

The Housing Economy in Colorado and Metro Denver

January 25, 2011

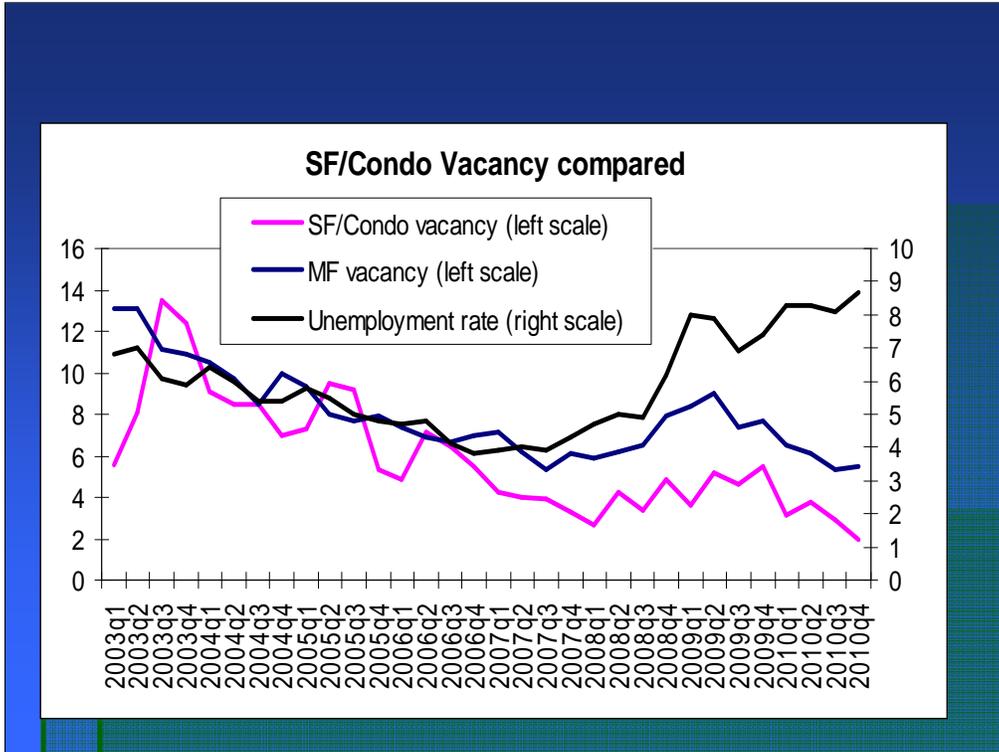
NARPM Luncheon

Denver, Colorado

For more information:

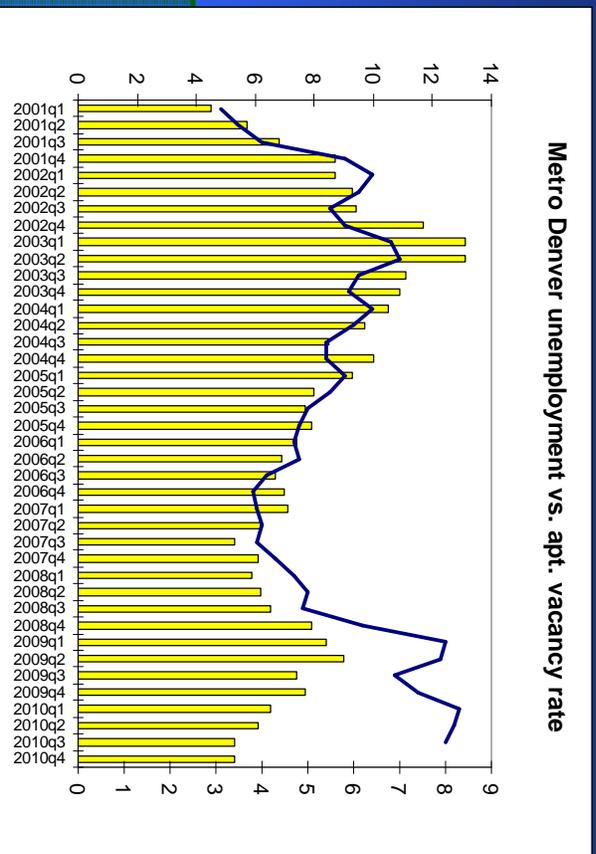
- See the Division of Housing's Housing Blog:
<http://divisionofhousing.blogspot.com/>

Provides regular updates on economic data related to housing trends in Colorado.

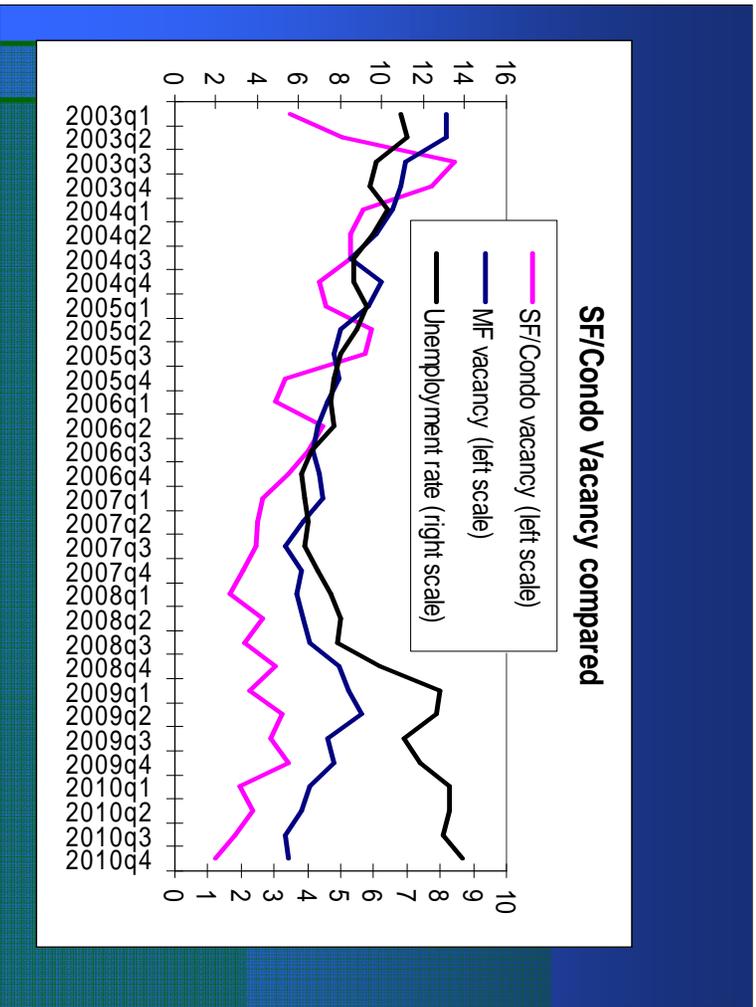


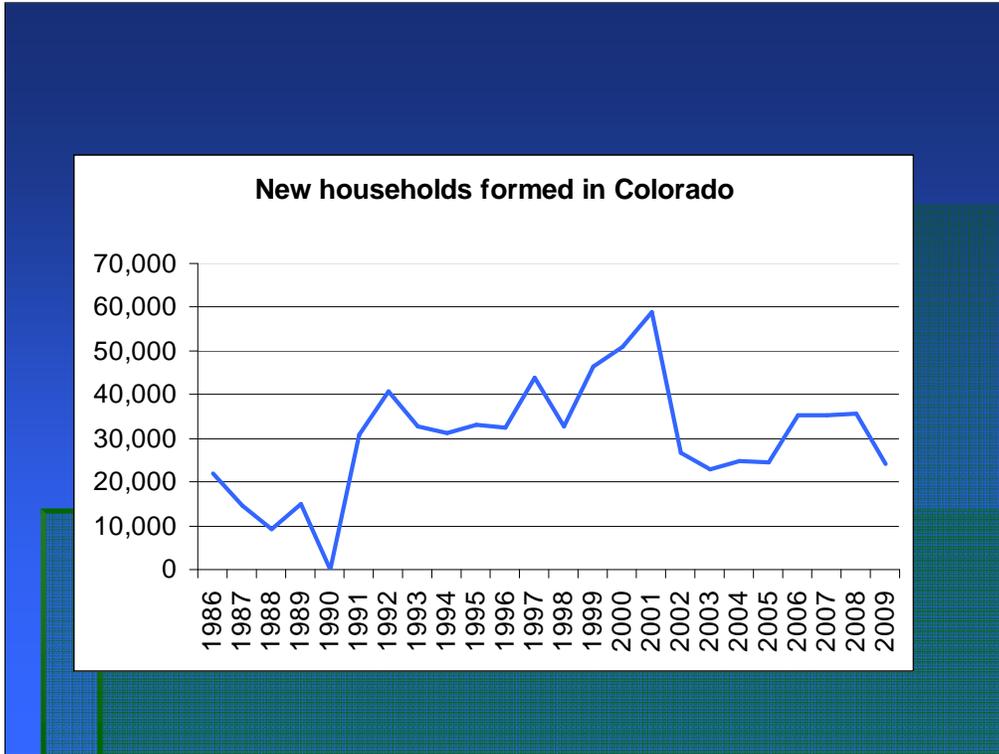
Single-family vacancies are at their lowest levels recorded since the start of the survey.

Note that single fam vacancies are generally less than multifam vacancies.

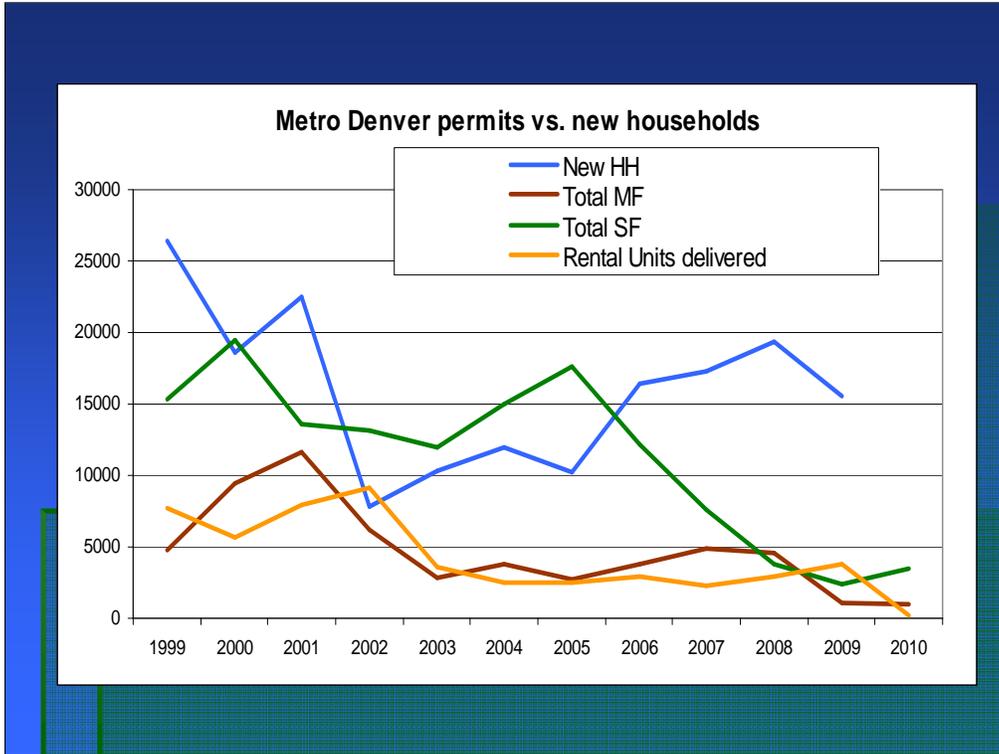


There is a large correlation between vacancies and the unemployment, although this correlation ceases in recent quarters.

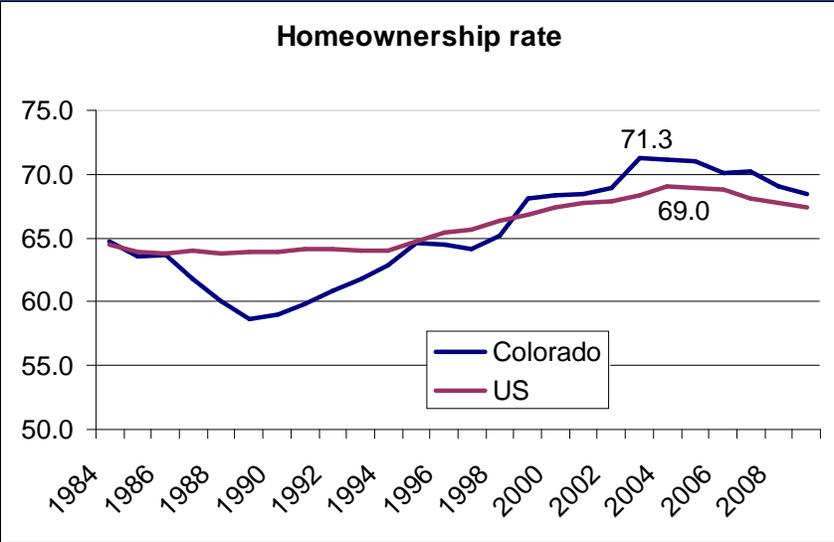




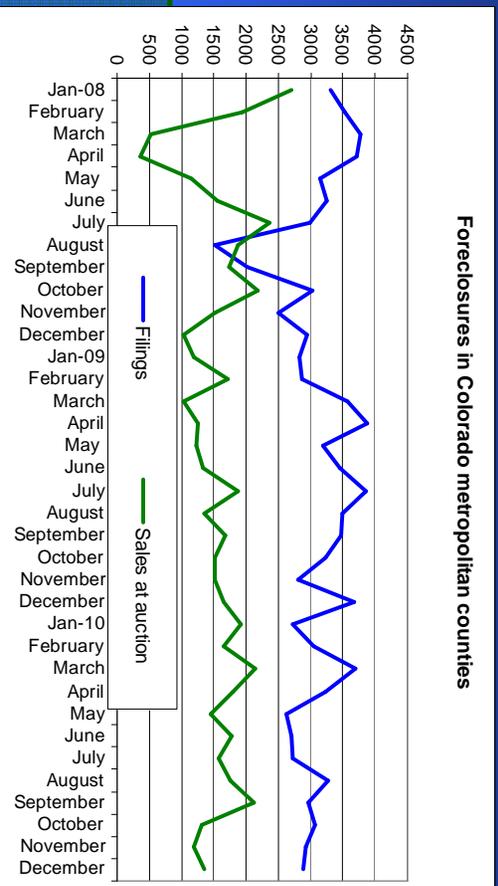
Vacancies have continued to go down in spite of little job growth due to a stable rate of household formation.

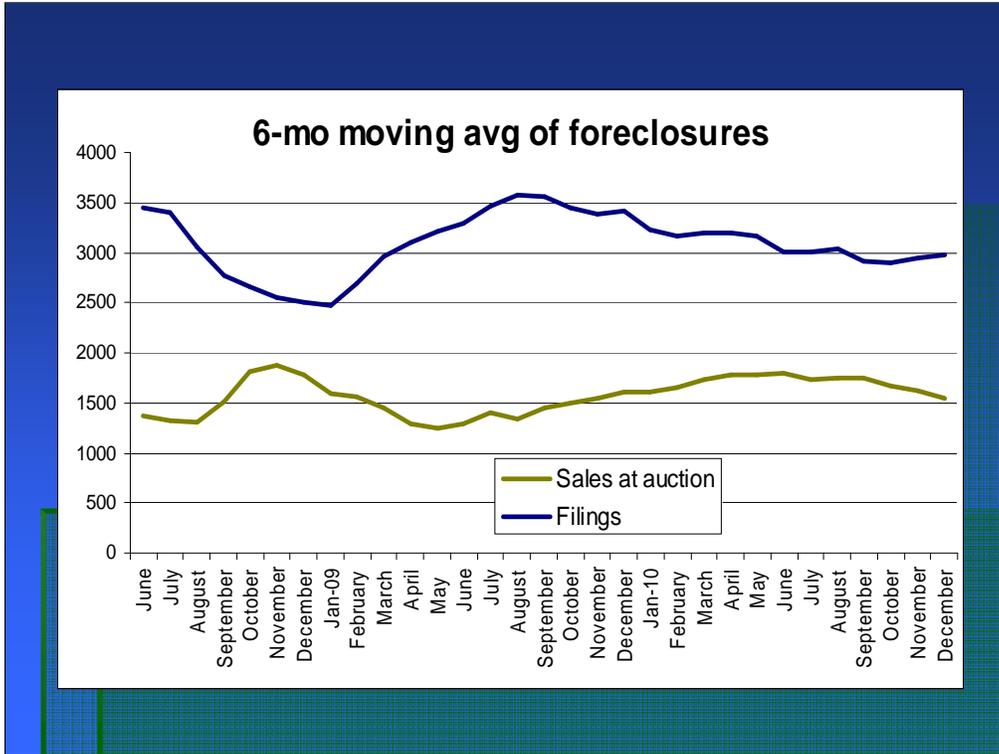


Note that household formation is presently well above the number of new building permits issued.

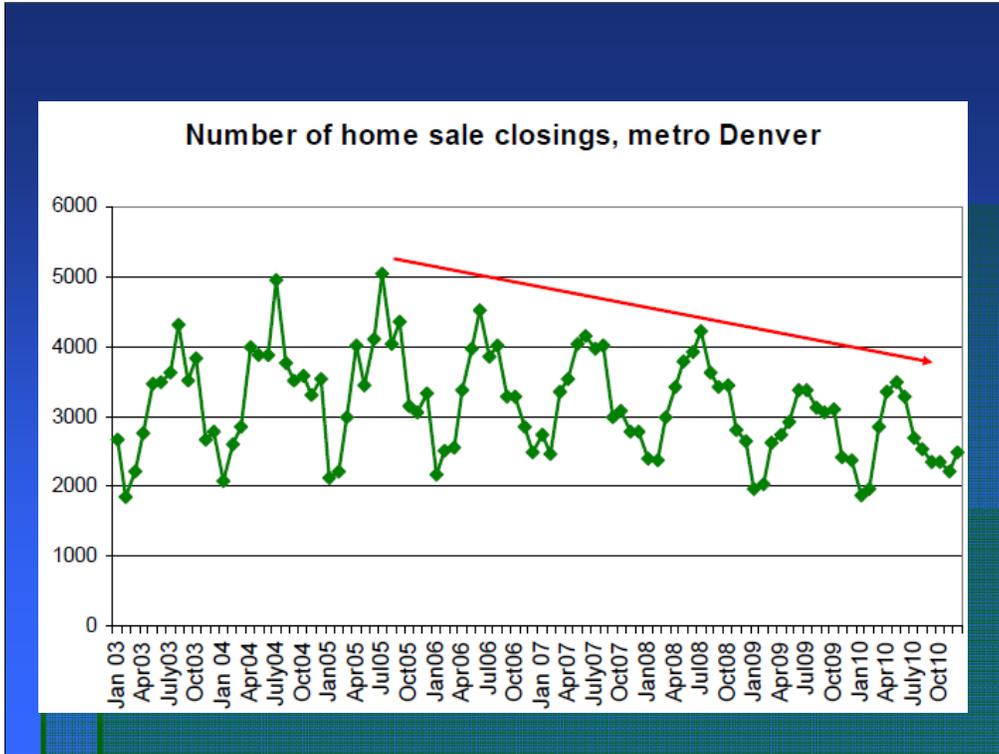


Foreclosures in Colorado metropolitan counties

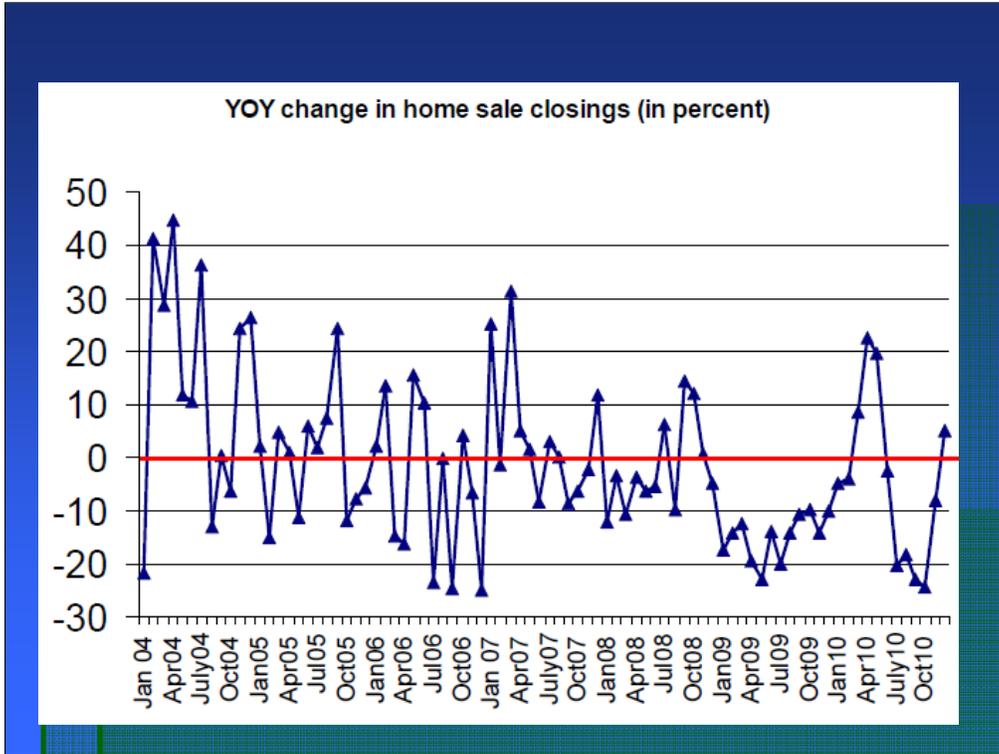




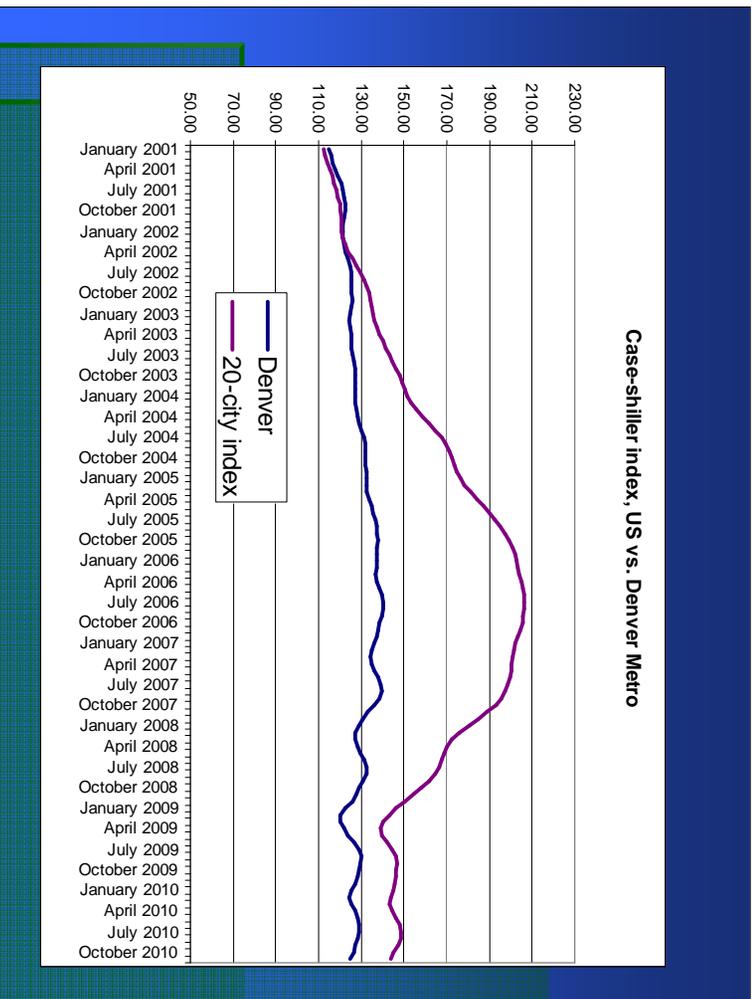
This graph of moving averages shows that Colorado is still dealing with a large number of new foreclosure filings as foreclosure sales at auction increase in response to a large number of new filings in the prior year.



The number of home purchase transactions continues to fall. Note the sudden drop off in transactions due to the end of the homebuyer tax credit.

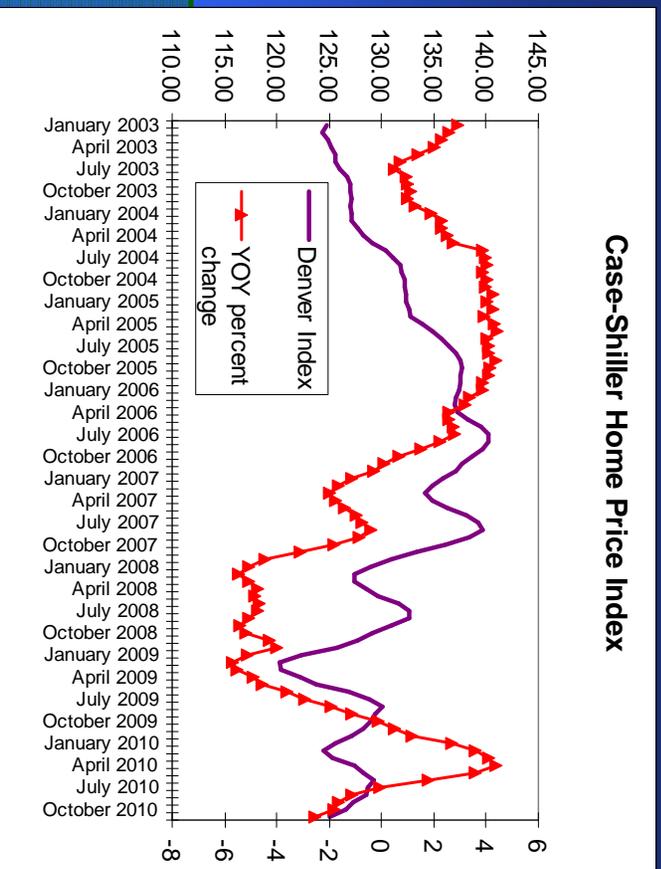


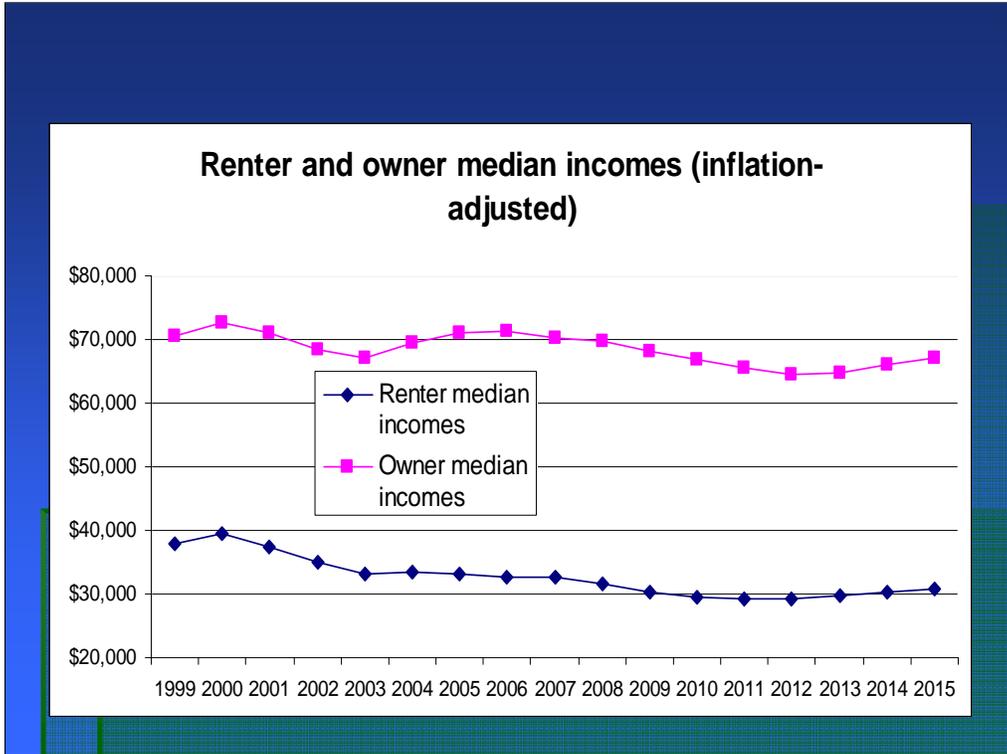
This graph of year over year changes shows that in recent months, the number of home purchase transactions has actually been down compared to 2009.



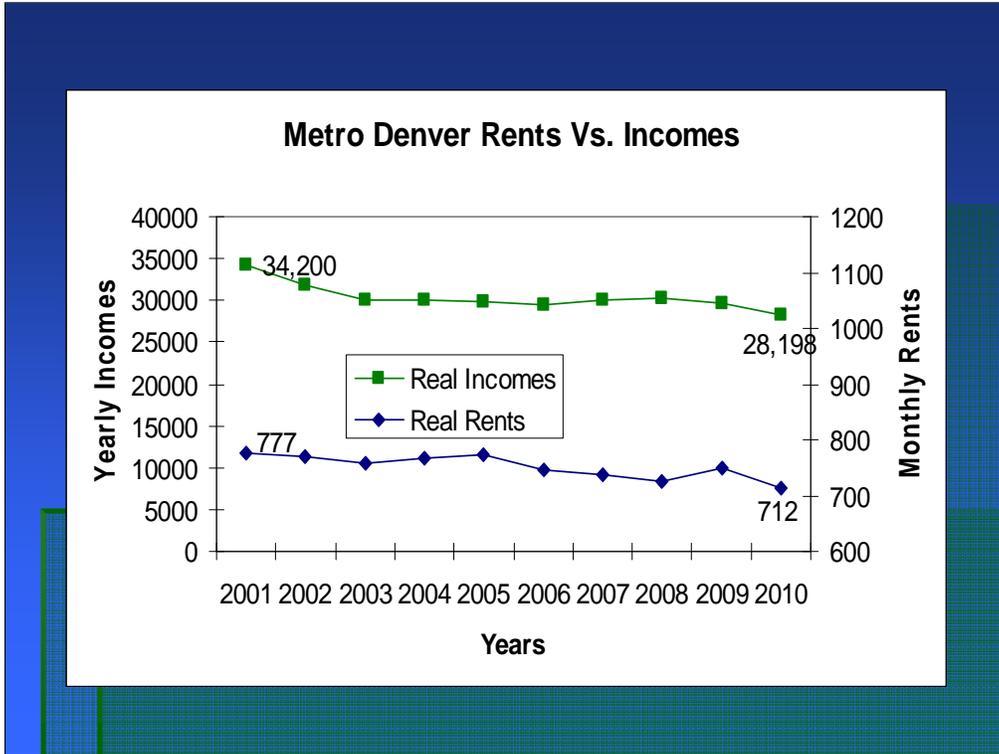
Denver did not have nearly as much of a bubble in home prices as did many metro areas.

Case-Shiller Home Price Index

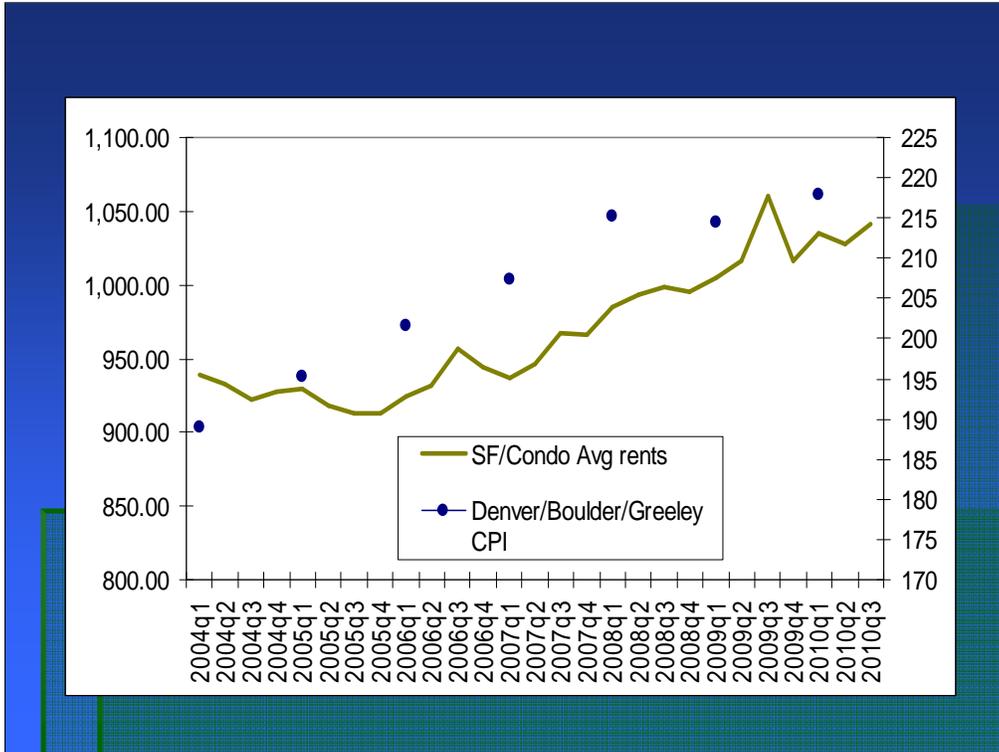




Incomes have not been keeping up with inflation.

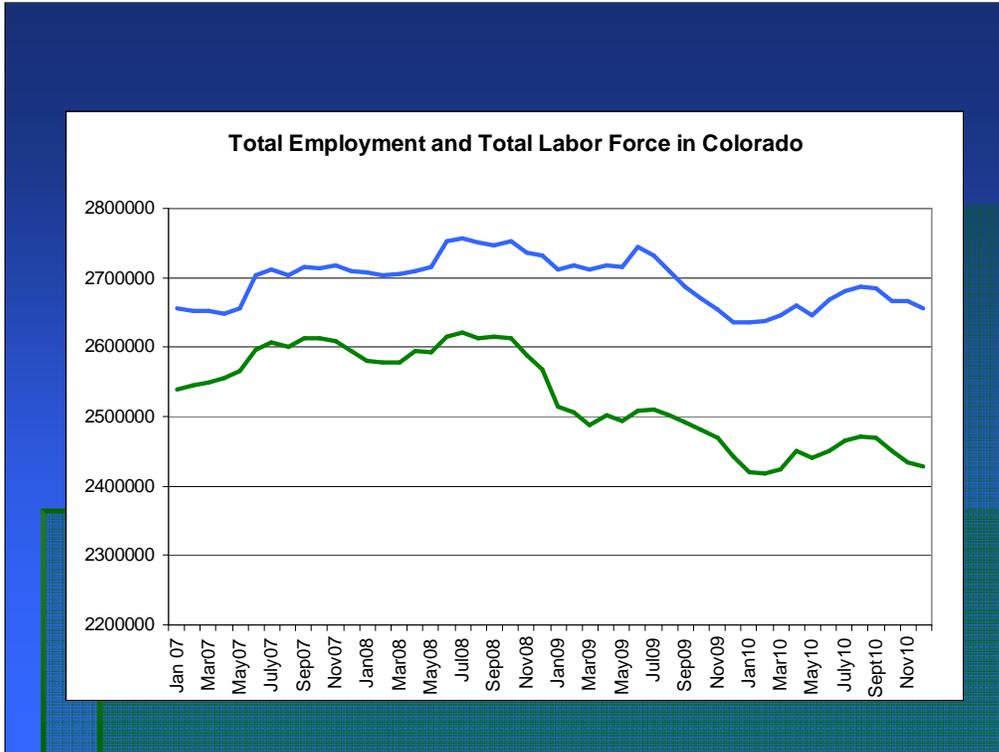


Neither have multifamily rents.



Single-family rents have not kept up with inflation either. CPI up 15.4 percent between 2004 and 2010

Rents up 10.3 percent during same period

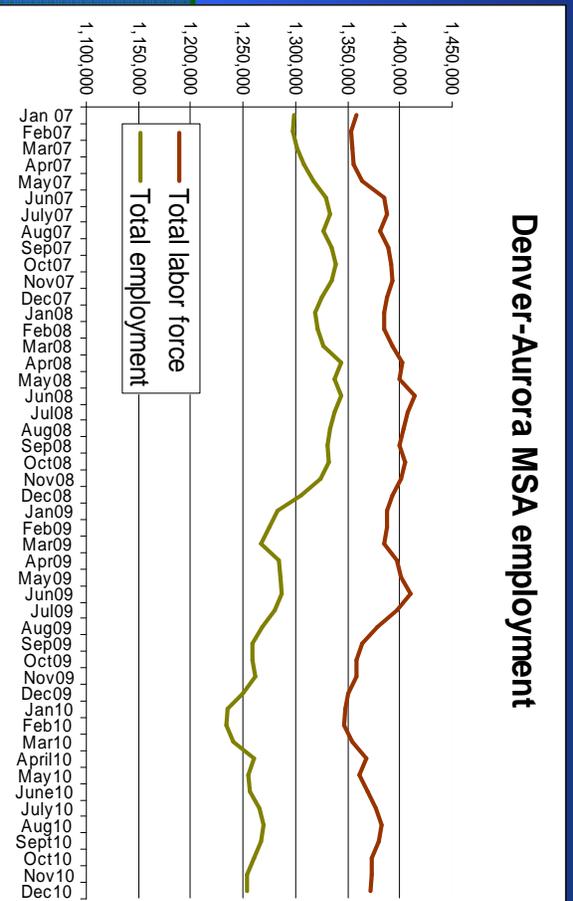


Total employment now down 190,000 from peak

Unemployment rate up to 8.3 from 7.6 a year ago

These are not seasonally adjusted.

Denver-Aurora MSA employment



Unemployment rate up to 8.7 from 7.5 past year.

Need 90,000 jobs just to get to peak levels.