MONTHLY ECONOMIC SUMMARY

A Monthly Summary of Economic Conditions

in Metro Denver

(Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties)

Released September 8, 2004

Prepared For:

Metro Denver Economic Development Corporation
1445 Market Street
Denver, Colorado 80202

Researched and Compiled by:

Development Research Partners, Inc.
Patricia Silverstein
10184 W Belleview Ave, Suite 100
Littleton, Colorado 80127
www.DevelopmentResearch.net
(303) 991-0073 Patty@DevelopmentResearch.net

MONTHLY ECONOMIC SUMMARY OF METRO DENVER

The following report presents a comprehensive analysis of business and economic conditions currently prevailing in the seven-county metro Denver area, including Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. The data in this report is grouped into four main categories: labor and employment; the consumer sector; residential real estate; and commercial real estate. The most recent statistics currently available are used, including the most recent monthly or quarterly data, the previous month or quarter, and a comparison of annual trends with the previous year. In addition, the report includes annual averages from five- and ten-years previous so that current data may be compared to historical trends.

Notable Rankings

- Denver ranked seventh out of the nation's 79 largest cities for literacy, according to a new study from the University of Wisconsin-Whitewater. The study looked at 22 variables including education statistics, newspaper circulation rates and use of local libraries to determine a city's literacy situation. Many of the low-ranking cities, such as 79th ranked El Paso, TX, attract a large immigrant population. Other rankings were New York City at 49th, Chicago at 58th and Los Angeles at 68th.
- The University of Colorado at Boulder ranked 74th among the nation's universities and 32nd among public national universities offering doctorates in the latest *U.S. News and World Report's* rankings. Colorado College ranked 33rd among liberal arts colleges and Colorado State was 56th among all public universities. The private University of Denver ranked 90th among all schools – both private and public.
- Douglas County-based EchoStar Communications Corp., which provides satellite TV service under the name Dish Network, ranked first in customer satisfaction for satellite and cable television providers. EchoStar regained the top spot from DirectTV and beat out large cable rivals Time Warner (#7), Comcast (#8) and Adelphia Communications (#11). The annual study was conducted by J.D. Power and Associates.
- Colorado's Class of 2004 college-bound students achieved higher SAT test scores than the prior year's class. The SAT is composed of two sections, each with a maximum score of 800. Colorado scores on the verbal section increased three points to 554 compared to a one point increase in the national score to 508. Colorado scores on the math section were unchanged at 553, compared to a one point decline nationally to 518. Twenty-seven percent of the eligible Colorado students took the SAT compared to 48% nationwide.
- The Class of 2004 also performed significantly better on the ACT college entrance exam. Students scored an average of 20.3, up from the average score of 20.1 for last year's graduates. The ACT is a multiple-choice exam that tests knowledge in math, science, English and reading. The ACT is mandatory in Colorado for all 11th grade students in public and private schools, regardless of whether they plan to attend college, so average scores tend to be slightly lower than national averages for college-bound students. Nationally, the ACT average score rose to 20.9, after two years at 20.8.

Labor and Employment

National economic growth is measured by gross domestic product (GDP), which measures the value of all goods and services produced in the United States. Real (inflation-adjusted) GDP growth slowed in the second quarter of 2004 with preliminary estimates indicating an annual average growth rate of just 2.8%, well below the 3.8% level that most analysts expected. Real GDP increased at a revised 4.5% in the first quarter. GDP growth slowed due to weaker consumer spending, especially on big-ticket items such as automobiles. On the other hand, business investment increased a solid 8.9% due to increases in sales of equipment and software.

The Federal Open Market Committee (FOMC) of the Federal Reserve raised the target for the federal funds rate a quarter point in mid-August to 1.5%, the second increase this year. In a related action, the Board of Governors approved a corresponding increase in the discount rate of one-quarter point to 2.5%. The moves were a response to slightly elevated levels of inflation and the perception that the economy appears poised to resume stronger growth, despite the substantial rise in energy prices. The FOMC believes productivity growth will continue to support moderately growing output and employment levels.

National worker productivity increased at an annual rate of 2.5% in the second quarter, the smallest growth rate since late 2002. While productivity continues to move in a positive direction, the slower rate indicates the economic recovery is slowing down. Productivity is measured by the amount a worker produces each hour on the job. The current rate of 2.5% is down significantly from the 3.7% productivity increase achieved during the first quarter of 2004.

As is true for the national economy, recovery is occurring slowly in metro Denver. Several local business and economic indexes reveal that economic gains are more consistent and are gaining momentum, but the region still faces a long economic recovery journey.

- The Vectra Bank Colorado Small Business Index fell to 92.5 in July, down from a revised 92.7 in June. Higher oil prices, terrorism fears and uncertainly about the upcoming presidential election are hampering small business confidence. The national index also declined, falling from a revised 108 in June to 102 in July. The 100 level represents the benchmark year of 1997.
- The Colorado service economy index continued to expand in August, as values greater than 50 indicate growth. The index in August increased to 53.12, up from 52.25 in July. According to the index produced by the University of Colorado at Denver Business School, August was the sixth consecutive month in positive territory. The service sector makes up the bulk of Colorado's economy.
- The Leading Index for metro Denver released in September increased to 100.2, and has demonstrated fairly steady growth since January. This index, compiled by Development Research Partners, is said to be a predictor of economic activity six to nine months in the future. The Leading Index was buoyed by an increase in single-family construction activity, rising average manufacturing hours, falling unemployment claims, and the improved hiring outlook. The Historic Index, which is a measure of metro Denver's growth rate, slipped slightly to 128.7. Due to the rising Leading Index, expect the Historic Index to start to rise in the months ahead.
- Creighton University's monthly index measuring business conditions in Colorado, Wyoming and Utah slipped in July due to inflation concerns but remained at positive levels. The July index stood at 57.3, down from 60.4 in June. Still, an index value greater than 50 indicates economic growth in the next three to six months. The individual Wyoming index continued to show growth while both the Colorado and Utah indices declined from the previous month.
- Colorado business leaders remain optimistic about the economic outlook for Colorado and the national economies, according to Compass Bank's Colorado Business Leaders Confidence Index for the third quarter of 2004. The overall index increased from 64.2 in the second quarter to 66.1 in the third quarter. Numbers above 50 suggest expansion in the survey conducted by the Leeds School of Business at the University of Colorado.
- The outlook for Colorado technology firms continues to be positive for the second half of 2004, according to the Colorado Tech Index by ccintellect and the Denver Business Journal. In the first half of 2004, 54% of the firms surveyed reported an increase in employment. This figure rose to 61% projecting employment increases in the latter half of this year, with employment gains expected across all job types.

- The national manufacturing sector expanded in August, but at a slower rate than July, according to the Institute for Supply Management. The August index of 59 was down from 62 in July. Still, any reading above 50 indicates expansion, making August the 15th consecutive month of increase.

Total metro Denver employment fell in July to 1,307,700 jobs, ending the four month trend of growth. However, this month's decline was not unexpected as July employment generally is lower than June due to the state's method for reporting the decline in the number of teachers during the summer. Still, the July 2004 employment level was higher than the July 2003 employment level, the second month in a row that 2004 levels were higher than 2003. While the metro Denver region is certainly experiencing an improved employment situation, metro Denver employment is down 0.5% through the first seven months of 2004 compared to the same period last year.

The State & Local Government sector experienced the most severe decline with the loss of 6,700 jobs from June to July (due to the teacher situation described above), while Leisure and Hospitality experienced a 1.2% increase (+1,600 jobs) as a result of summer tourism activity.

The state lost 14,800 positions from June to July, primarily due to losses in the government sector. Other sectors that saw declines were the manufacturing and information technology sectors. On a positive note, year-to-date employment at the state level is 0.1% higher than the same time last year.

The national economy added only 32,000 positions in July on a seasonally adjusted, annualized basis. Despite this lower than anticipated national increase, July was still the 11th month in a row for job increases. National employment is up 0.7% for the first seven months of 2004 compared to the same period in 2003.

Nonfarm Wage & Salary Employment
(000s, not seasonally adjusted)

	Month of Jul-04 (p)	Month of Jun-04	Month of Jul-03	Year-to-Date Average 2004	Year-to-Date Average 2003	Year-to-Date Average % Change	Annual Growth Rate 1999	Annual Growth Rate 1994
Total Denver Metro	1,307.7	1,314.2	1,300.6	1,291.2	1,297.5	-0.5%	3.9%	4.3%
Natural Resources & Mining	5.4	5.4	5.2	5.3	5.1	5.1%	-12.7%	-2.8%
Construction	83.6	83.8	88.9	80.1	86.0	-6.9%	12.3%	8.5%
Manufacturing	89.6	89.7	90.6	89.6	91.5	-2.1%	-1.5%	0.8%
Wholesale & Retail Trade	202.6	203.5	202.1	201.7	202.2	-0.2%	3.2%	5.5%
Transp., Warehousing & Utilities	52.6	51.8	50.2	51.0	50.9	0.2%	3.5%	3.4%
Information	61.9	62.3	64.1	62.4	64.9	-3.8%	12.4%	13.8%
Financial Activities	106.3	106.3	107.1	106.6	105.5	1.0%	3.8%	5.5%
Professional and Business Services	210.6	210.3	203.9	200.9	200.9	0.0%	5.9%	4.9%
Education & Health Services	130.1	130.8	128.3	130.9	127.9	2.3%	1.2%	3.5%
Leisure and Hospitality	131.2	129.6	128.5	123.2	123.1	0.1%	4.6%	5.3%
Other Services	49.3	49.2	49.5	48.6	49.0	-0.8%	2.1%	5.9%
Government	184.5	191.5	182.2	190.9	190.4	0.2%	1.4%	0.3%
Federal Government	31.8	32.1	32.2	32.2	32.3	-0.3%	-1.5%	-4.5%
State & Local Government	152.7	159.4	150.0	158.7	158.2	0.4%	2.1%	1.9%
Colorado	2,171.2	2,186.0	2,153.8	2,146.5	2,143.5	0.1%	3.6%	5.1%
United States	131,119	132,325	129,481	130,442	129,524	0.7%	2.4%	3.1%

Source: Colorado Department of Labor and Employment, Labor Market Information. (p)=preliminary

Sluggish job growth has led to the downward revision of various 2004 economic forecasts. The Business Research Division at the University of Colorado forecasted in December that the state would add 32,300 jobs in 2004. This forecast was recently revised downwards to about 10,000 jobs statewide. Likewise, Development Research Partners forecasted that 15,600 jobs would be added to the metro Denver economy in 2004. This forecast was recently revised downwards to only 2,100 jobs to be added in 2004. Although the employment forecasts have been revised downwards, it is encouraging that positive job growth is expected in 2004 following two years of declining total employment.

In another encouraging sign, Colorado exports of manufactured, agricultural and mineral products increased 15% from the first half of 2003 to the first half of 2004 compared to the 14% national increase. Export growth was led by a 48% increase in semiconductor exports to $659 million and a 20% increase in computers and peripherals to $470 million. Exports of office machine components and telecommunications equipment were also above the $100 million mark. Export growth was supported by stronger foreign currencies, which make American prices more competitive. Canada remained Colorado's largest export market, followed by China and Mexico.

The most recent Manpower Employment Outlook Survey reveals increased hiring trends. For the July to September period, 30% of the 16,000 U.S. employers surveyed said that they plan to add workers. This was a slight increase from last quarter when 28% indicated that they would be adding employees. Further, only 6% of the employers expect to cut jobs while about 59% expect no change in their employment level.

While further job cuts throughout metro Denver are not out of the question, hiring expectations in Denver are even more bullish than the national level. About 36% of the companies report hiring plans for the July to September period, up substantially from last quarter when only 14% planned to add workers. Similar to last quarter, only 2% of the companies indicated that staff decreases are anticipated. About 60% of the survey respondents expect no change in the number of workers.

On an industry basis, new job opportunities appear best in construction, manufacturing, transportation/public utilities, wholesale/retail trade, finance/insurance/real estate, and services. Employers in education plan to reduce staffing levels, while public administration is expected to remain unchanged.

The results of 337 CEO and business leader interviews recently conducted as part of a statewide business retention and expansion program reveal similar intentions in terms of hiring expectations. The interview results showed that about 51% of the company leaders plan to expand in the next two to three years, resulting in more than $563 million in capital investment and 5,547 new jobs.

Employment Outlook Survey

	Quarter 3 2004	Quarter 2 2004	Quarter 3 2003	Year-to-Date Average 2004	Year-to-Date Average 2003
Percent of Companies Hiring	36%	14%	15%	22%	17%
Percent of Companies Laying Off	2%	3%	20%	7%	18%
Percent of Companies No Change	60%	75%	46%	62%	53%

Source: Manpower Inc.

According to the *Metro Denver Job Vacancy Survey* by the Colorado Department of Labor and Employment, the number of job vacancies this spring was up 14% compared to the same time period in 2003. Employers were tasked with filling 16,600 positions between April and June, an increase of 2,100 more positions than in the second quarter 2003. A significant portion of the vacancies were in government or health care jobs which can be relatively higher paying jobs compared to retail positions, for example. The average wage for the spring job vacancies was $15.50 and is expected to rise in the fall.

Demonstrating the need for more health care workers, construction of Exempla's Good Samaritan Medical Center in north metro Denver is scheduled to finish the second week of September. The $175 million, 800-employee facility will be the third of its size to open in the metro Denver area in the past two years, joining Sky Ridge Medical Center and Parker Adventist in Douglas County. The hospital is a response to the demand created by population growth that existing hospitals cannot handle. In addition, construction began on a $15 million medical office building at Lowry in August. The 81,500 square foot building will employ about 200 and will be able to handle more than 200,000 surgery patients in 2005.

The number of people unemployed is declining in response to gradually improving employment opportunities. The unemployment rate in metro Denver decreased to 5.1% in July after increasing slightly in June to 5.3%. At a county level, Denver and Adams counties reported the highest levels of unemployment of 6.2% and 6.0%, respectively. Douglas County posted the lowest level of unemployment in the seven-county metro area with only 3.6% of its labor force unemployed.

Colorado's unemployment rate rose to 5.1% in July from 4.9% in June. The national unemployment rate in July stood at 5.7%, representing about 8.5 million unemployed people. The average duration of time without work improved in July to 18.6 weeks from 19.9 weeks the previous month. For the year, metro Denver's unemployment rate of 5.4% is between the state's average rate of 5.3% and the national average rate of 5.8%.

Labor Force Statistics
(000s, not seasonally adjusted civilian labor force)

	July 2004 (p)		2004 YTD Average		2003 YTD Average		1999	1994
	Total Labor Force	Unemploy-ment Rate	Total Labor Force	Unemploy-ment Rate	Total Labor Force	Unemploy-ment Rate	Annual Average Unemploy-ment Rate	Annual Average Unemploy-ment Rate
Metro Denver	1,459.6	5.1%	1,434.7	5.4%	1,416.4	6.4%	2.4%	3.9%
Adams County	207.1	6.0%	203.1	6.3%	200.2	7.3%	2.7%	4.2%
Arapahoe Cnty	300.8	4.9%	294.6	5.2%	290.4	6.2%	2.1%	3.5%
Boulder Cnty	173.5	4.6%	174.8	4.7%	174.6	6.2%	2.6%	3.7%
Broomfield Cnty	24.4	5.2%	23.8	5.3%	23.5	6.3%		
Denver County	310.7	6.2%	304.5	6.5%	300.3	7.6%	3.1%	5.0%
Douglas Cnty	124.3	3.6%	121.6	3.7%	120.0	4.8%	1.4%	2.5%
Jefferson Cnty	318.9	4.6%	312.2	4.8%	307.5	5.7%	2.2%	3.4%
Colorado	2,545.5	5.1%	2,495.2	5.3%	2,459.9	6.3%	2.9%	4.2%
United States	149,217	5.7%	147,052	5.8%	146,389	6.2%	4.2%	6.1%

**Broomfield County was formed in November 2001 from parts of Adams, Boulder, Jefferson, and Weld counties.*
Source: Colorado Department of Labor and Employment, Labor Market Information. (p)=preliminary

First time unemployment insurance claims in metro Denver increased by 9.0% in July to 5,528. Despite increases in claims in both June and July, levels remain well below 2003 levels with the average number of new metro area unemployment insurance claims during the first seven months of the year 22.3% below last year's average. Similar to metro Denver, claims at the state level increased by 5.4% to 11,175 in July and have been on the rise since May.

First Time Unemployment Insurance Claims

	Month of Jul-04	Month of Jun-04	Month of Jul-03	Year-to-Date Average 2004	Year-to-Date Average 2003	Year-to-Date Average % Change	Annual Average 1999
Metro Denver	5,528	5,073	7,012	5,906	7,600	-22.3%	3,801
Colorado	11,175	10,603	13,831	12,456	15,500	-19.6%	7,857

Source: Colorado Department of Labor and Employment, Labor Market Information.

Consumer Sector

The Consumer Price Index (CPI-U) for the Denver-Boulder-Greeley area, which is commonly used as the measure of inflation, fell 0.7% to 186.5 from the first half of 2003 to the first half of 2004. This was the first semiannual decline in the index in 40 years other than a brief two-month dip in 1986. The decline was largely due to falling housing and transportation prices which account for 40% and 17% of the index, respectively. The Housing index was down 1.4% from the first half of 2003 led by a 3.4% decline in shelter costs (rent of primary residence and owner's equivalent of rent). On the other hand, the index revealed an 11.3% increase in fuel and utilities prices over the first half of 2003. Utility (piped) gas prices soared by 27% as household furnishings and operations prices also rose by 2.8%.

Transportation prices fell 5.5% despite a 12.9% rise in motor fuel prices, suggesting that consumers are receiving deep discounts and concessions at dealerships. Food and beverage prices increased by 2.9%, along with apparel prices (+1.3%), medical care (+0.6%), recreation costs (+3.6%), education and communication prices (+2.6%) and other goods and services (+1.1%).

The Colorado Office of State Planning and Budgeting forecasts that Colorado personal income will grow 3.9% in 2004, one full percentage point lower than the estimated national growth rate of 4.9%. Personal income growth should strengthen in 2005, growing 5.4% in Colorado compared to the national increase of 4.3%.

Falling prices coupled with increased income is impacting consumer expenditures. *Retail sales grew to $6.4 billion in June, boosting total retail sales in the first half of 2004 to 8.5% higher than the same period in 2003. All metro counties except Broomfield posted higher total retail sales in June compared to May. However, the decline in June in Broomfield was due to exceptionally strong May statistics caused by the filing of delinquent returns.*

The strongest annual gains are occurring in Douglas and Adams counties, with both counties posting double-digit rates of growth. On the other hand, retail activity is essentially flat in Arapahoe and Boulder counties. Statewide retail sales were up 7.1% in the first half of 2004, bringing total sales to $53.5 billion in June. Meanwhile, net sales tax revenues were up only 5.7%.

Total Retail Sales ($000s)

	Month of Jun-04	Month of May-04	Month of Jun-03	YTD Total 2004	YTD Total 2003	YTD Total % Change	Annual Growth 1999	Annual Growth 1994
Total Metro Denver	6,379,064	5,877,784	5,685,834	32,439,407	29,898,495	8.5%	6,379,064	5,877,784
Adams County	867,474	754,934	711,801	4,379,665	3,815,543	14.8%	867,474	754,934
Arapahoe County	1,383,754	1,185,608	1,269,188	7,050,425	7,059,833	-0.1%	1,383,754	1,185,608
Boulder County	568,549	493,703	596,859	2,980,299	2,943,673	1.2%	568,549	493,703
Broomfield County	375,315	741,883	111,383	1,535,041	675,010	127.4%	375,315	741,883
Denver County	1,694,887	1,425,380	1,581,982	8,674,624	8,081,134	7.3%	1,694,887	1,425,380
Douglas County	441,010	400,436	378,287	2,302,142	1,945,696	18.3%	441,010	400,436
Jefferson County	1,048,075	875,840	1,036,334	5,517,211	5,377,606	2.6%	1,048,075	875,840
Colorado	10,455,495	9,285,552	9,463,218	53,522,235	49,955,388	7.1%	10,455,495	9,285,552

Source: Colorado Department of Revenue.

Looking ahead, July and August spending patterns may be mixed if national trends are any indication of local activity. The good news is that the U.S. Department of Commerce reported a 0.7% increase in national retail sales in July, following a 0.5% decline in June. The bad news is that the usually prosperous back-to-school shopping season disappointed many retailers this year. For example, Wal-Mart experienced its weakest August sales activity in the past 3-½ years.

Analysts suspect high gasoline prices, Hurricanes Charley and Frances, and on-going concerns over jobs contributed to the weak sales.

Sales tax revenue from downtown Denver grew at double the rate of the rest of the City since Mayor John Hickenlooper lowered the parking meter rates seven months ago. Denver collected $13.1 million in sales tax from downtown vendors in the first two quarters of 2004, a 5.6% increase over the $12.5 million collected in the first half of 2003. City-wide sales tax collections grew by only 2.3% during the same period. While downtown retailers appear to be benefiting from the decreased parking costs, the City has forgone about $567,000 in parking meter revenue in Mayor Hickenlooper's first year in office.

But not all retailers are benefiting equally from the increase in consumer activity. Traditional grocery stores like King Soopers and Safeway are losing market share to supercenters like Wal-Mart and natural grocers like Whole Foods. The Shelby Report, which reports on market share and grocery industry sales, places Wal-Mart in the number three position among Colorado grocers. Wal-Mart operates 35 supercenters (Wal-Mart plus grocery store) in the state, resulting in a 17% market share. King Soopers operates 103 stores with a 38% market share while Safeway operates 109 stores and captures a 22% market share. Organic and natural grocers capture about a 1% market share nationally. However, Whole Foods and Wild Oats have a 7% market share in Colorado.

The consumer confidence index for the mountain region fell to 110.3 in July from 122.0 in June. Consumer confidence in the mountain region remains more positive than national confidence even though national levels increased in July. Confidence levels are about 36 points higher than they were at this time last year in the mountain region. Looking ahead, the preliminary national index for August of 98.2 is down considerably from July. Analysts attribute the fallen confidence levels to job growth concerns and rising oil prices but consider the declines as mere bumps in the road. August index values are not yet available for the mountain region.

Consumer Confidence Index

	Month of Jul-04 (p)	Month of Jun-04	Month of Jul-03	YTD AVG 2004	YTD AVG 2003	YTD AVG % Change
Mountain	110.3	122.0	73.9	107.6	82.2	30.9%
United States	106.1	102.8	77.0	95.7	75.7	26.3%

Source: The Conference Board. (p)=preliminary

Summer vacations contributed to an increase in hotel occupancy in metro Denver. July hotel occupancy reached 76.9%, the best month since August 2000. The year-to-date average hotel occupancy rate of 62.1% is 3.2% higher than last year. As occupancy improves, the average hotel room rate is also starting to track upwards. The average room rate increased slightly in July to $84.81, up from $ 84.76 in June. Still, the year-to-date average rate remains below the 2003 level. The Downtown Denver market was the only market to break the $100 per night rate. The average room rate in Downtown hotels in July was $122.75 with a 78.8% occupancy rate.

Metro Denver Hotel Statistics

	Month of Jul-04	Month of Jun-04	Month of Jul-03	YTD AVG 2004	YTD AVG 2003	YTD AVG % Change	Annual 1999	Annual 1994
Percent of Hotel Rooms Occupied	76.9%	71.2%	73.8%	62.1%	60.2%	3.2%	67.2%	72.2%
Average Hotel Room Rate	$84.81	$84.76	$85.12	$82.57	$84.29	-2.0%	$87.36	$66.03

Source: Rocky Mountain Lodging Report.

One of the oldest Marriotts in the U.S., located at Hampden Ave. and I-25 in Denver, will become the largest Four Points by Sheraton in the country. Over the coming year, the hotel will receive $5 million in renovations. The *Business Travel News*, a lodging industry trade publication, said upscale hotels like Sheraton are recovering faster than mid-priced hotel chains like Four Points. In other hotel news, construction is underway on the new $44 million Marriott Residence Inn at 18th and Champa Streets in Downtown Denver.

The tourism industry was one of the hardest-hit sectors by the economic downturn and the September 11th attacks, but it appears to be slowly recovering. AAA estimated that a record 34.1 million Americans traveled out of town over the Labor Day weekend. The Travel Industry Association of America estimates that 2004 summer travel is up 3.2% from last year while summer travel spending is up 4.5%. High gasoline prices and terrorism threats continue to negatively affect tourism.

Tourism is slowly improving in Colorado based on data from the most recent Longwoods International study. While the number of overnight visitors in the state decreased to 24.9 million in 2003, down from 26.2 million in 2002, Colorado experienced a slight increase in visitor spending, from $7 billion in 2002 to $7.1 billion in 2003. The study reported declines in both ski and businesses trips but a 50% increase in outdoor trips. Many analysts attribute the increase in spending to enhanced state marketing efforts.

A *Denver Post* survey of more than 50 tourism businesses and executives suggests that tourism activity is stronger in 2004. Sixty-two percent of respondents said they have seen an increase in out-of-state visitors and 72% have seen an increase in in-state visitors. The majority of visitor increases were between zero and 5%. In addition, survey respondents consistently placed state tourism funding ahead of national economic conditions for having more impact on Colorado's tourism industry. Colorado currently ranks 32nd in the nation for state-funded tourism efforts.

The metro Denver tourism industry benefited from the Grand Prix race at the Pepsi Center in August. Ticket sales this year reached 112,000, an increase of 44,000 over last year. Sales in 2003 were hampered by heavy rainstorms and competition from several other events during the same time. Organizers cite the addition of a rock performance and motocross activities as reasons behind the increase, as well as distancing the event from other Labor Day events.

Almost 4.3 million passengers traveled through Denver International Airport in June, making it the busiest month ever since the airport's opening in February 1995 and the first month passenger travel has reached above the four million mark. The year-to-date passenger total of 21.7 million is an amazing 21.7% higher than last year's total at this time. An improving economy and the prevalence of discount airlines, including more Frontier flights, attributed to the increase; however, 2003 passenger travel numbers were stunted by the March blizzard. United, Ted and United's regional affiliates flew 62.2% of paying domestic customers in June compared to Frontier and Frontier JetExpress' share of 15.4%.

Denver International Airport Passengers

	Month of Jun-04	Month of May-04	Month of Jun-03	YTD Total 2004	YTD Total 2003	YTD Total % Change	Annual 1999	Annual 1994
Number of Airline Passengers	4,260,361	3,825,322	3,408,398	21,690,466	17,827,703	21.7%	38,034,017	33,133,428

Source: Denver International Airport, Traffic Statistics.

Stock prices fell across the board between July and August, continuing the declining trend. The Colorado stock index, which is a compilation of the stock prices of 30 companies either headquartered in Colorado or having significant operations in the state, declined by 7.0% as the index fell to 1,235.33 from 1,267.74 in July. The NASDAQ index suffered the sharpest decline of 8.33% while the DOW saw a 3.2% decline for the year. The S&P is outperforming the other stock indexes, posting just a 1.15% decline for the year.

Since the second half of 2003, six Colorado companies have sold stock publicly in an initial public offering (IPO) and four have announced plans to do so in the near future. Colorado was home to less than 100 public companies at the close of 2002 but the list has grown to 106 companies as of August 2004. The six newly public companies in chronological order are Centennial Specialty Foods, Myogen, Pharmion, Whiting Petroleum, Affordable Residential Communities and Dex Media. Companies planning IPOs in the near future include Display Tech Inc., United Agri Products, Bill Barrett Corp. and Hyperspace Communications.

Stock Market Indexes

	Month of Aug-04	Month of Jul-04	Month of Aug-03	YTD Return Aug-04	YTD Return Aug-03	YTD Return Aug-02
Colorado	1,235.33	1,267.74	1,299.74	-7.04%	25.68%	17.93%
S&P	1,099.15	1,101.72	1,008.01	-1.15%	14.57%	-20.21%
NASDAQ	1,836.49	1,887.36	1,810.45	-8.33%	35.56%	-32.59%
DOW	10,122.52	10,139.71	9,415.82	-3.17%	12.88%	-13.55%

Sources: Development Research Partners; Center for Business and Economic Forecasting; Yahoo! Finance.

Residential Real Estate

Residential activity continues to be strong across the country, spurred by low mortgage rates. Freddie Mac reported that the 30-year fixed mortgage rate dipped to a five-month low of 5.77% for the week ending September 2nd. Rates have gradually drifted downward since hitting a high of 6.34% in mid May. Similarly, the rate for 15-year, fixed-rate mortgages slipped to 5.15% from 5.21% while one-year adjustable-rate mortgages fell from 4.05% to 3.97%. Last year, mortgage rates were 6.32% for a 30-year fixed mortgage, 5.66% for a 15-year and 3.88% for a one-year adjustable mortgage. It should be noted that the national mortgage rate averages do not include add-on fees, otherwise known as points. Continued low rates positively impact the residential market by making homeownership attainable to lower-income households. Low rates also allow homeowners to refinance their investments. The Mortgage Bankers Association reported refinancing accounted for 40.7% of all home mortgage applications filed in the last week of August, up from 40.4% the previous week.

Sales activity remains strong at the national level. Second quarter sales of existing single-family homes, condominiums and cooperatively owned apartments increased 9.1% to a record annualized, seasonally adjusted pace of 7.79 million, up from 7.14 million during the first quarter of 2004.

Home Sales Activity

	Month of Aug-04	Month of Jul-04	Month of Aug-03	YTD Total 2004	YTD Total 2003	YTD Total % Change	Ann Avg 1999	Ann Avg 1994
Home Sales (Under Contract)	2,882	3,644	3,390	24,249	21,187	14.5%	38,248	30,193
Home Sales (Closed)	4,785	6,229	5,586	35,831	31,593	13.4%	46,742	37,685
Unsold Homes on Market	27,592	28,026	26,613	27,592	26,613	3.7%	8,097	8,751
Average Sales Price-Single Family	$300,484	$296,939	$288,542	$289,821	$277,295	4.5%	$208,274	$138,137
Average Sales Price-Condo	$181,699	$177,646	$171,442	$180,382	$174,353	3.5%	$122,562	$80,276
Median Sales Price-Single Family	$240,000	$244,800	$238,500	$236,200	$230,000	2.7%		
Median Sales Price-Condo	$156,250	$157,367	$155,000	$157,000	$153,000	2.6%		

Sources: Brad Benson, Perry & Co.; Metrolist.

The number of home sales in metro Denver fell in August to 4,785, a 14.3% decline compared to last August. Still, residential activity remains strong for the year. Year-to-date home sales are up 13.4%, with a total of 35,831 homes sold through August 2004 compared to 31,593 homes sold through August of last year. The average price of a single-family home broke the $300,000 mark in August, climbing to $300,484. The average single-family home price is up 4.5% so far in 2004. The average price of a condominium reached $181,699 in August and has increased 3.5% so far this year.

The median price of a single-family home decreased to $240,000 in August from $244,800 in the previous month. The median price for a single-family home is up 2.7% for the year while the median price of a condo is up 2.6%. Through August, there were 27,592 unsold homes on the market, a 3.7% increase from August 2003.

A new report by the Genesis Group indicates that new home sale activity fell 10.4% in the second quarter after a 16.8% increase in new home sales during the first quarter of 2004. Still, year-to-date activity remains positive. There were 9,055 new homes sold during the first six months of 2004, 2.6% higher than the 8,828 new homes sold during the same period of 2003. The Genesis Home Appreciation Index rose to $190,000 in the second quarter, meaning that a home that cost $100,000 in the first quarter of 1996 would now sell for $190,000.

Data from the National Association of Realtors shows the median home price in metro Denver rose from $231,800 in the first quarter to $241,800 in the second quarter. Median home prices in metro Denver so far this year are tracking about 1.4% higher than last year. Median home prices at the national level increased to $183,800 during the second quarter, about 7.8% higher for the year.

The National Association of Realtors ranked Denver as the 29th most expensive housing market out of 128 metro areas, compared to the seventh most expensive market just three years ago. Denver home prices have been surpassed by many metro areas experiencing record appreciation. The moderation in home prices is good news as lower housing prices make metro Denver a more attractive site for relocating companies and employees.

The three most expensive housing markets in the country remain in California. Orange County, CA moved into first place with a median home price of $655,300, San Francisco placed second at $647,300 and San Diego was third with $559,700. At the other extreme, South Bend, IN came in last with a median home price of $93,800. The median home price in Las Vegas of $269,900 surpassed Denver for the first time, largely due to lack of existing inventory in the Las Vegas market.

Median Home Price ($000s)

	Quarter 2 2004 (p)	Quarter 1 2004	Quarter 2 2003	Year-to-Date Average 2004	Year-to-Date Average 2003	Year-to-Date Average in YTD	Median 1999	Median 1994
Metro Denver	$241.8	$231.8	$237.9	$236.8	$233.6	1.4%	$171.3	$116.8
United States	$183.8	$170.8	$168.5	$177.3	$164.5	7.8%	$133.3	$109.8

Source: National Association of REALTORS. (p)=preliminary

Foreclosure activity decreased from June to July by 3.3% driven by a 57.6% decrease in Douglas County, a 21.6% decrease in Jefferson County and an 11% decrease in Denver County. All other counties saw increases with the exception of Broomfield which reported the same number of foreclosures in June and July. Foreclosures in Adams County were up 27.7%, 10.1% in Arapahoe County and 7.7% in Boulder County. Arapahoe County has suffered the most foreclosures each month since May.

Foreclosure activity is 37.9% higher through July 2004 compared to the same period last year. The smallest annual increases are occurring in Boulder and Douglas counties while the largest increases are in Denver and Adams counties.

Real Estate Foreclosures

	Month of Jul-04	Month of Jun-04	Month of Jul-03	YTD Total 2004	YTD Total 2003	YTD Total % Change
Total Metro Denver	963	996	808	7,090	5,140	37.9%
Adams County	235	184	180	1,497	1,036	44.5%
Arapahoe County	283	257	227	1,741	1,238	40.6%
Boulder County	42	39	46	307	267	15.0%
Broomfield County	10	10	9	79	63	25.4%
Denver County	226	254	145	1,929	1,303	48.0%
Douglas County	36	85	65	472	383	23.2%
Jefferson County	131	167	136	1,065	850	25.3%

Source: CB Richard Ellis.

The National Association of Realtors reported that its measure of builder confidence in demand for single-family homes rose to 71 in August, up from 67 in July. An index of 50 or more indicates that builders view market conditions as more positive than negative. The index has exceeded 60 for 15 months in a row. Still, according to the U.S. Department of Commerce, construction spending fell by 0.3% in June after expanding by a revised 0.1% in May. Analysts explain that the interest-rate sensitive sector reacted to rising interest rates.

Residential construction activity in metro Denver is starting to pick up. Total residential construction for the first half of 2004 is up 23% from the same period last year, according to the number of residential building permits pulled. The number of single-family permits has increased 15.7% so far this year, rising to 7,321 units. Construction of two-family units, or single-family attached homes, has increased 35.4% so far this year.

The multi-family category has posted the largest percentage increase so far in 2004, increasing nearly 55% compared to 2003. However, it should be noted that very limited apartment construction activity occurred in 2003, so any increase in activity registers as a large percentage increase. About 62% of metro area apartment permits pulled in the first half of 2004 occurred in June – the majority of which were pulled in Douglas County (382) and Denver (333). According to Apartment Appraisers and Consultants, there are 19 apartment communities under construction in the metro area bringing an estimated 4,079 units to the market. New apartment activity in Denver accounts for 41% of the new units.

Residential Building Permits

	Month of Jun-04	Month of May-04	Month of Jun-03	YTD Total 2004	YTD Total 2003	YTD Total % Change	Total 1999	Total 1994
Single-Family Units	1,412	1,533	1,157	7,321	6,328	15.7%	17,523	13,441
Two-Family Units	487	461	260	2,402	1,774	35.4%	2,883	1,355
Multi-Family Units	763	6	212	1,236	798	54.9%	4,784	4,588
Total Units	2,662	2,000	1,629	10,959	8,900	23.1%	25,190	19,384

Source: Home Builders Association of Metropolitan Denver.

The metro Denver apartment vacancy rate dropped to 9.7% in the second quarter of 2004 according to the *Denver Metro Apartment Vacancy and Rent Survey*. The apartment vacancy rate has dropped steadily since reaching a peak of 13.1% in the second quarter of 2003. While some of the improvement is due to seasonal factors, it appears that the worst is over for the apartment market.

Average rental rates are starting to creep back upwards, with the average rate for all units rising to $818 per month in the second quarter. Average rental rates vary throughout the metro Denver area, ranging from $761 per month in Denver County to $1,024 in Douglas County.

Apartment Statistics

	Quarter 2 2004	Quarter 1 2004	Quarter 2 2003	YTD AVG 2004	YTD AVG 2003	YTD AVG % Change	Ann Avg 1999	Ann Avg 1994
Apartment Vacancy Rate	9.7%	10.5%	13.1%	10.1%	13.1%		4.5%	4.3%
Average Monthly Rental Rate (all units)	$818	$809	$794	$814	$797	2.1%	$717	$527

Source: Denver Metro Apartment Vacancy and Rent Survey.

According to the latest apartment survey produced for the Colorado Division of Housing by Dr. Gordon Von Stroh, overall apartment market conditions throughout the state were relatively stable from September 2003 to the first quarter of 2004. The average monthly rent in 21 markets outside of metro Denver increased $11 to $762 per month. The state's average apartment vacancy rate fell to 11.0%, down from 11.1%.

Commercial Real Estate

A report by Tom Welsh of Welsh Commercial LLC shows that investors paid $764.5 million for retail, office, apartment and industrial properties in the first half of 2004. According to the mid-year report, sales are up compared to last year for retail ($315.1 million) and industrial ($147.5 million) properties. Sales are down for office ($228.1 million) and apartment ($73.8 million) properties. Overall, total sales are down from mid-year 2003 when activity totaled $914.1 million.

Using a different method of tracking sales, Brian Neiman of Northstar Commercial Partners reports a total of $851 million in commercial real estate purchases during the first six months. Both analysts agree that end-of-year sales will at least equal last year which totaled about $1.8 billion and that investors are paying record prices for commercial real estate despite weak fundamentals. Low interest rates allow investors to justify the higher-than-preferred vacancy rates and rents.

The most recent Frederick Ross quarterly report shows 720,000 square feet of positive absorption in the office market for the first half of 2004 - an improvement over the 440,000 square feet of absorption for all of 2003. Vacancy rates, however, have risen due to new supply delivered to the market since January. Vacancy rates for second quarter stand at 22.8%. About one million square feet of new supply has been added to the market this year, which is more than double that of new supply in 2003. Approximately one-half of this new supply is new construction, with the remainder being conversions from the owner-occupied market and one renovation. New construction was nonexistent until 2003 and continues to gradually increase. Rental rates were varied but exhibit little change since the close of 2003.

The Southeast Suburban market (including the Denver Tech Center) and the Central Business District (CBD) both performed well in terms of positive absorption of mostly Class A office space. The Southeast Suburban market saw 315,000 square feet of absorption, slightly more than the CBD's 210,000 square feet. The Northeast and Northwest markets reported a combined 350,000 square feet of absorption. Vacancy rates dropped from 23.5% to 19.1% in the Northeast market and increased slightly from 27.8% to 29.5% in the Northwest market.

Cushman & Wakefield's Mid-Year Commercial Real Estate Report shows a slightly improving office market in metro Denver. Second quarter overall absorption was a positive 179,285 square feet following 802,700 square feet of negative absorption in first quarter 2004. Thus, the year-to-date absorption stands at a negative 623,415 square feet. The CBD, Cherry Creek and Union Square areas reported negative absorption in the second quarter while all other areas showed positive levels. The Southeast Suburban market reported 262,225 square feet of positive absorption for the second quarter after loosing 492,146 square feet in the first quarter.

According to Cushman & Wakefield, the overall office vacancy rate for mid-year 2004 is 20.9%, just below the mid-year 2003 mark of 21.3%. The northwest market has experienced the most significant turnaround with an improved vacancy rate of 24.5% compared to 36.4% at this time last year. On the downside, the Union Square vacancy rate jumped about six percentage points to 19.3%.

While the current office situation in Denver compares favorably to a number of competitor cities, it may take a while to whittle away at the vacant office space. A recent survey of 65 companies by Development Research Partners for the Downtown Denver Partnership found that 77% expect to increase revenues in 2004 and 65% expect to hire more workers, but only 25% of the participating companies expect to expand their facilities in the next two to three years. The results suggest companies will not require additional space for the new employees because of existing unoccupied office space.

Rental rates are flat – slipping from $16.75 at mid-year 2003 to $16.29 at mid-year 2004. Rates have fallen by more than $3 in the northwest market, which may explain the increased occupancy seen in that market. When compared to competing metro areas in the western half of the county, Denver remains the least costly office market with the exception of Salt Lake City. Analysts warn that tenant concessions are slowly evaporating and anticipate more favorable leasing conditions for landlords in the coming quarters.

Data from Costar Realty Information, Inc. indicates a relatively stable office market throughout metro Denver. The direct office vacancy rate held steady at 15.2% for the first half of 2004, while the vacancy rate with sublease space declined slightly from 17.3% to 17.2% in the second quarter 2004. Average lease rates for all classes of space slipped from $16.99 per square foot to $16.94 in the second quarter of 2004.

Overall, the office market is down compared to the previous year. Lease rates are down $0.92 from this time last year and direct vacancy rates are up .08%. Office construction has slowed from 2003 in response to the soft market conditions. Construction activity continues to slide in the region as about 800,000 square feet of office space was added in second quarter 2004 compared to 1,020,000 in the second quarter of 2003. About 370,000 square feet of new office space in 21 buildings is currently under construction, down from the previous quarter by 210,000 square feet and one building.

Office Market Statistics

	Quarter 2 2004	Quarter 1 2004	Quarter 4 2003	Quarter 2 2003	Quarter 2 2002	Quarter 2 2001
Number of Buildings	4,115	4,108	4,097	4,085	4,029	3,846
Existing Square Feet (millions)	146.9	146.6	146.1	145.5	144.0	137.3
Vacant Square Feet (millions)	22.3	22.3	21.5	20.9	16.5	11.4
Vacancy Rate (Direct)	15.2%	15.2%	14.7%	14.4%	11.4%	8.3%
Vacancy Rate (With Sublet)	17.2%	17.3%	17.2%	17.0%	14.4%	10.9%
Average Lease Rate (per square foot)	$16.94	$16.99	$17.36	$17.86	$20.06	$21.09
New Construction Completed (year-to-date)	0.80 MSF, 18 Bldgs	0.48 MSF, 10 Bldgs	1.24 MSF, 39 Bldgs	1.02 MSF, 29 Bldgs	1.86 MSF, 49 Bldgs	3.72 MSF, 48 Bldgs
Currently Under Construction	0.37 MSF, 21 Bldgs	0.58 MSF, 22 Bldgs	0.82 MSF, 24 Bldgs	0.60 MSF, 18 Bldgs	1.51 MSF, 40 Bldgs	

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

The quarterly Frederick Ross report reveals generally favorable statistics for Denver's industrial market. The market saw 1.1 million square feet of positive absorption with most of the absorption occurring in existing product. The overall vacancy rate fell from 9.15% to 8.89%. The subset market for warehouse products achieved more than 990,000 square feet of positive absorption and a slight drop in vacancies from 7.21% to 7.11%. Rental rates are relatively flat.

Over 900,000 square feet of new industrial space in nine buildings has been added to the market since January. Frederick Ross estimates that by year end an additional one million square feet will be completed.

Cushman & Wakefield's Mid-Year Commercial Real Estate Report reveals similar results. While tenants still have the upper hand on leasing contracts, declining rental rates are starting to stabilize due to healthy leasing activity. Absorption turned positive in the second quarter of 2004 with 680,000 square feet of recently completed product. Overall rental rates stood at $4.90 per square foot with an industrial vacancy rate of 10.7%. Rental rates for warehousing/distribution space fell slightly between the first and second quarter from $4.26 to $4.08, but vacancy rates also dipped from 9.2% to 8.9%. Cushman & Wakefield forecasts relatively flat rental rates through 2005 and that Class A warehouse space will outperform older product.

Data from CoStar indicates a stable industrial market in metro Denver supported by residential construction suppliers, vendors to public improvement projects like TREX and the downtown convention center, and logistics and service distribution companies. The industrial vacancy rate inched up to 8.2% from 8.1% in the previous quarter. Similarly, the overall vacancy rate (including sublease space) grew to 9.2% from 8.9%. The average lease rate increased slightly to $4.66 per square foot from $4.62 in the previous quarter. About 1,220,000 square feet of industrial space came online in the second quarter compared to only 480,000 square feet in the first quarter. However, only 580,000 square feet of space is currently under construction, down from 1,260,000 square feet in the first quarter.

Industrial Market Statistics

	Quarter 2 2004	Quarter 1 2004	Quarter 4 2003	Quarter 2 2003	Quarter 2 2002	Quarter 2 2001
Number of Buildings	5,301	5,292	5,284	5,271	5,220	5,112
Existing Square Feet (millions)	192.3	191.5	191.0	190.0	187.2	182.8
Vacant Square Feet (millions)	15.9	15.5	14.3	13.1	10.7	9.6
Vacancy Rate (Direct)	8.2%	8.1%	7.5%	6.9%	5.7%	5.2%
Vacancy Rate (With Sublet)	9.2%	8.9%	8.3%	7.7%	6.7%	5.8%
Average Lease Rate (per square foot)	$4.66	$4.62	$4.71	$5.14	$5.55	$5.40
New Construction Completed (year-to-date)	1.22 MSF, 14 Bldgs	0.48 MSF, 7 Bldgs	2.07 MSF, 38 Bldgs	0.98 MSF, 24 Bldgs	0.93 MSF, 19 Bldgs	1.03 MSF, 25 Bldgs
Currently Under Construction	0.58 MSF, 14 Bldgs	1.26 MSF, 17 Bldgs	1.20 MSF 12 Bldgs	1.37 MSF, 12 Bldgs	0.99 MSF, 22 Bldgs	

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

According to CoStar Realty Information, Inc, the metro Denver flex market is improving. The first quarter 2004 direct vacancy rate is 16.6%, down from 16.9% in the previous quarter. The vacancy rate with sublease space is also down from 18.9% in the first quarter to 18.7% in the second quarter. The second quarter average lease rate of $8.24 is up from $8.07 in the first quarter. About 90,000 square feet of new construction was recently completed and 30,000 square feet is currently under construction.

Flex Space Statistics

	Quarter 2 2004	Quarter 1 2004	Quarter 4 2003	Quarter 2 2003	Quarter 2 2002	Quarter 2 2001
Number of Buildings	1,140	1,138	1,138	1,132	1,110	1,060
Existing Square Feet (millions)	35.8	35.8	35.8	35.7	35.1	33.3
Vacant Square Feet (millions)	5.9	6.1	6.5	5.8	4.9	3.7
Vacancy Rate (Direct)	16.6%	16.9%	18.2%	16.4%	13.9%	11.0%
Vacancy Rate (With Sublet)	18.70%	18.90%	19.90%	18.1%	15.6%	12.2%
Average Lease Rate (per square foot)	$8.24	$8.07	$8.02	$8.67	$8.79	$9.68
New Construction Completed (year-to-date)	0.09 MSF, 3 Bldgs	0.0 MSF, 0 Bldgs	0.22 MSF, 10 Bldgs	0.13 MSF, 3 Bldgs	0.54 MSF, 12 Bldgs	1.25 MSF, 27 Bldgs
Currently Under Construction	0.03 MSF, 2 Bldgs	0.08 MSF, 3 Bldgs	0.05 MSF, 1 Bldgs	0.07 MSF, 5 Bldgs	0.34 MSF, 15 Bldgs	

Source: CoStar Realty Information, Inc. MSF=Million Square Feet

The retail market is steady according to the Frederick Ross report. Vacancy rates stand at 9.48% with respectable positive absorption of 1.5 million square feet. So far, 34 retail properties have sold this year which is two more than the total sales in 2003. Rental rates are increasing slightly in some areas.

A report released by the Colorado Division of Wildlife reveals Coloradoans spent $1.5 billion on hunting, fishing and wild-life related activities in 2002 with equipment sales accounting for 27% of the total. The numbers have several big box outdoor retailers eyeing and entering the metro area market including Bloomfield, MN-based Gander Mountain, Sydney, NE-based Cabela’s and Bass Pro Shops.

Monthly Economic Summary of Metro Denver

Indicator	Monthly/ Quarterly Direction	Annual Direction	Summary of Recent Changes
Nonfarm Employment Growth	⇓	⇓	Employment decreased 6,500 jobs from June to July, -0.5% annual growth rate
% Companies Hiring	⇑	⇑	36% of companies expect to add workers in 3rd quarter of 2004; only 2% expect decrease
Unemployment Rate	⇓	⇓	July unemployment rate decreased to 5.1%; metro Denver annual rate lower than nation
Initial Claims	⇑	⇓	Initial unemployment claims increase in July but are still 22.3% below last year
Total Retail Sales	⇑	⇑	Total retail sales up 8.5% in first six months of 2004; strongest gain since 2000
Consumer Confidence Index	⇓	⇑	Mountain region confidence decreased in July but remains higher than national level
Hotel Occupancy	⇑	⇑	Hotel occupancy increased to 76.9% in July; average room rate about $85 per night
DIA Passengers	⇑	⇑	Traffic up 21.7% through June, strongest month ever with 4.3 million passengers
Colorado Stock Index	⇓	⇓	Stock index decreased in Aug and is down 7.0% for the first eight months of 2004
Dow Jones Industrial Average	⇓	⇓	Dow decreased in Aug and is now down 3.2% for the year
Home Sales (closed)	⇓	⇑	Aug home sales down but are 13.4% higher for year; average SF sold price 4.5% higher
Median Home Price	⇑	⇑	Median home price rose to $241,800 in Q2 2004, 1.4% higher than last year
Foreclosures	⇓	⇑	Foreclosures up 38% through July and are at highest levels in ten years
Residential Building Permits (Total)	⇑	⇑	Total permits up 23.1% through June; multi-family units increase 54.9%
Apartment Vacancy Rate	⇓	⇓	Vacancy rate drops to 9.7% in Q2 2004; avg rental rate increases to $818 per month
Office Vacancy Rate	⇔	⇑	Vacancy rate with sublet now 17.2%; construction has slowed considerably
Industrial Vacancy Rate	⇑	⇑	Minor increase in rate to 8.2% from 1st to 2nd quarter; under 600,000 SF under construct
Flex Space Vacancy Rate	⇓	⇑	Vacancy rate with sublease decreased to 18.7%; little new construction
Positive Changes	10 of 18	11 of 18	