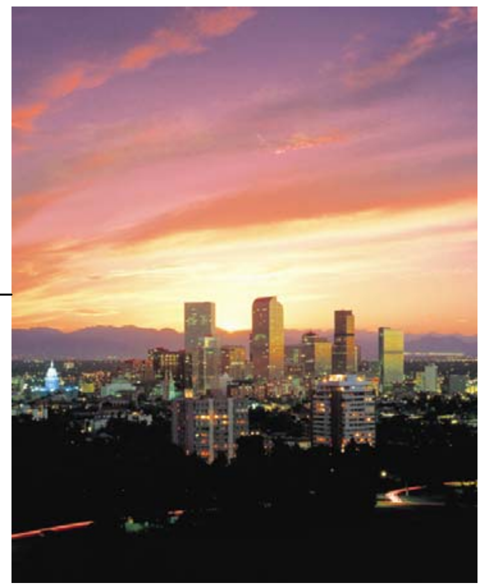
Metro Denver
Economic Development Corporation

Monthly Economic Summary

A Monthly Summary of Economic Conditions in Metro Denver

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



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The Monthly Economic Summary is a comprehensive analysis of economic conditions in the seven-county Metro Denver area, or the region comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties. There are two metropolitan statistical areas (MSAs) located within the Metro Denver region: the Boulder-Longmont MSA (Boulder County) and the Denver-Aurora MSA (Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties). This report presents recent data and long-term trends for the seven-county region, MSAs, or counties, depending on availability. The analysis includes four sections: labor force and employment, the consumer sector, residential real estate, and commercial real estate.

Notable Rankings

- Denver is the one U.S. city most clearly ready for a housing rebound, according to a real estate correspondent for the NBC "Today" show. According to the correspondent, "rebound-ready" cities have high rates of job and population growth, high rates of educational attainment, and a good balance between housing supply and demand. She also noted that Denver has an improving foreclosure rate, an expansive park system, and a thriving downtown.
- The U.S. Chamber of Commerce's Business Civic Leadership Center recently recognized the City and County of Denver's sustainability program – Greenprint Denver – as a national model for energy conservation and clean energy technology. The City and County of Denver was one of three honorees and won the award in the large communities category.
- Denver is the seventh-best U.S. city for recent college graduates seeking jobs, according to CareerCast.com. The rankings were based on a survey of college job placement offices, and CareerCast spokespeople say the winning cities all have significant job opportunities and diversity plus a well-developed social scene.
- Metro Denver is the nation's third-fittest metropolitan area, according to the *American Fitness Index* report produced by the American College of Sports Medicine and WellPoint Foundation Inc. The report ranks the nation's 50-most populous metropolitan areas based on health care access, community support for physical activity, preventative health behaviors, and other related indicators.
- Denver ranks 27th among 100 urban technology centers, according to bizjournals.com. Criteria for the ranking included educational attainment of the workforce and concentrations of high-tech businesses and jobs.

Policy Watch

Several local stimulus projects are now underway as federal officials work to address imbalances in the banking system and the nation's manufacturing sector.

- Work on Colorado's first stimulus-funded road projects began in late May. The first project to start will resurface Belleview Avenue between Santa Fe Drive and Federal Boulevard and could employ as many as 20 workers. The other two projects are also for road resurfacing and will affect portions of I-70 and Highway 62.

  A separate stimulus-funded project – the new research support building for the National Renewable Energy Laboratory (NREL) in Golden – also broke ground recently. The $64 million, 218,000-square-foot building will receive LEED Platinum certification and will be completed in 2010. Other stimulus-related investment at NREL will directly support research of advanced, energy-conserving materials. The U.S. Department of Energy recently named NREL among 46 locations nationwide that will house Energy Frontier Research Centers, or development laboratories where scientists hope to create materials with specific properties. Spokespeople for NREL say the center will receive $4 million in annual funding for five years.
- Economic stimulus efforts are also underway in Arapahoe County. The county plans to place a total of $40 million in certificates of deposit in locally controlled banks that agree to lend funds to local businesses. The

county treasurer has already released $5 million in certificates, and officials say the program could benefit the county in the long run with higher employment and sales tax collections.

- The U.S. Small Business Administration (SBA) recently unveiled a bridge loan program designed to help small businesses access short-term capital. Beginning on June 15, the American Recovery Capital (ARC) program will provide $35,000 interest-free loans that small business borrowers must use within six months and repay within six years. Spokespeople with the SBA say many businesses will use the loans to manage their increasingly restricted credit lines. Small Business Administration officials also note that broader eligibility guidelines and modified fee structures enacted through the economic stimulus have helped accelerate small business lending.
- The long-awaited results of bank stress tests showed nine of the nation's 19 largest banks have enough capital to withstand a further worsening of economic conditions. Banks that did not pass the test – including Wells Fargo & Co. and KeyCorp – must submit a plan for raising more equity by June 8 and must implement the plan by early November. Some banks have already launched public stock offerings to raise the needed funds.
- The Federal Deposit Insurance Corporation (FDIC) will extend a temporary increase of the maximum deposit insurance amount enacted last fall. The increase from $100,000 to $250,000 was scheduled to expire this year but will now remain effective through 2013. (Please see the *Residential* section for additional information on the FDIC extension and related policy changes.)
- Thirteen Colorado dealerships will be affected as Chrysler LLC ends 25 percent of its U.S. dealer franchises through bankruptcy proceedings. The closures are scheduled to occur by June 9, but some dealerships that sell additional brands could remain open. General Motors Corp (GM) has also announced franchise closures that could affect as many as 15 dealerships in Colorado by late 2010. Auto industry analysts say more dealerships could close as GM sells or ends the Pontiac, Saturn, Hummer, and Saab brands. General Motors filed for Chapter 11 bankruptcy in early June and will receive $30 million in U.S. Treasury financing for the restructuring process. The government hopes that process could take fewer than 90 days, and taxpayers will ultimately own 60 percent of the new company.

General Economic Overview

Data from the U.S. Department of Commerce show a March increase in the nation's trade deficit was the first of its kind in seven months. Even as U.S. imports fell in March to the lowest level reported since September 2004, a larger decline in exports pushed the overall trade deficit up 5.5 percent from the prior month.

While this and other indicators point to continued economic weakness both here and abroad, other data suggest the downturn could be nearing bottom. In a recent congressional testimony, for example, Federal Reserve Chairman Ben Bernanke said signs of improvement in consumer spending and housing suggest the U.S. recession will end this year. Still, the Chairman cautioned that unemployment will continue to rise and an economic recovery will be generally slow. The Federal Open Market Committee of the Federal Reserve next meets on June 23.

A first quarter increase in U.S. household spending was one sign of improvement cited by Chairman Bernanke, but recent data revisions suggest the actual gain was slightly below initial estimates. According to the U.S. Bureau of Economic Analysis, upward revisions to business inventory and exports slightly offset the downward revision to household spending and helped improve the estimate of first quarter GDP. The revision also changed the first quarter estimate of GDP decline from 6.1 percent to 5.7 percent. The BEA will release a final estimate of first quarter GDP on June 25.

Economic Indexes

Many economic index readings remain negative, but some are slowly moving in a more positive direction.

National Economy

- The Conference Board Leading Economic Index increased for the first time in seven months in April. Six economic indicators including stock prices and consumer expectations contributed positively to the April reading, and the six-month decline in the overall index has narrowed.
- The Institute for Supply Management (ISM) Purchasing Managers Index increased from 40.1 in April to 42.8 in May, which suggests that the ongoing contraction in U.S. manufacturing is slowing. An ISM report noted that manufacturing inventories and employment are still declining, but the New Orders sub-index – a leading economic indicator – grew in May for the first time since November 2007.
- The Institute for Supply Management's Index of Non-Manufacturing Business Activity rose between March and April in a move that suggests the contraction in the nation's service sector is slowing. Consistent with the overall survey results, many respondents said business conditions in their industries remain generally poor but may be stabilizing.

Local Economy

- The Mountain States Business Conditions Index rose from 37.8 in April to 38.9 in May as the region's employers continued to trim jobs. The index report notes that additional job losses and higher unemployment are likely in the coming months, but regional business conditions are nonetheless beginning to stabilize.
- The Vectra Bank Colorado Small Business Index fell from 78.1 in March to 76.9 in April as job losses and national economic weakness continued. Analysts note, however, that some early signs of improvement in the nation's economy are promising for the small business community.

Labor Force and Employment

Metro Denver employers added about 3,000 jobs between March and April, but the increase represented just one-third of the total hiring that typically occurs at this time of year. As in March, education and health services, other services, and government were the only Metro Denver supersectors to report year-to-date job gains in April. Among the remaining eight supersectors, year-to-date losses ranged from 2.9 percent in leisure and hospitality to 12.3 percent in natural resources and construction. Across all industries, Metro Denver average employment for the four months ended in April declined 3.3 percent from the average for the same months of 2008. The nationwide year-to-date rate of decline was also 3.3 percent in April, and Colorado employment fell by a slightly smaller 2.9 percent year-to-date.

While difficult labor market conditions have left many skilled workers seeking jobs, a recent employer survey suggests many businesses are still struggling to fill certain positions. Thirty percent of businesses that participated in the worldwide *Talent Shortage Survey* by Manpower Inc. reported difficulty finding qualified workers, particularly for jobs in nursing, engineering, and other skilled trades. Survey results for the U.S. suggest the 10 most difficult positions to fill include teachers, nurses, engineers, and information technology workers. Technicians, machine operators, and other manual trades people are also in short supply.

Questions of skills and jobseeker-job fit aside, the sheer number of adults seeking work places teenagers currently looking for summer positions at a considerable disadvantage. In response, policymakers are launching stimulus-funded grants and programs dedicated to youth job training and internships. Government officials say Colorado will receive $12 million to help place teens in summer jobs, and much of the funding is being distributed at the county level. Officials say the assistance is particularly targeted towards teens from lower-income families and those with disabilities or other workforce challenges.

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

	Month of Apr-09 (p)	Month of Mar-09	Month of Apr-08	Year-to-Date Average 2009	Year-to-Date Average 2008	Year-to-Date Average % Change	Annual Growth Rate 2004	Annual Growth Rate 1999
Total 11-County Metro Denver*	1,364.6	1,361.6	1,422.5	1,363.3	1,409.6	-3.3%	0.8%	4.0%
Denver-Aurora MSA	1,200.8	1,197.5	1,252.0	1,199.4	1,241.3	-3.4%	0.8%	3.9%
Boulder-Longmont MSA	163.8	164.1	170.5	163.9	168.4	-2.7%	0.9%	4.4%
Natural Resources & Construction	84.6	83.4	97.7	84.3	96.2	-12.3%	-0.7%	10.4%
Manufacturing	82.6	83.2	88.0	83.7	88.5	-5.5%	-0.4%	-1.5%
Wholesale & Retail Trade	202.3	203.5	215.2	204.9	214.9	-4.7%	-0.1%	3.2%
Transp., Warehousing & Utilities	50.6	50.6	52.6	50.8	52.8	-3.8%	0.5%	6.1%
Information	55.1	55.2	58.0	55.4	57.9	-4.3%	-5.4%	11.7%
Financial Activities	99.9	100.0	105.6	100.3	105.6	-5.0%	-0.1%	3.8%
Professional & Business Services	228.3	227.2	247.2	228.1	243.1	-6.2%	3.5%	5.9%
Education & Health Services	157.0	156.8	152.2	156.3	151.1	3.4%	3.2%	1.3%
Leisure & Hospitality	142.8	139.6	146.7	139.3	143.4	-2.9%	2.6%	4.6%
Other Services	52.4	53.2	53.3	53.3	53.3	0.1%	1.7%	1.9%
Government	209.0	208.9	206.0	207.0	203.1	1.9%	-0.2%	1.4%
Federal Gov't	30.7	30.1	30.2	30.3	30.2	0.4%	-1.6%	-1.5%
State & Local Gov't	178.3	178.8	175.8	176.7	172.9	2.2%	0.1%	2.1%
Colorado	2,258.4	2,265.7	2,348.8	2,267.0	2,334.5	-2.9%	1.2%	3.6%
United States	132,295	132,054	137,543	132,197	136,671	-3.3%	1.1%	2.4%

**Includes the Denver-Aurora MSA (Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties) and the Boulder-Longmont MSA (Boulder County).*
Source: Colorado Department of Labor and Employment, Labor Market Information. (p) =preliminary

New developments in energy and bioscience suggest Metro Denver's industry clusters remain a dynamic part of the region's economy despite the ongoing recession.

Aerospace: The Cooperative Institute for Research in the Atmosphere (CIRA), a federal lab based at Colorado State University, has been granted a five-year extension of its research partnership with the National Oceanic and Atmospheric Administration (NOAA). Under the agreement, CIRA will receive as much as $64.4 million for continued research in weather- and aviation-related satellite technology.

Aviation: Southwest Airlines, the third-largest carrier at Denver International Airport, recently introduced several programs the airline hopes will increase revenue and improve passengers' travel experience. Under the Pets are Welcome on Southwest (PAWS) program, fliers can bring a small cat or dog in the aircraft cabin for a $75, one-way fare. Spokespeople say pets must travel in a closed carrier and will be placed under the seat. The airline also introduced a $25 service charge that will apply for unaccompanied minors and will double its existing fee on overweight and third pieces of checked luggage. Southwest will still check a passenger's first and second pieces of luggage for no charge.

Bioscience: El Segundo, California-based DaVita Inc. will move its headquarters to Denver. The company operates dialysis clinics nationwide, and spokespeople say Colorado's central location and low cost of living and doing business were key considerations in the decision to relocate. The company currently employs 250 workers in Lakewood, and another 250 DaVita employees will have the option to transfer to Metro Denver when senior executives move. DaVita will become Colorado's 12th *Fortune 500* headquarters.

Other members of Metro Denver's bioscience community had less positive news. Broomfield-based ARCA Biopharma Inc. recently cut 40 jobs as part of a restructuring effort. Another bioscience company with Metro Denver operations, Medtronic, recently announced an 1,800-worker layoff. Neither company described how the layoffs might affect employees in Metro Denver.

As the bioscience environment continues to shift, Metro Denver remains a key research hub. The University of Colorado at Boulder will receive a $1.2 million grant from a private foundation that will enable university researchers to explore changes in cellular proteins. Researchers say an understanding of changes in cell proteins could support the development of treatments for cancer and other diseases.

Energy: Xcel Energy Inc. and Tri-State Generation and Transmission Association have agreed to cooperate on the $180 million San Luis Valley-Calumet-Comanche Transmission Project. The project covers construction of a southern Colorado transmission line the companies say will enhance the power grid and increase its renewable energy transmission capacity. Before construction can begin, the companies must receive land use approvals and approval from the Public Utilities Commission.

Financial Services: Invesco AIM Management Group – the namesake of Invesco Field at Mile High – will close a Denver client service center at the end of August. Spokespeople say work from the service center is being relocated to Houston and Prince Edward Island, and approximately 100 affected employees will be offered severance and placement services.

Employment Outlook

While labor market data show a continued downtrend in employment, the results of the most recent *Manpower Employment Outlook Survey* suggest companies may moderate their job cuts in the coming months. A majority of survey respondents said they planned no staffing changes for the second quarter, and analysts say the trend reflects business attempts to balance cost reductions with the need for a solid staff base. More specifically, 73 percent of Denver Area employers and 66 percent of Boulder County employers plan no staffing changes for the second quarter, and roughly two-thirds of employers in the nationwide survey plan no changes. The share of Denver Area employers planning to hire workers in the second quarter fell to 10 percent from 22 percent in the second quarter of 2008, and the share of Boulder employers planning to hire fell to 14 percent from 20 percent in the prior year. Roughly one in seven Boulder Area employers has layoff plans for second quarter, compared to one in eight Denver Area employers.

Employment Outlook Survey

	Quarter 2 2009	Quarter 1 2009	Quarter 2 2008	YTD Avg 2009	YTD Avg 2008	Ann Avg 2004
Denver Area						
Percent of Companies Hiring	10%	15%	22%	13%	25%	24%
Percent of Companies Laying Off	13%	12%	7%	13%	11%	7%
Percent of Companies No Change	73%	70%	44%	72%	46%	62%
Percent of Companies Unsure	4%	3%	27%	4%	20%	8%
Boulder Area						
Percent of Companies Hiring	14%	18%	20%	16%	17%	N/A
Percent of Companies Laying Off	15%	13%	13%	14%	8%	N/A
Percent of Companies No Change	66%	65%	67%	66%	76%	N/A
Percent of Companies Unsure	5%	4%	0%	5%	0%	N/A

Note: 2009 results are for the Denver-Aurora and Boulder MSAs. Prior years' data are for slightly different geographies but are roughly comparable to 2009 figures.
Source: Manpower Inc.

The Metro Denver unemployment rate followed a typical seasonal trend and declined between March and April. April rates also declined from March in each of the region's seven counties and ranged from 5.7 percent in Boulder County to 8.6 percent in Adams County. *The unemployment rate for the entire region averaged 7.6 percent through the first four months of the year in what is almost a three percentage-point increase from the average for the same months in 2008.* Still, Metro Denver's year-to-date unemployment rate in April was considerably below the nationwide rate (8.8 percent) and only slightly higher than the statewide rate (7.5 percent).

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

	Apr 2009 (p)		2009 YTD Avg		2008 YTD Avg		2004	1999
	Labor Force	Unemploy-ment Rate	Labor Force	Unemploy-ment Rate	Labor Force	Unemploy-ment Rate	Ann Avg Unemploy-ment Rate	Ann Avg Unemploy-ment Rate
Metro Denver	1,542.2	7.3%	1,533.2	7.6%	1,536.0	4.5%	5.8%	2.4%
Adams County	227.4	8.6%	226.0	8.9%	224.7	5.1%	6.5%	2.7%
Arapahoe County	312.5	7.2%	310.5	7.5%	311.5	4.5%	5.7%	2.1%
Boulder County	178.7	5.7%	177.8	6.0%	178.7	3.9%	4.9%	2.6%
Broomfield County*	30.6	6.7%	30.4	6.9%	30.6	4.2%	5.8%	
Denver County	324.5	8.1%	322.9	8.5%	322.2	5.0%	6.6%	3.1%
Douglas County	158.0	6.1%	156.9	6.3%	158.4	3.9%	4.7%	1.4%
Jefferson County	310.6	7.0%	308.6	7.3%	309.9	4.4%	5.4%	2.2%
Colorado	2,714.2	7.3%	2,713.9	7.5%	2,706.7	4.6%	5.6%	2.9%
United States	153,834	8.6%	153,703	8.8%	152,919	5.2%	5.5%	4.2%

**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

The pace of filings for unemployment insurance in Metro Denver has roughly followed seasonal trends with a gradual decline over the past two months. *The region's average weekly count of claims fell from 2,711 in March to 2,448 in April, but the April count was more than 86 percent above the weekly average from April 2008.* The statewide trend in average weekly claims was similar, with the April weekly average roughly 84 percent higher than the average from April 2008.

Weekly First-Time Unemployment Insurance Claims

	Month of Apr-09	Month of Mar-09	Month of Apr-08	YTD Avg 2009	YTD Avg 2008	YTD Avg % Change
Metro Denver	2,448	2,711	1,315	2,749	1,414	94.4%
Colorado	4,810	5,150	2,621	5,112	2,539	101.4%

Note: Reference week data includes the 19th day of the month for all months except November and December, which include the 12th day of the month.
Source: Colorado Department of Labor and Employment, Labor Market Information.

Consumer Sector

Consumer confidence has improved over the past two months and other economic indicators are showing signs of stability, but job insecurity is a continuing drag on households' willingness and ability to spend. A recent *CareerBuilder* survey, for example, suggests more than one-third of U.S. workers will not take a vacation this year. A majority of respondents not planning trips said affordability was a key factor in cutting travel, and a considerable percentage feared they might lose their jobs for making vacation plans.

Those who do plan travel, however, may seek deals offered by local parks and resorts hoping to counter a weak market. Vail Resorts Inc. recently unveiled an “Epic Summer” vacation package that offers lodging, transportation, meals, and activities for one price. Hotels and other businesses in Aspen/Snowmass are also offering discounts and package deals for the summer season.

As retailers and hospitality businesses continue their attempts to thaw household spending, policymakers and merchant groups are debating new consumer protections. The Obama administration recently passed a bill that regulates credit card companies and prohibits certain interest rate increases. Companies will also be required to post card rules on the Internet and must provide 45-days’ notice of a rate increase. While consumer advocates applaud the bill, some business groups say the new rules restrict banks’ pricing power and will limit credit availability.

The consumer environment is also poised to shift as new emissions standards begin to change the lineup of vehicles available to U.S. motorists. The Obama administration recently announced a new federal fuel economy standard that will require the entire U.S. fleet of automobiles to average 35 miles per gallon by 2016. Passenger cars will need to achieve 39 miles per gallon and light trucks 30 miles per gallon, and the new standards will be phased in for model years 2012 through 2016. Cars and trucks must currently obtain 27.5 miles per gallon and 23.1 miles per gallon, respectively.

In contrast to the longer-term consumer environment, current conditions are little changed from prior months. The U.S. Bureau of Labor Statistics recently reported that consumer prices – as measured by the Consumer Price Index (CPI) – were essentially flat in April. The report renewed some economists’ concerns about deflation, particularly because the 12-month decline in CPI was the largest reported in decades. Other evidence in the report suggested, however, that consumer prices are unlikely to fall dramatically. Analysts with the Bureau of Labor Statistics noted that core inflation, or the measure of prices minus those for food and energy, increased in April. Oil prices – which were primarily responsible for the 12-month decline in CPI – are also on the rise.

Partly because oil refineries have cut capacity in response to the downturn, retail gasoline prices are rising even more. According to the AAA *Daily Fuel Gauge Report*, the nationwide average price per gallon of regular gasoline rose from $2.05 in April to $2.47 in May. While part of that increase reflects seasonal influences including the Memorial Day holiday, forecasters say slower refinery activity and investors encouraged by economic improvements are also helping prices rise. Even so, many expect gasoline prices to stay well below $3 per gallon as the world economy remains weak. In Metro Denver, the May average price per gallon of regular gasoline was $2.37, almost $1.50 per gallon less than the May 2008 average.

While gas prices are less of a burden on consumers than they were last year, job insecurity and other economic woes are keeping shoppers cautious. A report from the U.S. Department of Commerce shows U.S. retail trade sales continued to decline in April and are now down more than 10 percent on an over-the-year basis. A broader, all-industries measure of retail sales for Metro Denver shows *sales in the region were down 8.6 percent year-to-date in February, and six of the seven counties reported declines ranging from 4.6 percent to 14.6 percent.* Statewide retail sales through the first two months of 2009 fell 9.6 percent below sales from the same months last year.

Total Retail Sales ($000s)

	Month of Feb-09	Month of Jan-09	Month of Feb-08	YTD Total 2009	YTD Total 2008	YTD Total % Change	Annual Growth 2004	Annual Growth 1999
Total Metro Denver	5,879,798	5,852,118	6,377,563	11,731,916	12,830,989	-8.6%	7.4%	7.0%
Adams County	997,993	946,383	1,151,627	1,944,376	2,225,961	-12.7%	11.7%	10.5%
Arapahoe County	1,110,219	1,149,291	1,281,129	2,259,510	2,644,334	-14.6%	2.6%	10.2%
Boulder County	554,056	599,330	564,135	1,153,386	1,140,629	1.1%	2.1%	4.1%
Broomfield County	112,904	88,107	119,815	201,011	227,758	-11.7%	49.4%	
Denver County	1,823,681	1,734,195	1,834,962	3,557,876	3,727,744	-4.6%	8.1%	2.2%
Douglas County	420,637	443,905	457,326	864,542	919,173	-5.9%	16.9%	18.3%
Jefferson County	860,308	890,907	968,569	1,751,215	1,945,390	-10.0%	3.8%	7.3%
Colorado	9,795,463	10,026,217	10,908,501	19,821,680	21,917,869	-9.6%	7.8%	7.4%

Source: Colorado Department of Revenue.

While retail sales remain weak, consumer attitudes may be changing. *The U.S. Consumer Confidence Index rose for the second consecutive month in May as consumers' assessment of both the present economic conditions and future prospects brightened.* Analysts say the overall index readings are still below the historical trend, but they suggest many consumers feel the worst of the recession has passed. The Mountain Region index also increased in May to the highest level reported since September 2008.

Consumer Confidence Index

	Month of May-09 (p)	Month of Apr-09	Month of May-08	YTD Avg 2009	YTD Avg 2008	YTD Avg % Change	Ann Avg 2004
Mountain	68.4	41.1	74.9	42.2	93.0	-54.6%	108.8
United States	54.9	40.8	58.1	37.1	70.1	-47.1%	96.1

Source: The Conference Board. (p) =preliminary

Metro Denver hotel occupancy rates increased between March and April but remained below the occupancy level from April 2008. *The region's occupancy rate averaged 53.7 percent through the first four months of the year in a 12.4 percent decline from the comparable 2008 average.* Average room rates have also declined but to a lesser extent. Specifically, the year-to-date average rate of roughly $107 is 4.9 percent below the comparable 2008 average of approximately $113.

Metro Denver Hotel Statistics

	Month of Apr-09	Month of Mar-09	Month of Apr-08	YTD Avg 2009	YTD Avg 2008	YTD Avg % Change	Annual 2004	Annual 1999
Percent of Hotel Rooms Occupied	57.8%	55.5%	67.4%	53.7%	61.3%	-12.4%	61.9%	67.2%
Average Hotel Room Rate	$111.54	$105.36	$118.25	$107.06	$112.56	-4.9%	$84.42	$87.36

Source: Rocky Mountain Lodging Report.

Passenger traffic at Denver International Airport (DIA) is still declining, but the airport's traffic trends are still more stable than trends nationwide. *Total DIA traffic declined over-the-year for the third consecutive month in March, and March traffic fell more than six percent below the passenger volume reported in March 2008. That decline is considerably milder than the slowdown reported at the national level, however.* According to the U.S. Bureau of Transportation Statistics, nationwide passenger traffic in February fell almost 12 percent from February 2008.

Denver International Airport Passengers

	Month of Mar-09	Month of Feb-09	Month of Mar-08	YTD Total 2009	YTD Total 2008	YTD Total % Change	Annual 2004	Annual 1999
Number of Airline Passengers	4,303,736	3,521,618	4,597,347	11,495,033	12,192,537	-5.7%	42,275,913	38,034,017

Source: Denver International Airport, Traffic Statistics.

Stock markets continued to rally in May as improvements in some economic indicators cheered investors. Each of the major national indexes rose in May, and the NASDAQ ended the month with a 12.5 percent year-to-date return. The S&P 500 posted a considerably smaller – but still positive – year-to-date return of 1.8 percent, while the return on the Dow Jones Industrial average remained negative on a year-to-date basis. *The Bloomberg Colorado index rose solidly in May and posted a 16.7 percent year-to-date return.*

Stock Market Indexes

	Month of May-09	Month of Apr-09	Month of May-08	YTD Return 2009	YTD Return 2008	Ann Avg Return 2004
Bloomberg Colorado	257.4	235.0	448.5	16.7%	-0.4%	17.7%
S&P 500	919.1	872.8	1,400.4	1.8%	-4.6%	9.0%
NASDAQ	1,774.3	1,717.3	2,522.7	12.5%	-4.9%	8.6%
DJIA (Dow Jones)	8,500.3	8,168.1	12,638.3	-3.1%	-4.7%	3.1%

Sources: Bloomberg.com, Yahoo! Finance.

Residential Real Estate

The first quarter 2009 *National Delinquency Survey* released by the Mortgage Bankers Association (MBA) suggests that more U.S. homeowners are falling behind on their mortgages. In an even more troubling development, data suggest a growing share of delinquent homeowners hold prime-rate loans. The MBA report shows more than nine percent of all home loans were at least one payment behind in the first quarter of 2009, and analysts say this delinquency rate is the highest reported since the MBA began gathering data in 1972. Another four percent of U.S. home loans were in foreclosure in the first quarter, and the combined 12 percent of all loans either delinquent or in foreclosure was also the highest on record. The report also notes that prime rate loans – not riskier sub-prime mortgages – now account for the largest share of new foreclosures. Because high unemployment is becoming a primary driver of foreclosures, MBA economists expect the nation’s foreclosure troubles will not abate until unemployment peaks. According to MBA forecasts, that could occur in mid-2010.

While the MBA report also shows foreclosures rising in Colorado, the state still has a lower-than-average rate of loan delinquency. The total share of Colorado loans at least one payment behind or in foreclosure in the first quarter reached 7.9 percent, or the highest level reported since recordkeeping began in 1990. Compared to the 49 other states and Washington, DC, however, Colorado’s total share of delinquent and foreclosed loans ranked 41st. Florida and Nevada continue to lead the nationwide foreclosure trend with combined delinquency and foreclosures rates near and above 20 percent of all loans.

As increasing numbers of U.S. homeowners struggle to keep their homes, policymakers are working to remove some of the administrative logjams that have hindered foreclosure prevention programs. President Obama recently enacted two pieces of legislation – the *Helping Families Save Their Homes Act* and the *Fraud Enforcement and Recovery Act* – designed to fortify homeowner assistance programs. The first piece of legislation expands eligibility for the administration’s previously enacted refinancing program and strengthens incentives for loan servicers that modify mortgages. Servicers now also have legal protections from holders of mortgage-backed securities who sometimes oppose loan modifications. The legislation also reworks the *Hope for*

Homeowners program enacted by the Bush administration and extends a temporary increase in the FDIC deposit insurance maximum (see *Policy Watch* section).

The second piece of legislation extends the definition of "financial institution" to include private mortgage brokers and other businesses not currently subject to federal banking oversight. The act also includes other provisions related to mortgage and banking fraud and authorizes additional funding for the Securities and Exchange Commission, Federal Bureau of Investigation, and other oversight entities.

In a final housing-related policy development, the Federal Housing Administration (FHA) released details of a new program that will allow homebuyers to receive an advance on the $8,000 new homebuyer's tax credit for use at closing. In essence, the plan creates bridge loans secured by tax credits buyers expect to receive from the Internal Revenue service. Government officials say the program could as much as double the home buying impact of the first-time buyers' credit, although some non-depository lenders will need time to locate funds for the loans.

Home Resales

A report from the National Association of Realtors (NAR) shows U.S. existing home sales rose 2.9 percent between March and April as first-time and spring-season buyers entered the housing market. While home sales remained 3.5 percent below sales from April 2008, analysts say the U.S. housing market is still on track to perform better in the second half of this year. April home sales rose above last year's level only in the West, and sales in the remaining U.S. regions fell nine to 10 percent below the 2008 sales volume.

Metro Denver existing home sales rose 5.7 percent between March and April, although April sales fell 21 percent below sales from April 2008. Similarly, the number of homes under contract rose 7.4 percent over-the-month but declined 17.6 percent from the count of homes under contract in the prior year. *While the region's existing homes market clearly has room to recover, a 21 percent year-to-date decline in unsold inventory suggests the market is still moving towards a better balance of home supply and demand.* Unfortunately, home prices are likely to remain weak as the market corrects. On a year-to-date basis, the average selling prices for single-family homes and condominiums have declined 10.9 percent and 14 percent from 2008, respectively.

Previously-Owned Home Sales Activity

	Month of Apr-09	Month of Mar-09	Month of Apr-08	YTD Total 2009	YTD Total 2008	YTD Total % Change	Ann Avg 2004	Ann Avg 1999
Home Sales (Under Contract)	5,183	4,826	6,287	18,023	21,837	-17.5%	66,196	38,248
Home Sales (Closed)	3,390	3,206	4,265	11,549	13,962	-17.3%	54,012	46,742
Unsold Homes on Market	20,705	20,628	26,171	20,705	26,171	-20.9%	23,267	9,350
Average Sales Price-Single Family	$254,442	$251,583	$267,259	$244,885	$274,708	-10.9%	$289,803	$208,274
Average Sales Price-Condo	$150,560	$151,716	$175,245	$147,853	$171,947	-14.0%	$180,986	$122,562
Median Sales Price-Single Family	$210,000	$203,950	$222,550	$198,000	$221,000	-10.4%	$236,240	
Median Sales Price-Condo	$130,000	$128,500	$134,500	$122,625	$133,650	-8.2%	$157,000	

Note: Data includes the seven-county Metro Denver region plus Elbert, Park, Gilpin, and Clear Creek Counties as well as portions of the Loveland area.
Source: MetroList, Inc.

Home Prices

Data from the NAR show a sustained drop in the national median home price. At $170,200 in April, the national median declined 15.4 percent from April 2008 as distressed properties continued to represent a large portion of total sales. April median home prices were down over-the-year by the largest margin in the West (-21.8 percent), and somewhat smaller margins in the South (-12.8 percent), Midwest (-11.7 percent), and Northeast (-9.6 percent).

A separate measure of prices, the S&P/Case-Shiller Home Price Indices, gave a still-bleak reading on U.S. home prices in March. The first quarter U.S. National Home Price Index fell 19.1 percent over-the-year in what analysts say is the largest decline ever reported. Each of the 20 metropolitan area indices showed a negative annual rate of return in March, with overall rates of decline ranging from 5.5 percent in Denver to 36 percent in Phoenix. Each of the metro indices is down by a double-digit margin from its respective peak, and the Phoenix and Las Vegas indices have fallen more than 50 percent from their peak levels.

New data from the National Association of Realtors show metropolitan area median home prices also fell in the first quarter of 2009. *The first quarter U.S. median home price of $169,000 was down 13.8 percent from the first quarter of 2008, and the Denver-Aurora median of $192,900 declined by a similar 13.7 percent over-the-year.* While the region's price decline is substantial, the Denver-Aurora area ranked towards the middle in a group of 134 metropolitan areas that reported over-the-year declines in median home price in the first quarter. Specifically, the Denver-Aurora region reported the 59th-largest decline in median home price, while the Boulder-Longmont median declined by the 89th-largest margin. Eighteen metro areas – primarily in the Midwest – reported an over-the-year increase in median home price in the first quarter.

Median Sales Price of Existing Single-Family Homes ($000s)

	Quarter 1 2009 (p)	Quarter 4 2008 (r)	Quarter 1 2008	YTD Avg 2009	YTD Avg 2008	YTD Avg % Change	Median 2004	Median 1999
Boulder-Longmont MSA	$328.4	$324.7	$355.7	$328.4	$355.7	-7.7%	$325.3	n/a
Denver-Aurora MSA	$192.9	$200.8	$223.5	$192.9	$223.5	-13.7%	$239.1	$171.3
United States	$169.0	$180.2	$196.1	$169.0	$196.1	-13.8%	$195.2	$141.2

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

Foreclosures

Data from RealtyTrac show the number of U.S. properties with foreclosure filings increased less than one percent between March and April, but the April count still represented a 32 percent increase from filings in April 2008. Overall, one in every 374 U.S. homes received some sort of foreclosure filing during the month.

April foreclosure filings in Metro Denver rose from March as all but two of the seven counties reported increased foreclosure activity. Despite the increase, foreclosures have declined on a year-to-date basis in each Metro Denver county except Boulder County and the City and County of Broomfield. Foreclosures for the region as a whole have fallen 14.2 percent year-to-date, but they remain considerably elevated from prior years.

Real Estate Foreclosures

	Month of Apr-09	Month of Mar-09	Month of Apr-08	YTD Total 2009	YTD Total 2008	YTD Total % Change	Annual Total 2004
Total Metro Denver*	2,683	2,384	2,595	8,730	10,180	-14.2%	12,252
Adams County	683	515	595	2,010	2,322	-13.4%	2,498
Arapahoe County	630	492	584	1,964	2,435	-19.3%	3,125
Boulder County	125	121	112	416	390	6.7%	524
Broomfield County	40	22	30	110	109	0.9%	134
Denver County	604	612	656	2,128	2,631	-19.1%	3,345
Douglas County	239	194	191	814	856	-4.9%	800
Jefferson County	362	428	427	1,288	1,437	-10.4%	1,826

**Foreclosure data for Metro Denver represents the total number of election and demand setups received by the county public trustee in the month received. Some defaults are cured or withdrawn, so not all of the foreclosures listed are real-estate owned properties.*
Sources: Various county public trustees in Metro Denver.

New Homes

A U.S. Department of Commerce report shows new home sales rose slightly (0.3 percent) between March and April as sales remained flat or increased in three of the four U.S. regions. In the remaining region, the West, April new home sales fell 3.8 percent from March and were roughly 40 percent below the sales level from April 2008. Over-the-year comparisons for the other regions were similar, with new home sales down from April 2008 by as much as 53 percent in the Northeast. For the U.S. as a whole, the April new home sales pace was roughly 34 percent below sales from April 2008.

As new home sales remain sluggish, home construction continues to decline. A separate Department of Commerce report shows new housing starts fell 12.8 percent between March and April, and the April count of starts was more than 54 percent below starts from April 2008. April construction starts were down from the March level in the Northeast, Midwest, and South, but starts rose nearly 43 percent in the West. Perhaps even more surprising were underlying data that suggested increased building activity in the West was evenly split between single-family and multi-unit properties. Even with the increase, however, the number of April housing starts in the West was still 53 percent below the number recorded in the prior year.

The slow improvements beginning to surface in housing markets are encouraging builders, according to economists with the National Association of Homebuilders (NAHB). The NAHB/Wells Fargo Housing Market Index (HMI) rose in May to 16, or the highest level reported since September 2008. Analysts say affordable mortgage rates and home prices, tax credits, and many home choices should draw buyers, but many builders still lack access to affordable credit for projects. In some cases, frozen financial markets have already claimed builders. Louisville-based McStain Enterprises Inc., for example, recently filed for Chapter 11 bankruptcy after the company's attempts to borrow operating funds failed.

As the financing environment remains difficult for homebuyers and builders, Metro Denver residential construction activity continues to contract. *The number of building permits issued region-wide fell more than 50 percent between February and March, and almost half of the decline was attributable to a drop in permit activity for multi-family (apartment) projects.* The total number of Metro Denver building permits issued through the first three months of the year declined 66.3 percent from the total for the same months in 2008.

Residential Building Permits

	Month of Mar-09	Month of Feb-09	Month of Mar-08	YTD Total 2009	YTD Total 2008	YTD Total % Change	Total 2004	Total 1999
Single-Family Detached Units	121	133	309	393	979	-59.9%	14,260	17,523
Single-Family Attached Units	36	40	86	140	313	-55.3%	4,843	2,883
Multi-Family Units	0	149	203	169	789	-78.6%	2,681	4,784
Total Units	157	322	598	702	2,081	-66.3%	21,784	25,190

Source: Home Builders Association of Metro Denver.

Apartment Rental Market

Metro Denver's average apartment vacancy rate in the first quarter of 2009 rose to the highest level (8.4 percent) since the first quarter of 2005. Real estate experts say weak labor markets and renters' decisions to share space are driving higher vacancy rates. First quarter rates increased over-the-year in each of the seven Metro Denver counties. More specifically, first quarter rates ranged from six percent in the Boulder/Broomfield area to 9.7 percent in Arapahoe County. Despite higher vacancy rates, the Metro Denver average rental rate rose to $882 per month in the first quarter from $861 in the first quarter of 2008.

Apartment Statistics

	Quarter 1 2009	Quarter 4 2008	Quarter 1 2008	YTD Average 2009	YTD Average 2008	YTD Average % Change	Annual Average 2004	Annual Average 1999
Apartment Vacancy Rate	8.4%	7.9%	5.9%	8.4%	5.9%		9.7%	4.5%
Average Monthly Rental Rate (all units)	$882	$889	$861	$882	$861	2.4%	$817	$717

Source: Denver Metro Apartment Vacancy and Rent Survey.

Commercial Real Estate

Builders recently began work on a new facility for University Physicians Inc. at the Colorado Science + Technology Park at Fitzsimons in Aurora. The $35 million, six-story building will include a parking structure and is located near a future light rail stop. Further north, building has begun on the 780-acre mixed-use Adams Crossing development in Brighton. The development will house Adams County government operations in two buildings and will also include retail space, single-family homes, a hotel, and open space.

Other commercial development plans are also focused on the area northeast of Denver. A private investor group led by the developer of the TransPort complex near Denver International Airport recently announced plans to build a $200 million auto racetrack at the TransPort site. Spokespeople say the project would include an oval speedway plus a road course and would accommodate a variety of racing sports and events. The investor group also hopes to capitalize on an incentive package for tourism projects that could be approved by Governor Ritter.

Shortly after the TransPort announcement, an investor said to be working with the International Speedway Corporation proposed a competing racetrack development that would be located near E-470 and Interstate 70. Like the first investor group, the second investor is seeking tourism incentives and plans a mixed-use project.

Other planned development projects include a new public works facility to be built for the City and County of Denver. Developers say the $28 million project will be located along I-25 near the South Platte River and will include facilities for fleet maintenance, washing, and fueling as well as office and warehouse space. The developers also plan to pursue a LEED Gold certification and will include solar power and water-saving elements in their design.

Another Metro Denver project, the Streets at Southglenn redevelopment in Centennial, recently lost its general contractor. A contractual disagreement between the builder and the project's developer was reportedly to blame, but work on the project – which is almost 80 percent completed – will continue through another builder. Whole Foods Market, one of the project's anchor tenants, is scheduled to open on June 15.

While long-term projects are adding momentum to slow commercial markets, the impacts of recession are increasingly evident. *According to CoStar Realty Information, Inc., Metro Denver's direct office market vacancy rate rose from 12.7 percent in the fourth quarter of 2008 to 13.5 percent in the first quarter as poor economic conditions kept pressure on office market tenants. Average lease rates declined slightly in the first quarter and reached $21.18 per square foot, or essentially the same rate recorded one year ago.* Weak leasing activity and strained financial markets have had a particularly noticeable impact on office market development, as the total square footage under construction in the first quarter was roughly half the construction volume from the first quarter of 2008. The largest new office property completed so far this year is at 1515 Wynkoop Street in Denver, and five of the remaining eight buildings completed are located near Park Meadows Mall in Douglas County.

Office Market Statistics

	Quarter 1 2009	Quarter 4 2008	Quarter 1 2008	Quarter 1 2007	Quarter 1 2006	Quarter 1 2005
Number of Buildings	5,116	5,090	5,037	4,971	4,927	4,869
Existing Square Feet (millions)	160.6	159.9	157.7	156.5	154.8	153.7
Vacant Square Feet (direct, millions)	21.6	20.3	18.5	19.8	20.2	22.2
Vacancy Rate (direct)	13.5%	12.7%	11.7%	12.7%	13.0%	14.5%
Vacancy Rate (with sublet)	14.7%	13.8%	12.5%	13.6%	14.2%	15.9%
Avg. Lease Rate (direct, per sq. ft, full service)	$21.18	$21.24	$21.19	$19.73	$17.45	$16.91
New Construction Completed (year-to-date)	0.40 MSF, 9 Bldgs	2.19 MSF, 63 Bldgs	0.08 MSF, 8 Bldgs	0.34 MSF, 5 Bldgs	0.18 MSF, 9 Bldgs	0.16 MSF, 11 Bldgs
Currently Under Construction	1.85 MSF, 24 Bldgs	1.99 MSF, 37 Bldgs	3.49 MSF, 65 Bldgs	2.23 MSF, 76 Bldgs	1.21 MSF, 31 Bldgs	1.02 MSF, 32 Bldgs

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

Similarly, data from CoStar Realty Information, Inc. show the increase in Metro Denver industrial market vacancy has been smaller than the increase in the region's office market. *The direct industrial market vacancy rate rose from seven percent in the fourth quarter of 2008 to 7.2 percent in the first quarter of 2009. Average lease rates increased slightly to $5.14 per square foot, although the first quarter rate was essentially unchanged from the average reported one year ago.* While the impact of a weak economy on industrial market vacancy and lease rates has been somewhat moderate, the impacts on industrial development activity have been much larger. Just one industrial building was under construction in the first quarter, down from 15 buildings in the first quarter of 2008. The Denver Business Center and a property in Arapahoe County are the only two industrial buildings completed so far this year.

Industrial Market Statistics

	Quarter 1 2009	Quarter 4 2008	Quarter 1 2008	Quarter 1 2007	Quarter 1 2006	Quarter 1 2005
Number of Buildings	6,550	6,520	6,494	6,434	6,389	6,346
Existing Square Feet (millions)	213.1	212.2	210.1	207.4	205.3	203.4
Vacant Square Feet (direct, millions)	15.4	14.9	13.0	12.7	15.4	16.6
Vacancy Rate (direct)	7.2%	7.0%	6.2%	6.1%	7.5%	8.2%
Vacancy Rate (with sublet)	7.6%	7.4%	6.4%	6.5%	7.9%	8.8%
Avg. Lease Rate (direct, per square foot, NNN)	$5.14	$5.11	$5.15	$4.97	$4.80	$4.56
New Construction Completed (year-to-date)	0.11 MSF, 2 Bldgs	2.47 MSF, 41 Bldgs	0.28 MSF, 10 Bldgs	0.07 MSF, 2 Bldgs	0.73 MSF, 6 Bldgs	0.18 MSF, 8 Bldgs
Currently Under Construction	0.06 MSF, 1 Bldg	0.17 MSF, 3 Bldgs	1.26 MSF, 15 Bldgs	2.49 MSF, 28 Bldgs	0.83 MSF, 17 Bldgs	0.57 MSF, 9 Bldgs

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

Activity in Metro Denver's flex market continued to slow in the first quarter, according to CoStar Realty Information, Inc. *The direct flex market vacancy rate rose from 13.3 percent in the fourth quarter to 13.9 percent in the first quarter of 2009, and lease rates declined to $9.70 per square foot. Like construction activity in the region's other markets, flex market development activity has slowed noticeably.* Five flex buildings were under construction in the first quarter, compared to 15 buildings one year ago. The largest flex projects completed so far this year include the Vista Business Park in Boulder and developments in Adams and Jefferson Counties.

Flex Space Statistics

	Quarter 1 2009	Quarter 4 2008	Quarter 1 2008	Quarter 1 2007	Quarter 1 2006	Quarter 1 2005
Number of Buildings	1,332	1,327	1,306	1,289	1,272	1,244
Existing Square Feet (millions)	37.9	37.8	37.2	36.8	36.3	35.9
Vacant Square Feet (direct, millions)	5.3	5.0	4.4	4.7	4.5	5.3
Vacancy Rate (direct)	13.9%	13.3%	11.9%	12.8%	12.5%	14.8%
Vacancy Rate (with sublet)	14.5%	14.1%	12.6%	13.5%	13.2%	16.1%
Avg. Lease Rate (direct, per square foot, NNN)	$9.70	$9.92	$9.45	$8.76	$8.47	$8.20
New Construction Completed (year-to-date)	0.06 MSF, 3 Bldgs	0.77 MSF, 25 Bldgs	0.26 MSF, 5 Bldgs	0.00 MSF, 0 Bldgs	0.02 MSF, 1 Bldgs	0.06 MSF, 3 Bldgs
Currently Under Construction	0.22 MSF, 5 Bldgs	0.30 MSF, 8 Bldgs	0.35 MSF, 15 Bldgs	0.11 MSF, 3 Bldgs	0.50 MSF, 13 Bldgs	0.46 MSF, 18 Bldgs

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

According to CoStar Realty Information, Inc., *the Metro Denver direct retail market vacancy rate rose from 8.2 percent in the fourth quarter of 2008 to 8.6 percent in the first quarter, and average lease rates fell to $17.10 per square foot. Square footage under construction in the retail market fell sharply from more than four million square feet in the first quarter of 2008 to roughly 331,700 square feet in the first quarter of 2009.* The largest retail projects completed so far this year include stores in the River Point at Sheridan development and in several retail developments in Aurora.

Retail Market Statistics

	Quarter 1 2009	Quarter 4 2008	Quarter 1 2008	Quarter 1 2007	Quarter 1 2006	Quarter 1 2005
Number of Buildings	7,142	7,077	6,968	6,892	6,772	6,607
Existing Square Feet (millions)	148.0	147.2	143.5	141.5	138.1	132.8
Vacant Square Feet (direct, millions)	12.8	12.1	10.7	10.6	10.3	8.5
Vacancy Rate (direct)	8.6%	8.2%	7.5%	7.5%	7.4%	6.4%
Vacancy Rate (with sublet)	9.1%	8.5%	7.6%	7.7%	7.5%	6.6%
Avg. Lease Rate (direct, per square foot, NNN)	$17.10	$17.60	$16.94	$17.25	$15.47	$16.35
New Construction Completed (year-to-date)	0.68 MSF, 27 Bldgs	3.55 MSF, 99 Bldgs	0.20 MSF, 12 Bldgs	0.38 MSF, 7 Bldgs	N/A	N/A
Currently Under Construction	0.33 MSF, 15 Bldgs	2.05 MSF, 58 Bldgs	4.40 MSF, 72 Bldgs	5.79 MSF, 62 Bldgs	N/A	N/A

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

Metro Denver Indicator Summary

Indicator	Monthly/Quarterly Direction	Annual Direction	Summary of Recent Changes
Nonfarm Employment Growth	⇑	⇓	Employment increased by 3,000 jobs Mar to Apr; YTD employment down 3.3% through Apr 2009.
% Companies Hiring (Denver Area)	⇓	⇓	10% of companies expect to add workers in Q2 2009 and 73% expect no change.
Unemployment Rate	⇓	⇑	Metro rate 7.3% in Apr; YTD avg. rate of 7.6% up from 4.5% in 2008.
Initial Unemployment Insurance Claims	⇓	⇑	Claims decreased Mar to Apr; YTD claims up 94.4% through Apr 2009.
Total Retail Sales	⇑	⇓	Metro retail sales increased Jan to Feb; total sales down 8.6% YTD through Feb 2009.
Consumer Confidence Index	⇑	⇓	Mountain Region up to 68.4 in May from 41.1 in Apr; index down 54.6% YTD through May 2009.
Hotel Occupancy	⇑	⇓	Hotel occupancy increased from 55.5% in Mar to 57.8% in Apr; occupancy down 12.4% YTD.
DIA Passengers	⇑	⇓	Traffic increased Feb to Mar; traffic down 5.7% YTD through Mar 2009.
Bloomberg Colorado Index	⇑	⇑	Bloomberg Colorado Index up 9.5% from Apr to May; year-to-date return at 16.7%.
Dow Jones Industrial Average	⇑	⇓	DOW increased 4.1% Apr to May; year-to-date return at -3.1%.
Home Sales (closed)	⇑	⇓	Home sales increased 5.7% Mar to Apr; YTD sales down 17.3% through Apr.
Median Home Price (Denver-Aurora MSA)	⇓	⇓	Median home price in Denver MSA down 3.9% Q4 to Q1 2009; YTD price down 13.7%
Foreclosures	⇑	⇓	Foreclosures increased 12.5% Mar to Apr; YTD down 14.2% through Apr 2009.
Residential Building Permits (Total)	⇓	⇓	Total permits decreased between Feb and March; YTD down 66.3% through Mar 2009.
Apartment Vacancy Rate	⇑	⇑	Vacancy rate increased from 7.9% in Q4 to 8.4% in Q1; avg rental rate at $882 per month.
Office Vacancy Rate (with Sublet)	⇑	⇑	Vacancy rate increased from 13.8% in Q4 to 14.7% in Q1; avg lease rate down to $21.18/sq.ft.
Industrial Vacancy Rate (with Sublet)	⇑	⇑	Vacancy rate increased from 7.4% in Q4 to 7.6% in Q1; avg lease rate up to $5.14/sq. ft. (NNN)
Retail Space Vacancy Rate (with Sublet)	⇑	⇑	Vacancy rate up from 8.5% in Q4 to 9.1% in Q1; avg. lease rate down to $17.10/sq. ft. (NNN)
Positive Changes	**10 of 18**	**2 of 18**	

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