

WINDING PATHS: CHANGING GROWTH DIRECTIONS IN METRO DENVER?



2007 Economic Forecast
January 9, 2007



Colorado vs United States

	Colorado	United States
Employment Growth Rate (YTD 2006)	2.2%	1.4%
Unemployment Rate (YTD 2006)	4.6%	4.7%
Real Retail Trade Growth (YTD 2006)	2.9%	3.0%
Median Home Price* (2006 estimate)	\$254,500	\$227,800
Home Appreciation Rate* (2006 est.)	2.0%	3.9%
Inflation Rate* (2006 estimate)	3.2%	3.3%
Per Capita Personal Income (2005)	\$37,459	\$34,495
Per Capita PI Growth Rate (2005)	4.7%	4.2%
<i>*Data for Metro Denver</i>		

Metro Denver Leading Index

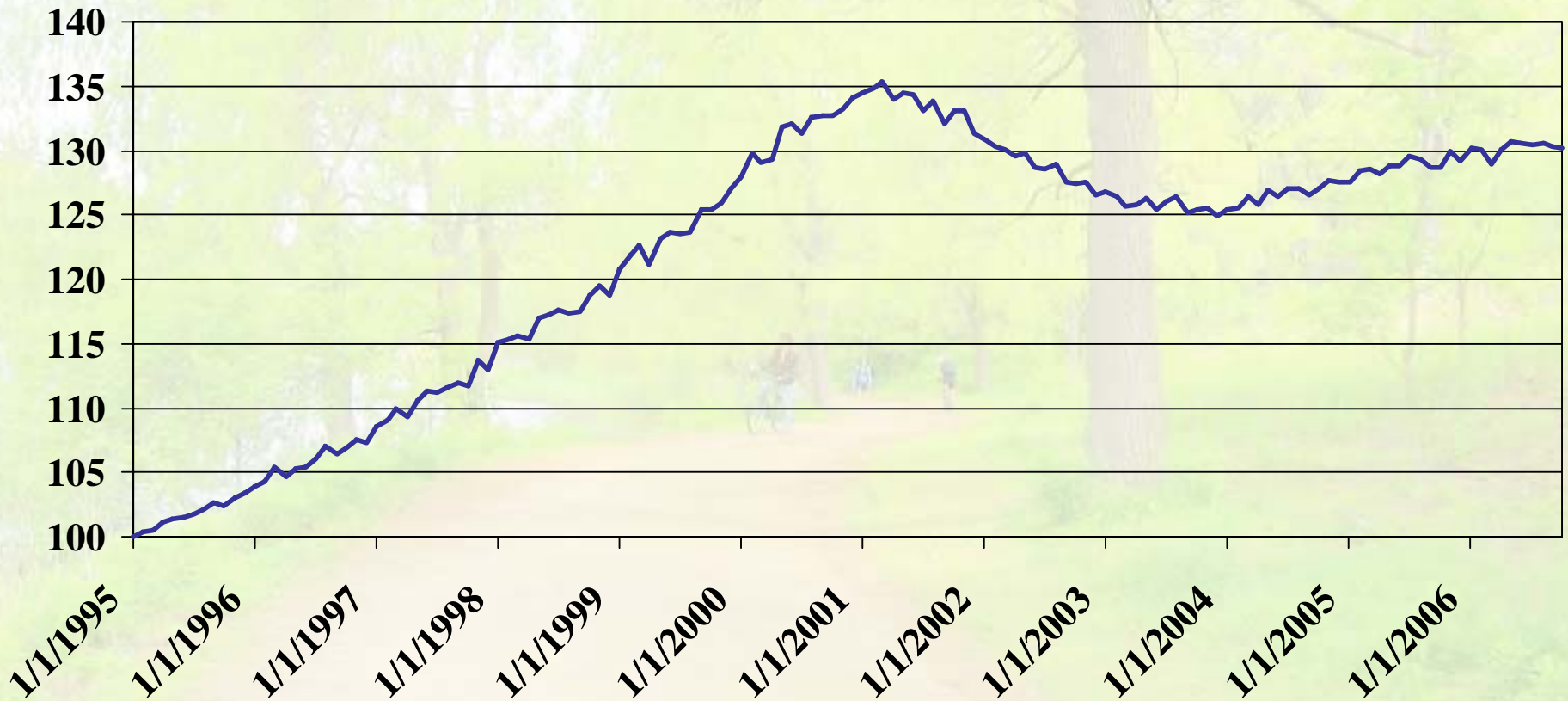
(Growth Potential 6 to 9 Months Ahead)



Source: Development Research Partners

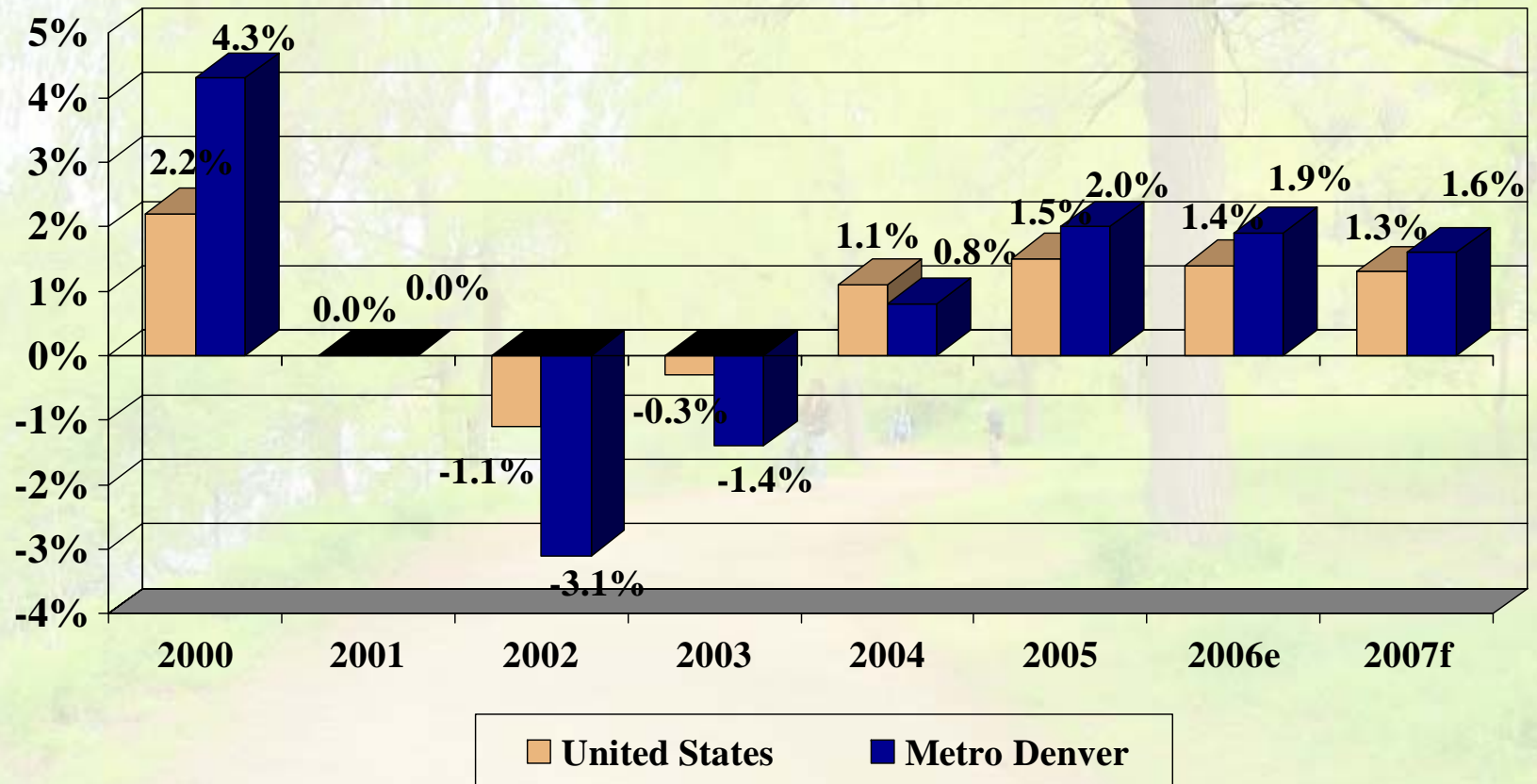
Metro Denver Historic Index

(Metro Denver Area “Growth Rate”)



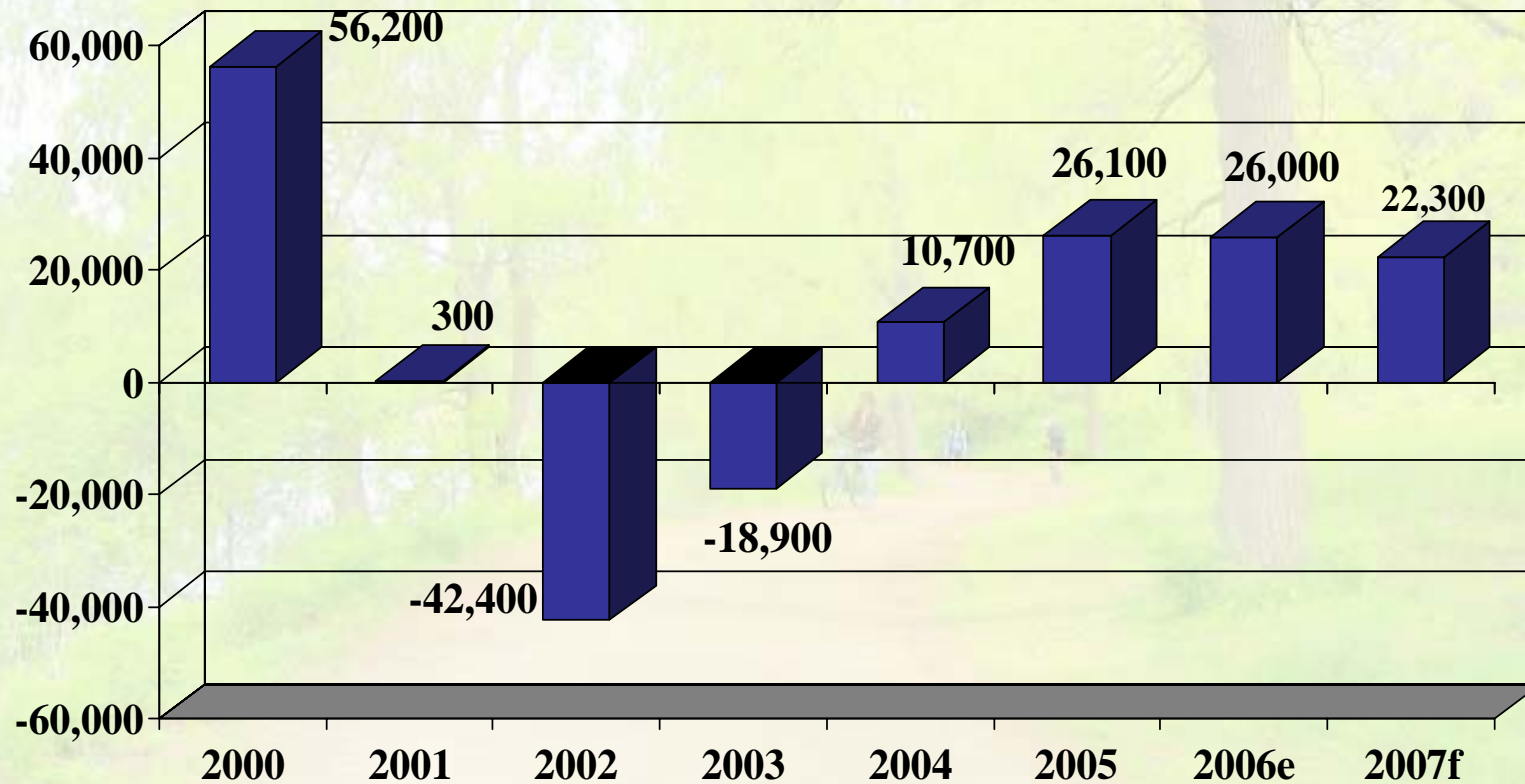
Source: Development Research Partners

Nonfarm Job Growth Rates



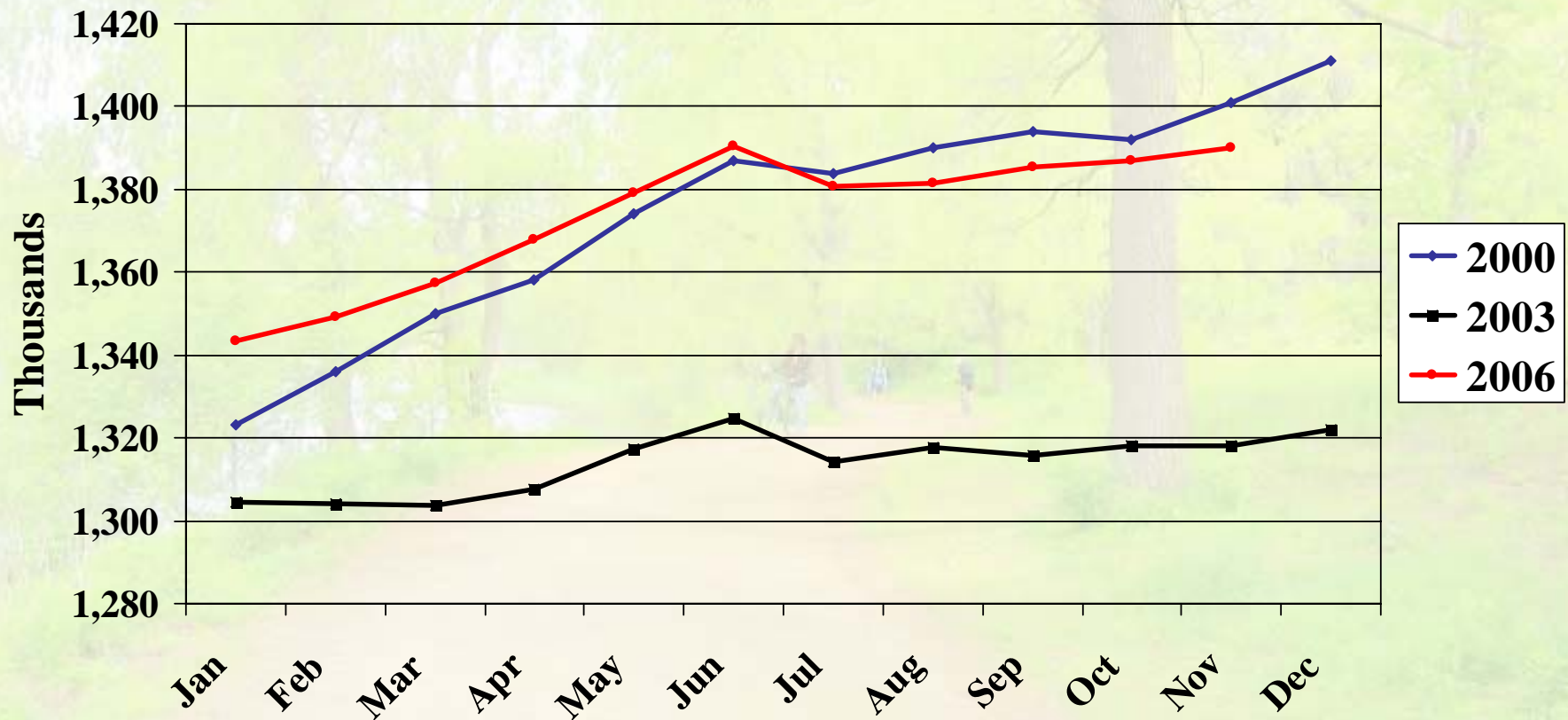
Sources: U.S. Dept. of Labor; CO Dept. of Labor & Employment

Metro Denver Net New Jobs



Source: Colorado Department of Labor & Employment

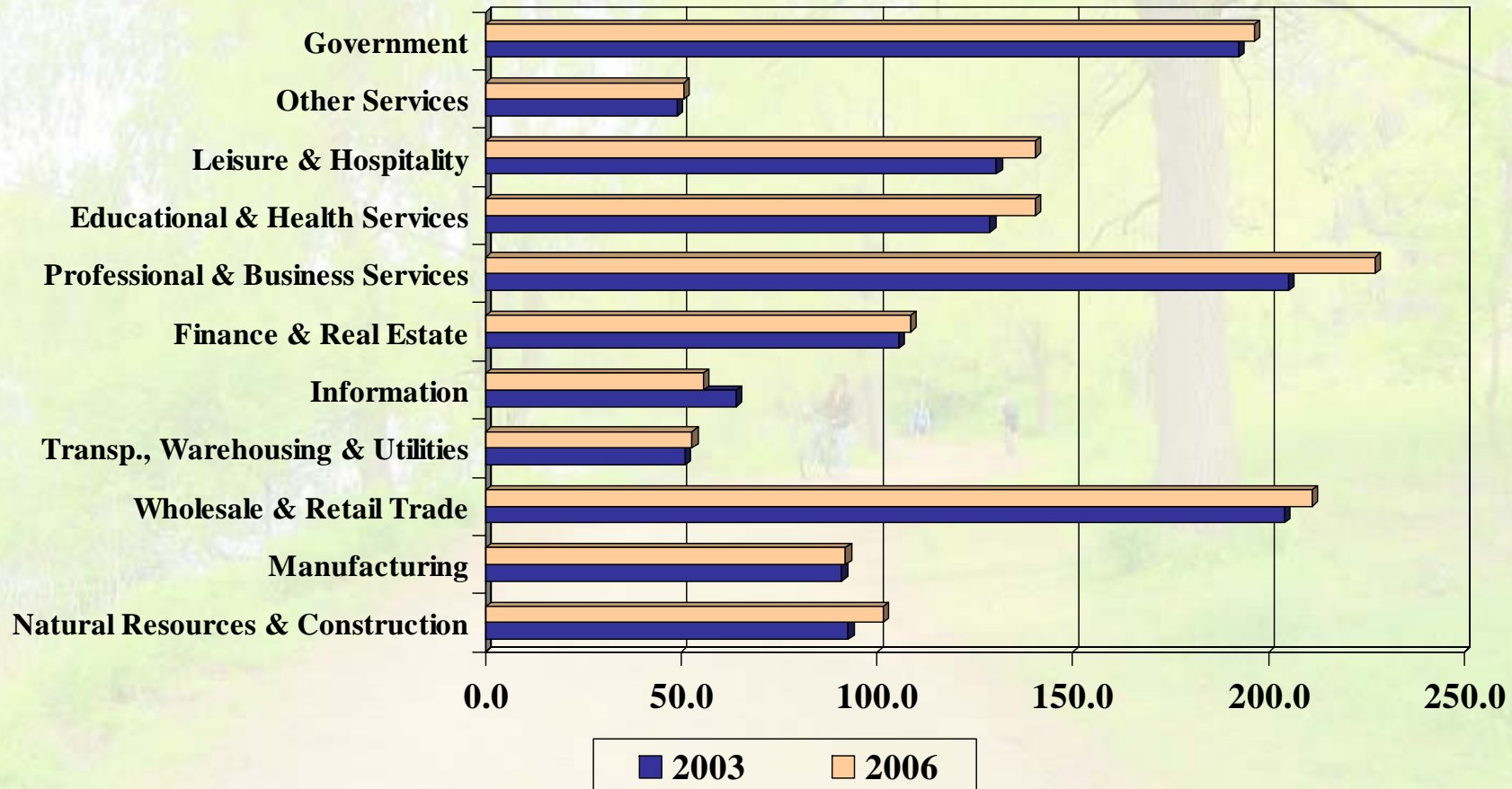
Metro Denver Total Employment



Source: Colorado Department of Labor & Employment

Metro Denver Employment by Industry

(in thousands)



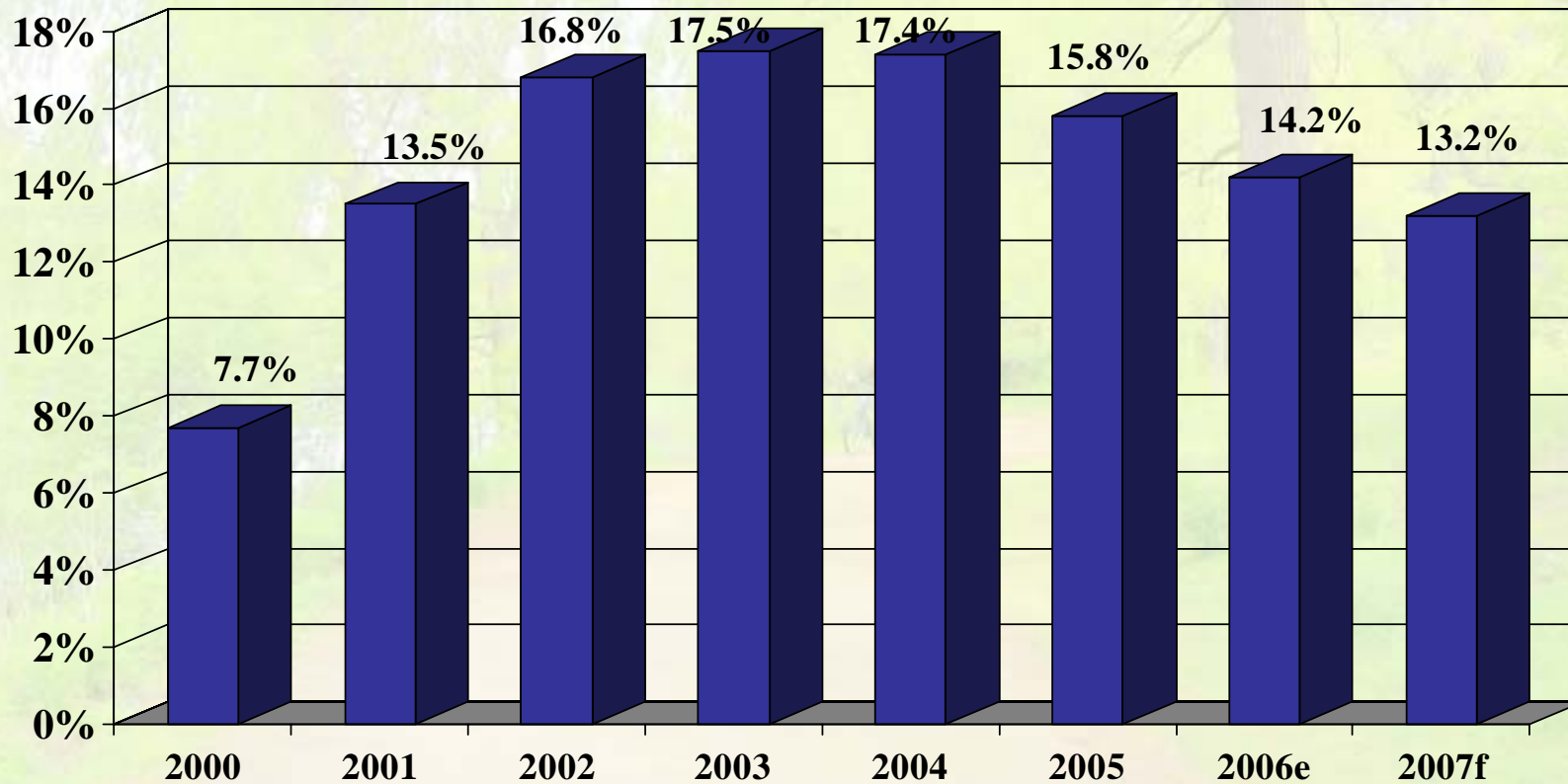
Source: Colorado Department of Labor & Employment

Metro Denver Key Industry Clusters

- ◆ Broadcasting and Telecommunications
- ◆ **Information Technology/Software**
- ◆ **Aerospace**
- ◆ **Financial Services**
- ◆ **Bioscience**
- ◆ Information Technology/Hardware
- ◆ Aviation
- ◆ Beverage Production
- ◆ **Energy**

Metro Denver Office Vacancy Rates

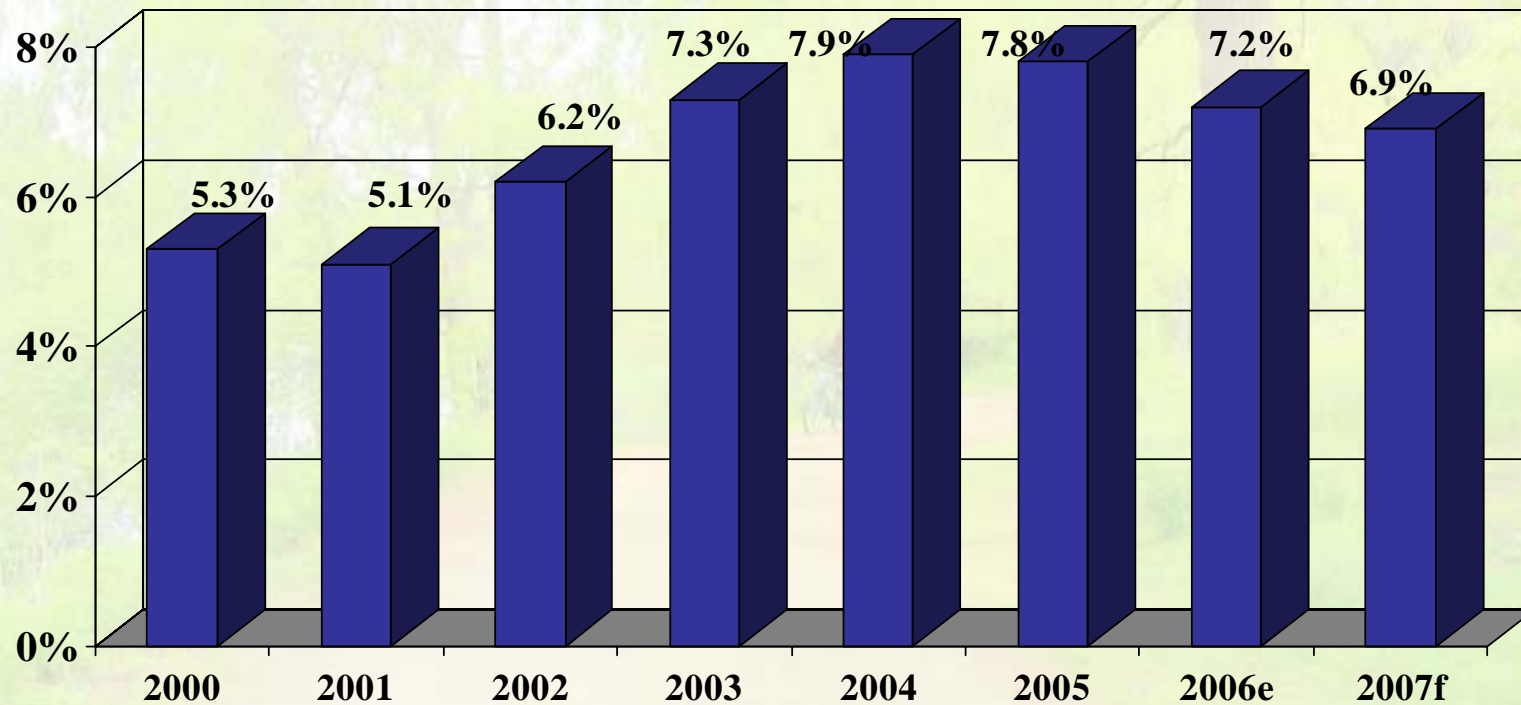
Existing Square Feet = 150.7 million



Source: CoStar Realty Information, Inc.

Metro Denver Industrial Vacancy Rates

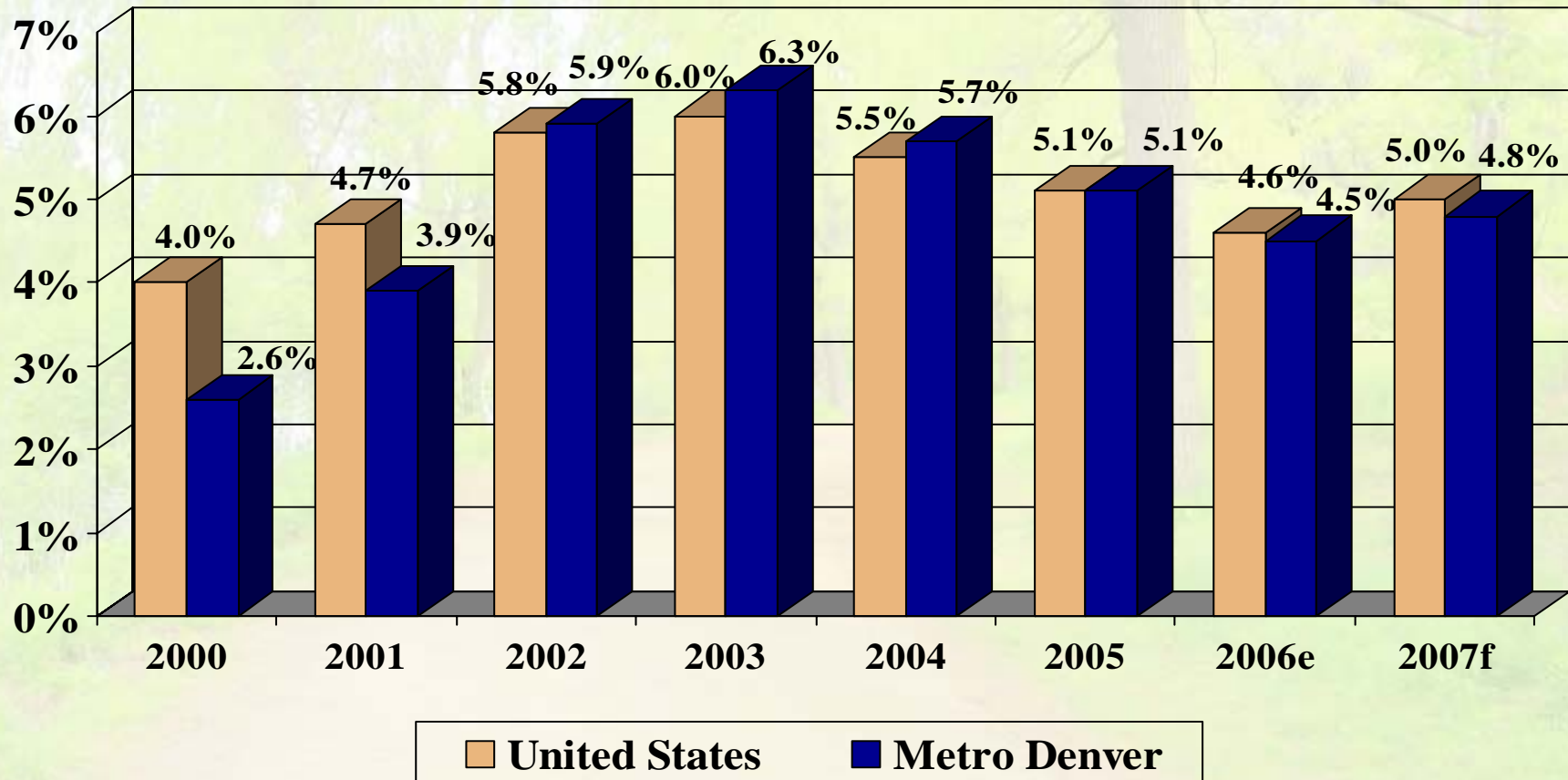
Existing Square Feet = 200.2 million



Source: CoStar Realty Information, Inc.

Unemployment Rates

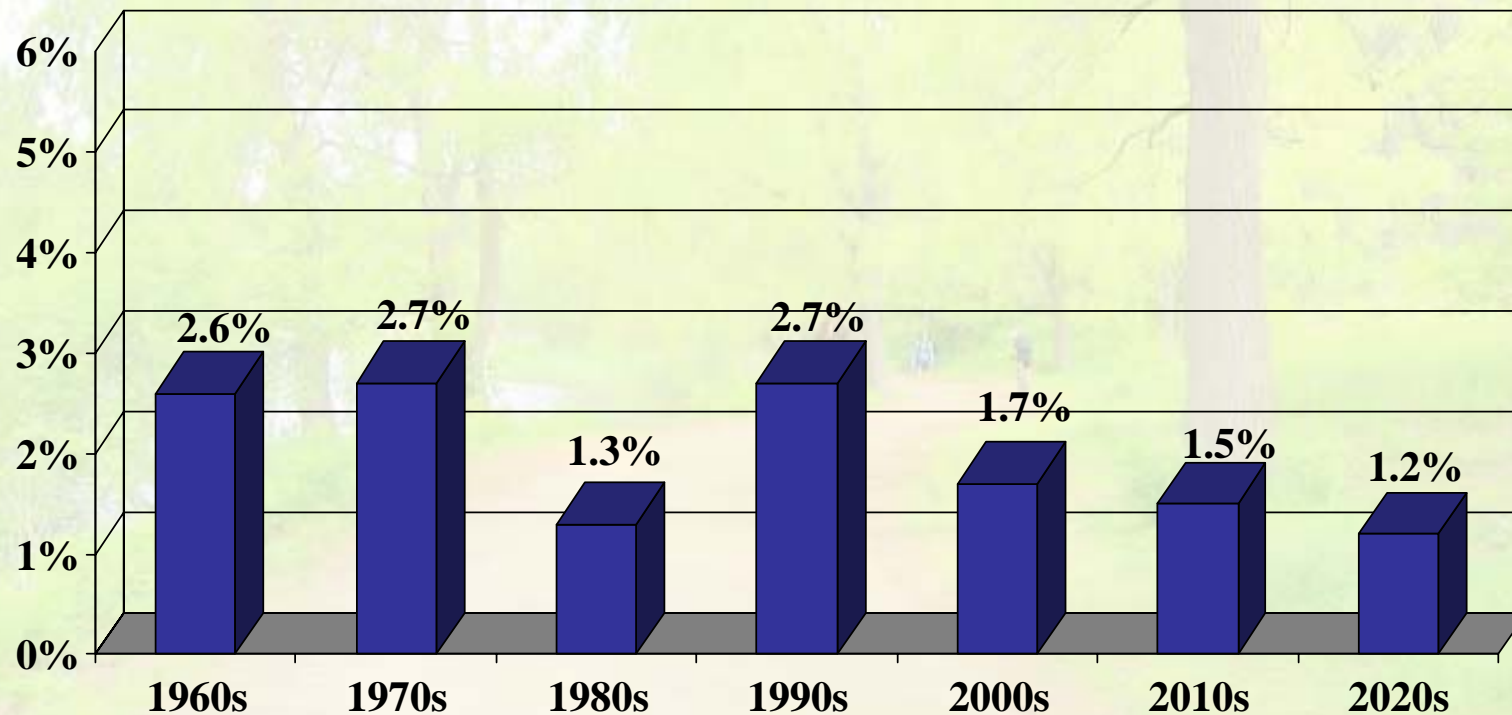
Metro Denver Total Labor Force = 1.5 million



Sources: U.S. Dept. of Labor; CO Dept. of Labor & Employment

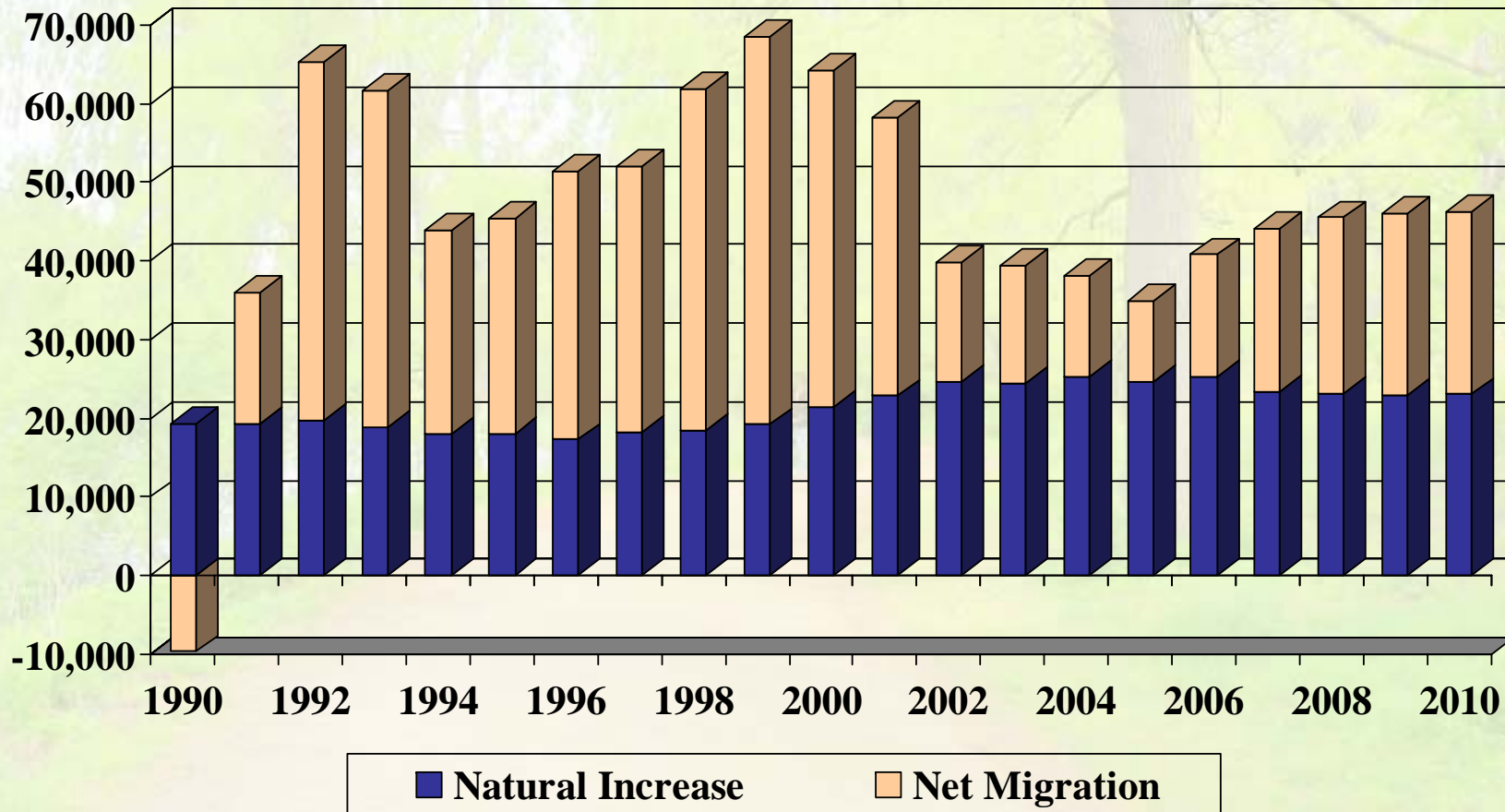
Metro Denver Average Annual Population Growth

2006 = 2.67 million people



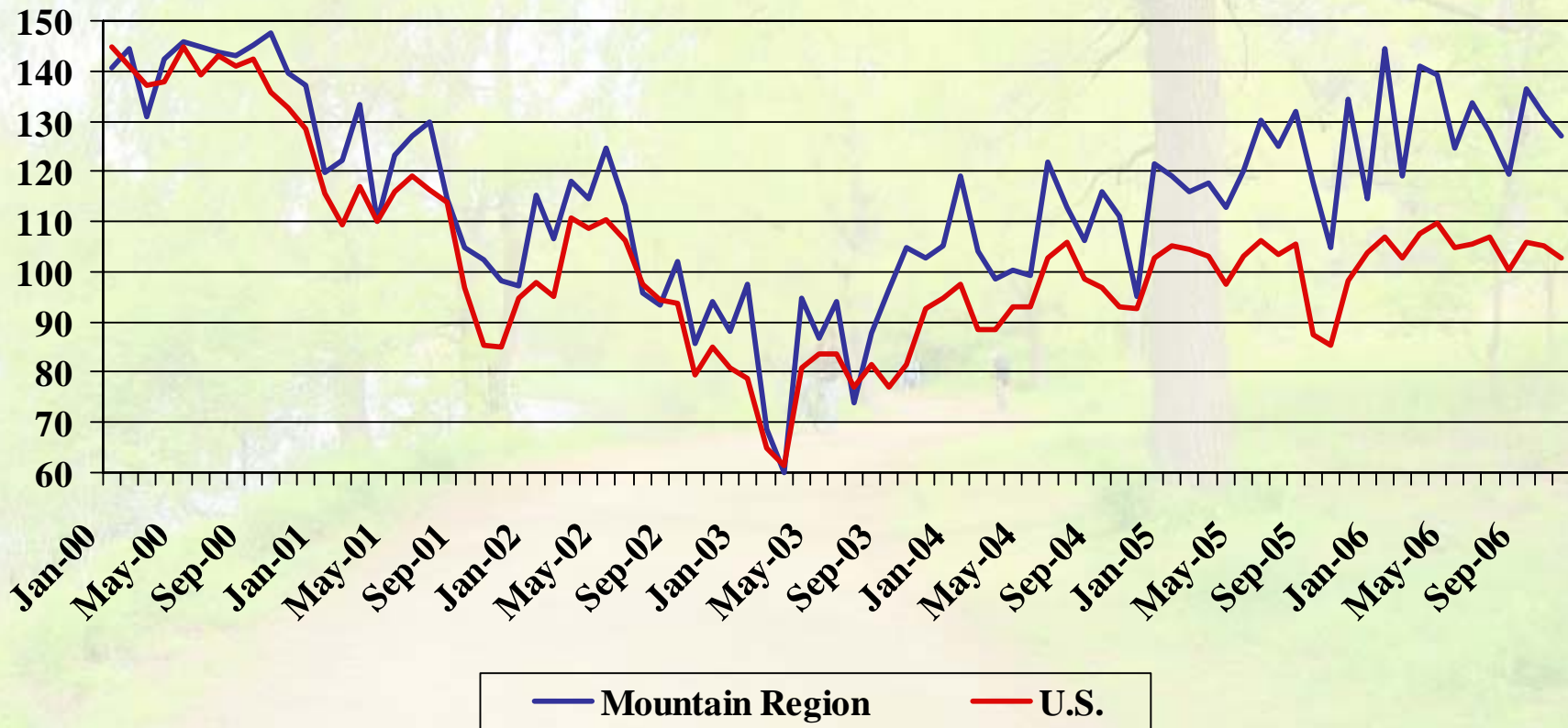
Source: Colorado Division of Local Government

Metro Denver Annual Change in Population



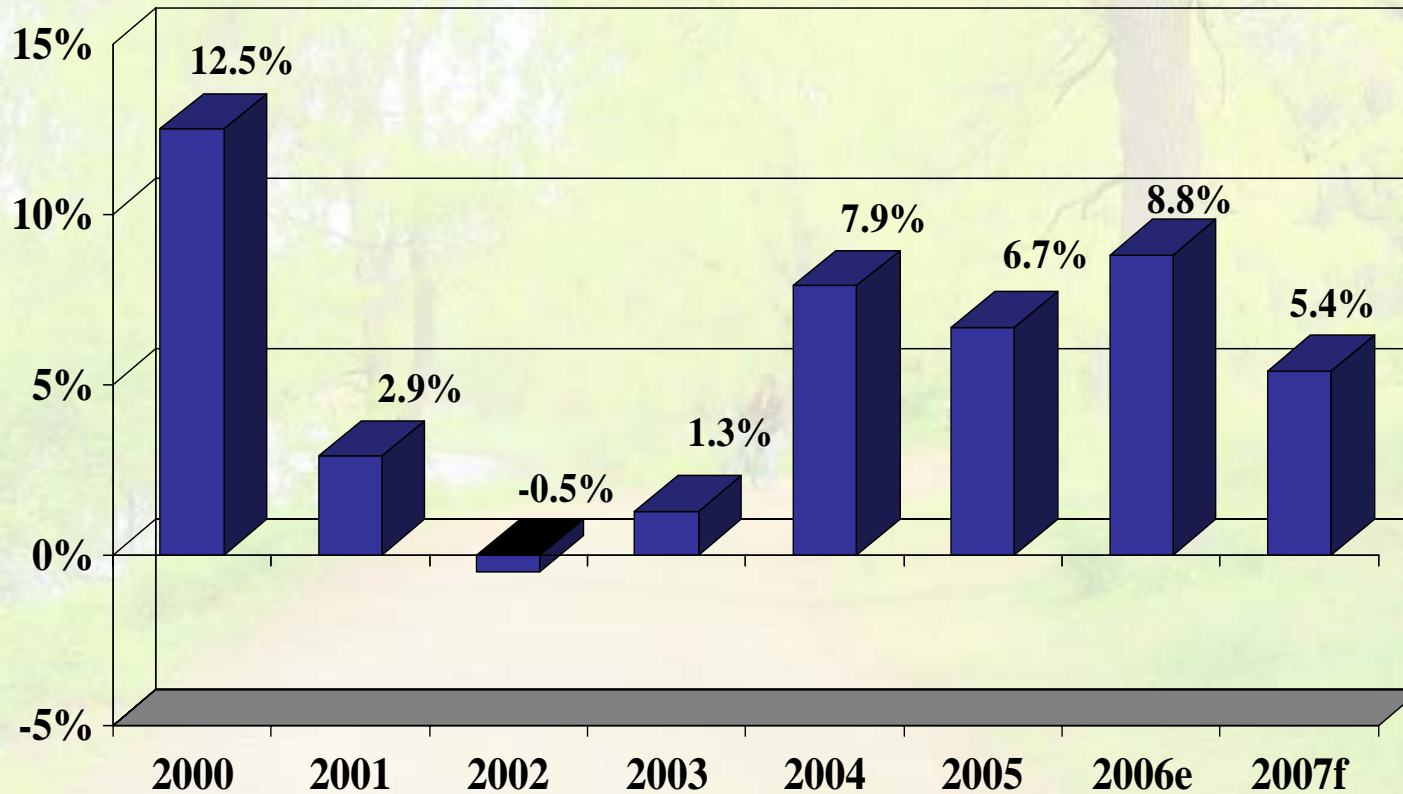
Source: Colorado Division of Local Government

Consumer Confidence Index



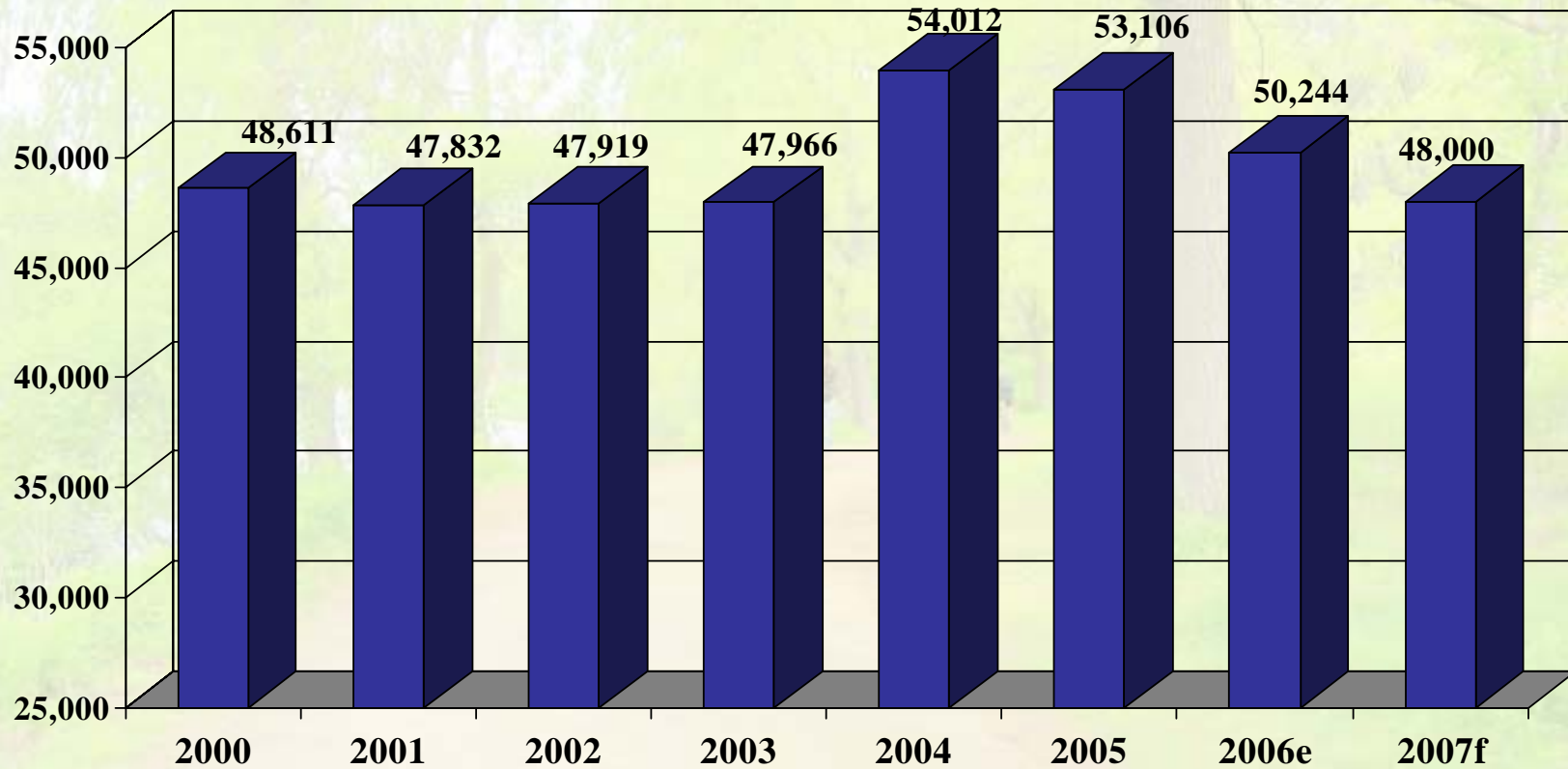
Source: The Conference Board

Metro Denver Total Retail Sales Growth Rates



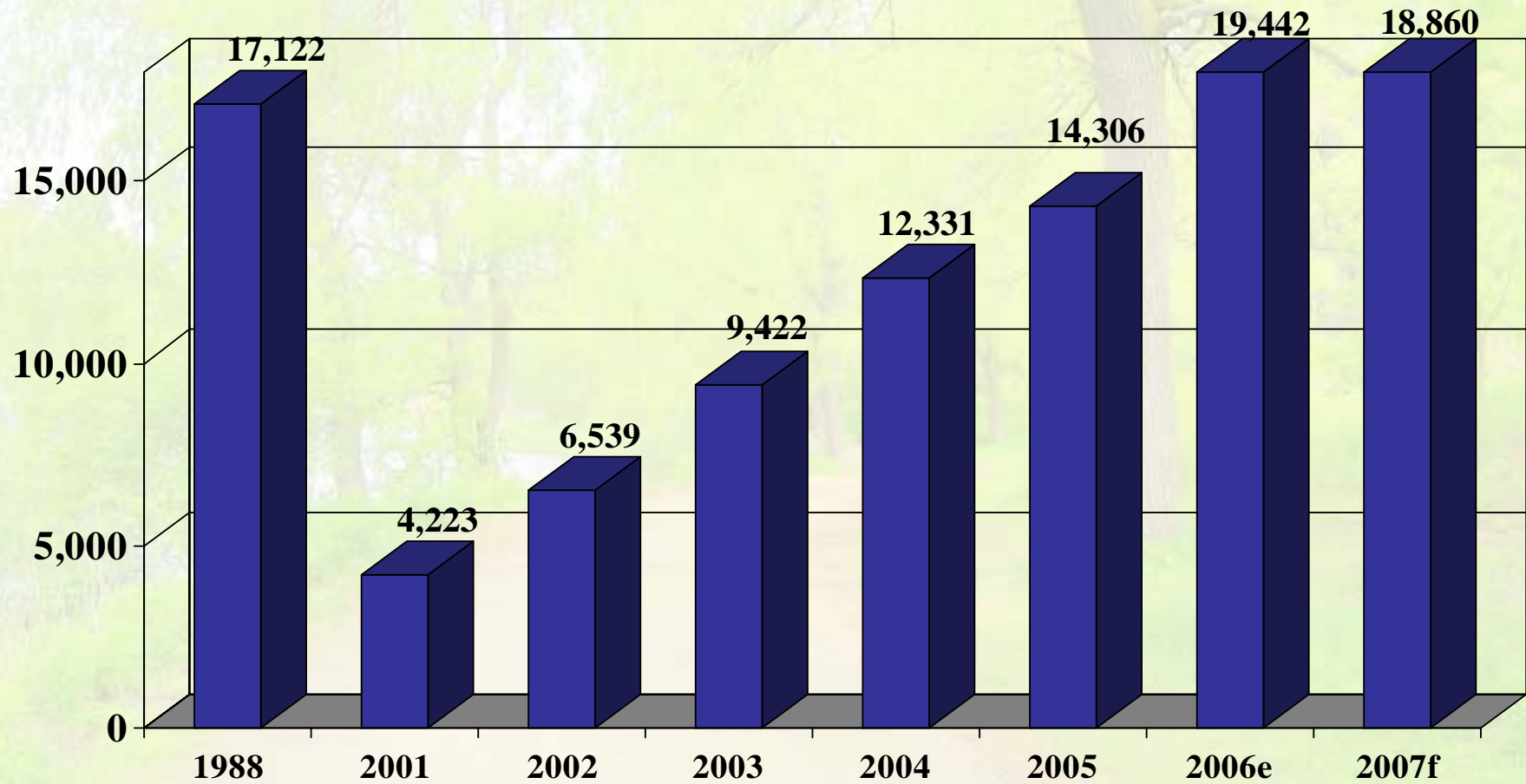
Source: Colorado Department of Revenue

Metro Denver Home Sales



Source: MetroList, Inc.

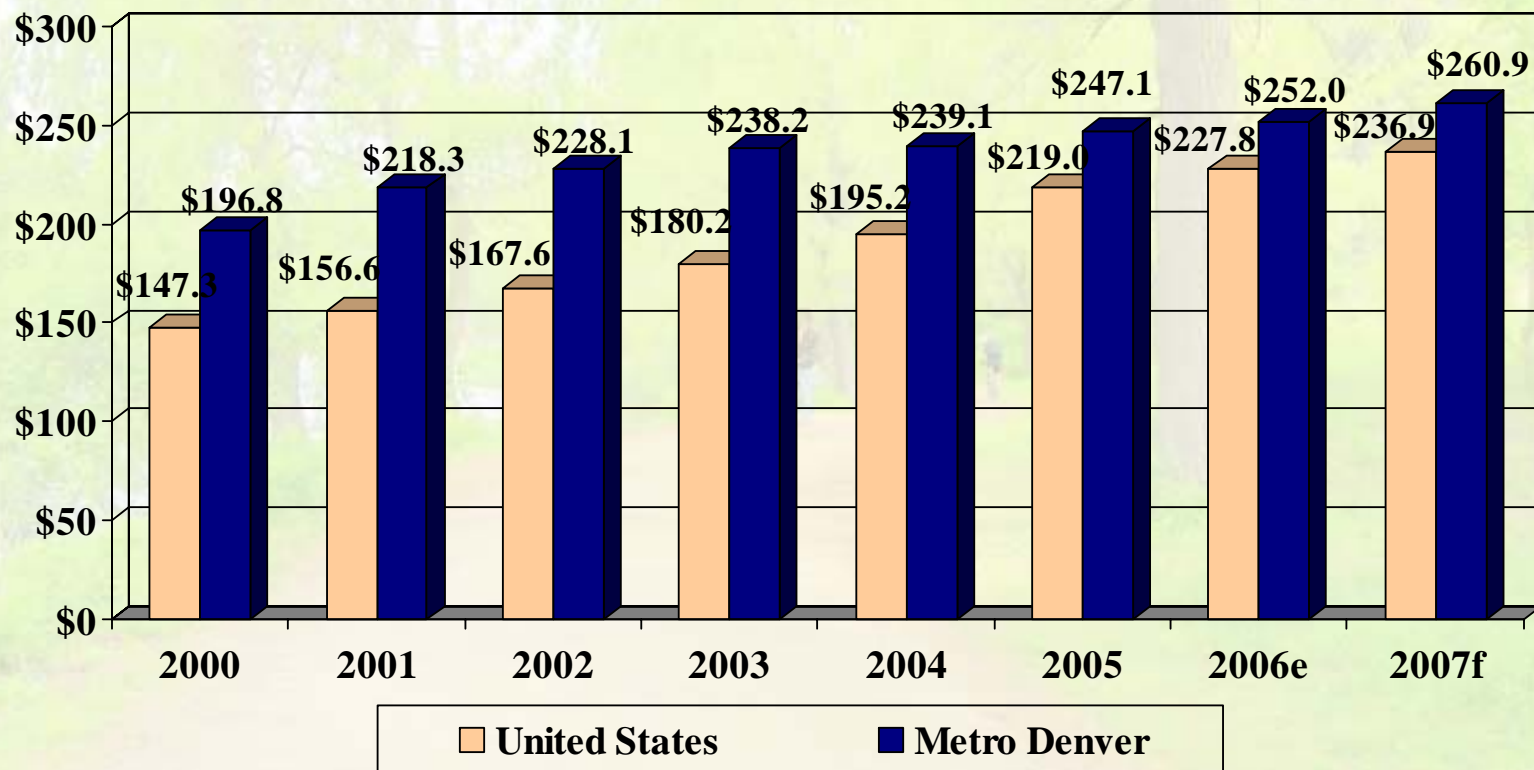
Metro Denver Foreclosures



Source: CB Richard Ellis

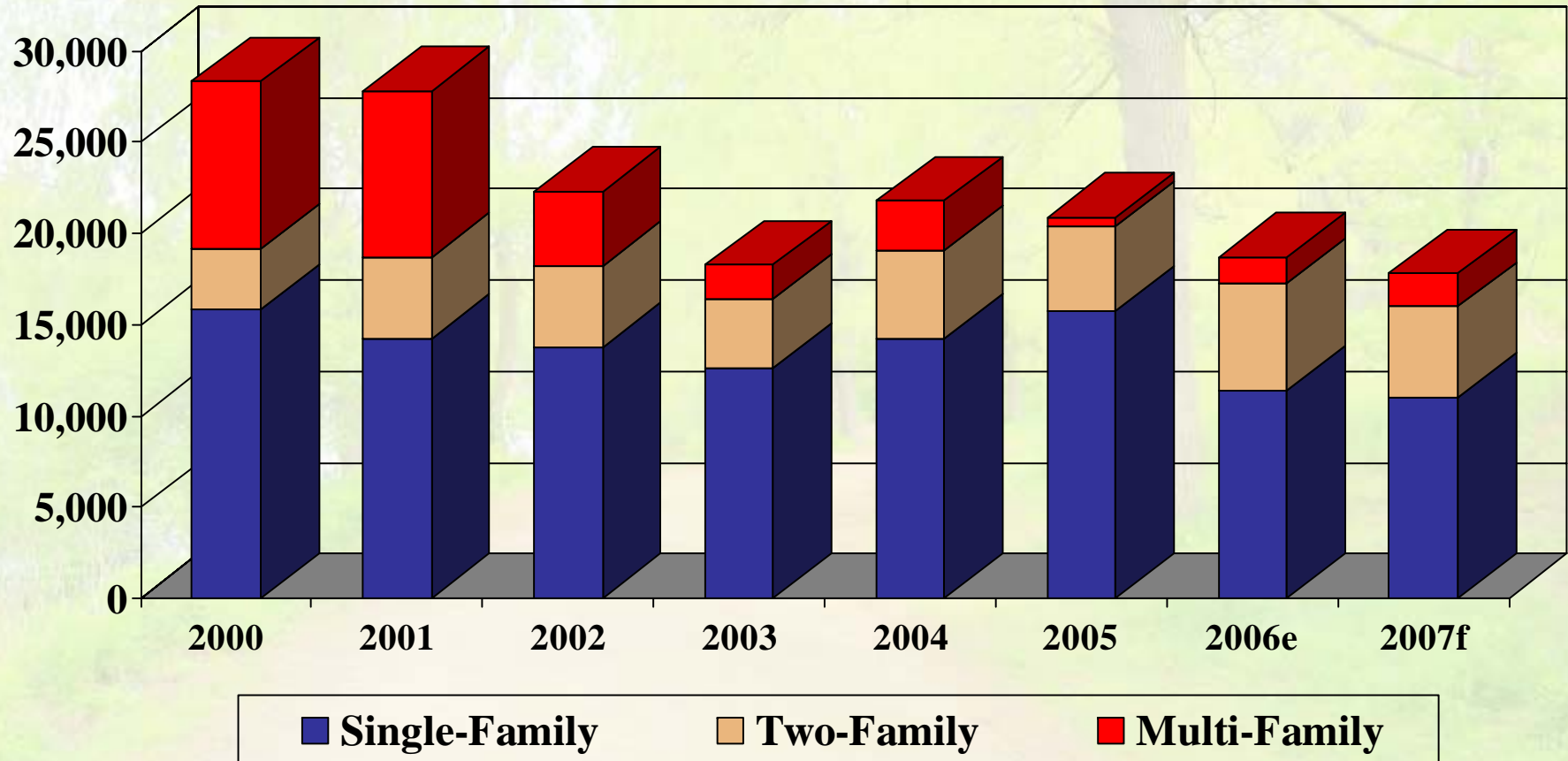
Median Home Price

(in thousands)



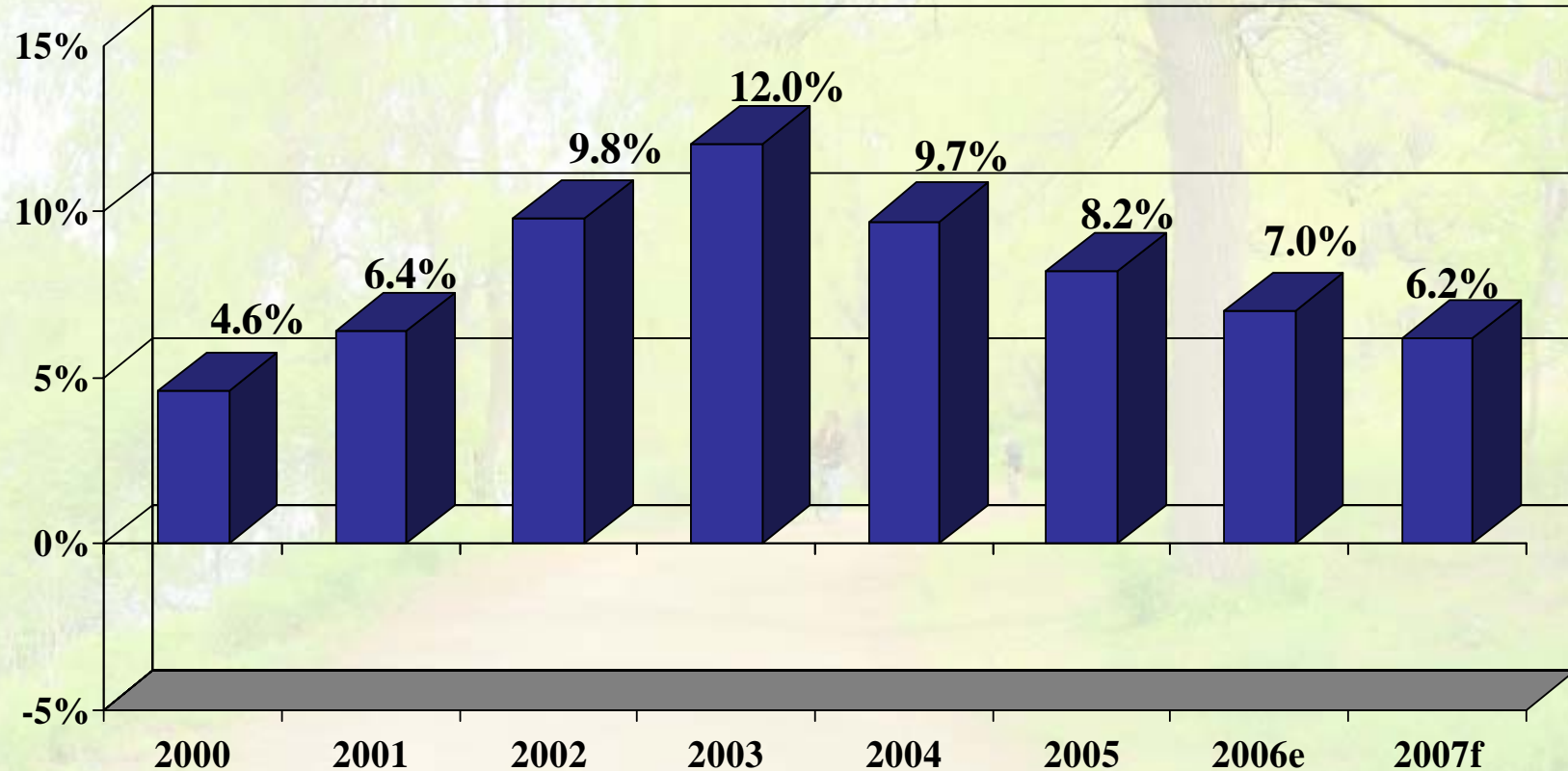
Source: National Association of REALTORS

Metro Denver Building Permits



Source: Home Builders Association of Metropolitan Denver

Metro Denver Apartment Vacancy Rate



Source: Denver Metro Apartment Vacancy & Rent Survey

Potential Bumps in the Road

◆ EXTERNAL ISSUES

- ▲ Severity of U.S. economic correction
- ▲ Political unrest / war on terror
- ▲ Price of oil / energy
- ▲ Stock market returns

◆ INTERNAL ISSUES

- ▲ Industry mix / industry clusters
- ▲ Building / maintaining quality workforce
- ▲ Home price appreciation / foreclosures
- ▲ Transportation infrastructure
- ▲ Minimum Wage; Immigration



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