



HOUSING SNAPSHOT

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PERSONAL INCOME FALLS DURING 2009'S FOURTH QUARTER. UNEMPLOYMENT RISES IN 2010.

Personal income in Colorado fell during the fourth quarter of 2009, dropping 1.2 percent from the fourth quarter of 2008, and 0.95 percent from 2009's third quarter. Personal income in Colorado fell \$2.5 billion year-over-year to a total of \$209 billion during the fourth quarter of 2009. Colorado has shed 4.8 billion dollars

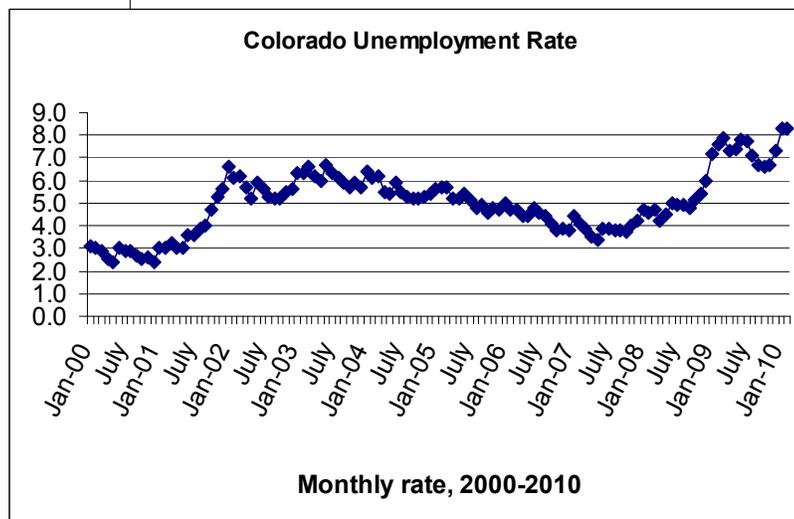
in personal income since it peaked during the third quarter of 2008 at \$213.9 billion.

Nationwide, state personal income declined an average 1.7 percent in 2009.

Unemployment in Colorado in February rose to 8.3 percent, increasing from

February 2009's rate of 7.6 percent. The unemployment rate during January 2010 was also 8.3 percent. Colorado has lost 203,000 jobs since the peak of the labor market in July 2008, and the state has shed 87,300 jobs since February of last year. More than 119,000 people have left the labor force since labor force size peaked during July 2008.

The unemployment rate fell from July to October of last year, but employment totals have consistently trended downward since July 2008. Fewer than 600 jobs were lost in the not-seasonally-adjusted data, demonstrating some stability in the job markets in the short term.



DENVER-BOULDER-GREELEY PRICES FALL

The Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder-Greeley, Colo. metropolitan area decreased 0.7 percent from the second half of 2008 to the second half of 2009.

The index was driven down by significant declines in transportation and food and beverages accompanied by a smaller decline in housing.

However, prices in the "West" region of the United

States, which includes Colorado, rose in February. Prices in the West rose 0.1 percent since January 2010, and rose 1.4 percent year over year.

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METRO HOME PRICES IN COLORADO FALL

Metropolitan home prices in Colorado, based on home sales and on mortgage refinances, showed declines in all metro areas of Colorado. According to the Federal Housing and Finance Agency's fourth quarter 2009 home price report, Grand Junction and Colorado Springs showed the largest declines in home prices with drops of 5.63 percent and 3.21 percent, respectively.

The Denver-Aurora area showed the smallest decrease with a fall of 1.37 percent, with Fort Collins-Loveland showing a virtually identical drop of 1.38 percent.

The overall Colorado index, based only on home sales and excluding refinances, showed continued declines in the Colorado home price index. Since the Colorado index peaked during the second quarter of 2007, the index has fallen 4 per-

cent, but it has risen 2.3 percent since the fourth quarter of last year.

Although home values across the state are down year-over-year, Colorado metro areas have performed much better compared to five years ago. Comparing to the fourth quarter of 2004, Grand Junction showed the largest gains with home prices rising 32.4 percent, while Colorado Springs showed gains of 5.8 percent. Only the Greeley area showed home price losses over five years with a 5-year drop of 10.7 percent.

It is likely that Grand Junction's substantial home price increase over the past five years reflects a delayed downturn in the real estate markets given the prevalence of oil and gas activity that continued into 2008 while much of the state was experiencing significant declines in home sales activity and

high numbers of foreclosures.

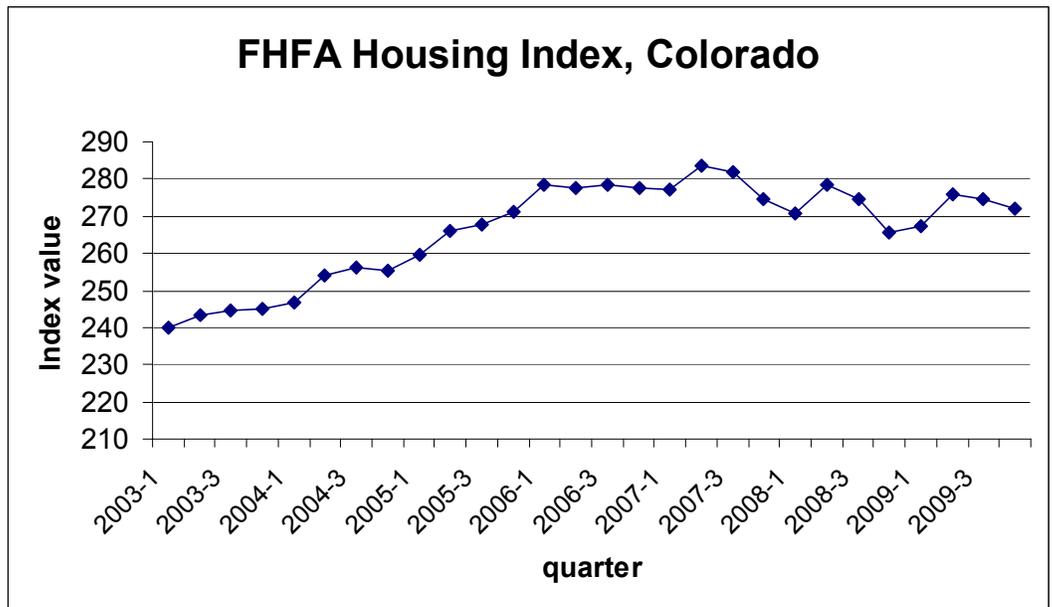
Greeley's value losses over five years reiterate the fact that Greeley was one of the earliest communities to feel the impact of foreclosures and declining demand for for-sale housing. For all metro areas, the one year percent changes were:

- Colo. Springs, -3.21%
- Denver-Aurora, -1.37%
- Ft. Coll.-Loveland, -1.37%
- Grand Jct., -5.63 %
- Greeley, -2.25 %
- Pueblo, -3.13 %

For all metro areas, the five year percent changes were:

- Colo. Springs, 5.82%
- Denver-Aurora, 1.73%
- Fort Coll.-Loveland, 1.96%
- Grand Junction, 32.38%
- Greeley, -10.72%
- Pueblo, 2.35%

In the metro Denver area, there were 42 units affordable to every 100 households earning \$10,000 or less, and 38 units affordable to households earning \$20,000 or less.



LOW-INCOME HOUSEHOLDS OUTNUMBER AFFORDABLE RENTAL UNITS

Among households with the lowest incomes, there are twice as many households as there are affordable rental units in Colorado. According to a recent report by the Division of Housing, there are 49 rental units affordable to every 100 households that earn \$20,000 or less per year. The report assumes that households earning \$20,000 can afford a monthly rent payment of \$500, or 30 percent of monthly income.

According to the report, there are 43 affordable rental units for every 100 households earning \$15,000 or less per year, and 53 units for every 100 households at an income of \$10,000 or less. However, for households making \$40,000 per year, there are 102

rental units for every 100 households.

In the report, units are deemed affordable if the household pays 30 percent or less of monthly income to rent.

The availability of affordable rental units varied across the state. In the metro Denver area, there were 42 units affordable to every 100 households earning \$10,000 or less, and 38 units affordable to households earning \$20,000 or less. Affordable rentals were more accessible in the Mesa County area where there were 58 units affordable to households earning \$10,000 or less, and 46 units affordable to households earning \$20,000 or less. For households earning

\$35,000 in all areas except the Mesa County region, there were at least 100 units affordable to every 100 households. In the Mesa County region there were 84 units for every household earning \$35,000.

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level
10,000	250	1.9	53
15,000	375	2.3	43
20,000	499	2.0	49
25,000	624	1.5	67
30,000	750	1.2	86
35,000	875	1.1	95
40,000	999	1.0	102
45,000	1125	1.0	103
50,000	1250	1.0	96
60,000	1500	1.0	97
75,000	1875	1.1	94
100,000	2499	1.1	93

REGIONAL PRICES INCREASE, CONT. FROM PAGE 1

Continued In Denver-Boulder-Greeley, the transportation index had the largest impact among the eight major expenditure categories, accounting for over one-fourth of the movement in the overall index. Transportation prices declined 3.4 percent from the second half of 2008 to the second half of 2009 due almost entirely to lower motor fuel costs.

The housing component also contributed to the downward movement of the all items index, decreasing 0.7 percent from the second half of 2008 to the second half of 2009. An increase of 0.8 percent in shelter costs was more than offset by decreases in prices for household energy and household furnishings and operations. Household energy costs declined 10.8

percent as prices for electricity decreased 1.8 percent and utility (piped) gas service costs fell 22.8 percent over the year. Prices for household furnishings and operations were 6.5 percent lower over the period.

In the U.S. West, prices edged up 0.1 percent in February 2010. During the past 12 months, overall prices advanced 1.4 percent.

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Visit us on our searchable blog:
Divisionofhousing.blogspot.com

The mission of the Colorado Division of Housing is to ensure that Coloradans live in safe, decent and affordable housing by helping communities meet their housing goals.

DOH is your partner in providing financial assistance and services that increase the availability of housing to residents of Colorado who can least afford it.

Next State Housing Board Meeting: April 13, 2010

Metro Denver Vacancy and Rent information is expected the week of April 26.

1st Q 2010 Foreclosure information is expected the first week of May

Housing Snapshot is written by Ryan McMaken

CASE-SHILLER, MLS DATA SHOWS PRICE INCREASES FOR 2010

Denver area home prices rose 2.6 percent during January compared to a year earlier. According to the January 2010 Case-Shiller home price index of 20 cities, Denver experienced the sixth largest increase in home prices. The city with the largest increase was San Francisco at 9.0 percent, followed by Dallas at 4.1 per-

cent. Las Vegas showed the largest drop in home prices with a decline of 17.4 percent. Prices in Detroit and Tampa both fell 7.4 percent.

Month over month comparisons for Denver showed a price drop as prices fell 1.3 percent. Prices also fell from November to December with a drop of 0.8 percent.

The growth in home prices for Denver comes at a time when, nationally, new home sales have hit record lows, and major servicers such as Bank of America have begun to engage in large reductions in principal for some mortgages. For more than 18 months, Denver

has been part of a small number of major cities that have shows resistance to major price declines.

January price statistics provided by the Colorado Association of Realtors earlier this month showed a year-over-year price increase of 16.2 percent. The Realtor data includes only properties listed in the Metrolist sales database, and thus excludes new home sales any properties not sold with a Realtor. However, the upward movement in January prices for both the Realtor and case-Shiller data indicates that the demand for housing strengthened in January.

According to Realtor data, Metro Denver home prices remain well below peak levels reached in 2007 and 2008.

**Metro Denver median home prices
(3-month moving average)**

