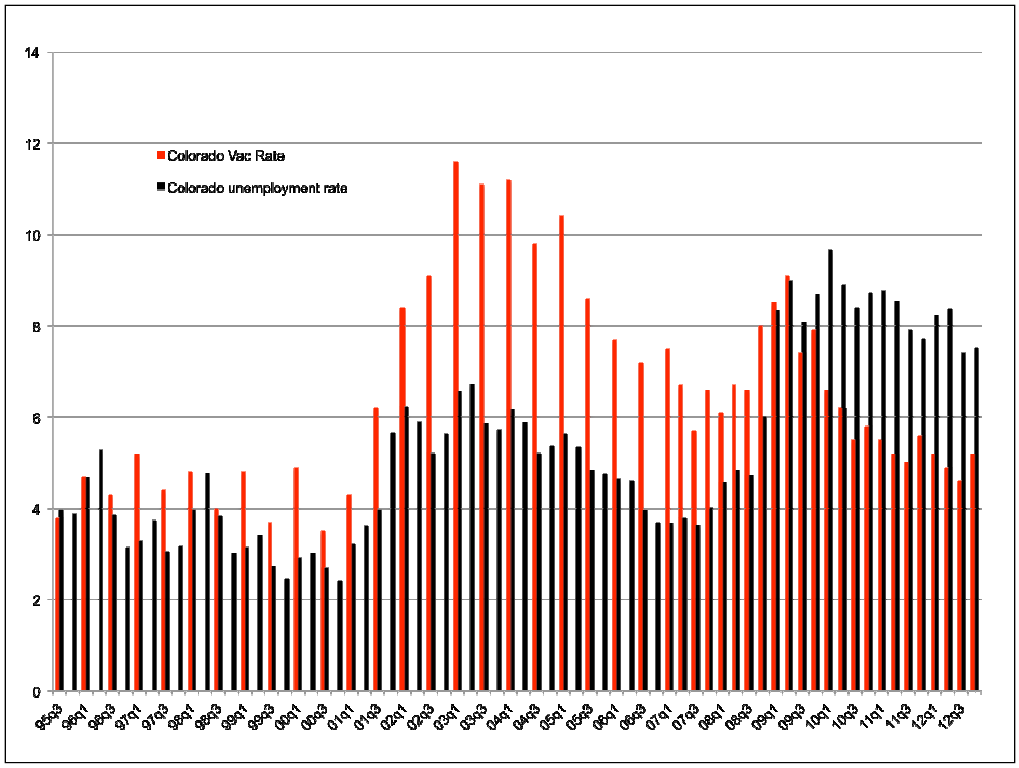
Establishment survey though, shows numbers almost back to peak.

7.5 percent for last 6 months or so

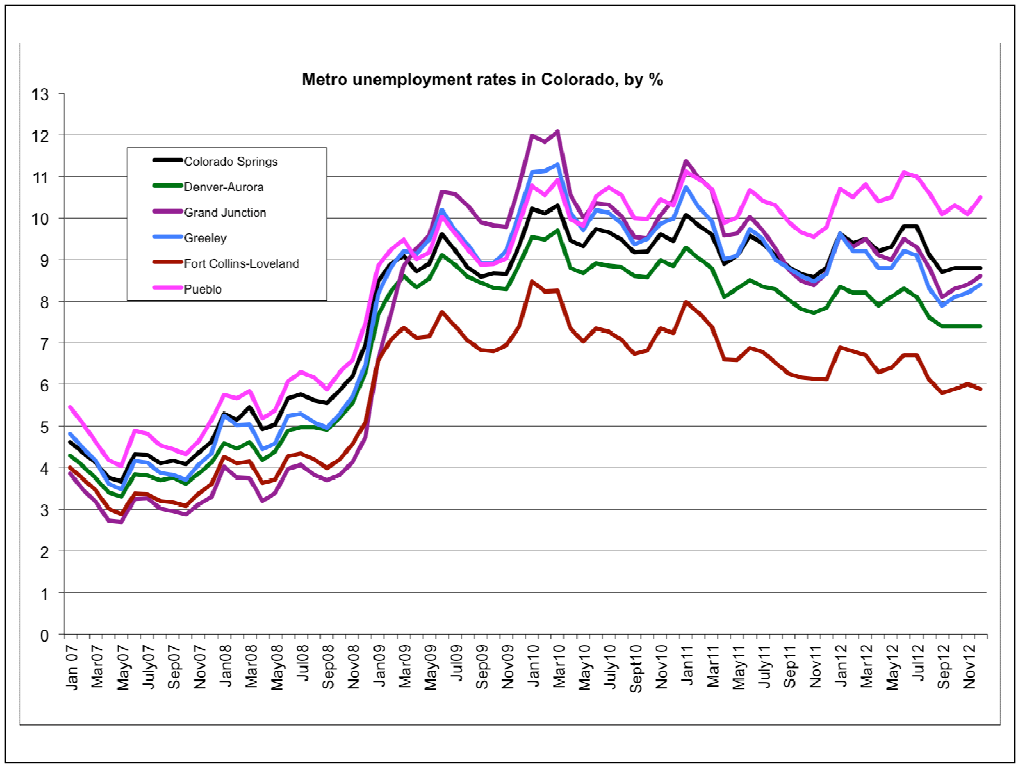
Down from 8.8 percent last Jan

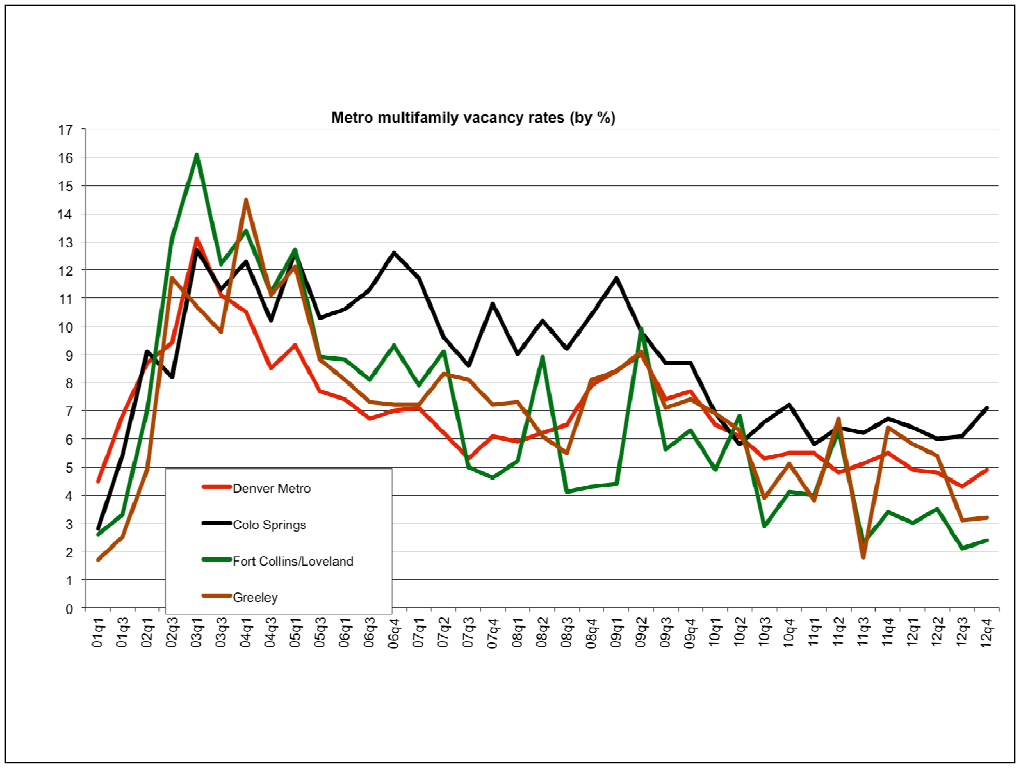


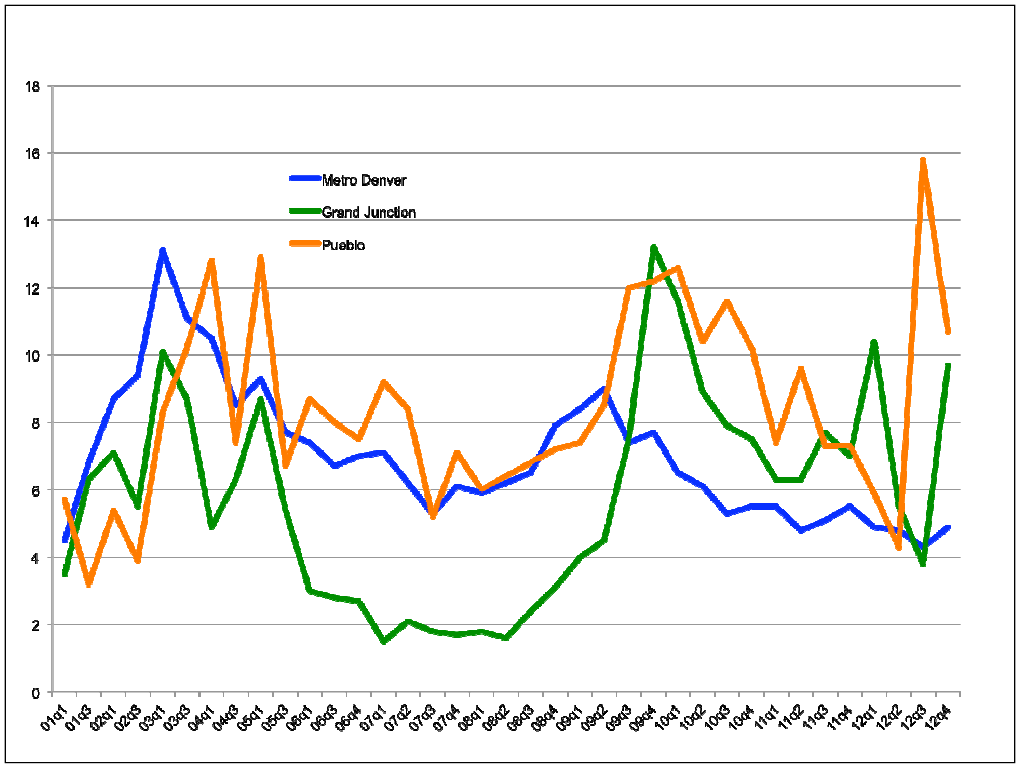
5.2 percent statewide


14
12
10
8
6
4
2
0
Colorado Vac Rate
Colorado unemployment rate
95q3
96q1
96q3
97q1
97q3
98q1
98q3
99q1
99q3
00q1
00q3
01q1
01q3
02q1
02q3
03q1
03q3
04q1
04q3
05q1
05q3
06q1
06q3
07q1
07q3
08q1
08q3
09q1
09q3
10q1
10q3
11q1
11q3
12q1
12q3

Combined


Metro unemployment rates in Colorado, by %
Colorado Springs
Denver-Aurora
Grand Junction
Greeley
Fort Collins-Loveland
Pueblo
13
12
11
10
9
8
7
6
5
4
3
2
1
0
Jan 07
Mar07
May07
July07
Sep07
Nov07
Jan08
Mar08
May08
Jul08
Sep08
Nov08
Jan09
Mar09
May09
Jul09
Sep09
Nov09
Jan10
Mar10
May10
July10
Sept10
Nov10
Jan11
Mar11
May11
July11
Sep11
Nov11
Jan12
Mar12
May12
Jul12
Sep12
Nov12

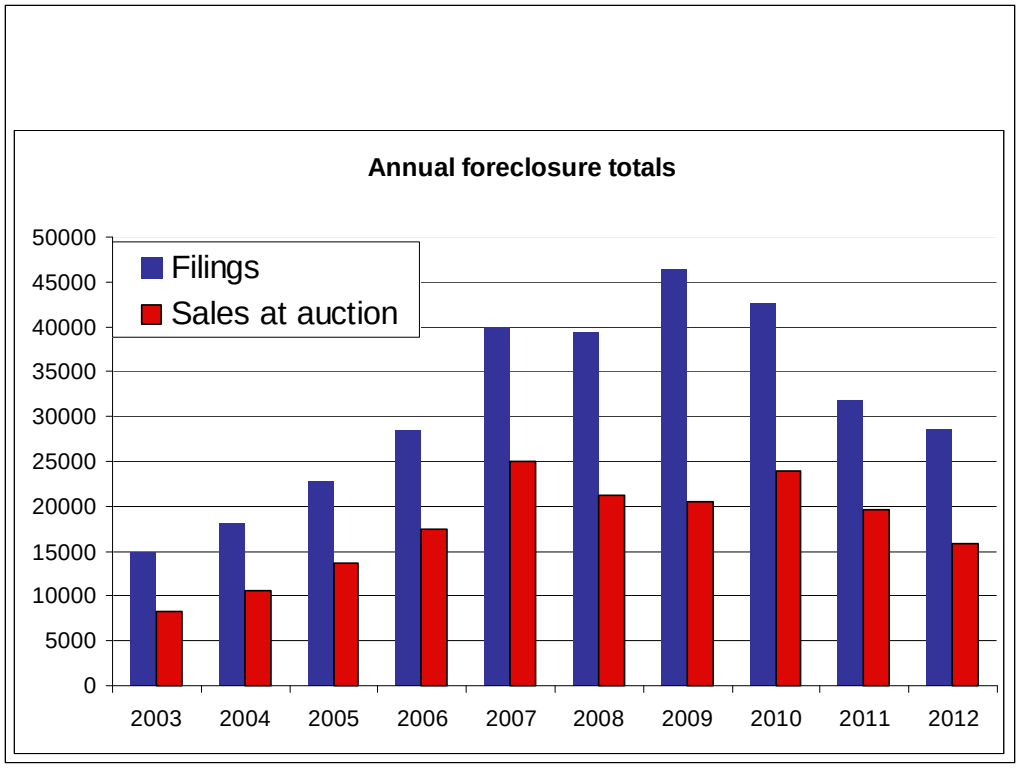

Metro multifamily vacancy rates (by %)
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
Denver Metro
Colo Springs
Fort Collins/Loveland
Greeley
01q1
01q3
02q1
02q3
03q1
03q3
04q1
04q3
05q1
05q3
06q1
06q3
06q4
07q1
07q2
07q3
07q4
08q1
08q2
08q3
08q4
09q1
09q2
09q3
09q4
10q1
10q2
10q3
10q4
11q1
11q2
11q3
11q4
12q1
12q2
12q3
12q4



Very volatile in GJ and Pueblo as owners try to push rents, but high unemployment leads to more turnover

Vacancy rates for metro areas

What factors are affecting rents and vacancies?

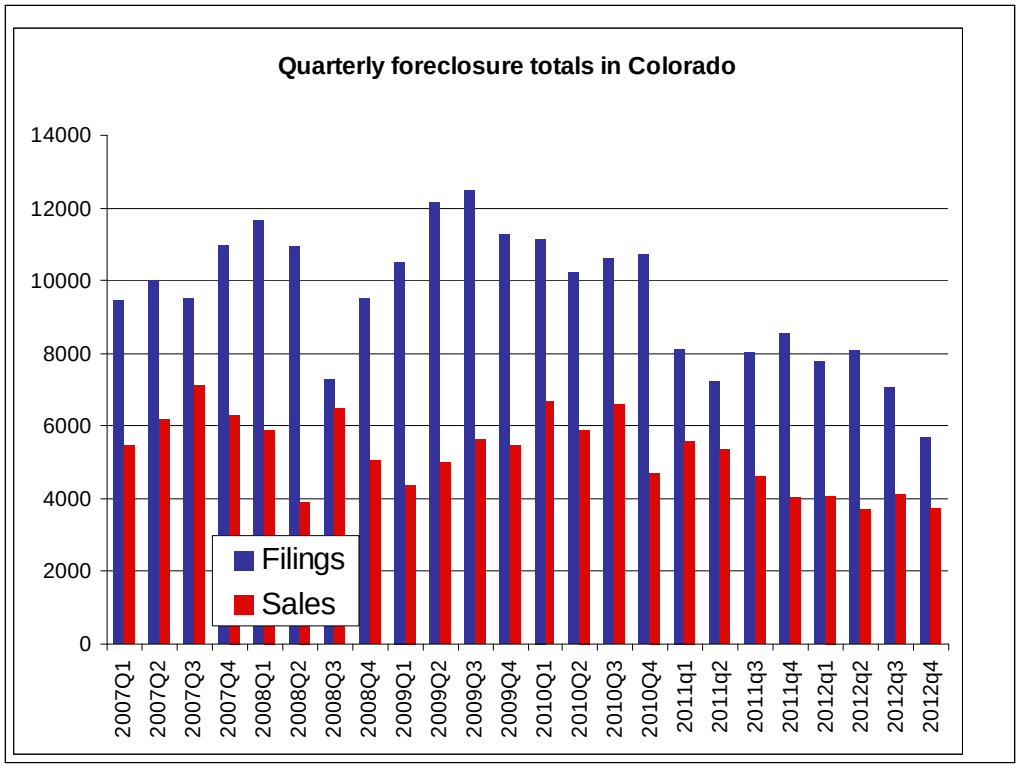


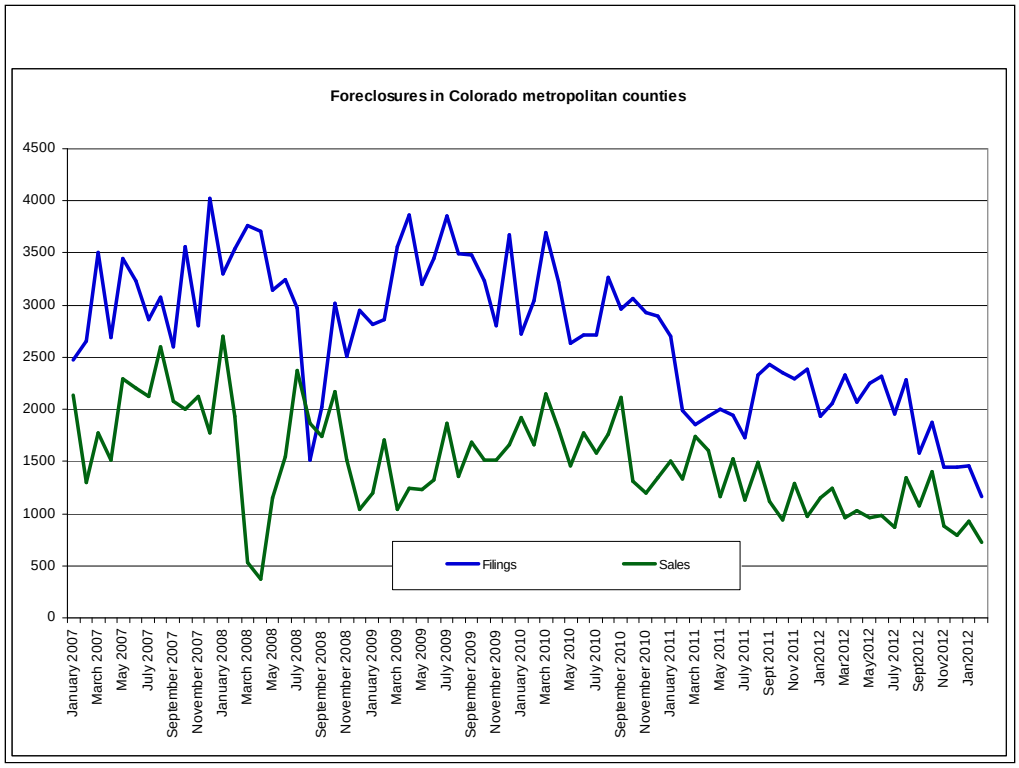
Down 40 percent from peak

Back to 2006 levels

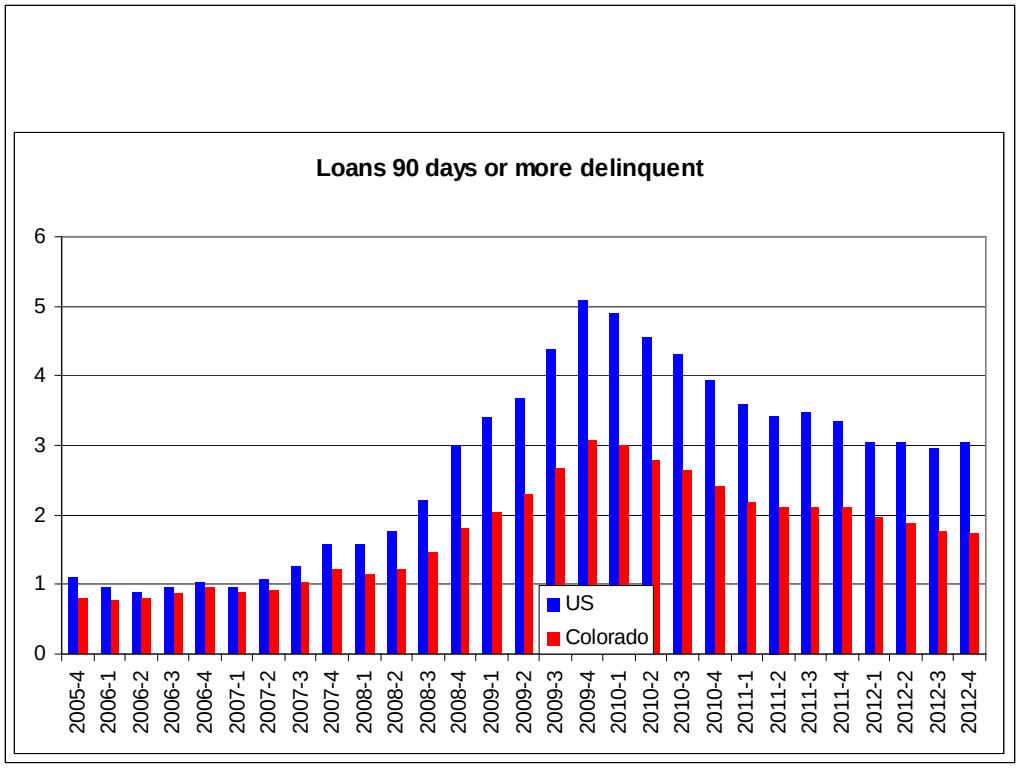
28,000 filings in 2012

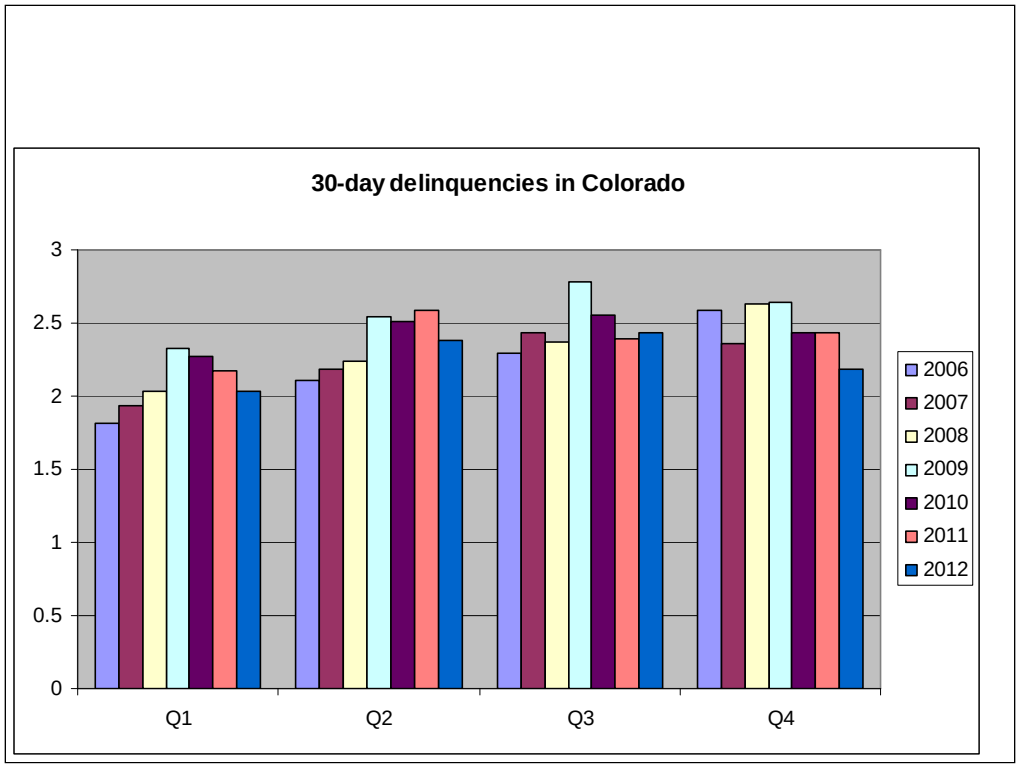
15,000 completed foreclosure back to 2006 levels

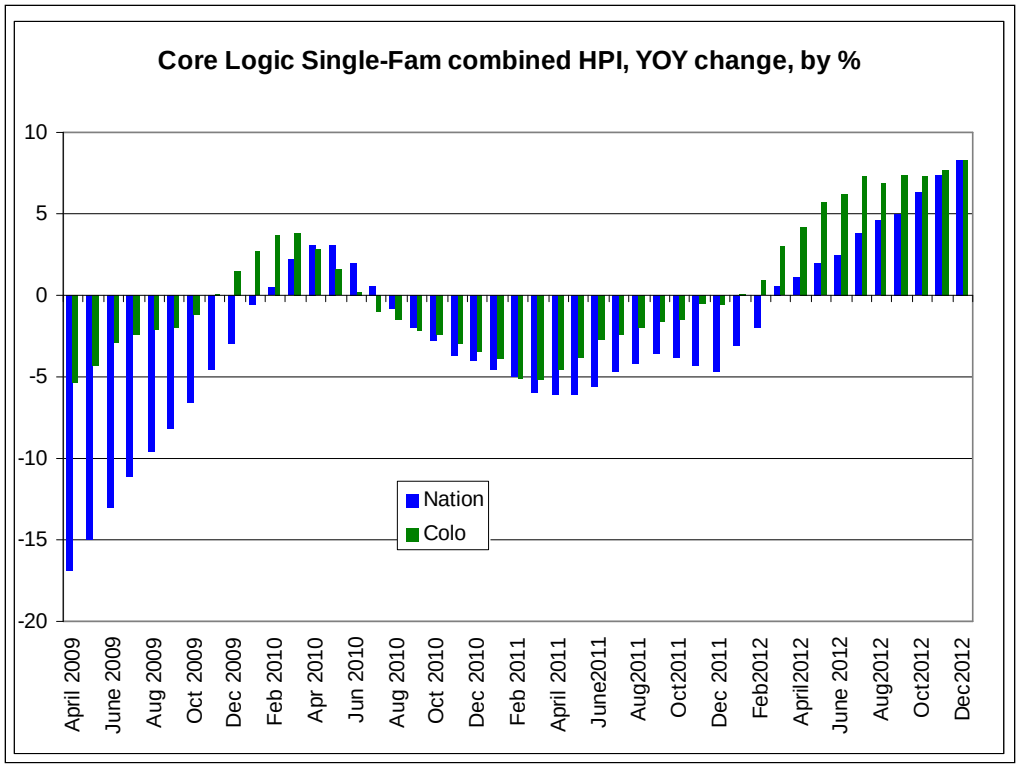

Quarterly foreclosure totals in Colorado
14000
12000
10000
8000
6000
4000
2000
0
Filings
Sales
2007Q1
2007Q2
2007Q3
2007Q4
2008Q1
2008Q2
2008Q3
2008Q4
2009Q1
2009Q2
2009Q3
2009Q4
2010Q1
2010Q2
2010Q3
2010Q4
2011q1
2011q2
2011q3
2011q4
2012q1
2012q2
2012q3
2012q4

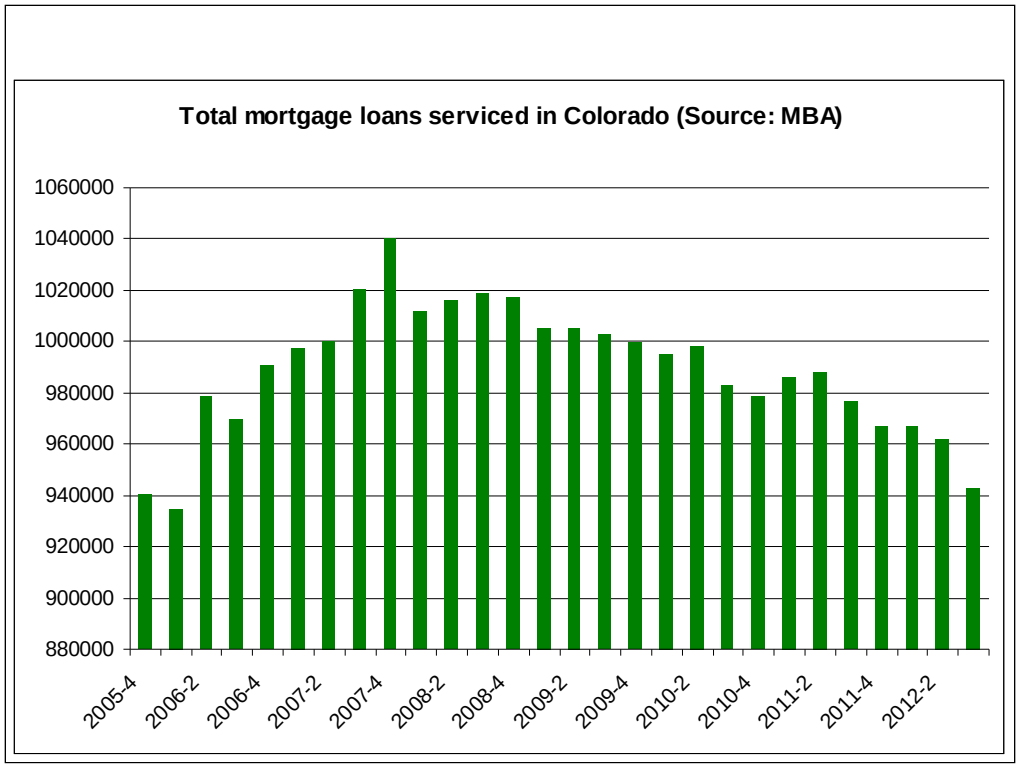


Down to all time low


Loans 90 days or more delinquent
6
5
4
3
2
1
0
US
Colorado
2005-4
2006-1
2006-2
2006-3
2006-4
2007-1
2007-2
2007-3
2007-4
2008-1
2008-2
2008-3
2008-4
2009-1
2009-2
2009-3
2009-4
2010-1
2010-2
2010-3
2010-4
2011-1
2011-2
2011-3
2011-4
2012-1
2012-2
2012-3
2012-4

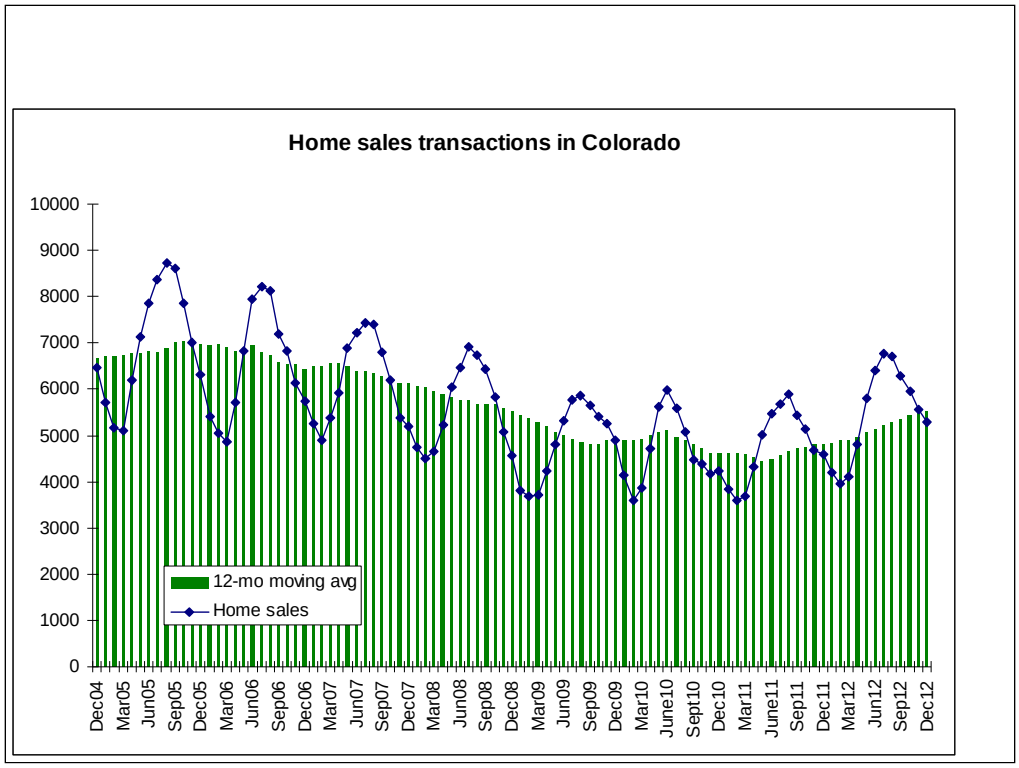

30-day delinquencies in Colorado
3
2.5
2
1.5
1
0.5
0
Q1
Q2
Q3
Q4
2006
2007
2008
2009
2010
2011
2012


Core Logic Single-Fam combined HPI, YOY change, by %
10
5
0
-5
-10
-15
-20
Nation
Colo
April 2009
June 2009
Aug 2009
Oct 2009
Dec 2009
Feb 2010
Apr 2010
Jun 2010
Aug 2010
Oct 2010
Dec 2010
Feb 2011
April 2011
June2011
Aug2011
Oct2011
Dec 2011
Feb2012
April2012
June 2012
Aug2012
Oct2012
Dec2012



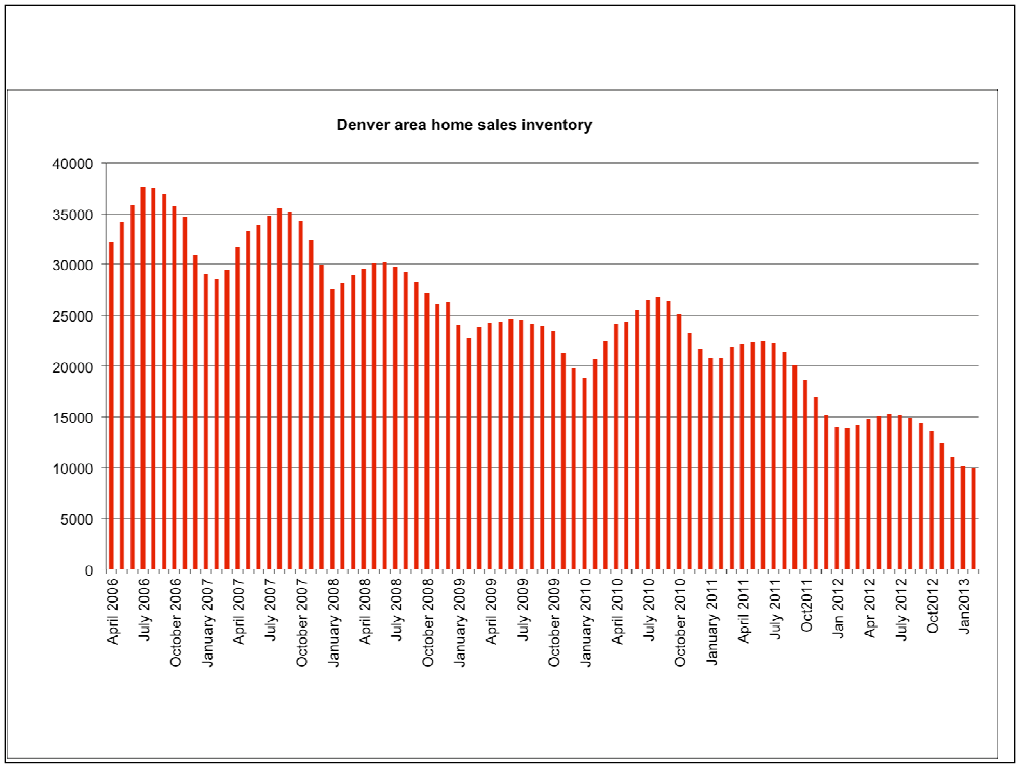
Fell from over 1 million 20,000 to just over 940,000

That’s a 7.5 percent drop

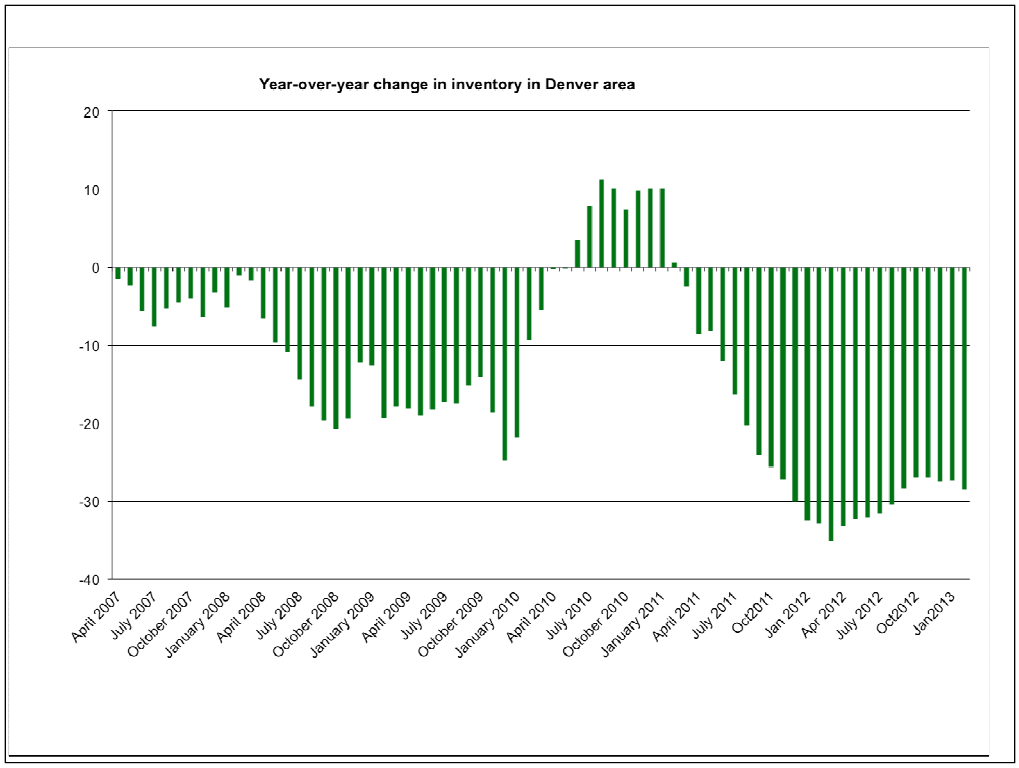


Home sales up from the 2011 nadir, but still well below 2005 peak levels.

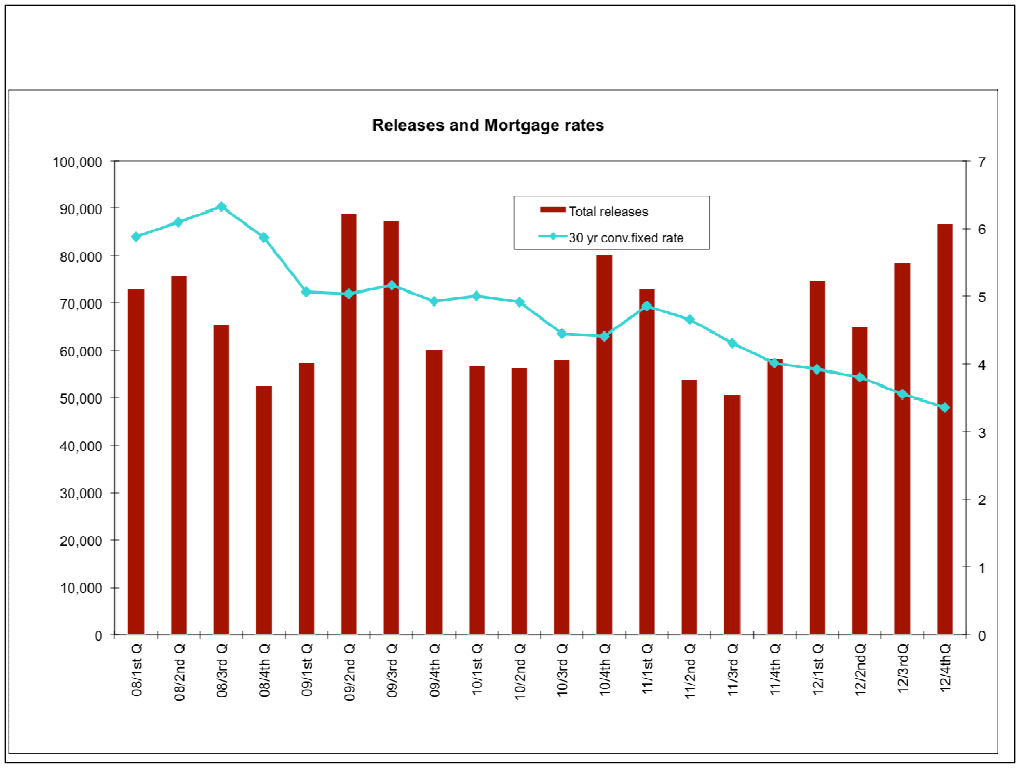
Up around 15 percent year over year consistently lately, but



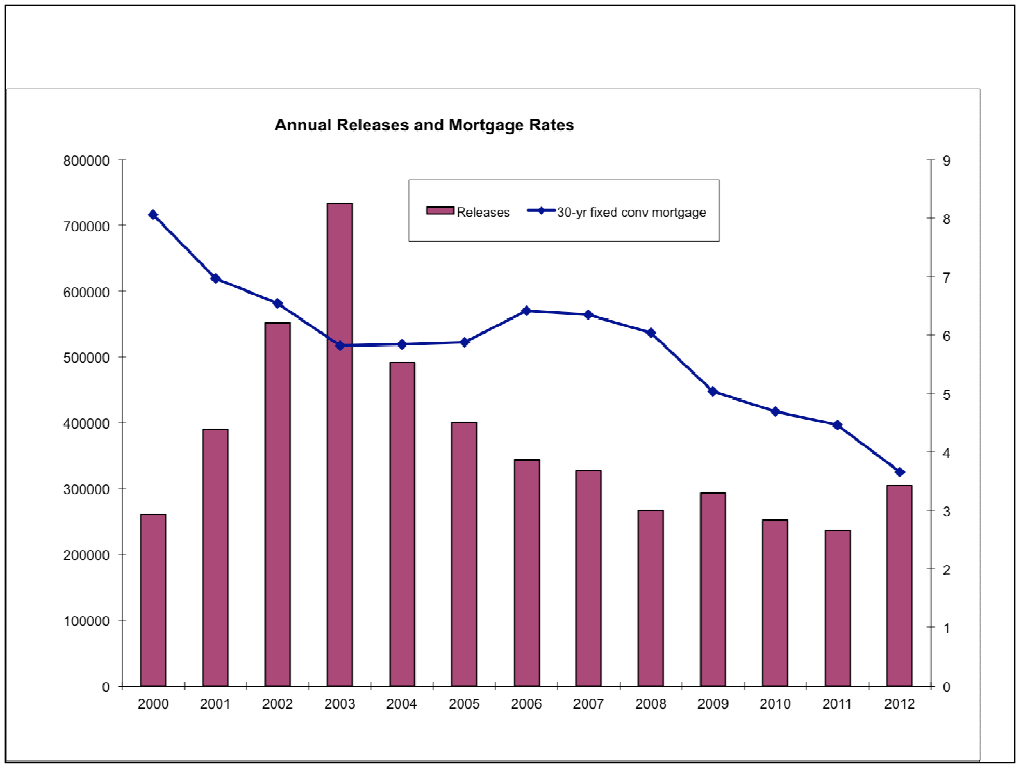
Down below 10,000 for February



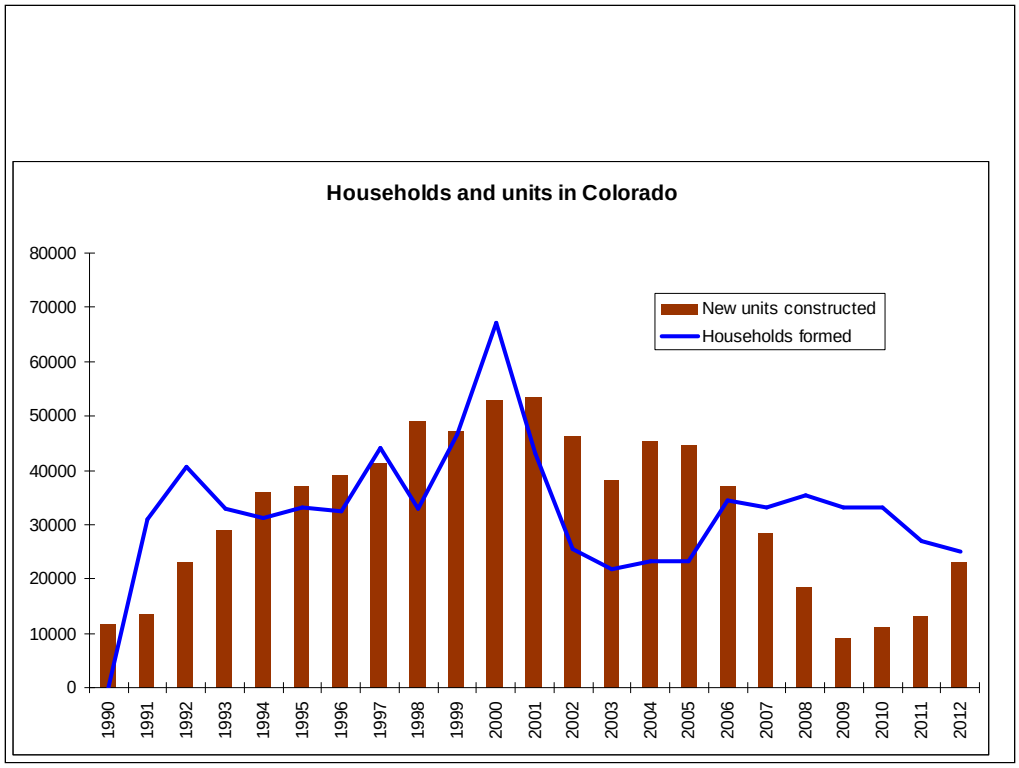
Year over year change is big

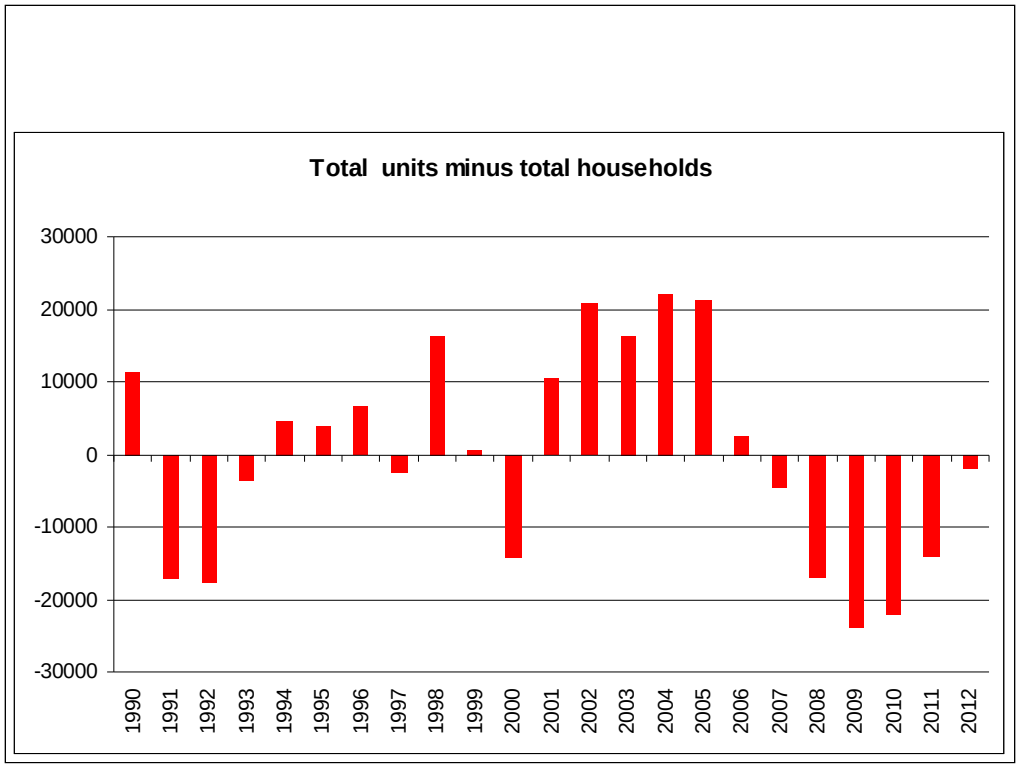


3.36 interest rate



3.66 as of 2012


Households and units in Colorado
80000
70000
60000
50000
40000
30000
20000
10000
0
New units constructed
Households formed
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012


Total units minus total households
30000
20000
10000
0
-10000
-20000
-30000
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012

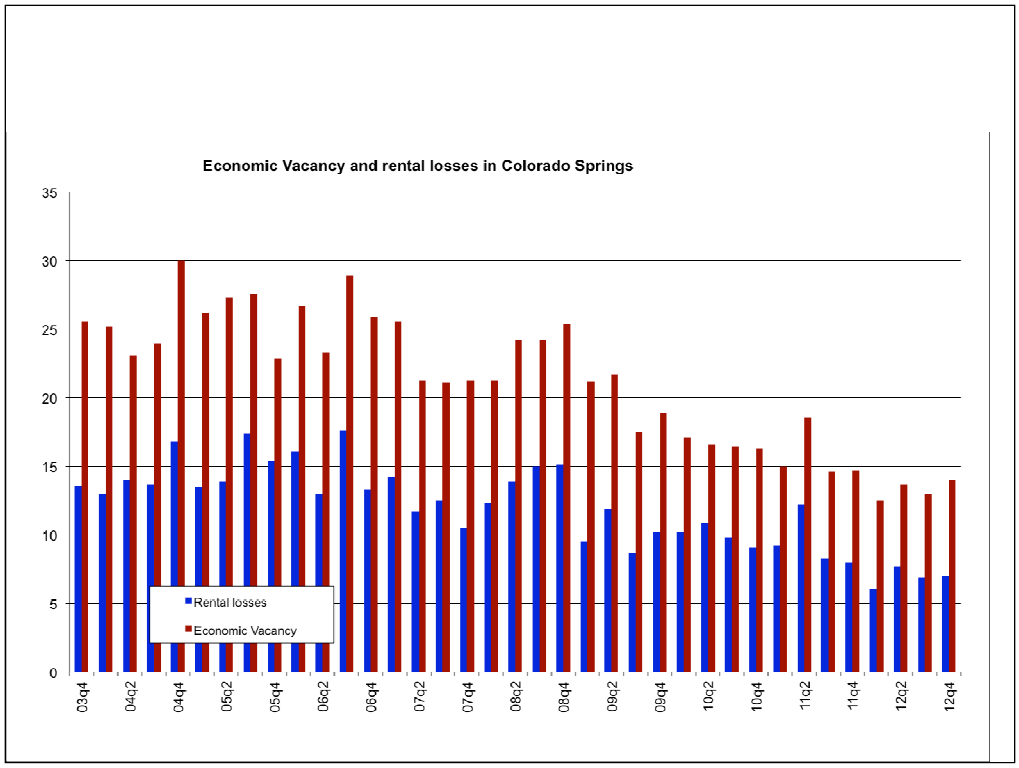
Multifamily permits 2012

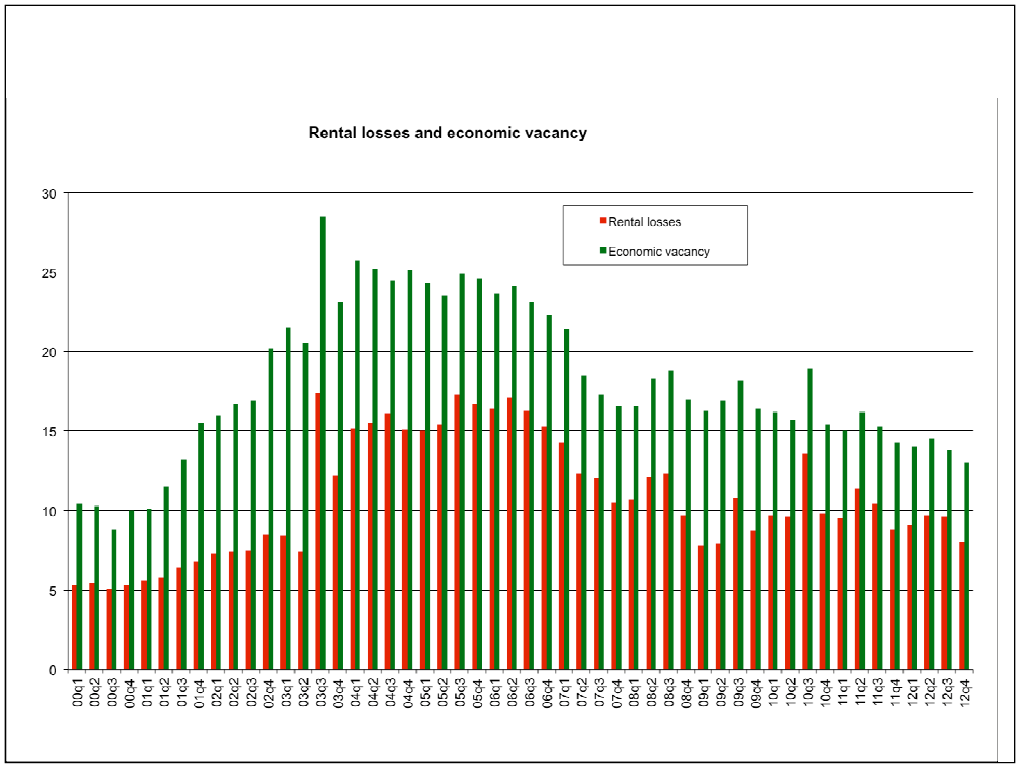
- Adams 220
  Arapahoe 742
  Boulder 349
  Broomfield 742
  Denver 3,885
  Douglas 590
  El Paso 597
  Jefferson 150
  Larimer 691
  Mesa 7
  Pueblo 92
  Weld 34
- Almost half of permits issued in Denver alone, with Larimer, Arapahoe , Douglas, El Paso and Broomfield seeing relatively large amounts of activity.

Where the single-family development is:

- Douglas 15.0
  Chaffee 10.4
  Weld 10.0
  Park 9.6
  El Paso 9.1
  Larimer 8.4
  Mesa 5.5
  Elbert 5.1
  Broomfield 5.1
  Routt 4.9
  Adams 4.1
  Arapahoe 3.8
  Denver 3.6
  Teller 3.5
  Jefferson 3.3
  Pueblo 2.5
  Boulder 2.0
- Of TOTAL units, more than 37 percent of new SF development was in El Paso and Douglas counties alone.

Low for-sale inventory and ongoing household formation continues to benefit rental housing


Economic Vacancy and rental losses in Colorado Springs
35
30
25
20
15
10
5
0
Rental losses
Economic Vacancy
03q4
04q2
04q4
05q2
05q4
06q2
06q4
07q2
07q4
08q2
08q4
09q2
09q4
10q2
10q4
11q2
11q4
12q2
12q4


Rental losses and economic vacancy
Rental losses
Economic vacancy
30
25
20
15
10
5
0
00q1
00q2
00q3
00q4
01q1
01q2
01q3
01q4
02q1
02q2
02q3
02q4
03q1
03q2
03q3
03q4
04q1
04q2
04q3
04q4
05q1
05q2
05q3
05q4
06q1
06q2
06q3
06q4
07q1
07q2
07q3
07q4
08q1
08q2
08q3
08q4
09q1
09q2
09q3
09q4
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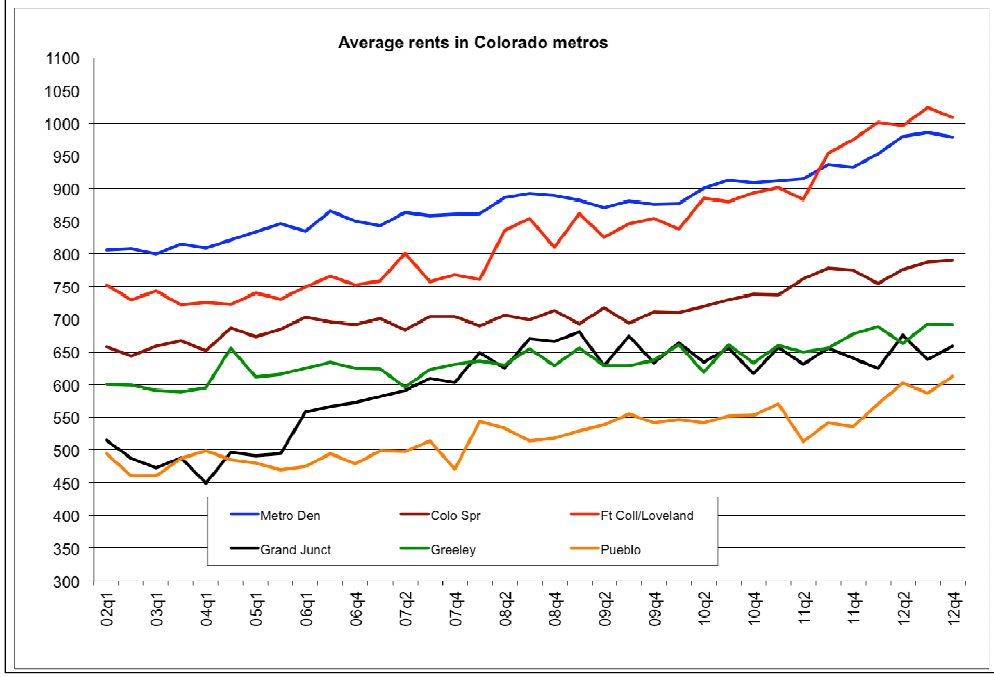
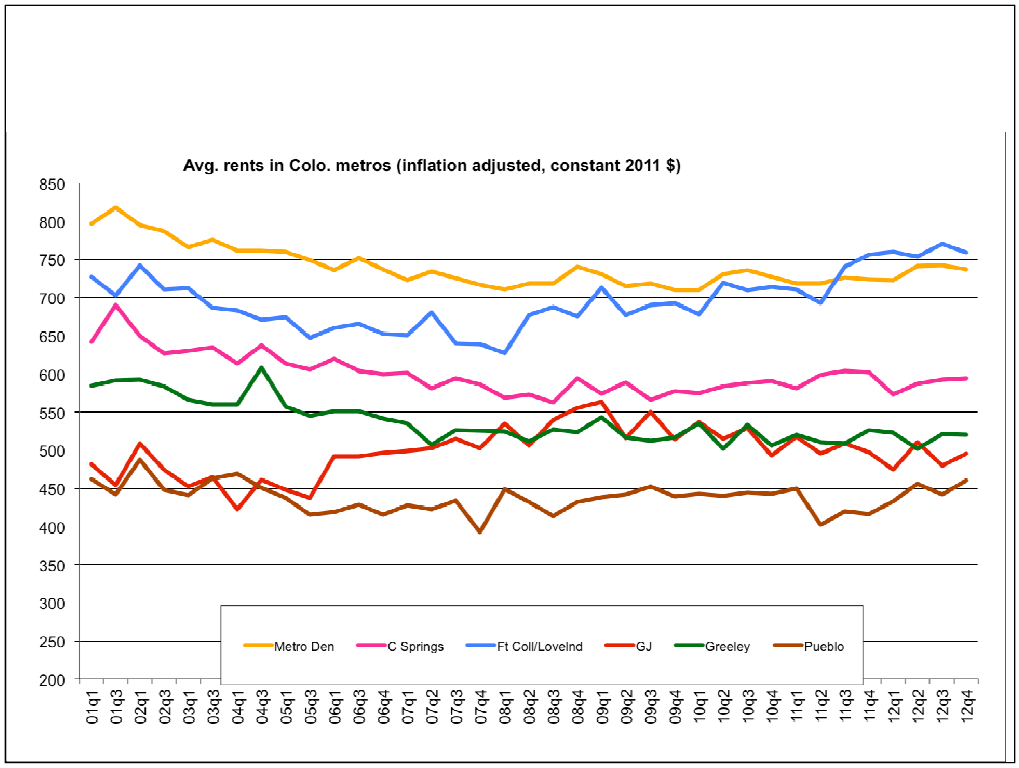
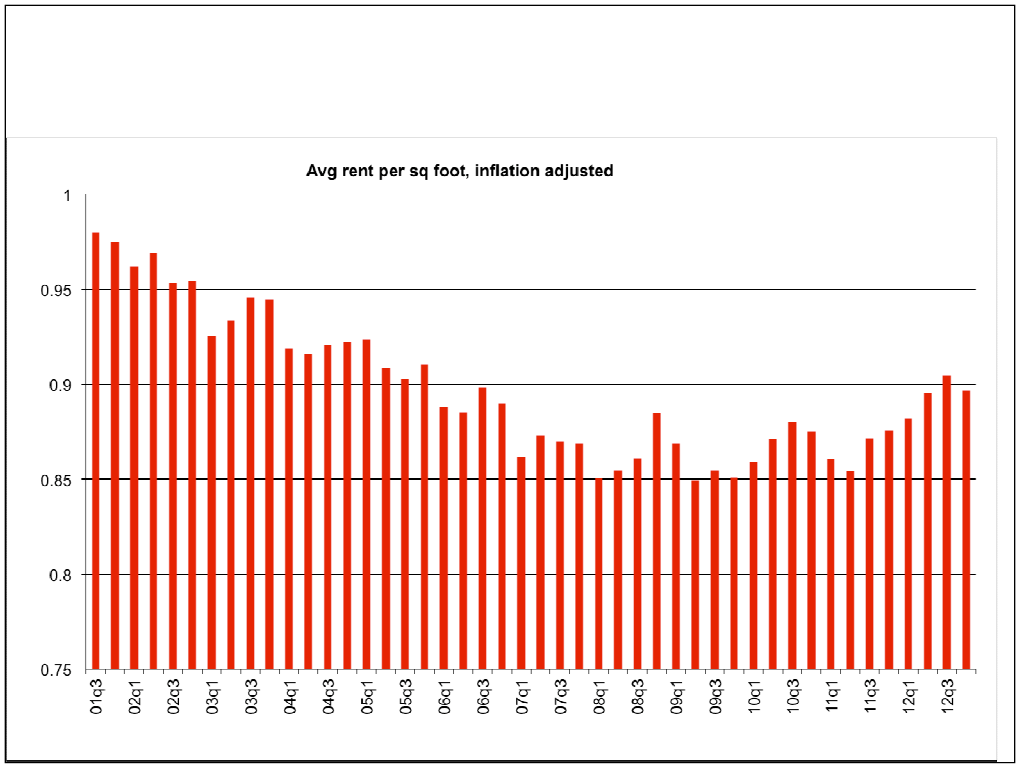
10q4
11q1
11q2
11q3
11q4
12q1
12q2
12q3
12q4


Average rents in Colorado metros
1100
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
02q1
03q1
04q1
05q1
06q1
06q4
07q2
07q4
08q2
08q4
09q2
09q4
10q2
10q4
11q2
11q4
12q2
12q4
Metro Den
Colo Spr
Ft Coll/Loveland
Grand Junct
Greeley
Pueblo



Only Ft Collins and Pueblo and Grand Junct back to 2001 levels


Avg rent per sq foot, inflation adjusted
1
0.95
0.9
0.85
0.8
0.75
01q3
02q1
02q3
03q1
03q3
04q1
04q3
05q1
05q3
06q1
06q3
07q1
07q3
08q1
08q3
09q1
09q3
10q1
10q3
11q1
11q3
12q1
12q3

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