



REGIONAL SNAPSHOT

GRAND JUNCTION AREA

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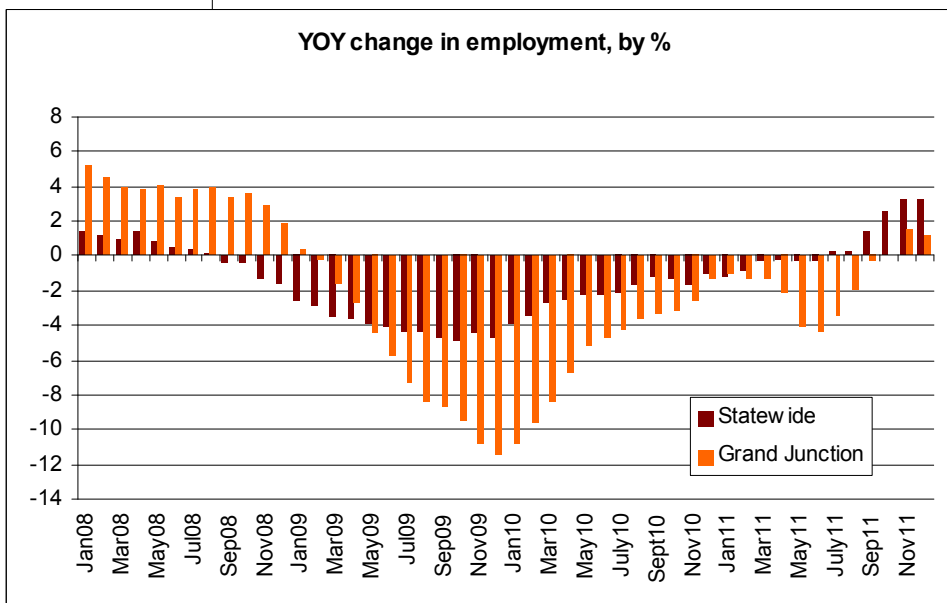
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TOTAL EMPLOYMENT BEGINS TO CLIMB IN GRAND JUNCTION AREA

Job growth in the grand junction area remained near a three-year high during December 2011, climbing 1.8 percent from December 2010 to 2011. The year-over-year increase recorded during December was the third month in row during which total employment in the region increased

year over year. The annual growth that occurred during October, November and December followed 32 months of year-over-year declines in total employment. Between October 2008 and September 2011, total employment decreased each month when compared to the same month a year

earlier. Total employment in the Grand Junction area began to fall following the 2008 financial crisis, and accelerate through 2009, with job losses peaking in late 2009. Job creation in the Grand Junction area has been less than that found statewide, however. December 2011's year-over-year growth rate statewide was 3.3 percent, nearly three times what it was in the Grand Junction area. As of December 2011, there has been six months of year-over-year growth in employment statewide. Total employment in the Grand Junction area rose by 821 jobs from December 2010 to December 2011 as the unemployment rate fell from 10.4 percent to 8.9 percent during the same period. The labor force shrunk by 324 people, year over year.



SINGLE-FAMILY BUILDING PERMITS DOWN 16 PERCENT FROM 2010

Single-family building permits in Mesa County fell 16.9 percent from 2010 to 2011 while multifamily building permits rose 33 percent over the same period. Overall, building permits dropped

10.8 percent. There were 289 single-family permits during 2011 and 348 permits during 2010. There were 64 multifamily permits during 2011 and 48 during 2010. Multifamily building permits were at a

three-year high during 2011, although they remain below totals reached during 2004 and 2006. Historically, over the past decade, multifamily activity has been a very small fraction of total permit activity.

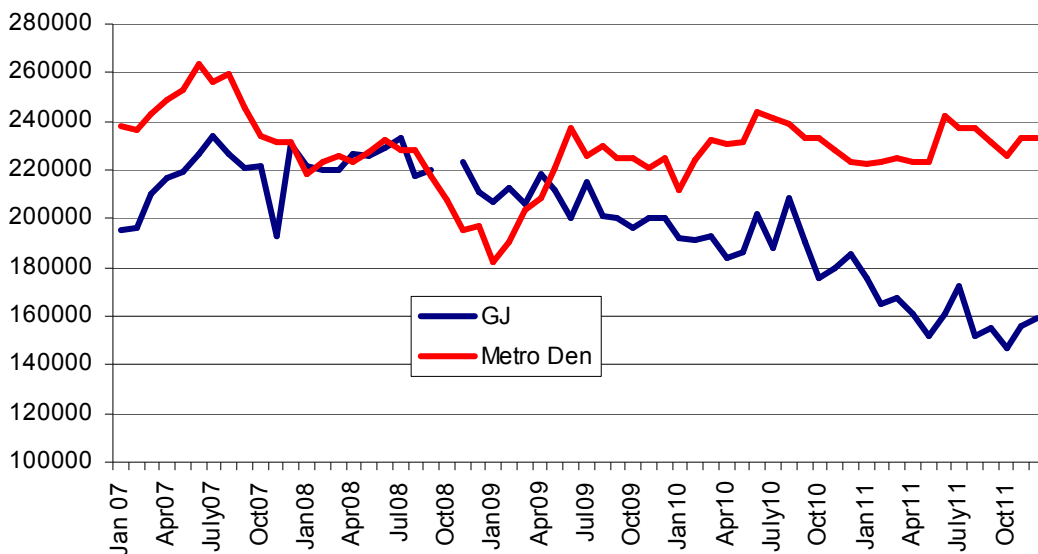
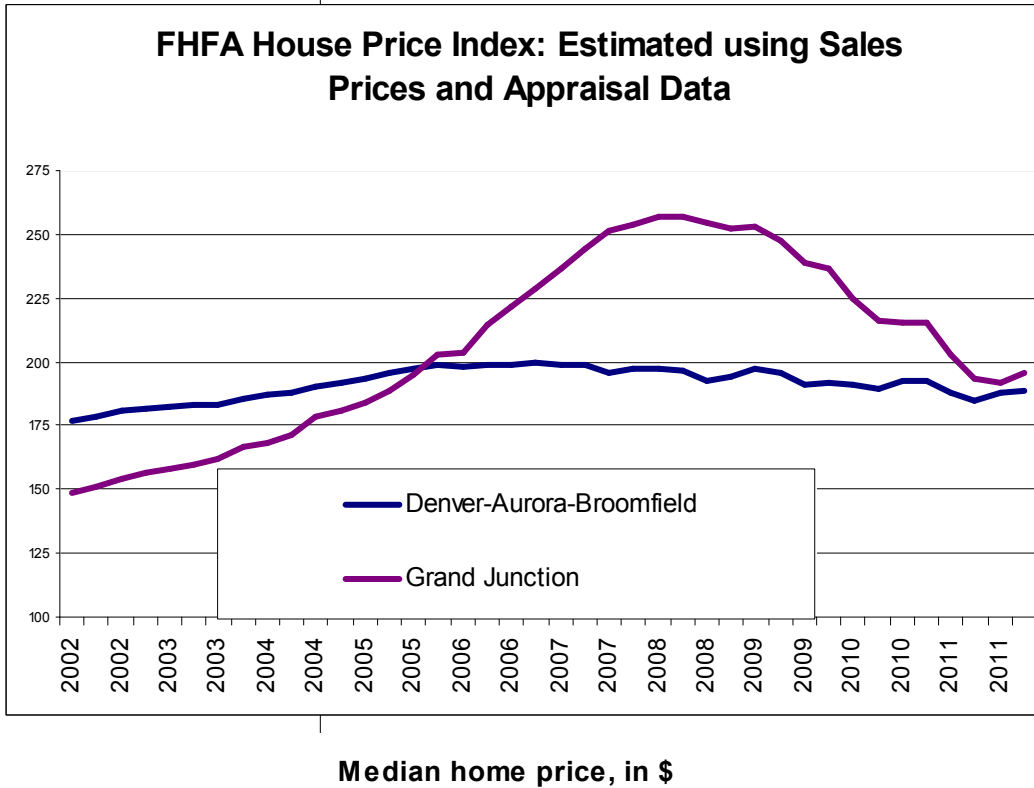
The median home price for single-family homes in the Grand Junction area has fallen 31 percent since it peaked

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 fourth quarter of 2010 to the fourth quarter of 2011, the HPI fell 9.1 percent,

and it has fallen 24 percent since the index peaked during the second quarter of 2008. By contrast, the index has only fallen 5.5 percent since it peaked in the Denver-Aurora-Broomfield area, and it has fallen by 1.9 percent from the fourth quarter of last year to the same 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. The median home price data, provided by the Colorado Realtors Association, also shows that prices have declined substantially since 2008. According to the Realtor data, the median home price for single-family homes in the Grand Junction area has fallen 31 percent since it peaked, while the Denver metro median price has fallen 11 percent. During December 2011, the median home price in the Grand Junction area was \$158,000 while it was \$233,000 in Denver metro. The median price in the Grand Junction area reached a peak of \$233,000 during July 2008. The drop in prices since then can be connected to employment.



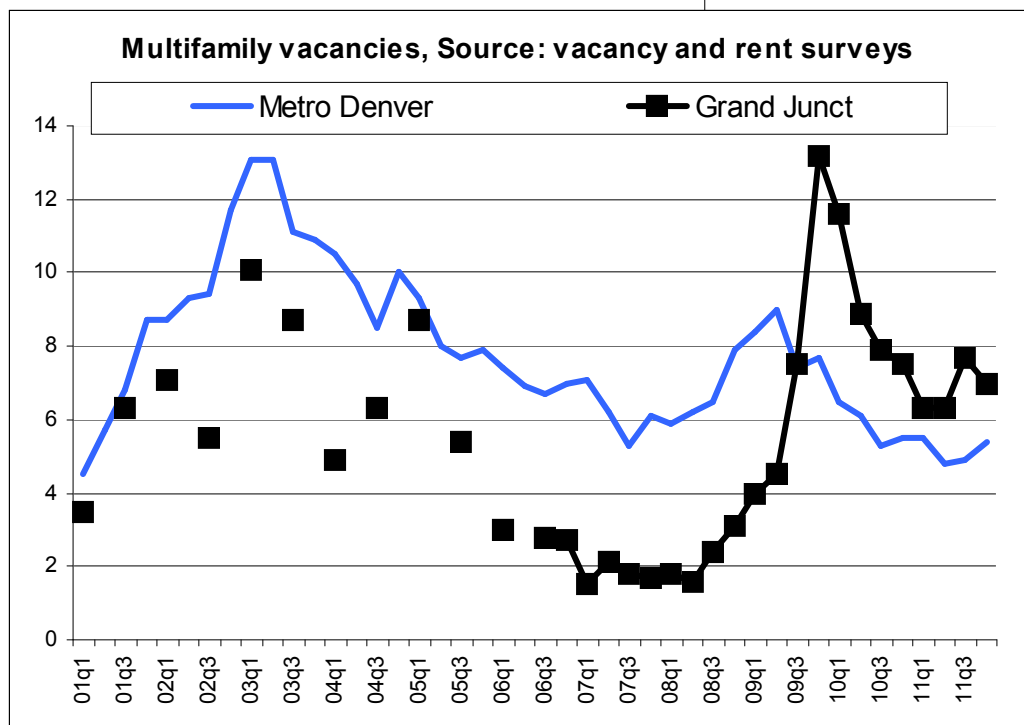
VACANCY RATES CONTINUE TO FALL FROM 2010'S RECORD HIGHS

The vacancy rate in Grand Junction during the fourth quarter of 2011 was 7.0 percent, and was down from the fourth quarter of 2010 when the vacancy rate was 7.5 percent. The vacancy rate in the Grand Junction area had peaked during the fourth quarter of 2009 at 13.2 percent following job losses in the wake of the 2008 financial crisis. From 2006 through 2008, vacancy rates reached historic lows in the Grand Junction area in response to large amounts of job growth spurred by oil and gas extraction in the region. Since 2009, the vacancy rate in the Grand Junction area has been above the vacancy rate of the metro Denver area. In response to declining vacancy rates, the average rent in the area increased 3.8 percent from 2010's fourth

quarter to 2011's fourth quarter. This increase, however, followed five quarters of flat and declining rents, measured year over year. The Average rent in the Grand Junction area was \$640 during the fourth quarter,

having risen from 2010's fourth-quarter average rent of \$616. As of the fourth quarter, the Grand Junction area has the second-lowest average rent of any metro area, after Pueblo.

As of 2011, single-family permitting has now dropped 80 percent and is at a ten year low.

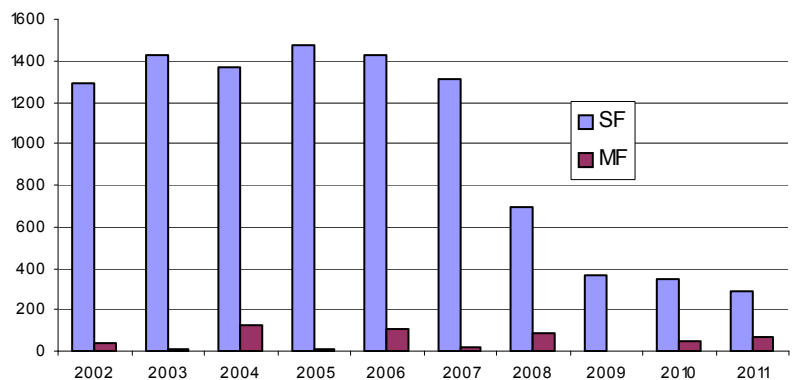


PERMIT ACTIVITY, CONTINUED

Single-family permit activity peaked during 2005 when there were 1,426 single-family permits issued in Mesa County. As of 2011, single-family permitting has now dropped 80 percent and is at a ten year low. While in many regions single-family permitting bottomed-out in 2009 and have increased slightly since,

the total number of single-family permits has dropped every year in Mesa County since 2006. In addition, The Front Range has reported significant increases in multifamily permitting, but this has not occurred in Mesa County.

Building Permits in Mesa County (2002-2011)



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HOUSING

Visit us on our searchable blog:

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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

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-May 2012.
- 1st Q Foreclosure totals for Mesa County will be available in early May 2012.

Housing Snapshot is written by Ryan McMaken

FORECLOSURE ACTIVITY LEVELS OFF IN MESA COUNTY DURING 2011

In January 2012, foreclosure filings in Mesa County were down 21.2 percent from December 2010, while foreclosure sales at auction were down 2.5 percent during the same period. For the

full year of 2011, filings were down 29.4 percent while sales were down 12.9 percent, when comparing year-over-year from 2010 to 2011. Foreclosure activity in Mesa County has re-

treated 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. During 2011, Mesa County began to show declines as well. Sales increased 800 percent between August 2008 and August 2011. Mesa County, however, retains one of the highest foreclosure rates among metropolitan counties. During December 2011, only Adams County reported a higher foreclosure rate.

Foreclosure auction sales

