WINDING PATHS: CHANGING GROWTH DIRECTIONS IN METRO DENVER?

2007 Economic Forecast
January 9, 2007
## Colorado vs United States

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>Colorado</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Growth Rate (YTD 2006)</td>
<td>2.2%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Unemployment Rate (YTD 2006)</td>
<td>4.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Real Retail Trade Growth (YTD 2006)</td>
<td>2.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Median Home Price* (2006 estimate)</td>
<td>$254,500</td>
<td>$227,800</td>
</tr>
<tr>
<td>Home Appreciation Rate* (2006 est.)</td>
<td>2.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Inflation Rate* (2006 estimate)</td>
<td>3.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Per Capita Personal Income (2005)</td>
<td>$37,459</td>
<td>$34,495</td>
</tr>
<tr>
<td>Per Capita PI Growth Rate (2005)</td>
<td>4.7%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

*Data for Metro Denver
Metro Denver Leading Index
(Growth Potential 6 to 9 Months Ahead)

Source: Development Research Partners
Metro Denver Historic Index
(Metro Denver Area “Growth Rate”)

Source: Development Research Partners
Nonfarm Job Growth Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>Metro Denver</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.2%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2001</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2002</td>
<td>-1.1%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>2003</td>
<td>-0.3%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>2004</td>
<td>1.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2005</td>
<td>0.8%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2006e</td>
<td>1.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>2007f</td>
<td>1.3%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Sources: U.S. Dept. of Labor; CO Dept. of Labor & Employment
Metro Denver Net New Jobs

Source: Colorado Department of Labor & Employment
Metro Denver Total Employment

Source: Colorado Department of Labor & Employment
Metro Denver Employment by Industry (in thousands)

Source: Colorado Department of Labor & Employment
Metro Denver Key Industry Clusters

- Broadcasting and Telecommunications
- Information Technology/Software
- Aerospace
- Financial Services
- Bioscience
- Information Technology/Hardware
- Aviation
- Beverage Production
- Energy
Metro Denver Office Vacancy Rates

Existing Square Feet = 150.7 million

Source: CoStar Realty Information, Inc.
Metro Denver Industrial Vacancy Rates

Existing Square Feet = 200.2 million

Source: CoStar Realty Information, Inc.
Unemployment Rates

Metro Denver Total Labor Force = 1.5 million

Sources: U.S. Dept. of Labor; CO Dept. of Labor & Employment
Metro Denver Average Annual Population Growth

2006 = 2.67 million people

Source: Colorado Division of Local Government
Metro Denver Annual Change in Population

Source: Colorado Division of Local Government

2007 Economic Forecast for Metro Denver
Consumer Confidence Index

Source: The Conference Board
Metro Denver Total Retail Sales Growth Rates

Source: Colorado Department of Revenue
Metro Denver Home Sales

Source: MetroList, Inc.
Metro Denver Foreclosures

Source: CB Richard Ellis

2007 Economic Forecast for Metro Denver
Median Home Price
(in thousands)

Source: National Association of REALTORS
Metro Denver Building Permits

Source: Home Builders Association of Metropolitan Denver

2007 Economic Forecast for Metro Denver
Metro Denver Apartment Vacancy Rate

Source: Denver Metro Apartment Vacancy & Rent Survey
Potential Bumps in the Road

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

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