



# HOUSING SNAPSHOT

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## COLORADO APARTMENT RENTS RISE AS VACANCIES FALL

The average rent in Colorado, unadjusted for inflation, has increased seven percent since 2005. Among metropolitan areas, the average rent has increased the most in Grand Junction where average rent has increased 35 percent. The average rent in metro Denver increased 5.2 percent, which was the smallest increase among

metropolitan areas. In all metropolitan areas except Grand Junction, the average rent has increased between 5.2 percent and 14.1 percent since 2005.

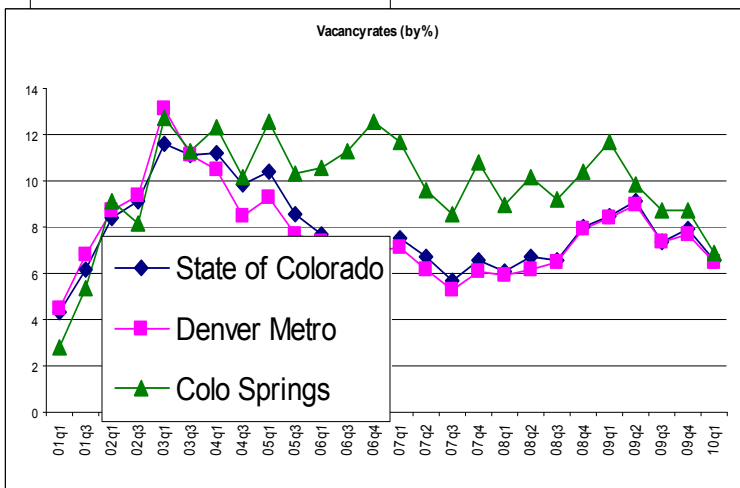
Average rents across the state have slowly grown in recent quarters as vacancy rates have been surprisingly small given lack of job growth and an unemployment rate above 8 percent. Historically, demand for rental housing has increased most with gains in job creation.

tightening availability of rental housing has been driven by lack of new construction in rental housing in recent years coupled with increased population growth in spite of weak job growth. The Colorado economy, which compares favorably to the economies of most other regions of the United States, has led to more residents either choosing to stay in Colorado, or has led to job seekers relocating to Colorado in search of jobs in what is a relatively superior market for job seekers.

Since the second quarter of 2009, vacancy rates have fallen across Colorado in spite of weak and negative job growth. Only Grand Junction and Pueblo reported increases in vacancies during this period. The

**Table: Rates of increase in average rent (1stQ 2005-1stQ 2010)**

Colorado Statewide	7.006369
Denver Metro	5.282113
Colo Springs	5.505952
Fort Collins/Loveland	13.26116
Grand Junction	35.03055
Greeley	8.01964
Pueblo	14.19624



## PERCENTAGE OF COLORADO MORTGAGE LOANS IN FORECLOSURE RISES

The percentage of Colorado mortgage loans in foreclosure increased to 2.76 percent during the 1st quarter of 2010, rising from 2009's first-quarter rate of 2.42 percent. According to a report released on May 19 by the

Mortgage Bankers Association, the proportion of Colorado mortgage loans in foreclosure fell from the fourth quarter of 2009 to the first quarter of 2010, with the percentage of loans in foreclosure falling from 2.81 percent.

Compared to the proportion of loans in foreclosure for all states, Colorado's totals are lower than national numbers with 4.63 percent of loans nationwide being in a state of foreclosure during the first quarter of 2010. **More on page 3**

## FORECLOSURES RISE IN 1ST QUARTER, BUT SLIDE IN 2ND QUARTER

New foreclosure filings rose to 11,136 in Colorado during 2010's first quarter, rising 6 percent over 2009's first-quarter total of 10,509. Compared to 2008's first-quarter total of 11,634, first-quarter filings this year were down 4.3 percent. 2010's first quarter filings were down 1.3 percent compared to 2009's fourth-quarter total of 11,282.

Foreclosure sales at auction, the event that completes the foreclosure process, increased 13.3 percent from the first quarter of 2008 to the same period this year, rising from 5,899 to 6,686. From the fourth quarter of last year to the first quarter of this year, sales rose 22.3 percent from 2009's fourth-quarter total of 5,466.

Due to a national moratorium on processing foreclosures put in place in late

2008 and early 2009, foreclosure sales during the first quarter of 2009 fell significantly to a total of 4,354. Beginning in late 2008, several national mortgage servicers, with major investors like Fannie Mae, temporarily slowed or halted the processing of foreclosures to allow for new loss mitigation policies to be put in place. Consequently, few foreclosures proceeded to final sale during the first quarter of 2009, driving down foreclosure sales totals for the period. Comparing the first quarter of 2009 to the first quarter of 2010, foreclosure sales were 53.6 percent higher in 2010.

During April and May of this year, new foreclosure filings have continued to fall.

Foreclosure filings in Colorado's largest counties fell 16.6 percent in April of this

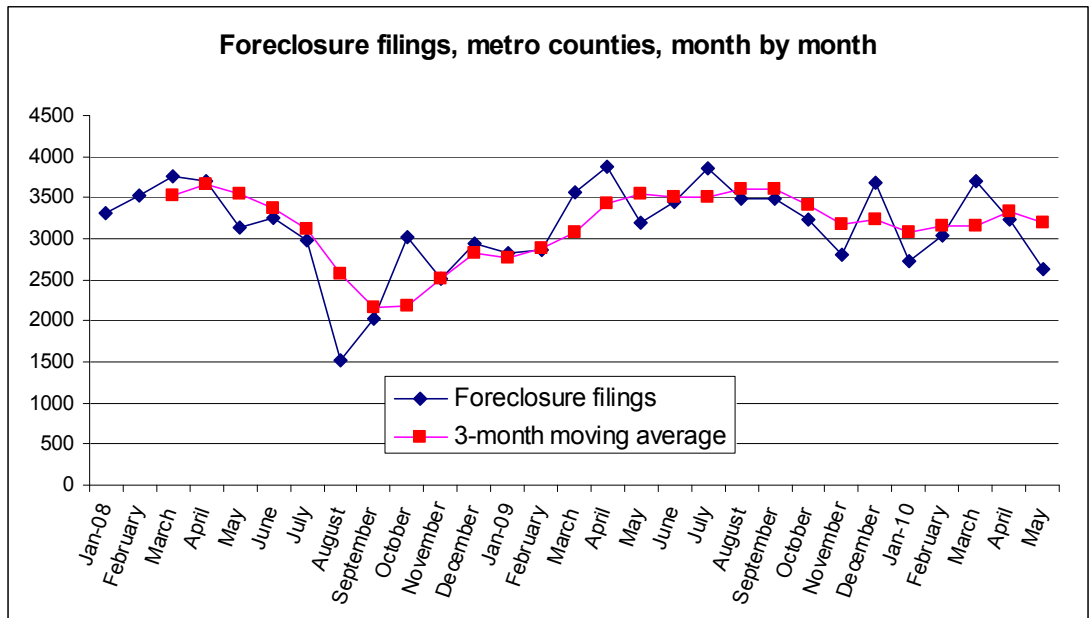
year as compared to April of last year. Foreclosure filings also fell 12.7 percent from March to April of this year. Compared to April of 2008, April 2010 filings were also down 12.9 percent.

Foreclosure sales at auction fell 16 percent from March to April of this year, and rose 45.2 percent from April 2009 to April 2010. The year-over-year increase reflects the very low number of foreclosure sales that occurred during April 2009 due to last year's voluntary moratoria on foreclosures.

Foreclosure filings in metro counties in May fell to a 18-month low and foreclosure sales fell to a 9-month low. Year over year comparisons for May showed a decline in filings and an increase in sales.



*During April and May of this year, new foreclosure filings have continued to fall.*



## JOBS ADDED IN APRIL, BUT EMPLOYMENT REMAINS BELOW 2009 LEVELS

Colorado added 12,838 jobs in April, but employment totals remain below 2009 levels. According to the most recent employment data released by the Colorado Department of Labor and Employment, total employment, not seasonally adjusted, rose to 2,451,424 jobs during April 2010, but the employment total was 51,409 below April 2009's employment total of 2,502,833 jobs.

The total labor force also remains down 58,718 from a year earlier with a labor force of 2,658,438 workers during April of this year as compared to 2,717,156 during April of last year.

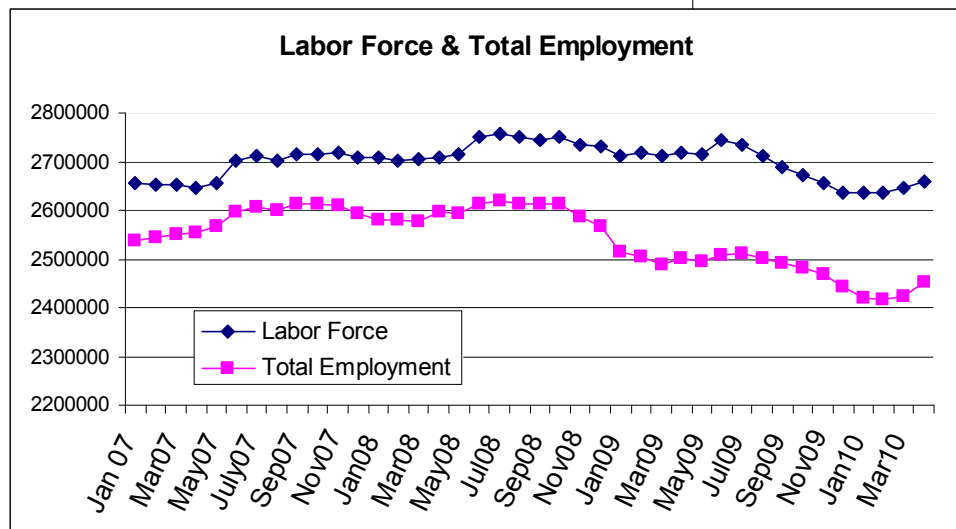
From March to April, the unadjusted unemployment rate fell from 8.4 percent to 7.8 percent,

and the rate fell year over year from April 2009's unemployment rate of 7.9 percent.

Since the peak of the labor market in July 2008, when total employment was 2,621,081, more than 169,000 jobs have been lost, and the labor force has shrunk by more than 98,000.

Unemployment rates in all metro areas for April 2010 were Boulder-Longmont, 5.9 percent; Denver-Aurora, 7.8 percent; Greeley, 9.0 percent; Fort Collins-Loveland, 6.4 percent; Grand Junction, 9.2 percent; Pueblo, 8.9 percent.

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## LOANS IN FORECLOSURE, CONT. FROM PAGE 1

Year-over-year trends are also upward nationally with 2010's first-quarter percentage being an increase from the first quarter of 2009 when the total percentage of loans in foreclosure was 3.85 percent. Foreclosing loans also increased nationally from the fourth quarter of 2009 to the first quarter of this year with an increase from the fourth quarter's percentage of 4.58 percent.

Eighteen states reported a smaller percentage than Colorado for the number of mortgage loans in foreclosure. North Dakota reported the smallest percentage of foreclosing mortgages with 1.18 percent. Alaska and Wyoming placed slightly behind North Dakota with 1.34 percent and 1.66 percent of loans in foreclosure, respectively.

States reporting the highest percentages of loans in foreclosure included Nevada and Florida with percentages of 10.40 percent and 13.97 percent, respectively. Short-term delinquencies dropped slightly in both Colorado and nationwide from the first quarter of last year to the first quarter this year.

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*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: August 10, 2010

May Foreclosure Data to be released June 17

Housing Snapshot is written by Ryan McMaken

## CASE-SHILLER, MLS DATA SHOWS PRICE INCREASES FOR 2010

Denver area home prices rose 4.1 percent during March compared to a year earlier. According to the March 2010 Case-Shiller home price index of 20 cities, Denver experienced the seventh largest increase in home prices. The city with the largest increase was San Francisco at 16.2 percent, followed by San Diego at 10.8 percent. Las Vegas showed the largest drop in home prices with a decline of 12.0 percent, followed by

Detroit with a drop of 4.6 percent.

Month-over-month comparisons for Denver from February to March showed a slight price increase as prices rose 0.6 percent. Prices fell from January to February with a drop of 0.8 percent.

Nationally, home prices have increased at least partially in response to the first-time homebuyer tax credit. Year-over-year com-

parisons in many markets show marked increases as home prices, driven by the tax credit, continue to rise above very low home prices experienced in the first quarter of 2009.

March price statistics provided by the Colorado Association of Realtors earlier this month showed a year-over-year price increase of 8.1 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 March prices for both the Realtor and Case-Shiller data indicates that the demand for housing strengthened in March.

According to Realtor data, Metro Denver home prices remain 12.5 percent below the peak of the market reached in June 2007.

