



REGIONAL SNAPSHOT

PUEBLO AREA

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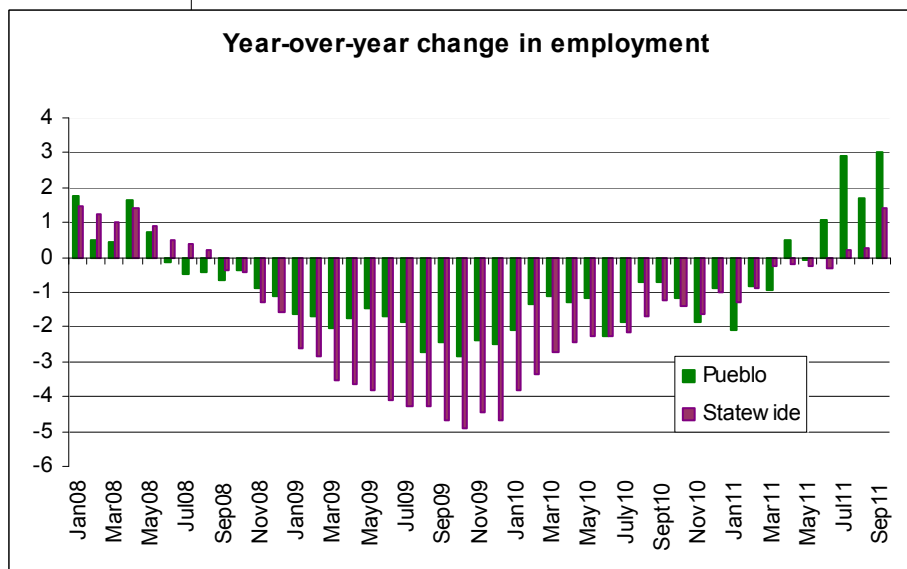
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PUEBLO EMPLOYMENT GROWTH OUTPACES STATE

The unemployment rate in Pueblo during September fell to 9.4 percent from September 2010's rate of 10.0 percent. By contrast, the statewide unemployment rate for September 2011 was 7.6 percent, which was down from September 2010's rate of 8.4 percent. Pueblo's unemployment rate has tradi-

tionally exceeded the statewide and metro Denver unemployment rates. However, over the past 6 months, the Pueblo area's year-over-year change in employment has exceeded the change statewide. As can be seen in the graph below, the year over year change in total employment for Pueblo has

exceeded 1 percent during the past four months. Statewide, year-over-year growth has been much less. Pueblo's total employment is now almost back to peak levels, and is now down 1.2 percent from the October 2008 peak. Statewide, total employment is down 4.9 percent from the July 2008 peak. The Pueblo area also differs from the statewide trends in that the total labor force in the Pueblo area has now exceeded the previous peak level reached during June 2009. The fact that Pueblo's labor force is still growing contributes to Pueblo's higher unemployment rate. Much of the state has been seeing a declining labor force size which tends to push the unemployment rate down.



SINGLE-FAMILY BUILDING PERMITS DOWN 90 PERCENT FROM PEAK

Single-family building permits hit a new low during the first nine months of 2011 as new permit totals fell to 97 permits. The nine-month total for 2011 is

90 percent below the nine-month total of 986 reached during 2006. Multi-family permit activity fell to zero during the first nine months of 2011, dropping off after

a nine-month total of 179 units permitted during 2009. Permit activity for all kinds of new housing units persist at very low levels in the county in the face of the high cost **MORE on page 3**

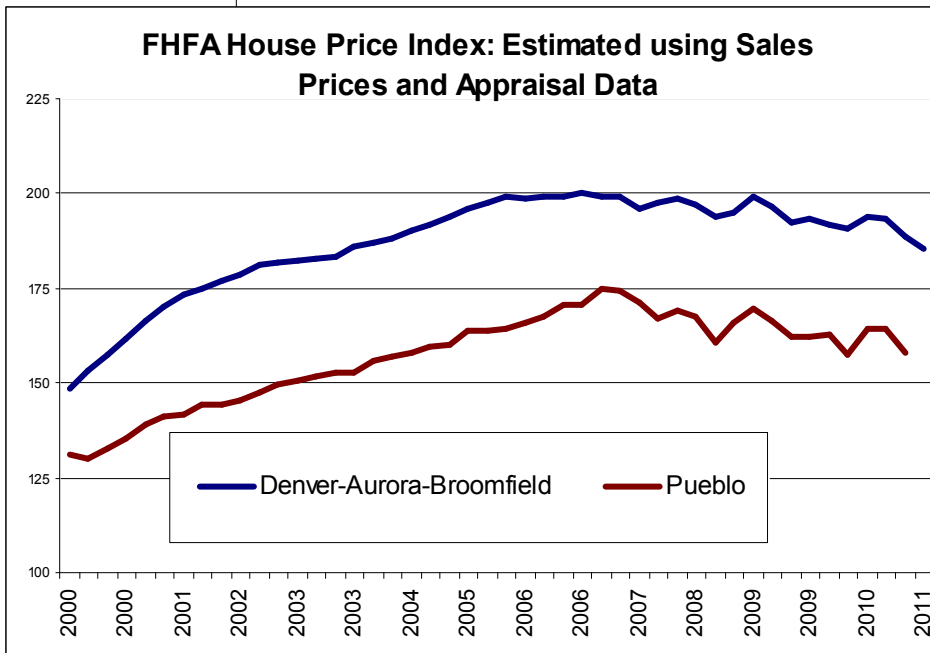
Relatively high unemployment and lower income levels in the Pueblo area, however, have contributed to a larger decline in home prices from peak levels.

HOME PRICE CONTINUE TO SLIDE IN PUEBLO AS DEMAND REMAINS MUTED

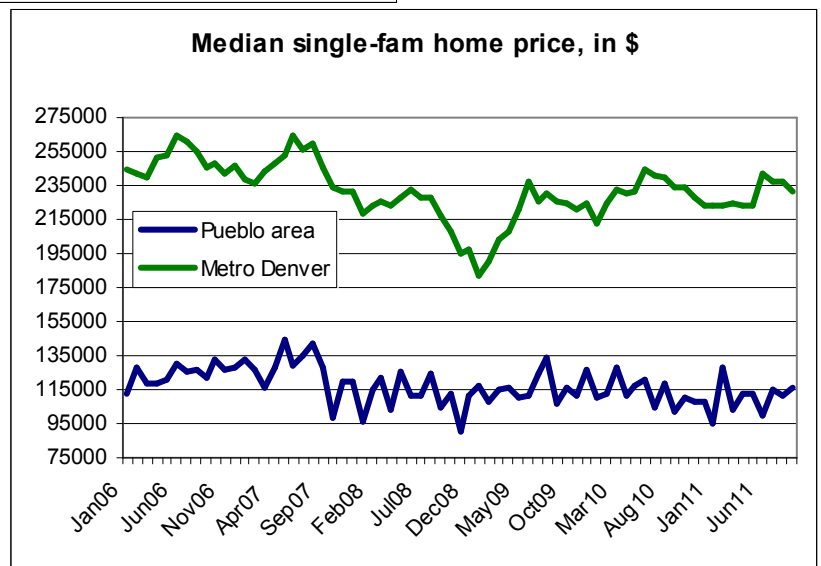
According to the Federal Housing and Finance Agency (FHFA), the House Price Index (HPI) for the Pueblo area was down 11.8 percent from peak levels during the second quarter of 2011. Year over year, the Pueblo-area index is down 1.9 percent. In the Denver

the first quarter of 2007 largely mirrors similar declines in other metro areas of Colorado such as Colorado Springs. Relatively high unemployment and lower income levels in the Pueblo area, however, have contributed to a larger decline in home prices from peak levels.

According to Metrolist data from the Colorado Association of Realtors, The median home price in Pueblo, as of September 2011, is down 19 percent from the May 2007 peak while the median home price in metro Denver for the same period is down 12 percent from the June 2007 peak. Year over year, the Pueblo median price is up 13 percent while the metro Denver median price is up 0.9 percent. As can be seen in the graph below, the median home price in Pueblo has changed very little since an initial drop in late 2007. Since November 2007, the median home price in the region has generally hovered around \$115,000 following a brief period in 2007 when prices reached \$135,000.




metro area, the HPI is down 7.4 percent from peak levels while, year-over-year, the HPI is down 2.9 percent. As can be seen in the graph above, the HPI has declined slowly since 2007 in the Pueblo area as home sales and overall demand for homeownership has declined. The slow decline in Pueblo prices since



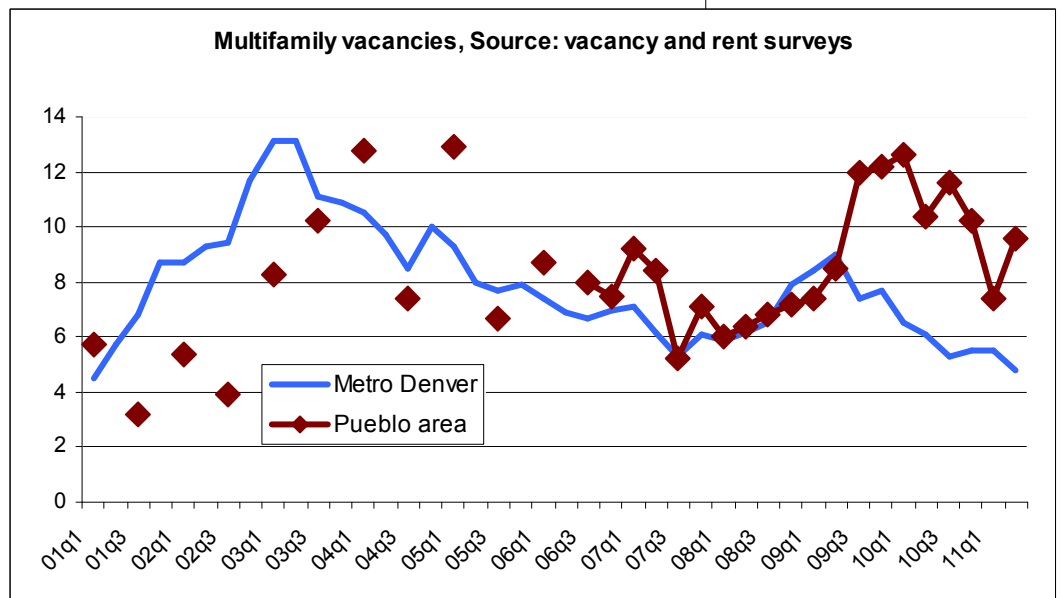
VACANCY RATES IN PUEBLO CONTINUE TO FALL FROM 2010'S HIGHS

According to the state-wide vacancy and rent survey, the apartment vacancy rate in the Pueblo area fell, year over year to 9.6 percent during the second quarter of 2011, but rose from the first quarter's vacancy rate of 7.4 percent. With the exception of the first quarter of this year, the vacancy rate in the Pueblo area has been near ten percent or higher since the third quarter of 2009. This is unusual among metropolitan areas of Colorado as vacancy rates in most metro areas, such as metro Denver, Colorado Springs, and the Ft. Collins-Loveland area, have all fallen to levels near or below 6 percent in recent quarters. These relatively high vacancy rates in the Pueblo area have contributed to less rent growth in the Pueblo

area compared to other metropolitan areas. In the Pueblo areas, from the second quarter of 2009 to the second quarter of 2011, the average rent fell 4.7 percent. Over one year, since the second quarter of last year, the average rent fell 5.4 percent in the Pueblo area. By contrast, the aver-


age rent in Denver has grown by 1.6 percent over the past year and has grown by 5.1 percent over the past two years. At \$512, the average rent in Pueblo during the second quarter of this year was the lowest average rent among all metro areas recorded in the survey. 

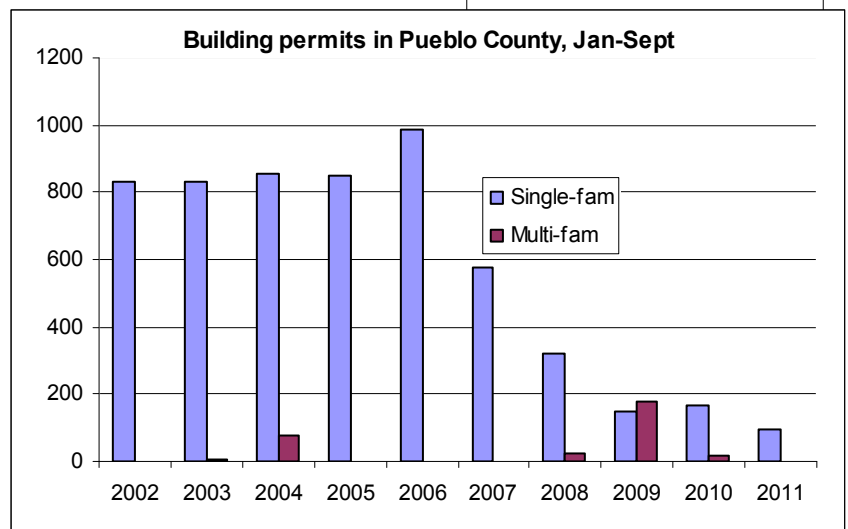
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PERMITS FALL IN PUEBLO

of new construction coupled with a relative scarcity in lending. Single-family permit activity largely mirrored statewide trends from 2003 through 2006 as large numbers of new single-family structures were produced for sale to homeowners. Statewide, permit activity bottomed in 2009 and has increased in the year

since. Pueblo County, on the other hand, appears to be heading toward a new low during 2011. This suggests that new construction in housing in Pueblo is not rebounding as quickly as it is in other parts of the state. 



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

Housing Snapshot is written by Ryan McMaken

FORECLOSURE ACTIVITY LEVELS OFF IN PUEBLO COUNTY DURING 2011

Foreclosure sales at auction (completed foreclosures) in Pueblo County have generally been flat since November of last year, with totals coming in between 50 and 70 each month. Overall foreclo-

sure sale activity has been slightly down in 2011 compared to 2010 and 2009. The nine-month total for 2011 this year is down 13.2 percent from the same period of last year. Through September

there have been 587 foreclosure auction sales this year compared to 677 sales during the same period of 2010. Among all metro counties, the decline in total foreclosure sales during the same nine-month period was 22 percent. This likely reflects some sizable decreases in foreclosure activity among metro Denver counties. Pueblo has not seen similar decreases, although the overall trend has been downward in Pueblo county as in most other metropolitan counties over the past year. As can be seen in the graph at left, the overall trends in foreclosure sales activity has largely mirrored activity among all metropolitan counties in Colorado. 