

# Colorado Real Estate Industry 2014 Snapshot



The following is a snapshot of Colorado's housing market:

Colorado consistently receives top national rankings for quality of life, as well as a place to start and succeed in business.

According to Forbes Magazine, Colorado Overall is ranked:

- ▶ #1 Best State for Labor Supply
- ▶ 2nd Best State to Start a Business
- ▶ 4th for Number of New companies per 1,000 Employees
- ▶ 4th for Proprietors as a Percentage of Total Employment
- ▶ 5th Best State to Make a Living
- ▶ 4th Top State for Entrepreneurial Activity
- ▶ 5th Hot Spot for Startup IT Jobs
- ▶ 8th Top State for Talent Pipeline

## Affordable Housing Efforts:

CARHOF (Colorado Association of REALTORS® Housing Opportunity Foundation) gave \$153,601 in 2013 to non-profit housing agencies across Colorado. The Foundation has distributed more than \$7 million since its inception in 1990.

\$153,601



## COLORADO

Nearly 66 percent (3.5 million) of Colorado's 5.2 million residents are homeowners.



## HOMEOWNERS

About 80 percent of homeowners in Colorado have lived in their house for more than 1 year.



## INCOME

The median household income in Colorado is \$58,244.

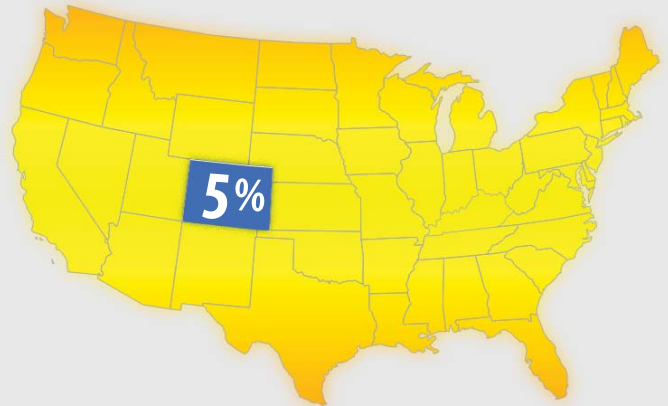
# Colorado Real Estate Industry

## 2014 Snapshot



**Colorado's unemployment rate is at 5.3%**  
(Department of Numbers, July 2014)

- ▶ Unemployed persons- 148,896
- ▶ National Unemployment rate- 6.2%
- ▶ Ranked 16th compared to other states (CNN Money)



### Top Industries in Colorado

- ▶ Service industries make up the largest portion of Colorado's gross state product.
- ▶ First is community, business and personal services (private health care, hotels, ski resorts, engineering, legal services, and software development.
- ▶ Second is finance, insurance and the real estate industry.
- ▶ The third-largest aerospace economy in the nation is right here in Colorado. The state's aerospace economy consists of businesses providing products and services for commercial uses, the military and space exploration.
- ▶ Eight of the nation's top aerospace contractors have significant operations in Colorado.
- ▶ More than 169,000 people are employed in space-related jobs.
- ▶ There are over 400 space-related companies and suppliers.
- ▶ Colorado is expected to add more than 60,000 jobs in 2014. As of July 2014, more than 51,000 new businesses filed incorporation documents.

### ▶ Top Fastest Growing Companies (3 yr growth)

Minute Key  
LED Supply  
Clean Energy Collective  
Tax Guard  
Stoneside Blinds and Shades

**60,000**  
**COLORADO**  
JOBS IN 2014



The 21st Space Wing, headquartered at Peterson Air Force Base, Colo., is the Air Force's only organization providing missile warning and space control to unified commanders and combat forces worldwide.

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## How Does Real Estate Affect the Economy?

### When a home is sold in Colorado:

- ▶ \$21,177 of income is generated from real estate related industries.
- ▶ Estimated multiplier impact is \$12,291 (spending at restaurants, sports games, charity events).
- ▶ \$4,429 is spent on consumer items such as furniture, appliances and paint service.
- ▶ Colorado's real estate industry accounted for \$44,259 million or 16.3% of the Gross State Product in 2012.
- ▶ Total income derived from the sale of a Colorado home with a median price of \$253,300 is \$67,310.



### If real estate sales decline...

- ▶ New home construction declines
- ▶ Construction jobs decline
- ▶ Unemployment increases
- ▶ Real estate prices decrease
- ▶ The value of homes decreases whether they are being sold or not.
- ▶ The volume and amount of home equity loans decreases.
- ▶ Foreclosure rate increases
- ▶ Consumer confidence suffers

### If building in Colorado increases...

Typically one new home is constructed for every 8 existing home sales. Therefore, for each existing home sale, 1/8 of new home value is added to the economy, estimated in Colorado to be \$29,413.



## Foreclosures:

Colorado is ranked 25th in the nation for its foreclosure rate according to Inside Real Estate.

25<sup>th</sup>

Lender-mediated properties (foreclosures, short sales, REO or other distressed property sales) represented 5 percent of all sales during the quarter, down from the previous quarter.

5%

Colorado foreclosure filings hit the biggest year-to-year surge since 2007. This increase, a 57 percent surge when compared with a year ago, is likely a result of delayed filings from state investigations in foreclosure law firms, according to Realty Trac.

57%



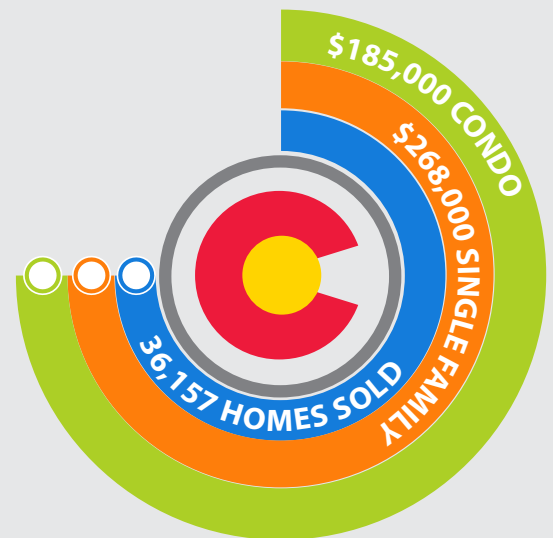
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## Homes Sold by Colorado REALTORS® - First Six Months of 2014

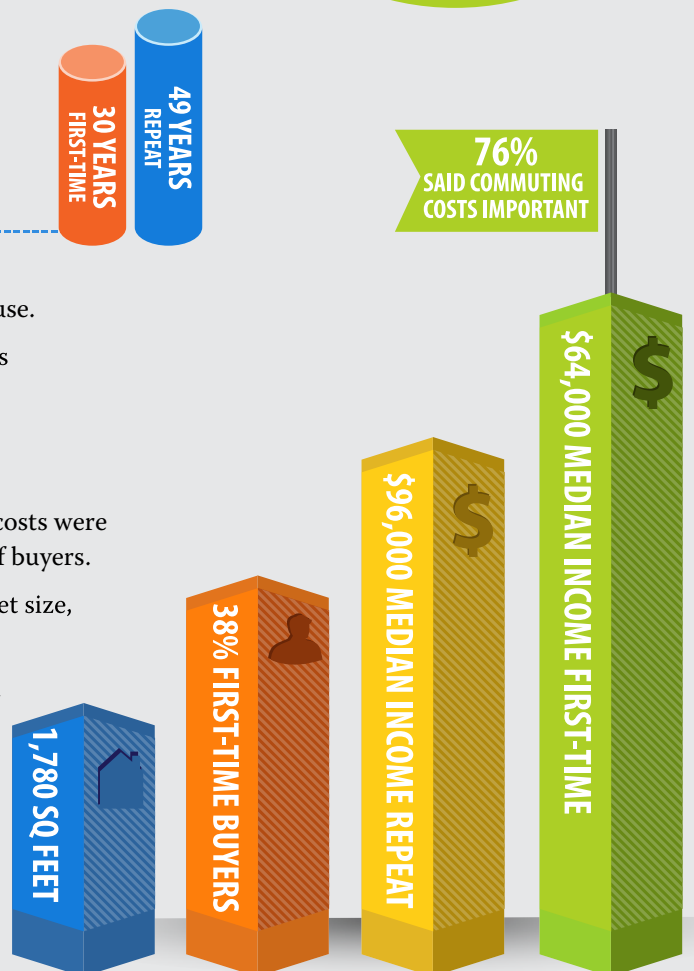
(based on year-over-year comparisons)

- ▶ 36,157 single family units were sold in the first half of 2014, a decrease of 6.2% compared to 2013. 10,356 condos/townhomes were sold in the first half of 2014, an increase of 17.4% when compared to 2013.
- ▶ The median price for single family homes was \$268,000 in the first half of 2014, a 7.2% increase from 2013. The median price for condos/townhomes was \$185,000 in the first half of 2014, an 8.8% increase from 2013.



## Who were the Buyers?

- ▶ 38% of 2013 home buyers were first-time buyers.
- ▶ The typical first-time home buyer was 30 years old, while the typical repeat buyer was 49 years old.
- ▶ 4% of homebuyers purchased a multi-generational home due to children over the age 18 moving back into the house.
- ▶ The median income was \$64,400 among first-time buyers and \$96,000 among repeat buyers.
- ▶ 20% of recent home buyers were single females, and 12% were single males.
- ▶ When considering the purchase of a home, commuting costs were considered very or somewhat important by 76 percent of buyers.
- ▶ The typical home purchased in 2013 was 1,780 square feet size, built in 1990, and had three bedrooms and bathrooms.
- ▶ 11% of buyers over 50 years old purchased senior related housing or purchased in an active adult community.



Sources: Bureau of Economic Analysis; National Association of REALTORS®; Macroeconomic Advisors; Harvard Joint Center for Housing Studies, Colorado Multiple Listing Services, Realty Trac, U.S. Census Bureau, State Division of Housing; EconPost, Everitt Real Estate Center, Leeds School of Business, Denver Business Journal, Denver Post, Wall Street Journal, Colorado Office of Economic Development, Colorado Association of REALTORS® Housing Market Reports