



# REGIONAL SNAPSHOT

## GRAND JUNCTION AREA

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### TOTAL EMPLOYMENT FALLS IN GRAND JUNCTION AREA

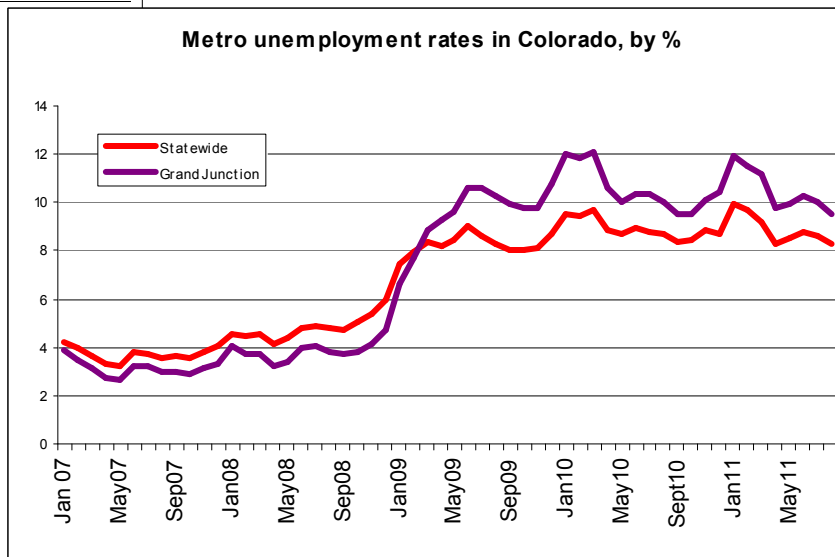
Grand Junction's unemployment rate during August 2011 was 9.5 percent, and remained above the Colorado statewide unemployment rate for the 32nd month in a row. Total employment in the Grand Junction area remains 11,600 jobs, or 14.4 percent, below peak employment levels achieved during

October 2008. From August 2010 to August of this year, the unemployment rate fell from 10 percent to 9.5 percent, although the region actually lost jobs during this time period. The decline in the unemployment rate was driven by a decline in the overall size of the labor force which dropped by 2,400 jobs,

year-over-year. The Grand Junction area lost 1,812 jobs during the same period. By contrast, statewide total employment is down 5.9 percent from peak levels, and total employment has increased over the past year.

Among the metropolitan areas of the state, the Grand Junction area has the second-highest unemployment rate behind the Pueblo area. In August, there were 7,300 unemployed workers in the Grand Junction area. The drop in total employment may have been partially fueled by workers leaving the area to seek employment in larger metro areas.

Mesa County's unemployment rate was also above the national unemployment rate of 9.1 percent (not seasonally adjusted).



### BUILDING PERMITS DOWN 81 PERCENT FROM PEAK

Single-family building permits are down for the fourth year in a row in Mesa county for the period from January through August. In 2011, during the first eight months of the year, there were 191

single-family permits issued, compared to 251 permits issued during the same period last year. Single-family permits are down 81 percent from 2006's peak of 1,038 permits issued from January

through August of that year. Multi-family permits for the same eight-month period are up 33 percent from 2010. There have been 64 permits issued from January through August of this year.

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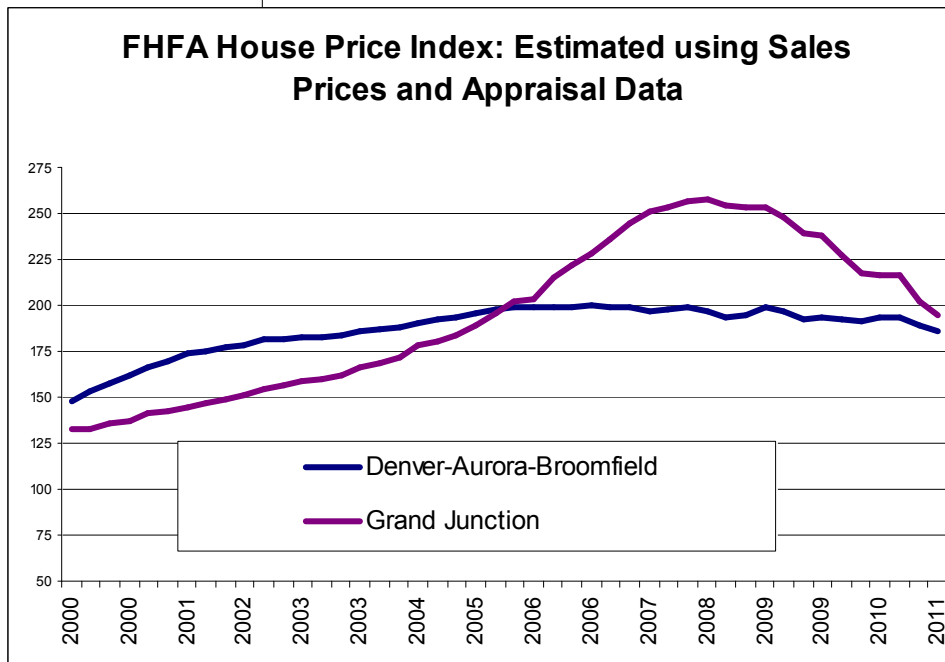
*...from the second quarter of 2010 to the second quarter of 2011, the HPI fell 10.2 percent, and it has fallen 24 percent since the index peaked during the second quarter of 2008.*

## HOME PRICE CONTINUE TO SLIDE AS DEMAND REMAINS MUTED

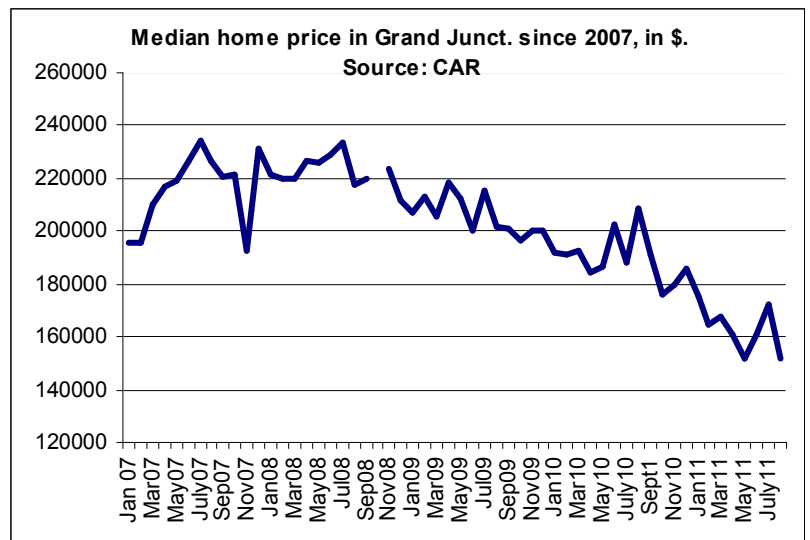
According to the House Price Index (HPI), released last month by the Federal Housing and Finance Agency, home prices in the Grand Junction area continue to decline. In Grand Junction, from the second quarter of 2010 to the second quarter of 2011, the HPI fell 10.2 percent,

period this year. As can be seen in the FHFA graph below, the Grand Junction area exhibited a significant run up in home prices from 2005 to 2008 as numerous new jobs in the oil and gas industries drove demand for real estate throughout the region. Following the tapering

off of extraction-related employment, however, home prices began to decline quickly. The financial crisis of October 2008 also speeded the decline in home prices in the region. The second graph shows home prices as reflected in the multiple listing data provided by the Colorado Association of Realtors (CAR). This data is based on closings of properties listed in MLS system employed by Realtors. According to the CAR data, the median home price in Grand Junction Peaked during July 2008 and has declined most months since. The median home price during August 2011 was down 27 percent from August 2010, and it is down 34 percent since the July 2008 peak. Home sales closings have also declined significantly since 2007-2008.



and it has fallen 24 percent since the index peaked during the second quarter of 2008. By contrast, the index has only fallen 7.4 percent since it peaked in the Denver-Aurora-Broomfield area, and it has fallen by 2.8 percent from the second quarter of last year to the same



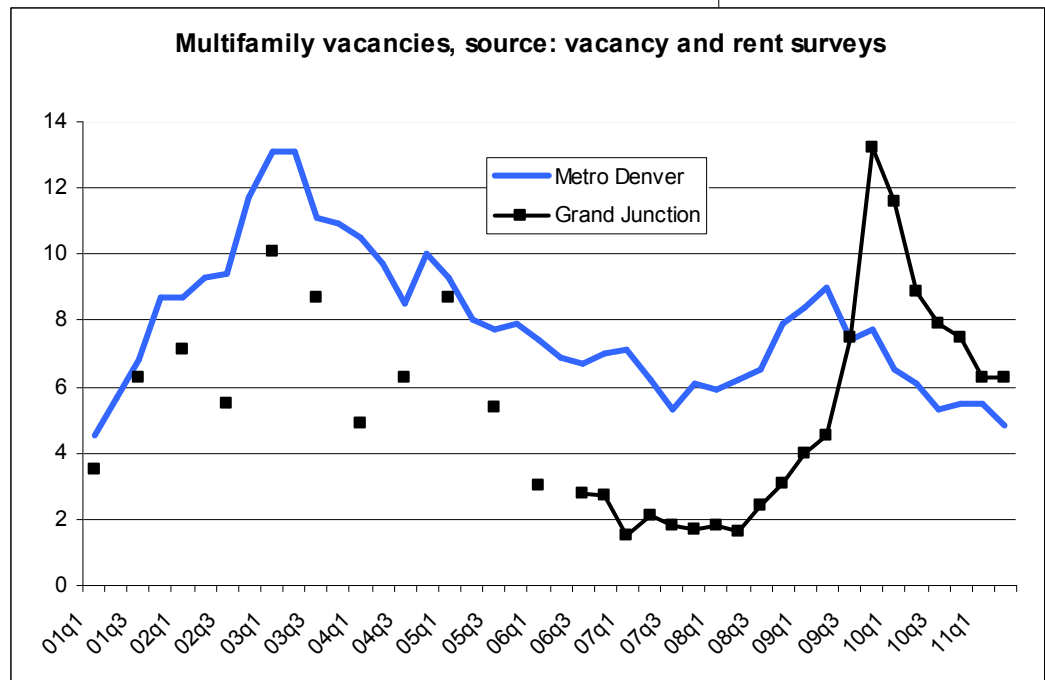
## VACANCY RATES CONTINUE TO FALL FROM 2010'S RECORD HIGHS

Vacancy rates continue to tighten in Grand Junction as rental housing in the region recovers from the 2007-2009 recession, and as the market adjusts to the slowing of the oil and gas boom in the region which had driven vacancy rates to record lows earlier in the decade. The vacancy rate in the Grand Junction area has repeatedly declined since the vacancy rate peaked at 13.2 percent during the fourth quarter of 2009. During 2007 and 2008, vacancy rates had been at record lows in the region, bottoming out at 1.5 percent during the first quarter of 2007. Vacancies then climbed quickly in the wake of the 2008 financial crisis. A lack of new construction in the region, however, has

contributed to an increasingly tight rental market for the region as household formation continued throughout the state in spite of a lackluster job market. Grand Junction now has the third-lowest vacancy rate among the state's metro areas

with only Denver Metro and Loveland reporting lower rates. In spite of falling vacancies, however, rent growth has been largely flat in the region—likely as a result of downward pressure on household income due to job losses. (See page 1.)

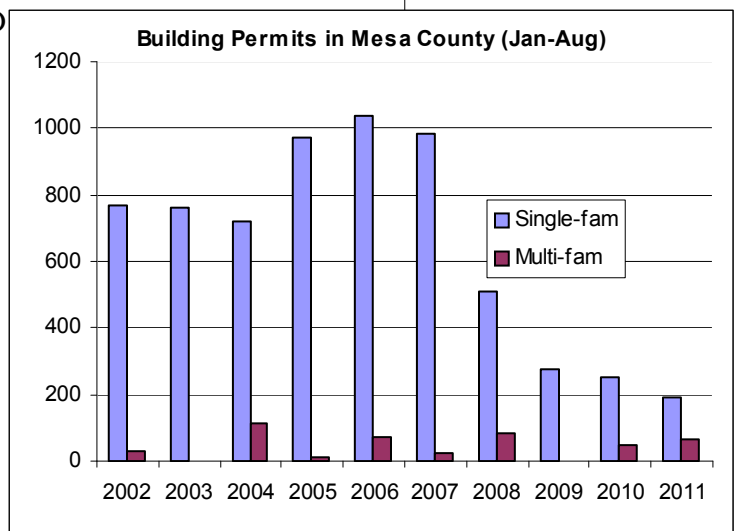
*The vacancy rate in the Grand Junction area has repeatedly declined since the vacancy rate peaked at 13.2 percent during the fourth quarter of 2009.*



## PERMIT ACTIVITY, CONTINUED

Multifamily permits have been relatively rare in the Grand Junction area historically. The most active year for multifamily permits in the region was 2004, during which there 116 permits issued during the first eight months of the year. By contrast, total multifamily permit activity has doubled in 2011 when compared to 2010. State-

wide, permit activity increased slightly from 2010 to 2011 in both single-family and multi-family. The continued decline in single-family permit activity signals that housing producers expect continued softness in the single-family market.



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*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 GJ regional vacancy data will be released in mid-November 2011
- 3rd Q Foreclosure totals for Mesa County will be available in early November 2011.

*Housing Snapshot is written by Ryan McMaken*

## FORECLOSURE ACTIVITY LEVELS OFF IN MESA COUNTY DURING 2011

In August 2011, foreclosure filings in Mesa County were down 18.9 percent from August 2010, while foreclosure sales at auction were up 28.6 percent during the same period. For the period from January

through August, filings were down 31.6 percent while sales were down 10.9 percent, when comparing year-over-year from 2010 to 2011. Overall, both foreclosure filings and sales are on pace to finish 2011 at a

lower level than 2010. Foreclosure activity in Mesa County has retreated somewhat from 2010's highs, but foreclosures in the county remain at very high levels compared to 2009, 2008 and all other years of the past decade.

As can be seen from the graph, Mesa county's foreclosure activity increased significantly during 2009, while the state overall had hit a plateau and began to slowly decline. Sales increased 800 percent between August 2008 and August 2011. Foreclosure filings, however, have fallen in recent months and August 2011's total is now down to 115% of August 2008's total.

**Completed Foreclosures (sales)**

