



COLORADO CLOSE-UP

An Economic Newsletter
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THE NATIONAL ECONOMY

Recent evidence continues to indicate that a self-sustaining national economic recovery is underway. Fourth quarter 2003 inflation-adjusted gross domestic product (GDP) rose 4.0%. On average, 2003 GDP growth was 3.1%, the fastest pace since 2000. The main drivers of growth were personal consumption expenditures, business investment, and nonresidential fixed investment. The surge in business investment in the fourth quarter was the result of a 10.0% gain in equipment and software spending. Increases in transportation spending also contributed.

"On average, 2003 GDP growth was 3.1%, the fastest pace since 2000."

In fourth quarter 2003, personal consumption, business investment, and net exports led GDP growth, supported by a weaker dollar and low inflation. Business inventories increased 6.1% — the first increase in three quarters, suggesting greater business confidence — and residential investment jumped 6.9%. Meanwhile, personal consumption rose a modest 2.6% in fourth quarter 2003 compared with the robust 6.6% growth of third quarter 2003. Government spending grew only 0.8% during the quarter and thus contributed little to the rise in fourth quarter GDP.

The Conference Board consumer confidence index rose to 96.8 in January 2004 from 91.7 in December 2003. It is currently at its highest level in 18 months. Consumers upgraded both their assessment of the current situation and their expectations for the future. Furthermore, they are more optimistic about business conditions. Since November 2003, consumer confidence has been above 90, whereas for the previous seven months — between April 2003 and October 2003 — consumer confidence remained in a tight range near 80. Consumers remain concerned about the weak labor market.

National Economic Statistics

	2003 Q4	2002 Q4	2002 Annual Average	2001 Annual Average
Inflation-Adjusted Annual GDP Growth	4.0%	1.3%	2.2%	0.5%
Consumer Spending	2.6%	2.2%	3.4%	2.5%
Nonresidential Fixed Investment	6.9%	-0.1%	6.5%	4.1%
Structures	-3.0%	-5.5%	3.0%	1.9%
Equipment and Software	10.0%	1.7%	3.0%	2.4%
Residential Fixed Investment	10.5%	6.8%	3.0%	1.9%
Exports	19.1%	-3.8%	3.0%	2.4%
Imports	11.3%	8.2%	-1.2%	-8.4%
Federal Government	0.6%	18.2%	-3.7%	-3.2%
State and Local Governments	0.9%	1.5%	-7.2%	-4.5%

	Dec-03	Dec-02	2002 Annual Average	2001 Annual Average
Inflation*	2.3%	1.6%	1.6%	2.8%
Nonfarm Employment Growth*	-0.3%	-1.1%	-1.1%	0.0%
Unemployment Rate	5.7%	6.0%	5.8%	4.8%
Housing Permit Growth**	7.6%	6.1%	6.8%	2.8%
Single-Family	8.8%	7.2%	7.9%	3.1%
Multi-Family	3.7%	2.4%	3.5%	1.8%
Growth in the Value of Nonresidential Construction**	-2.4%	-8.5%	-8.5%	0.1%
Retail	-8.3%	-3.6%	-4.2%	0.6%
Offices	-16.3%	-33.2%	-32.7%	-6.0%
Factories	-17.7%	-43.2%	-42.8%	-7.2%
Retail Sales**	4.6%	3.3%	3.4%	3.8%

*Year-to-date.

**Year-to-date through November 2003.

Source: U.S. Bureau of Labor Statistics, U.S. Bureau of the Census and U.S. Bureau of Economic Analysis.

Employment growth is computed from wage and salary employment data by place of work.

December 2003 employment rose by 1,000 jobs — its weakest performance since July 2003 — and net job creation in both October and November 2003 were revised downward. Furthermore, the manufacturing sector continued to shed jobs in December 2003, while the manufacturing workweek fell by a tenth of an hour. However, the unemployment rate fell to 5.7% in December 2003 and unemployment insurance claims continue to decline. Also, temporary help companies and other professional and business services companies

reported net employment gains during the month. On average, 2003 employment is below 2002 employment, but average hourly earnings increased three cents in December 2003.

The Institute for Supply Management (ISM) *manufacturing index* was 66.2 in December 2003, above the important 50-point mark for the sixth consecutive month and above 60 for the second consecutive month. Previously, the index had not exceeded 60 since 1987. Indeed, the ISM new orders and production indices were both above 70, with the new order index showing a faster increase than production. The gap between new orders and production was further reinforced by the index tracking order backlogs, which also increased. Moreover, the manufacturing employment index was above 50 for the second consecutive month, following 38 months wherein the manufacturing employment index was below 50, indicating a decline. Each of these indicates that manufacturing activity in the U.S. is accelerating.

“The Institute for Supply Management (ISM) manufacturing index was . . . above the important 50-point mark for the sixth consecutive month.”

Service-providing industries continue to show a healthy pace of expansion. The December 2003 ISM *non-manufacturing index* — 58.6 — indicates that purchasing and supply managers in the U.S. service-producing industries continue to report expanding business activity and to remain confident about growth prospects for the national economy.

The U.S. Bureau of the Census reports residential home permits issued year-to-date through November 2003 rose 7.6% compared with the same period in 2002. Single-family home permits issued rose 8.8% and multi-family home permits issued rose 3.7%. Meanwhile, the year-to-date value of total nonresidential building construction fell 2.4%, despite 7.9% growth in health-care related construction and 3.1% growth in public building construction. However, the value of *retail* construction fell 8.3%, the value of *office* construction fell 16.3%, and the value of *factory* construction fell 17.7%.

THE COLORADO ECONOMY

Colorado’s economy continues to show encouraging signs of a budding rebound. Although the state’s unemployment rate inched up slightly towards year-

end, year-to-date average employment generally rose month over month throughout the year. Meanwhile, the state’s Medicaid caseload is decreasing — a signal that economic conditions are improving in the state. In a report published by the National Center for Policy Analysis and Canada’s Fraser Institute, Colorado ranks first among the 50 states and 10 Canadian provinces for “economic freedom” at the state and local level. The rankings are devised from a score that is based on factors such as size of the tax burden, size of government, and flexibility of the state’s labor market. Delaware, South Dakota, and Tennessee shared the top ranking with Colorado; West Virginia ranked last.

“Colorado’s economy continues to show encouraging signs of a budding rebound.”

According to the MoneyTree Survey from PricewaterhouseCoopers, venture capital investments in Colorado rose 11.8% in 2003, to \$620.9 million from \$555.5 million in 2002. Nationwide, venture capital funding fell 15.0% in 2003. Colorado ranked sixth among the 50 states in attracting investment dollars from venture capitalists in 2003. In 2002, the state’s share of venture capital was ninth highest.

Colorado Economic Statistics

	Dec 2003	Dec 2002	2002 Annual Average	2001 Annual Average
Nonfarm Employment Growth*	-0.8%	-1.9%	-1.9%	0.6%
Unemployment Rate	5.8%	5.8%	5.7%	3.7%
Housing Permit Growth**	-17.2%	4.7%	-12.9%	0.8%
Single-Family	-5.9%	-1.5%	-2.5%	-5.6%
Multi-Family	-50.2%	19.7%	-33.3%	16.0%
Growth in the Value of Nonresidential Construction*	-11.2%	-21.8%	-22.5%	1.0%
Retail	-13.4%	-8.7%	-8.3%	12.7%
Offices	-32.3%	-42.2%	-43.8%	-35.0%
Factories	-62.9%	-53.2%	-54.1%	119.6%
Retail Trade Sales**	0.4%	-1.6%	-0.7%	2.0%

*Year-to-date.

**Year-to-date through November 2003.

***Year-to-date through October 2003.

Source: Colorado Department of Labor and Employment, Colorado Department of Revenue, F.W. Dodge, and U.S. Bureau of the Census. Employment growth is computed from wage and salary employment data by place of work.

Colorado Economic Indicators

Employment

Colorado's seasonally adjusted unemployment rate inched up slightly to 5.8% in December 2003, the same as December 2002. However, the state gained 11,500 jobs between October 2003 and December 2003 and, on average, employment generally increased month over month during the year.

"The state gained 11,500 jobs between October 2003 and December 2003."

Recent announcements of new hiring in Colorado include:

- Comcast Corp's Colorado division will add 100 local accounting, marketing, engineering, and customer services jobs over the next several months. Denver is the headquarters for the cable company's west division, which oversees five states.
- As part of a five-year expansion program, between 2003 and 2007, TCF Bank-Colorado will add 40 branches each with 10 to 12 employees for a total of about 500 employees.
- The Fatburger restaurant chain opened its first Colorado restaurant in Aurora. The 2,500-square-foot eatery employs 40 people. There are plans to open nine more restaurants in Colorado over the next few years.
- United Airlines rehired 300 flight attendants in December 2003 and will rehire an additional 600 by mid-April 2004. The number of Denver-based attendants affected by the December rehire was unavailable. However, the April recall will include 42 Denver-based attendants. Overall, 1,450 of United's 15,000 flight attendants are based in Denver.

Recent announcements of layoffs in Colorado include:

- Grocery retailer Cub Foods closed nine Denver-area stores, leaving an estimated 1,000 employees jobless.

- Excel Corp. laid off 150 employees at its Fort Morgan meatpacking plant as a result of mad cow disease.
- GE Medical Systems cut 140 manufacturing jobs from its Louisville plant. The medical device conglomerate transferred the jobs to Mexico and Finland.
- ICG Communications Inc. eliminated 100 jobs — 10% of its workforce — near the end of 2003. The Arapahoe County-based telecommunications firm employed 975 people prior to the layoffs, 700 of whom are located in Colorado. The number of Colorado-based employees that were affected by the cuts was unavailable.

Bankruptcies

In 2003, county clerks recorded 25,787 business and personal bankruptcies in Colorado, a 21% increase compared with 2002. However, business bankruptcy filings declined 7.5%, to 540 filings compared with 596 filings in 2002.

Foreclosures

Home foreclosures in the seven-county Denver area hit a fifteen-year high in 2003. Public trustees recorded 9,431 foreclosures in 2003 — a 43.5% increase compared with 2002 when 6,754 foreclosures were recorded. The highest annual number of metro-area foreclosures — 17,122 — was recorded in 1988. In 2003, foreclosures accounted for about one percent of all homes on the market compared with 2.3% in 1988.

Population

According to the U.S. Bureau of the Census, Colorado ranked 16th in the nation in population growth in 2003. Colorado grew 1.1% — gaining about 50,000 new residents between July 1, 2002 and July 1, 2003. In 2002, Colorado was the sixth fastest growing state. It was third fastest in 2001. Since the April 2000 Census, Colorado's population has gained 5.8%, or 250,000 people, the sixth-fastest growth in the country.

Colorado Construction Activity

Residential Construction

The U.S. Bureau of the Census reported the total number of housing permits issued in Colorado through November 2003 fell 17.2% compared with year-to-date November 2002. Year-to-date single-family home permits fell 5.9%, while multi-family home permits declined 50.2%.

In 2003, the median price of a previously owned single-family home was \$230,000, a 4.1% increase compared with December 2002. Meanwhile, the median price of a condominium increased 5.0%, to \$157,000. On average, the price of a single-family home was \$275,289 in 2003, 2.5% higher than the average in 2002. The average price of a condominium rose to \$182,411, a 7.8% increase compared with 2002. There were 6.9% more homes on the market in December 2003 than there were one year ago.

“ . . . the median price of a previously owned single-family home increased 4.1% . . . ”

Several noteworthy new residential construction projects were recently announced:

- A 130-acre site in Greeley will become a master-planned community with single- and multi-family housing and open-space trails. The site is next to the 33-acre, mixed-use Village of Fox Run project.
- Construction on a 35-acre, mixed-use development in Jefferson County will begin in summer 2004. The first phase of the Three Hills project will include 340 condominium and townhome units ranging in price from \$160,000 to the mid-\$200,000s.
- Hall-Irwin Corp. is developing a 2,200-acre master-planned community in Milliken. Centennial Crossing will be completed over the next 15 years and include 5,000 homes, a golf course, trail system, outdoor amphitheater, softball/baseball complex, athletic center, school administrative building, and new town hall.
- Icon Investment Group is developing a 772-acre site in Arapahoe County. The Sky Ranch

development will include a mix of 3,500 single-family homes, duplexes and apartments, and over one million square feet of office and retail space. Construction will begin in late 2004 and will be completed over the next 15 years.

Nonresidential Construction

F.W. Dodge reports that the value of Colorado nonresidential building construction declined 11.2% in 2003. The value of *factory* construction dropped 62.9%, while *office space* construction declined 32.3% and *retail* construction fell 13.4%.

Although the nonresidential construction market has slowed, new projects continue to be announced:

- Alberta Development Partners broke ground on the first phase of a 1.5 million-square-foot regional shopping center. Located in east Aurora, the \$250 million Southlands Mall includes restaurants, retail shops, and a 16-screen cinema.
- A 33-acre, mixed-use development will be built in Greeley. Village of Fox Run will include a 300,000-square-foot shopping center and office space. Adjacent to the project is a 130-acre master-planned community.
- Construction will begin this summer on Three Hills, a 35-acre mixed-use development in Jefferson County. Upon completion in eight to 10 years, the project will include two hotels, 100,000 square feet of “upscale” retail space, and 181,000 square feet of Class A office space.
- Poag and McEwen Lifestyle Centers are developing a 3,000-acre mixed-use project in east Loveland. Centerra will include 80 retailers and restaurants and a stadium-style cinema center. The development will open in August 2005.
- In Cañon City, developers broke ground on an \$18 million expansion of the St. Thomas More Hospital. Upon completion in early 2006, the new addition will provide all private rooms as well as new surgery and intensive care units.
- Construction began on an 86-room Wingate Inn hotel in Metro Denver. The Greenwood Village property will cost about \$5 million to build and will

include 3,000 square feet of meeting space. Designed for commercial travelers, Wingate Inns International Inc. currently has one Colorado hotel in Pueblo and more than 130 throughout the U.S.

- An 11-acre “neighborhood center” is being developed in east Fort Collins. Among other tenants, the Shops at Rigden Farm will include a 66,280-square-foot King Soopers, Capri Coffee Shop, Subway sandwich shop, and First National Bank. The first phase of the project will be completed in July 2004.
- Hall-Irwin Corp. is moving its headquarters from Greeley to Milliken, where it will build a new 30,000-square-foot, \$3.5 million headquarters.
- Construction has begun on a \$3.2 million fire station in Denver’s Parkfield neighborhood. The station will be completed in 18 months.

Colorado’s Industrial Sectors

Agriculture

Prices received by Colorado farmers in mid-December 2003 were higher for steers, heifers, and calves, but lower for wheat and corn. The mid-December 2003 price of winter wheat fell 6.3% compared with mid-December 2002, while the price of corn fell 1.6% during the same period. Meanwhile, steer and heifer prices increased 20.6% during this period and the price of calves rose 27.7%.

“Prices received by Colorado farmers in mid-December 2003 were higher for steers, heifers, and calves”

Increased demand for beef, coupled with lower supply, has driven up beef prices. However, Colorado ranchers are not seeing a windfall. A decade of low prices and drought conditions forced many of the state’s 15,000 ranchers and farmers to sell off some of their cattle. Indeed, the U.S. Department of Agriculture reported a 9.8% decrease in the head of cattle in Colorado in July 2003 compared to July 2002.

Energy

According to the National Petroleum Council, the Rocky Mountain West — Colorado, Montana, New

Mexico, Utah, and Wyoming — has 41% of natural gas reserves in the continental U.S. The region has 50.3 trillion cubic feet of proven gas reserves — 27.4% of the country’s total. Colorado has 12.5 trillion cubic feet of gas reserves.

“Natural gas producers pumped a record 2.5 billion cubic feet of gas per day.”

According to the Colorado Oil and Gas Conservation Commission, Colorado natural gas producers pumped a record 2.5 billion cubic feet of gas per day in 2003, a 6% increase from the previous year. The increase resulted from the unprecedented 25,042 wells drilled in 2003, a 6% jump compared with 2002. The expansion in gas drilling was prompted by the completion of new pipelines to carry Colorado’s gas to other markets in the Midwest where producers are able to get a better price.

Manufacturing

In December 2003, Colorado’s manufacturing sector declined for the second consecutive month. According to the Front Range Purchasing Managers Index, Colorado’s score dipped in December 2003 to 45.6 compared with 47.6 in November. A score above 50 indicates an increase in economic activity, while a score below 50 indicates a decline. December’s decline reflects a decrease in manufacturing production and employment compared with November 2003.

Oil and Gasoline

AAA Colorado reported the state’s average retail gasoline price continues its downward trend since reaching a peak price of \$1.73 per gallon over the Labor Day weekend. Through the second week in December 2003, prices for self-service, regular unleaded gasoline have declined over 30 cents per gallon to \$1.43. Overall, the average price of gasoline in Colorado is up 2.6 cents compared to the same week in December 2002. The decline in gasoline prices across the nation is due to increasing fuel inventories and the expiration of summer fuel demand.

Tourism

Conde Nast Traveler’s Top 50 Ski Resorts in North America survey included 24 Colorado ski resorts. The Park Hyatt Resort and Spa in Beaver Creek was the

state's highest rated at number three, while the St. Regis in Aspen ranked four, the Ritz-Carlton Bachelor Gulch in Beaver Creek ranked five, and the Beaver Creek Lodge in Beaver Creek ranked seven. The survey, in the magazine's December issue, was based on reader respondents who evaluated 187 North American ski resorts. Resorts were rated by six criteria: terrain and conditions, accommodations, town ambience and amenities, lifts and lines, and food and service. Colorado's listing of 24 resorts was the most of any state, followed by Utah with seven resorts and Wyoming and California with four resorts each.

Skier visits through January 4, 2004 are down 9.0% for the 2003-2004-ski season compared with early visits during the 2002-2003 ski season. However, Colorado ski resorts set a record in the 2002-2003-ski season for early skier visits, with 2.9 million visits through January 5, 2003. Furthermore, many destination resorts are reporting record-breaking attendance during certain periods of the early 2003-2004 ski season. On New Year's Eve, Aspen Skiing resorts — Aspen, Snowmass, Aspen Highlands, and Buttermilk — reported more than 40,000 skiers, the most for that day in seven years, and Telluride hosted more than 7,000, a new record for the ski resort. Meanwhile, flights into the local airport at Steamboat were completely booked over Christmas weekend bringing more than 1,600 skiers per day to the resort.

"Conde Nast Traveler's Top 50 Ski Resorts in North America survey included 24 Colorado ski resorts."

Passenger traffic at Denver International Airport (DIA) increased to 2.9 million passengers in November 2003, a 14.1% increase compared with November 2002. Year to date, nearly 35 million people passed through DIA — a 5.2% increase over the same period last year.

Colorado Regional News

Metropolitan Denver

In 2003, residential housing permits issued in Metro Denver were down 24.2%, while nonresidential construction declined 28.5%.

According to CB Richard Ellis, the *industrial* market vacancy rate was 5.3% in 2003 compared with 5.7% in 2002. The *office* vacancy rate was 17.9%, unchanged

between 2002 and 2003. Meanwhile, the share of vacant *retail* space reached its lowest level in seven quarters, falling to 5.9% compared with 6.7% in 2002.

Denver Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth	Housing Permit Growth	Growth in Value of Nonres. Const.
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>	<i>Dec-03</i>	<i>Dec-03</i>
Denver-Boulder MSA	-2.5%	5.8%	1.5%	-24.8%	-29.9%
Boulder-Longmont MSA	-14.1%	4.9%	1.2%	-30.3%	-36.8%
Denver MSA	1.6%	5.9%	1.6%	-24.2%	-28.5%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. MSA employment growth is computed using data estimating wage and salary employment by place of work.

Eastern Plains

In 2003, residential housing permits issued in Logan and Prowers counties were down 24.3% and 50.0%, respectively. In Logan County, nonresidential construction was down 97.8% while Prowers County saw no growth in 2003.

Eastern Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>
Eastern Region	2.3%	4.4%	0.6%
Baca	1.3%	2.6%	0.3%
Bent	1.4%	7.1%	0.6%
Cheyenne	2.3%	3.1%	7.9%
Crowley	0.5%	5.3%	4.1%
Elbert	10.9%	3.4%	-7.0%
Kiowa	-3.2%	5.7%	8.1%
Kit Carson	0.8%	3.8%	-4.9%
Lincoln	2.2%	3.0%	12.1%
Logan	3.3%	3.6%	-1.6%
Morgan	2.5%	3.5%	12.4%
Otero	0.5%	6.2%	-1.7%
Phillips	1.7%	2.3%	-0.5%
Prowers	-1.9%	4.0%	0.3%
Sedgwick	2.8%	4.1%	4.0%
Washington	0.6%	4.1%	4.2%
Yuma	4.9%	2.3%	-13.0%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. Employment growth is computed from labor force data estimating employment by place of residence.

Mountains

"The 2003 number of housing permits issued in Routt County was up 45.9%."

Aspen Skiing Co. has entered an agreement to host the X Games through 2007. Previously, the four-day, Olympic-type event showcasing snow-sports competitions moved to a new town every two years. Aspen will be the first town to host the games six years in a row, from 2002 through 2007. Considered one of the most influential winter sports events, the X Games give Aspen an economic boost and national exposure. During 2003, 412,000 households tuned in to watch the X Games, broadcast on ESPN and ABC networks. The 2003 number of housing permits issued in Routt County was up 45.9%. The number of housing permits issued in Eagle, Pitkin, and Summit counties grew 15.9% during the year. Meanwhile, the value of nonresidential building construction in Eagle, Pitkin, and Summit counties was down 50.6% in 2003. In Routt County, the 2003 value of nonresidential building construction was down 16.7%.

Mountain Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>
Mountain Region	1.5%	5.4%	0.4%
Chaffee	0.3%	4.0%	-4.9%
Clear Creek	6.0%	4.9%	-5.5%
Eagle-Pitkin-Summit	1.7%	3.7%	0.4%
Gilpin	4.7%	4.8%	-5.8%
Grand	4.5%	4.2%	10.3%
Jackson	3.9%	4.4%	-6.7%
Lake	1.7%	6.1%	7.3%
Park	3.0%	3.9%	-0.9%
Routt	4.3%	2.7%	-0.3%
Teller	1.0%	4.6%	4.5%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. Employment growth is computed from labor force data estimating employment by place of residence.

Northern

An 11-acre shopping center is being developed in east Fort Collins. The Shops at Rigden Farm will include a 66,280-square-foot King Soopers, Subway sandwich shop, Capri Coffee Shop, and First National Bank. The development is part of the 310-acre Rigden Farm Development, which includes more than 1,000 homes to be built over the next several years. The first phase of the project will be completed in July 2004.

A 3,000-acre mixed-use project is planned for east Loveland. Centerra will include 80 retailers and restaurants and a stadium-style cinema center. It will open in August 2005.

Northern Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth	Housing Permit Growth	Growth in Value of Nonres. Const.
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>	<i>Dec-03</i>	<i>Dec-03</i>
Northern Region	3.3%	5.9%	2.1%	-22.3%	-13.6%
Larimer	2.4%	5.2%	1.1%	-35.2%	-40.0%
Weld	3.4%	6.4%	4.0%	-11.4%	37.6%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. Employment growth is computed from labor force data estimating employment by place of residence.

Southern

The country's fifth-largest wind farm is being built east of Lamar. Upon completion in 2004, the Colorado Green Wind Project will annually create 162 megawatts of electricity — enough to meet the needs of 50,000 homes. Colorado has an estimated 6 million acres of windswept lands, primarily on the eastern plains.

In 2003, the number of housing permits issued in Alamosa and El Paso counties declined 5.3% and 19.5%, respectively, while the number of permits issued in Pueblo county increased 0.3%. The value of new nonresidential building construction rose 33.1% in El Paso County and 213.2% in Pueblo County, while it dropped 59.4% in Alamosa County.

Southern Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>
Southern Region	2.1%	6.0%	1.1%
Alamosa	3.2%	7.2%	0.1%
Conejos	3.2%	8.3%	-0.4%
Costilla	0.5%	11.2%	-11.9%
Custer	16.9%	3.8%	-9.0%
El Paso / Colorado Springs MSA	-1.3%	5.9%	0.8%
Fremont	0.9%	5.2%	-0.1%
Huerfano	6.0%	6.2%	-11.7%
Las Animas	4.3%	4.6%	2.7%
Mineral	-3.5%	3.6%	10.8%
Pueblo	1.2%	7.2%	2.5%
Rio Grande	2.2%	7.5%	1.6%
Saguache	2.3%	8.0%	15.7%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. MSA employment growth is computed using data estimating wage and salary employment by place of work. All other employment growth is computed from labor force data estimating employment by place of residence.

Western Slope

According to the quarterly house price index compiled by the U.S. Office of Federal Housing Enterprise Oversight, Grand Junction housing prices are among the fastest rising in Colorado. According to the report, housing prices increased an average of 4.5% from September 2002 to September 2003. Statewide, prices increased 1.9% during the same period. Nationally, the average increase was 5.6%.

“The value of new nonresidential construction in La Plata County was up more than 100% . . .”

In 2003, the number of housing permits issued in La Plata, Mesa, and Montrose counties rose 48.0%, 15.7%, and 138.1%, respectively. The value of new nonresidential construction in La Plata County was up more than 100% because of a variety of commercial, education, and amusement projects. In Mesa and Montrose counties, the value of nonresidential construction declined 27.3% and 32.5%, respectively, in 2003.

Western Region Economic Statistics

	Avg. Emp. Growth	Avg. Unemp. Rate	Retail Trade Sales Growth
<i>Data Available Through</i>	<i>Dec-03</i>	<i>Dec-03</i>	<i>Sep-03</i>
Western Region	3.2%	5.0%	2.8%
Archuleta	3.2%	5.7%	-6.8%
Delta	2.9%	5.2%	5.9%
Dolores	-1.8%	7.5%	6.2%
Garfield	2.6%	4.1%	5.0%
Gunnison	0.8%	5.6%	-4.3%
Hinsdale	-1.0%	3.3%	7.7%
La Plata	2.6%	4.4%	7.7%
Mesa	4.0%	5.6%	1.5%
Moffat	1.9%	6.8%	0.2%
Montezuma	1.3%	5.7%	-0.4%
Montrose	3.5%	5.5%	5.3%
Ouray	3.5%	3.2%	10.9%
Rio Blanco	2.9%	3.6%	0.2%
San Juan	5.3%	21.0%	-5.1%
San Miguel	1.8%	4.0%	-1.2%

Source: Colorado Department of Labor & Employment, Colorado Department of Revenue, and F.W. Dodge. Employment growth is computed from labor force data estimating employment by place of residence.