



HOUSING SNAPSHOT

INSIDE THIS ISSUE:

<i>Permits</i>	1
<i>Personal income</i>	1,3
<i>Home Prices</i>	2
<i>Home Sales</i>	3
<i>Mortgage delinquencies</i>	4
<i>Announcements</i>	4

MULTIFAMILY PERMITS POISED TO DOUBLE IN 2011

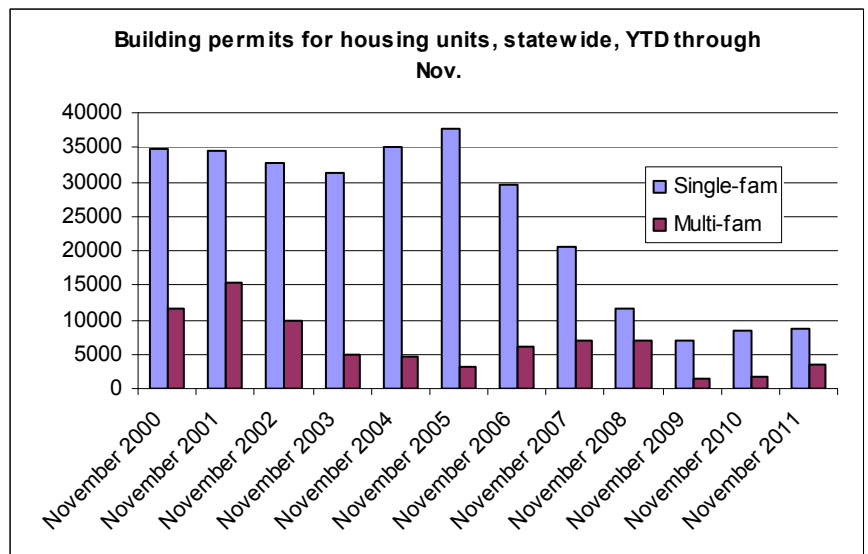
During the first eleven months of 2011 in Colorado, building permits issued for multifamily construction are up 110 percent, year over year, while permits issued for single-family construction are up 2.4 percent for the same period.

This year, through November, there have been 3,521 multifamily permits issued in Colorado, and 8,687 single-family permits issued. For the same period during 2010, there were 1,671

multi-family permits issued, and 8,477 single-family permits.

During November, the number of new multi-family permits issued was up from November 2010, and was the highest November total reported in three years.

2011 overall has shown some significant growth in multi-family activity. November's permit total for single-family units was at a 3-year high, although it remains well below typical November totals reported over the past decade.



PERSONAL INCOME INCHES UP

Colorado has now surpassed the personal income peak achieved before the 2008 financial crisis. At \$225.0 billion, personal income in Colorado is above the peak levels reached during the third quarter of 2008,

when personal income reached \$218.1 billion. Personal income is now up by 3.18 percent from previous peak levels.

In year-over-year comparisons, personal income in Colorado is up 4.8 percent

from the third quarter of 2010 to the same period this year. This is the lowest year-over-year rate of increase since the second quarter of 2010, when personal income grew 3.2 percent, year over year. **MORE on page 3**

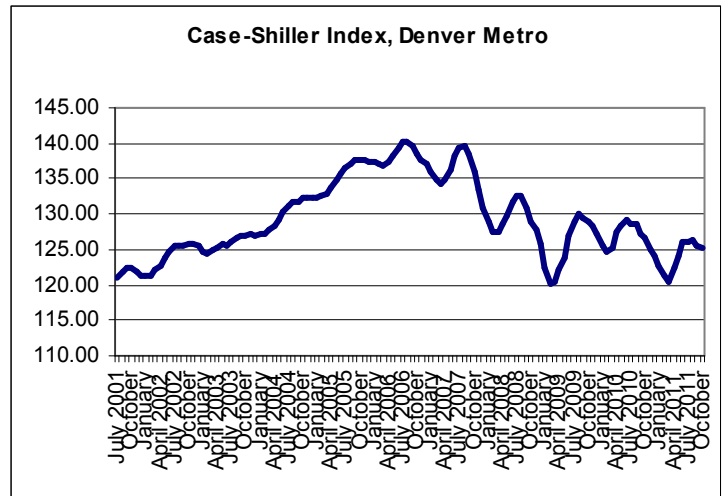
HOME PRICES CONTINUE DECLINES IN MULTIPLE INDICES

Home prices in Colorado continue to slowly drift downward in several difference home price indices for Colorado and for the Denver metro area.

According to the Federal Housing Finance Agency's house price index, Colorado's index fell 1.5 percent from the third quarter of 2010 to the same period this year. The home price index for Colorado, in year-over-year comparisons, has fallen for the fifth quarter in a row.

The Colorado HPI is now down 13.6 percent from the peak in the state's HPI which was reached during the third quarter of 2006.

Case-Shiller released its home price index for October in December. The home price index for the Denver area fell 0.2 percent from September to October, and fell 0.9 percent, year over year, from October 2010 to October 2011. Prices fell in October due at least partially to seasonal factors, although the overall index for the year remains below the index val-



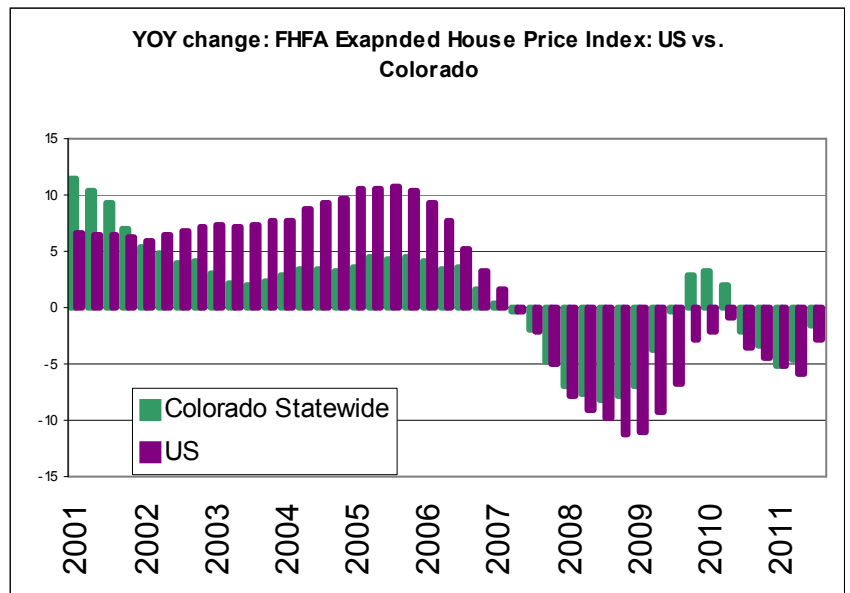
ues seen during 2010. As can be seen in the graph above, home prices during 2011 did not match even the levels seen at seasonal peaks during 2009 and 2010.

According to the Colorado Association of Realtors, median home prices in metro Denver and in the Colorado Springs area fell repeat-

edly throughout the year, although Denver area reported a 1.9 percent year-over-year increase in November. Statewide, the median price remains 14 percent below peak levels.

Corelogic's home price index reports that the home price index in Colorado has fallen year over year, for the past 15 months.

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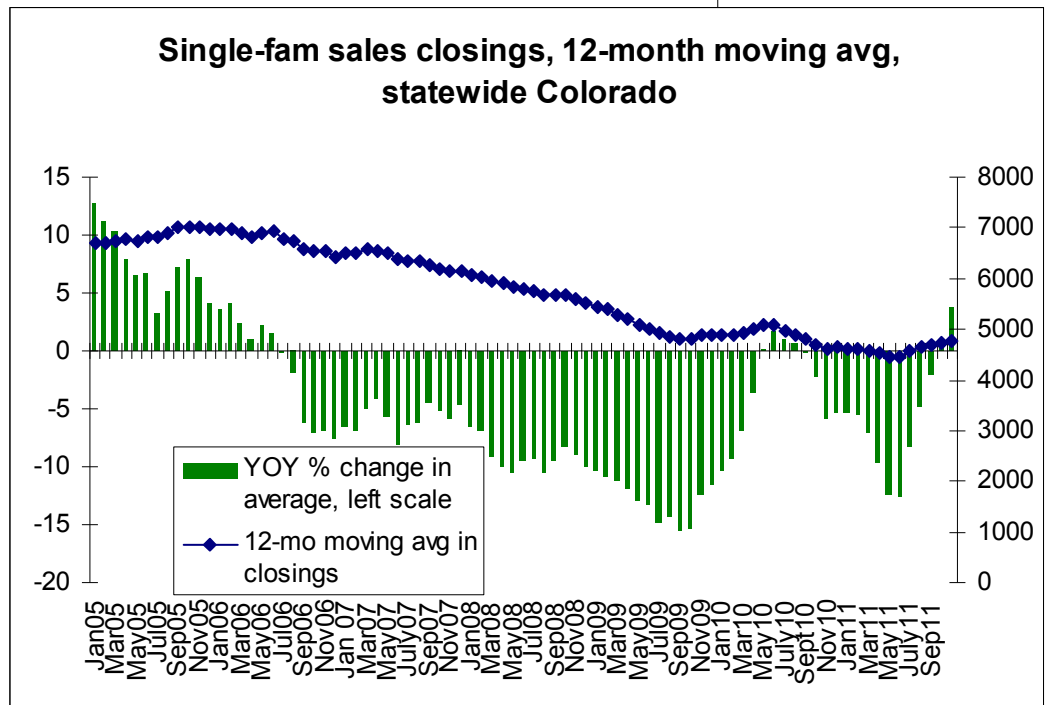
HOME SALES FALL IN LARGEST METROS IN WAKE OF TAX CREDIT

The number of single-family home sales closings increased again in November in metro Denver, the Pikes Peak Region, and statewide. According to home sales information released by the Colorado Association of Realtors, the number of single-family closings rose 11.6 percent in metro Denver during November, compared to November of last year. Over the same period, closings rose 13.6 percent statewide, and 19.1 percent in the Pikes Peak region. Statewide in November, there were 4,467 closings. 2,471 of them were in the metro Denver region and 646 occurred in the Pikes Peak region. The number of closings in all three measures has increased, year over year, each month for the past five months.

The year-over-year change in the statewide moving average for home sales turned positive in November for the second time in 14 months. Statewide, transactions moved into positive territory in response to the home-

buyer tax credits that were offered in 2009 and 2010, but moved into negative territory again after the expiration of the credits. The statewide moving average increased 3.7 percent in November, year over year.

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PERSONAL INCOME FLAT SINCE 2008 PEAK

Personal income figures are not adjusted for inflation. Over the past decade, the consumer price index in the United States West region increased 23 percent. So, income growth has outpaced inflation, but real income growth is about half of nominal income growth.

Since the peak levels reached during the third quarter of 2008, personal

income in Colorado is up 3.1 percent, but the CPI in the U.S. West has increased 3.6 percent during the same period.

Much of the increase that has occurred may be attributed to a 29 percent increase in personal current transfer receipts since the 2008 peak.

An important component

of personal income is "personal current transfer receipts." These are forms of income not tied to wages and employment income and include payments such as social security payments, unemployment insurance, Medicare and Medicaid.

When personal current transfer receipts are removed from personal income, income growth is not as robust.



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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.

All articles on this newsletter appear in longer and more detailed form at the Division of Housing blog: www.divisionofhousing.com

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: February 14, 2012
- Metro Denver Vacancy and Rent information is expected the week of January 30.
- 4th Q 2011 Foreclosure information is expected the first week of February

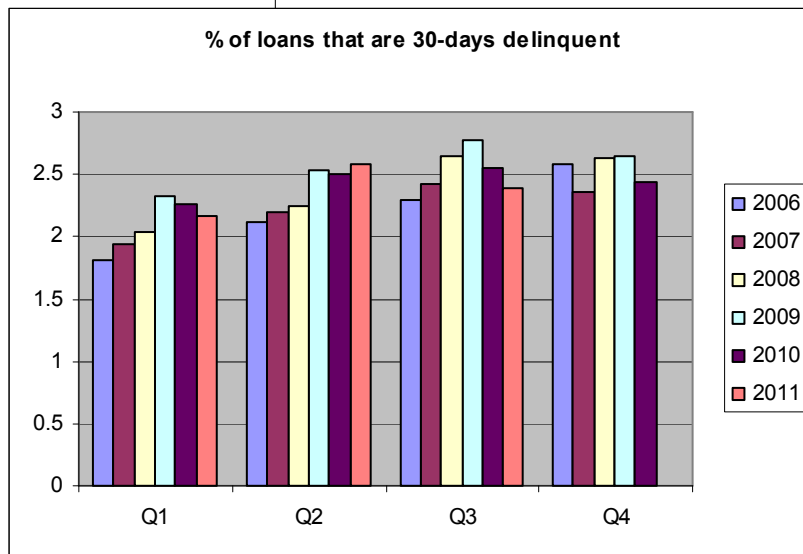
COLORADO OUTPACES OTHER STATES IN DELINQUENCIES

According to two measures of mortgage loan delinquencies, the LPS Mortgage Monitor, and the Mortgage Bankers Association's Delinquency survey, Colorado is in the top ten for states with the lowest delinquency rates. In Colorado, the percentage of active mortgage loans that were non-current during November

was 6.8 percent, which was down 11.7 from the same period last year. Colorado's year-over-year decline in non-current loans was the 8th largest in the nation. Only Nevada, Michigan, Arizona, California, Utah, Idaho and Wyoming showed larger declines. Only five states reported lower percentages of non-current

loans than Colorado, making Colorado 6th-best in the nation for the percentage of its mortgage loans that were non-current during November 2011. Montana, Wyoming, South Dakota, Alaska and North Dakota reported lower percentages of non-current loans during November. In the MBA survey, During the third quarter of 2011, only seven states reported lower percentages of mortgage loans that were either in foreclosure or were 90 days delinquent. According to the third quarter's national delinquency survey the percentage of mortgage loans in Colorado that are either in foreclosure or are either 90-days delinquent, was 4.22 percent. Nationally, the rate was 7.89 percent.

Also, during the third quarter, new 30-day mortgage delinquencies in Colorado fell year over year to the lowest third-quarter percentage recorded since 2006, as can be seen at left.



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Montana,

