



HOUSING SNAPSHOT

INSIDE THIS ISSUE:

<i>Employment</i>	1
<i>Consumer Prices</i>	1,3
<i>Delinquencies</i>	2
<i>Foreclosures</i>	3
<i>Home Price Index</i>	4
<i>Announcements</i>	4

NEW JOBS ADDED DURING JULY AND AUGUST IN COLORADO

Colorado gained 6,841 jobs in August 2011 compared to August of last year, and the non-seasonally-adjusted unemployment rate fell year-over-year from 8.7 percent to 8.3 percent. According to the most recent employment data released by the Colorado Department of Labor and Employment,

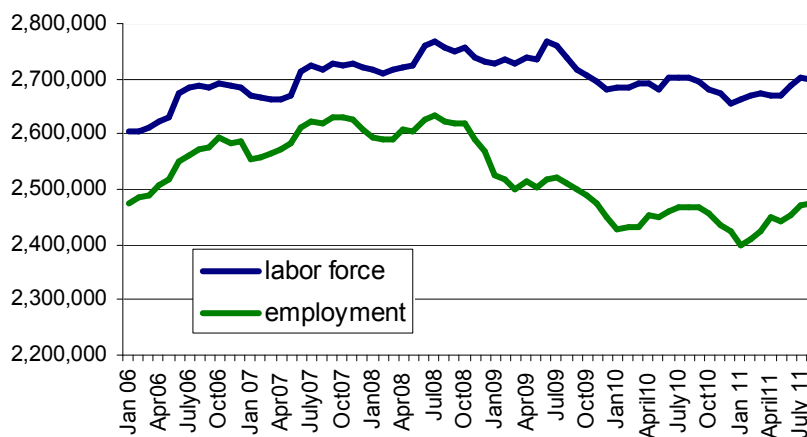
total employment in August, not seasonally adjusted, rose to 2.475 million jobs. There were 4,100 fewer people in the work force during August, compared to August 2010, which contributed to the decline in the unemployment rate.

From August 2010 to August 2011, total employment rose 0.27 percent, while the labor force shrank 0.15 percent. The total labor force in August included 2.699 million workers.

Total employment and total workforce size have increased month-over-month. Year over year, total employment rose while the labor force grew smaller. Both remain well below the July 2008 peak.

The employment total is 157,000 jobs below the peak levels experienced during July 2008 when there were 2.63 million employed workers. Compared to the labor force peak in July 2008, the labor force is now down by more than 68,000 workers.

Labor Force and Total employment in Colorado



CONSUMER PRICES UP 3.0 PERCENT

The Bureau of Labor Statistics recently released the August CPI for US urban areas and regions. From August 2010 to August 2011, the CPI for all urban areas increased 3.8 percent. In the West region, the CPI increased 3.0

percent which is the third-largest year-over-year increase since 2008, before the deflationary effects of the 2007-2009 recession began to be felt.

The movement upward in the CPI, both locally and nationally, were fueled by

increases in prices for food and transportation. West-region CPI growth in August 2011 is now roughly the fourth-highest increase observed for August during the past ten years.

MORE on page 3



30-DAY DELINQUENCIES UP DURING SECOND QUARTER IN COLORADO

The National Mortgage Bankers Association released its 2011 second-quarter data in late August, and new 30-day mortgage delinquencies rose during the second quarter to the highest percentage recorded during the second quarter in at least five years.

2.59 percent of all mortgage loans surveyed were delinquent during the second quarter, falling from 2010's second-quarter rate of 2.51. The percentage of loans that are 30-days delinquent has not been above 2.59 percent since the fourth quarter of 2009 when 2.64 percent of all mortgage loans were 30-days delinquent.

2011's second quarter 30-day delinquency rate is the fifth-largest 30-day delinquency rate recorded since 2006 and is

the highest second-quarter rate recorded during the same period. The 30-day delinquency rate increased from the first quarter of 2011 when the rate was 2.17 percent. This quarterly increase was expected since 30-day delinquencies generally increase from the first quarter to the second quarter.

In the graph below, the 30-day delinquency rate is broken out by year and by quarter. We can see that the 30-day delinquency rate is the highest it's been since 2009.

We also can note that the second quarter 30-day delinquency rate tends to be higher than the first quarter but slightly below the third quarter.

The second quarter's rise in 30-day delinquencies

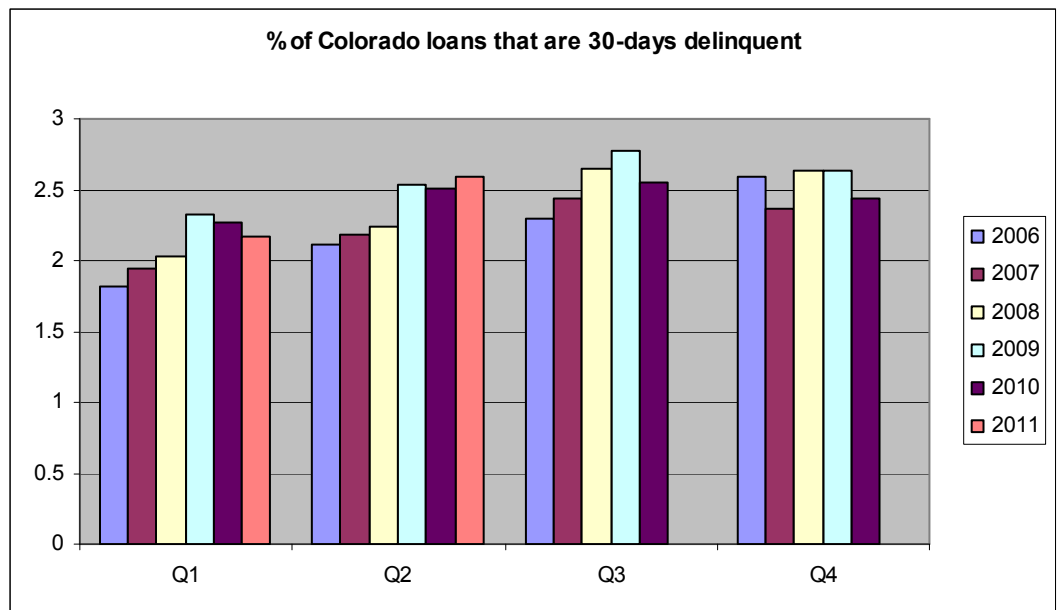
is a fairly significant jump from the first quarter's rate which was the lowest 30-day delinquency rate in 12 quarters.

The Colorado rate has been below the national rate in every year for which we have data. This isn't just true for the second quarter either. The Colorado 30-day delinquency rate is below the national rate in every quarter since at least as early as 2006.

During the second quarter of 2011, the national 30-day delinquency rate was 3.39, and it was 2.59 in Colorado. During the second quarter, Colorado had one of the lowest 30-day delinquency rates in the nation, with 39 states showing higher 30-day delinquency rates than Colorado.



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FORECLOSURES IN COLORADO DOWN 31 PERCENT IN 2011

Both foreclosure filings and foreclosure sales at auction in Colorado's metropolitan counties were down during the first eight months of this year as compared to the same period of 2010. August was the ninth consecutive month during which both filings and sales were down when compared to the same month a year earlier. According to the division of Housing's monthly foreclosure update for August, foreclosure filings from January through August fell 31.4 percent to 16,481 filings compared to a total of 24,032 filings during the same period last year.

Foreclosure sales at auction were down 18.5 percent during the same eight-month period. There were 11,502 sales at auction from January through August of this year compared to a total of 14,114 during the same period last year.

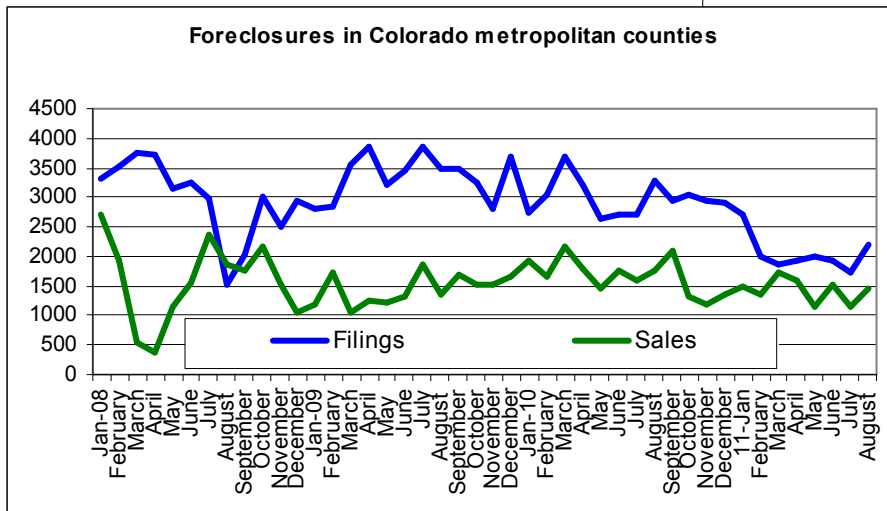
From July to August of this year, foreclosure filings increased 34.2 percent and sales at auction rose 32.0 percent. Foreclosure filings hit a six-month high in August while foreclosure sales at auction reached only a two-month high.

In single-month totals for August, year-over-year comparisons show that there were 28.9 percent fewer foreclosure filings during August 2011 than during August 2010. There were 15.1 percent fewer

foreclosure sales at auction during August 2011 than during August 2010. of the foreclosure process.

All metropolitan counties showed decreases in foreclosure filings in the year-to-date comparisons. Comparing the first eight months of this year with the same period last year, foreclosure filings fell 35.5 percent in Adams County and 34.5 percent in Denver County. .

Foreclosure filings hit a six-month high in August



FOOD AND TRANSPORTATION PRICES RISE

2005, 2006 and 2008 showed larger increases, and price increases in those years were partially countered by strong growth in employment and incomes, but at the present time, income growth has been flat in recent years

In the West region, transportation costs increased by 8.0 percent, year over

year. Food costs also increased significantly, rising 4.1 percent. Price increases in housing have begun to inch up with July's year-over-year increase at 1.4 percent. Housing costs to consumers will likely move upward as rent increases in the face of increasing demand and little new construction.

Recent price increases will impact household calculations and attitudes on spending as many households conclude that discretionary spending will need to be scaled back in the face of increasing food and transportation costs. These price increases come in the face of continued lackluster performance in the labor markets.

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HOUSING

Visit us on our searchable blog:

www.Divisionofhousing.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: October 11, 2011
- 3rd-quarter vacancy surveys will be released beginning late October

For more complete information on these topics, visit www.divisionofhousing.com.

Housing Snapshot is written by Ryan McMaken

COLORADO HOME PRICE INDEX DROPS 4.7 PERCENT DURING SECOND QUARTER

Colorado's House Price (Expanded-Data) Index (HPI), measured by the Federal Housing and Finance Agency (FHFA), fell 4.7 percent from the second quarter of 2010 to the same period this year. According to the second quarter 2011 HPI, released last month by FHFA, the home price index for Colorado, in year-over-year comparisons, has fallen for the fourth quarter in a row while the national index has fallen for the 17th month in a row.

The Colorado HPI is now down 14 percent from the peak in the state's HPI which was reached during the third quarter of 2006. The national

index is down 23 percent from its peak, which it also reached during the third quarter of 2006.

With the exception of the first quarter 2011, the national HPI has fallen farther than the Colorado HPI in every quarter since the third quarter of 2007.

Note: Late last month, the Federal Housing and Finance Agency released, for the first time, its Expanded-Data House Price Index. The new index uses a variety of data sources providing a more broad index that was previously unavailable

