



# REGIONAL SNAPSHOT

## COLORADO SPRINGS AREA

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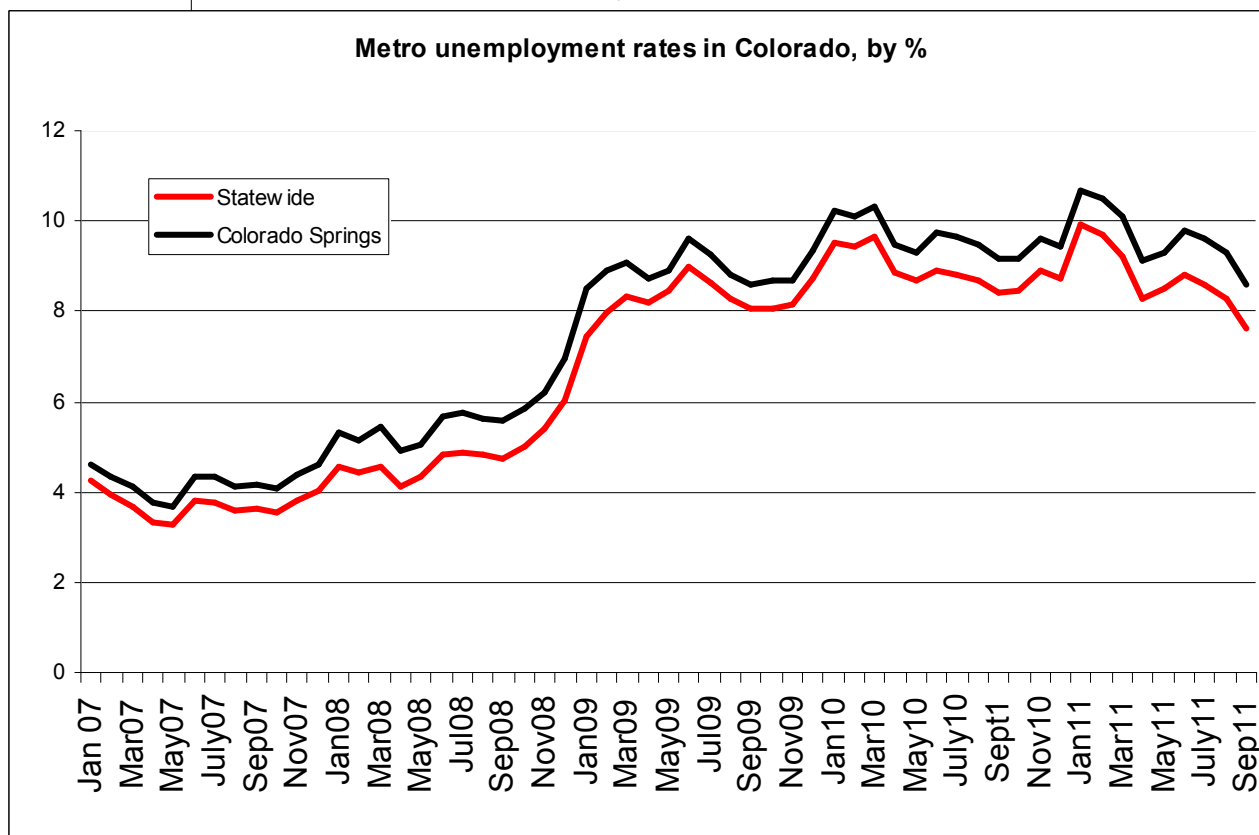
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### TOTAL EMPLOYMENT FALLS IN COLORADO SPRINGS AREA

The unemployment rate in the Colorado Springs metro area fell again during September 2011, falling year over year from 9.1 percent to 8.6 percent. Total employment increased slightly from September 2010 to September 2011, climbing by 170 jobs. During the same period, the total labor force shed 1900 jobs, however, which helped to push down the unemployment rate. September 2011 was the first month since April 2008 to show

a positive year-over-year change in total employment in the Colorado Springs area, with 40 months in a row of year-over-year job declines. Following September's job gains, total employment in the region is now 6.9 percent, or 22,000 jobs, below peak levels reached during September 2007. Statewide, total employment is 4.9 percent below the July 2008 peak. As can be seen in the graph below, the unemployment rate has con-

sistently been slightly higher than the statewide unemployment rate for at least the past four and a half years. Compared to other metro areas such as Boulder and the Fort Collins Loveland area, Colorado Springs has consistently shown higher unemployment rates, although the Colorado Springs area has fared better than both the Grand Junction and Pueblo metro areas since 2008.



# HOME PRICES SLIDE IN COLORADO SPRINGS AREA

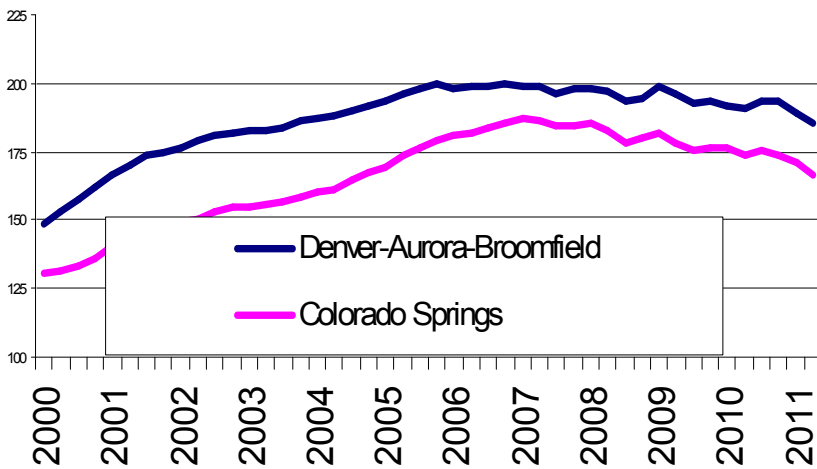
*Year over year for August, the median price has fallen 7.1 percent in the Colorado Springs area while the Denver metro price has fallen only 0.65 percent.*

Home prices in the Colorado Springs area continue to slide according to Metrolist data and according to the quarterly metro reports of the Federal Housing and Finance Agency (FHFA). According to the FHFA, the Colorado Springs index was down 11 percent from its peak as of

the 2nd quarter, 2011, while the Denver area is down 7.4 percent from its own peak. Year over year, the Colorado Springs index is down 4 percent for the 2nd quarter while the Denver area is down 2.8 percent. In the Metrolist data, the Pikes Peak area is at 83 percent of peak levels, while metro Denver is back up to 89 percent of peak levels.

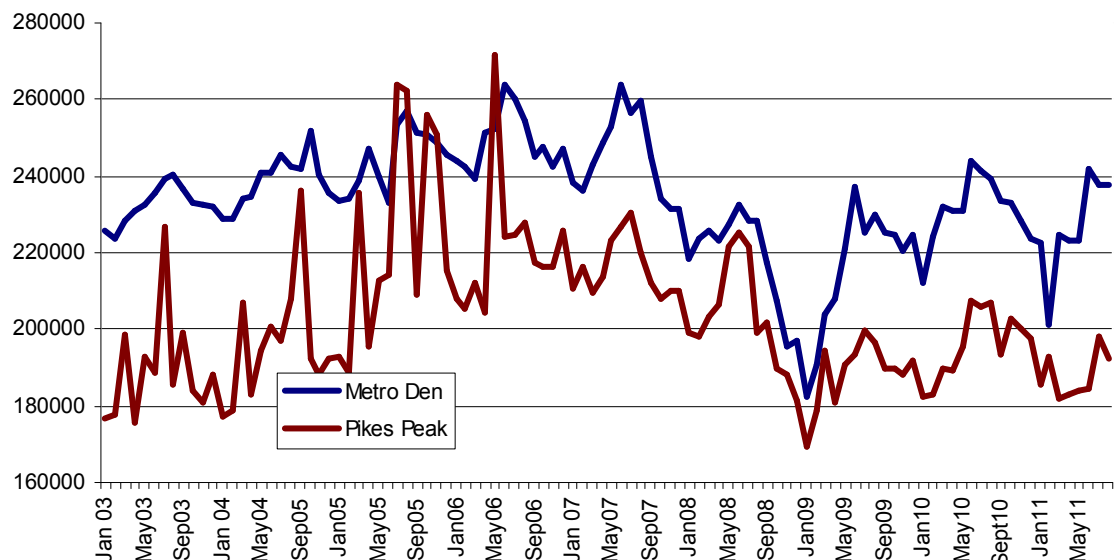
Year over year for August, the median price has fallen 7.1 percent in the Colorado Springs area while the Denver metro price has fallen only 0.65 percent. As can be seen in the FHFA chart at left, the home price indices of both the Denver area and the Colorado Area have generally tracked together since early 2007 when both indices were falling, although Colorado Springs peaked slightly later than metro Denver. Below is shown the fast drop off in median prices that occurred following the 2008 financial crisis. In both metro Denver and Colorado Springs, prices fell quickly but were increasing again by mid-2009. The Colorado Springs area has not recovered as much as the metro Denver area, however.

**FHFA House Price Index: Estimated using Sales Prices and Appraisal Data**



the Denver area is back up to 89 percent of peak levels. Median home prices in Colorado Springs are lower than metro Denver with the metro Denver median price at \$237,000 and the Colorado Springs median price at \$192,000.

**Median home prices in Colorado (Source: Colo Assoc of Realtors)**



# VACANCY RATES AT TEN YEAR LOWS, RENTS RISE

The average rent in the Colorado Springs metro area hit a new high during the second quarter of 2011, climbing 5.5 percent, year over year, to \$759. According to the Division of Housing's vacancy and rent survey for Colorado Springs, the average rent for the region was up from \$719 reported during the second quarter of 2010, and was up from 2011's first quarter average rent of \$737.

The median rent also hit an all-time high of \$740 during the second quarter, rising from 2010's second-quarter median rent of \$684.

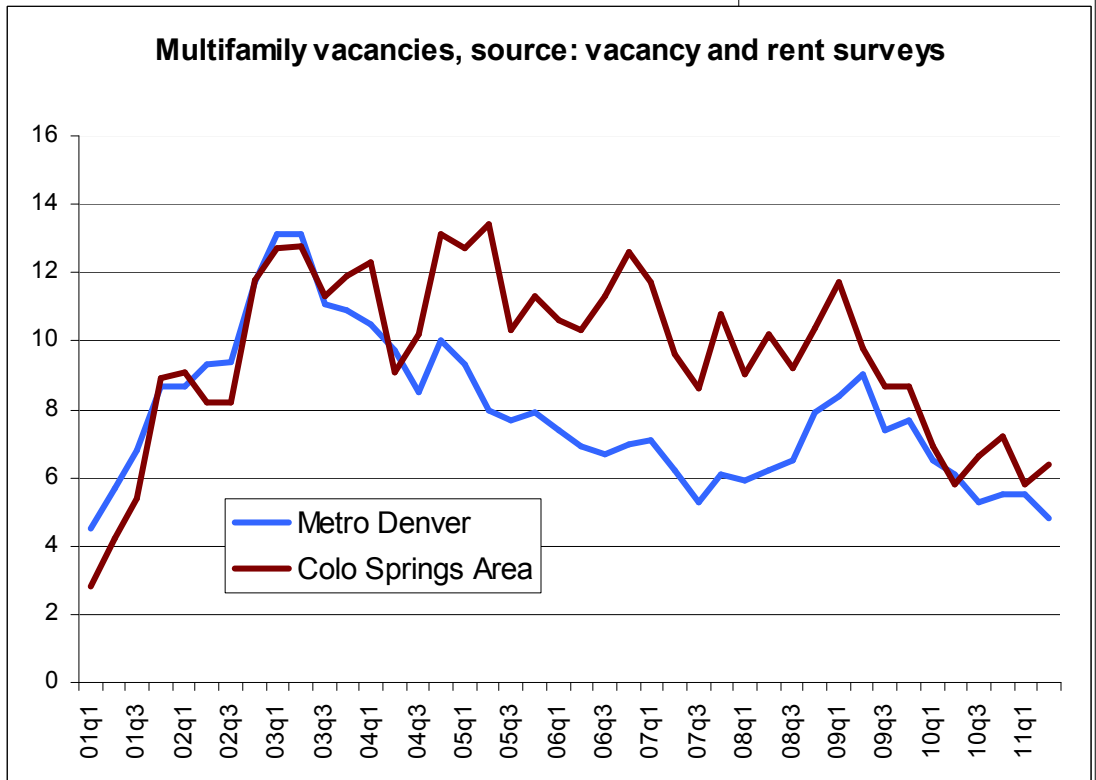
The average rent increased in all types of apartments measured, including all types of units from efficiency apartments to three-bedroom apartments.

Although the vacancy rate rose during the second quarter to 6.4 percent, it

remains near the ten-year low of 5.8 percent, and is well below what has been typical for the vacancy rate over the past ten years. As can be seen in the graph below, vacancy rates in Colorado Springs lingered well above the metro Den-

ver (and statewide) vacancy rates over the past decade. Only since 2009 have vacancy rates fallen to levels typical of most other metro areas in the state, which generally have been below 8 percent since 2005.

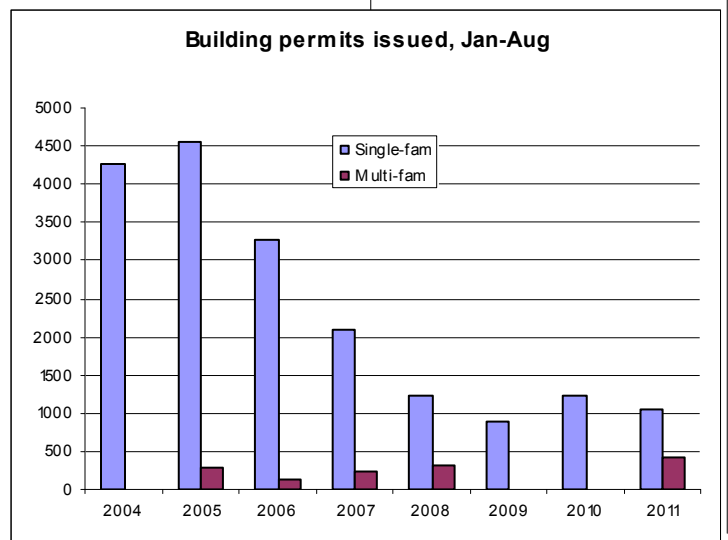
*The median rent also hit an all-time high of \$740 during the second quarter, rising from 2010's second-quarter median rent of \$684.*



## MULTI-FAMILY PERMITS RISE

Statewide, new single-family permits remain 70-75 percent peak levels reached earlier in the decade. Multifamily permit activity, on the other hand continues to build. El Paso County has been a large factor in new multifamily permit activity with 417 new multifamily permits issued in the county this year through August. Statewide, 2,384 multi-

family permits were issued during the same period meaning that 17 percent of all multifamily permits issued so far during 2011 were issued in El Paso County alone. 2011 is the most active year for multifamily permits in Colorado since 2008 when 310 permits were issued during the first eight months of the year.



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HOUSING

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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.*

*All articles on this newsletter appear in longer and more detailed form at the Division of Housing blog: [www.divisionofhousing.com](http://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.**

- The Next Colo Springs regional vacancy data will be released in December 2012
- 3rd Q Foreclosure totals for Mesa County will be available in early November 2011.

*Housing Snapshot is written by Ryan McMaken*

## FORECLOSURE ACTIVITY IN EL PASO COUNTY MIRRORS STATE TRENDS

Preliminary data for all metropolitan counties in Colorado shows that trends in foreclosure activity in El Paso county continue to track closely with trends across all metro counties. For example, in the combined

totals for foreclosure sales in auction for all metro counties, 46 percent fewer foreclosures proceeded to sale from September 2010 to September 2011. During the same period in El Paso County, foreclosure sales

totals were down 51 percent. The graph at left shows that El Paso County all metro counties have generally followed the same trends since at least as early as January 2008. For all foreclosure sales from January through September of this year, foreclosure sales in El Paso County are down 21 percent compared to the same period of last year. For all metro counties combined, sales declined by 22 percent during the same period. El Paso County appears to be following the general statewide trend of declining foreclosure activity due to both declining mortgage delinquencies and a slowdown in foreclosure processing instituted by major mortgage servicers nationwide.

