



HOUSING SNAPSHOT

INSIDE THIS ISSUE:

<i>Employment</i>	1
<i>Permits</i>	1,3
<i>Home Prices</i>	2
<i>Foreclosures</i>	3
<i>Apartments</i>	4
<i>Announcements</i>	4

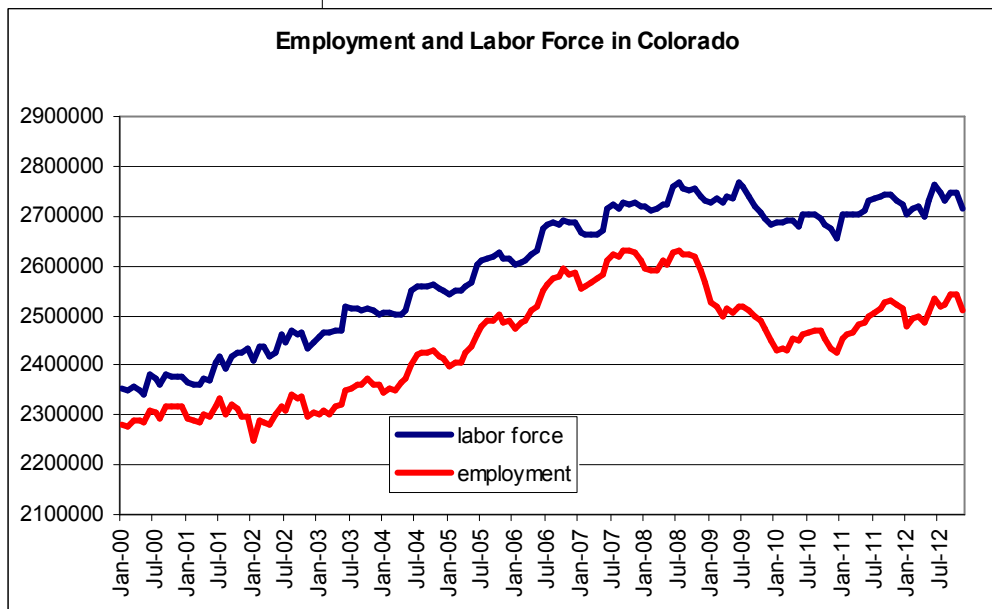
JOBS TOTALS INCH UP IN 2012, BUT UNEMPLOYMENT RATE REMAINS ABOVE 7%

During 2012, total employment in Colorado continued to inch up from the low points reached during 2010 and 2011. Growth has been generally muted, however, and total Colorado employment, as of November 2012, was still 123,000 jobs below

the peak levels reached during July 2008. The unemployment rate has recently fallen below eight percent, but remains well above unemployment rates that were typical from 2002 to 2008. As of November 2012, the unemployment rate in Colo-

rado (not seasonally adjusted) was 7.5 percent, which was down from November 2011's rate of 7.6 percent. The unemployment rate varied significantly across metro areas. During November 2012, the unemployment rate was 10.1 percent in Pueblo, but it was 6 percent in the Fort Collins-Loveland area. The strongest job markets tend to be found in the metro Denver area and in northern Colorado, while the weakest job markets tend to be found in southern Colorado and on the Western Slope. Colorado's unemployment rate now matches the national rate, and both the national rate and the Colorado rate has been similar for the past eight months.

Employment and Labor Force in Colorado



PERMITS UP BY 54 PERCENT IN 2012

Single-family and multi-family development continued to increase during 2012, and multi-family development during 2012 is on pace to increase over 2011 totals by more than 75

percent. Single-family development, on the other hand increased by slightly more than 40 percent from 2011 to 2012. From January through October of 2012, there were ap-

proximately 17,400 building permits issued in Colorado, with 11,200 of them being single-family and 6,100 of them multifamily. Overall, permits have increased by 54 percent from 2011 to 2012.

MORE on page 3

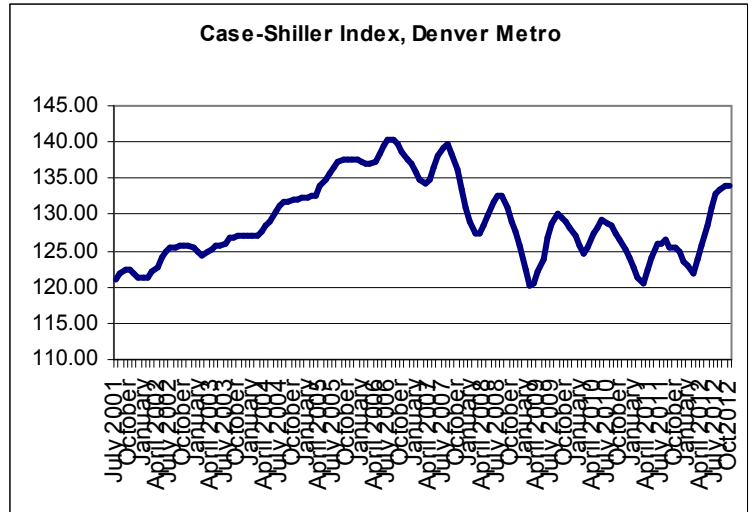
HOME PRICES HEADED UP IN 2012 AS INVENTORY FALLS

The HPI growth rate in Colorado during the third quarter was at the highest rate reported since the third quarter of 2001.

Home prices in Colorado continued upward statewide and in several metro areas across the state. Colorado outpaced the nation overall in its home price growth, increasing 6.8 percent from the third quarter of 2011 to the third quarter of 2012 in the FHFA home price index (HPI). Nationwide, the FHFA HPI increased by 3.3 percent over the same period. The HPI has increased year over year in Colorado for the past three quarters, while it has increased nationwide for the past two quarters. The HPI growth rate in Colorado during the third quarter was at the highest rate reported

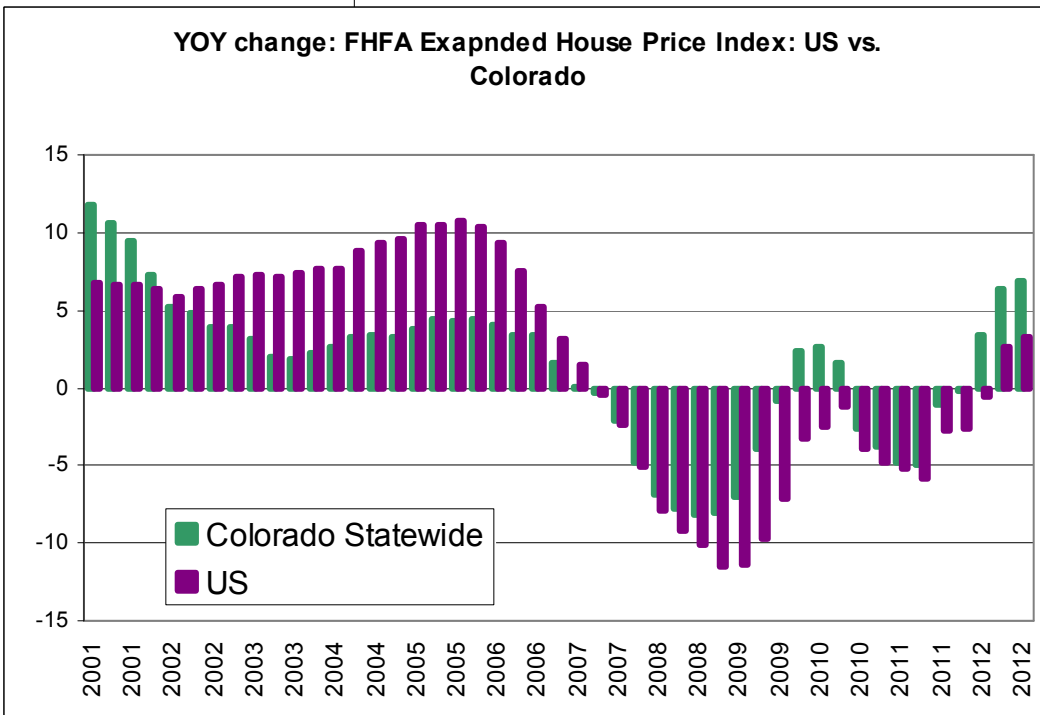
since the third quarter of 2001. Among metro areas, some of the most robust growth was seen

from October 2011 to October 2012, rising year over year for the tenth month in a row,



in the metro Denver area. According to the Case-Shiller home price index for metro Denver, the home price index increased 6.8 percent

and growing at the fastest rate seen since November 2001. According to FHFA, home price growth was more subdued in Colorado Springs and in Pueblo where home prices have yet to show an established trend in home price gains. Home prices in the Grand Junction area were still down by as much as 25 percent from peak levels as of the third quarter of 2012. Home price gains have been driven by declining inventory and by stabilization in the job market in several metros such as metro Denver and in northern Colorado. According to FHFA, those markets that have recovered the most are Boulder, metro Denver and the Fort Collins area.



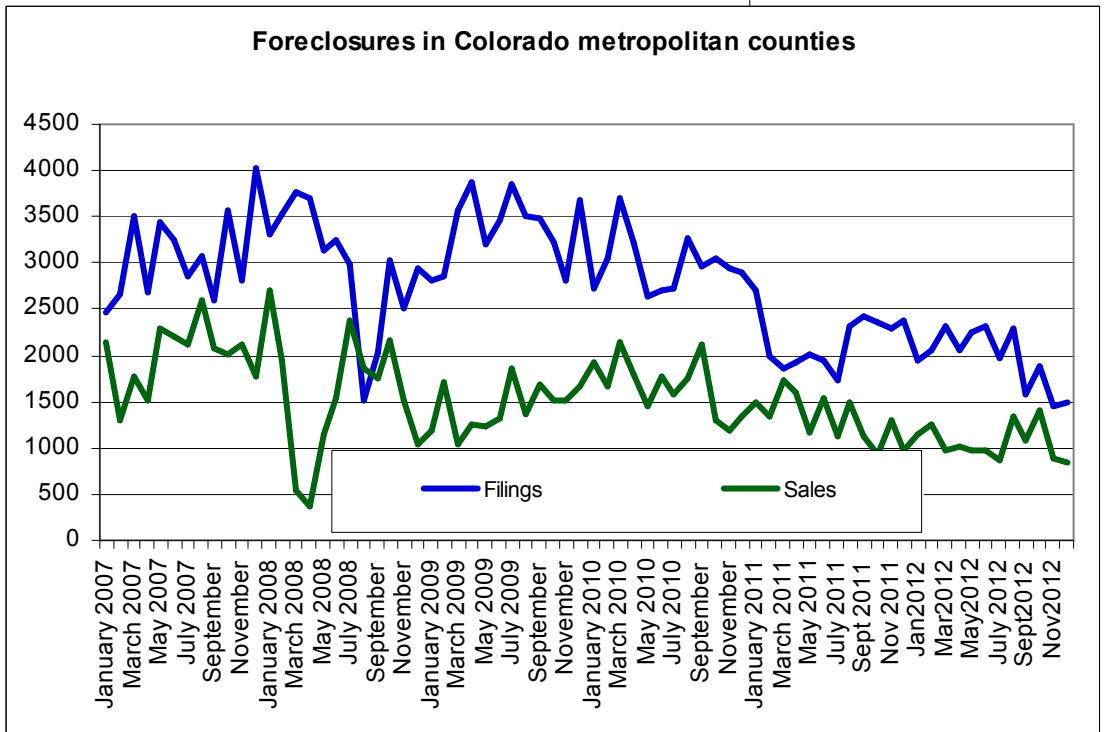
FORECLOSURES CONTINUE TO FALL IN 2012

Foreclosure filings were down 36.8 percent in Colorado metro counties during November 2012, falling to the lowest level recorded in any month since the Division of Housing began collecting monthly totals in 2007. Foreclosure auction sales in Colorado's metropolitan counties were down 31.8 percent last month compared to November of last year, falling from 1,290 to 880. Over the same period, foreclosure filings dropped from 2,296 to 1,450. For the first eleven months of the year, from January through November, foreclosure filings were down 6.5 percent in 2012 when compared to the same period last year. Foreclosure auction sales were down 19.9 percent over the same period. Ten of twelve counties surveyed showed decreases in foreclosure auction sales during the first eleven months of this year when compared to the same period last year. The counties with

the largest decreases in foreclosure auction sales, year over year, were Douglas County and Arapahoe County where auction sales decreased by 32.4 percent and 27.7 percent, respectively. Broomfield and Pueblo counties reported increases of 12 percent and 2.9 percent, respectively, in auction

sales over the same period. The county with the highest rate of foreclosure sales during November was Mesa County with a rate of 1,143 households per foreclosure sale. The lowest rate was found in Boulder County where there were 3,912 households per foreclosure sale.

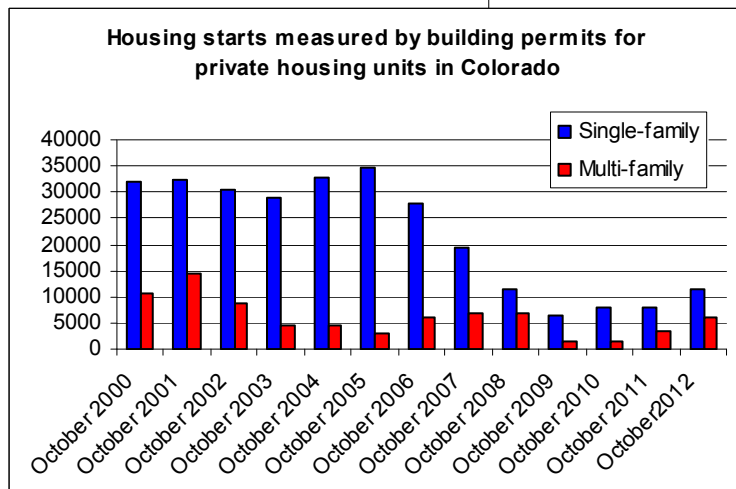
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MULTIFAMILY PERMITS UP BY 85 PERCENT

Not all areas of the state are experiencing growth in housing production at the same rate. The most active counties for multi-family housing production are Denver, Broomfield, Douglas, El Paso and Larimer counties. The most active counties for single-family development are El Paso, Larimer, and Douglas counties. In most cases,

robust new development reflects local job growth, although in Colorado Springs, new housing production has been significant in spite of very subdued job growth in that metro area.



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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 12, 2013
- Metro Denver Vacancy and Rent information is expected the week of January 30.
- 4th Q 2012 Foreclosure information is expected the first week of February

RENTS HEAD UP AS APARTMENT VACANCIES FALL IN 2012

The combined Colorado apartment vacancy rate fell to 4.6 percent during the third quarter of 2012, dropping to the lowest level recorded since the first quarter of 2001. Demand for rental units continued at high levels in

Colorado during the third quarter, and demand was especially strong in northern Colorado. The vacancy rate fell year over year from 2.2 percent to 2.1 percent in the Ft. Collins-Loveland area for the third quarter, although it rose

from 1.8 percent to 3.1 percent in Greeley over the same period. A vacancy rate below five percent is generally regarded by industry observers as a sign of a tight market. The vacancy rate also fell below five percent in Grand Junction where it dropped year over year from 7.7 percent to 3.8 percent during the third quarter. The vacancy rate in metro Denver during the third quarter was 4.3 percent. Rents continued to climb as vacancy rates fell. Rents headed up as vacancy rates declined. The statewide average rent in Colorado increased 5.1 percent from 2011's third quarter to 2012's third quarter, rising from \$898 to \$944, which is an all-time high. Across the state, the average rent increased in all metro areas except Grand Junction. In metro Denver, the average rent rose 5.2% to \$986.

Colorado multifamily vacancy rate, by %

