FIFTY-FIRST ANNUAL
COLORADO
BUSINESS ECONOMIC
OUTLOOK
2016
www.colorado.edu/leeds/brd
2016 Outlook: As Good As It Gets? Or Can It Get Better?

NAIOP 2016 Economic Forecast

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Leeds School of Business
Change in Population

4th-fastest state for percentage growth
8th-fastest state for absolute growth
22nd-most populated state in nation
Continued net migration into the state
83% of population along Front Range

Source: Colorado Demography Office.
State Employment Growth

Pre-Recession Peak to November 2015

Source: Bureau of Labor Statistics (Seasonally Adjusted).
Colorado Employment Growth

Jobs Added, 1991-2016

Thousands

Sources: Bureau of Economic Analysis, NIPA Table 3.18B, Consensus Forecasts.
Employment Recovery
National, State, and Local

Source: Bureau of Labor Statistics (Seasonally Adjusted).
Regional Employment Growth and Unemployment

Employment Growth Rate, November YoY

- Fort Collins: 1.8%
- Greeley: 3.6%
- Denver-Aurora-Lakewood: 1.8%
- Boulder: 2.3%
- Pueblo: 0%
- Colorado Springs: 1.6%
- Grand Junction: 0%

Unemployment Rate, November 2015

- Fort Collins: 3.5% NSA, 3.6% SA
- Greeley: 3.5% NSA, 3.6% SA
- Denver-Aurora-Lakewood: 3.5% NSA, 3.6% SA
- Boulder: 3.5% NSA, 3.6% SA
- Pueblo: 3.5% NSA, 3.6% SA
- Colorado Springs: 3.5% NSA, 3.6% SA
- Grand Junction: 3.5% NSA, 3.6% SA

Sources: CES (Seasonally Adjusted) and LAUS (Not Seasonally Adjusted).
Employment Change 2015-2016

Original data source: Boulder Economic Outlook Forum (BEOF).
Crude Oil Production
2006-2016

Largest Producers
1. Texas
2. North Dakota
3. California
4. New Mexico
5. Alaska
6. Colorado
7. Oklahoma
8. Wyoming
9. Louisiana
10. Kansas

Production boosted by
- Horizontal drilling
- Hydraulic fracturing

Sources: Rankings from the Energy Information Administration. Production data from Colorado Geological Survey Mineral and Mineral Fuel Activity Reports, Colorado Oil and Gas Conservation Commission, Department of Minerals and Geology, and Colorado Business Economic Outlook Committee.
Housing Units vs. Households

Annual Change

- Households
- Housing Units
Colorado Foreclosures

2004-2015

Total State Foreclosures Over Time

Source: Colorado Division of Housing
Federal Housing Finance Agency (FHFA)

House Price Index by MSA

Q3 2014 – Q3 2015

- Colorado 12.7%
- Denver-Aurora-Lakewood
- Boulder
- Fort Collins
- Greeley
- Pueblo
- Colorado Springs
- Grand Junction

Percent: 0.0 3.0 6.0 9.0 12.0 15.0

CAGR Q3 2005 – Q3 2015

- Colorado 2.5%
- Denver-Aurora-Lakewood
- Boulder
- Fort Collins
- Greeley
- Pueblo
- Colorado Springs
- Grand Junction

Percent: 0.0 1.0 2.0 3.0 4.0

Source: Federal Housing Finance Agency, All Transactions Indexes.
Residential Building Permits
2006-2016

Sources: U.S. Census Bureau and Colorado Business Economic Outlook Committee.

Residential Housing:

- Home appreciation among the fastest nationally
- Mostly single family permits in 2016
- Lowest foreclosure rate in two decades
Value of Construction
2006-2016

$16.8 B

Sources: McGraw-Hill Construction Dodge Research and Analytics and Colorado Business Economic Outlook Committee.
Colorado General Fund

Gross Revenue (excluding reserves, diversions, and transfers)

Source: Colorado Office of State Planning and Budgeting, excluding reserves, diversions, and transfers, December 2014.
Employment and New Entity Filings

Employment, thousands

12-month total new entity filings

Note: Solid line displays actual seasonally adjusted employment numbers; dotted line reflects calculated forecasts.

U.S. and Colorado Economies
Q1 2004 – Q1 2016

National and State Expectations

Index (50=Neutral)

Colorado

United States
### Colorado Ranking Among Other States

<table>
<thead>
<tr>
<th>Metric</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
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<tr>
<td>Real GDP Growth</td>
<td>5</td>
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<td>Employment Growth</td>
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<td>Population Growth</td>
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<td>Personal Income Growth</td>
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<tr>
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<td>Average Annual Pay Growth</td>
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<tr>
<td>Unemployment Rate</td>
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<tr>
<td>Labor Force</td>
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<td>FHFA Home Price Index</td>
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<tr>
<th>Year</th>
<th>Consumer Price Inflation</th>
<th>Percent Change Retail Sales</th>
<th>Percent Change Personal Income</th>
<th>Unemployment Rate</th>
<th>Percent Change Employment</th>
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</thead>
<tbody>
<tr>
<td>2013(^a)</td>
<td>2.77</td>
<td>4.76</td>
<td>2.88</td>
<td>6.53</td>
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<td>2014(^a)</td>
<td>2.78</td>
<td>6.62</td>
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<td>2015</td>
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<td>5.07</td>
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\(^a\)Historical data. Note: Represents annual averages of the month-to-month growth rate.
State Summary

Colorado outperforms nation in employment growth
Falling unemployment
Labor force pressures
Full employment???
Growing population
Strong in-migration
Concerns

Fed funds target rate
Cost of housing
Availability of labor
Price of oil
El Niño
Median family income
Thank You!