THE ROCKY MOUNTAIN ECONOMY: UPDATE
November 2010 (see Economic Indicators data below)

The economy of the Rocky Mountain region remained flat during the 3rd quarter of 2010. In September 2010, nonfarm employment declined by 14,600 payrolls, or 0.3 percent, to 4.87 million, compared with a year ago. The only states with year-over-year losses were Colorado, where payrolls were off by 1 percent, and Montana, which lost 0.8 percent. Gains in North Dakota, South Dakota, Utah, and Wyoming helped offset some of these losses. Much of the losses in the regional economy were due to declines in construction and manufacturing employment. These losses were offset by gains in the education and health services and government sectors. As a result of the mixed economy, the average seasonally adjusted unemployment rate in the region increased to 7.3 percent from 6.9 percent recorded 12 months ago. Rates ranged from 3.7 percent in North Dakota to 8.2 percent in Colorado, but all were well below the national average rate of 9.6 percent.

The nation's economy lost 95,000 nonfarm payrolls in September 2010 compared with the previous month, but gained 334,000 compared with September 2009. From August to September, gains in the private sector of 64,000 were offset by losses in the public sector of 159,000, due primarily to local government job losses. Manufacturing employment was relatively unchanged while construction payrolls declined by 21,000 jobs from the previous month. Temporary services, which is a leading indicator for employment overall, rose by 17,000 payrolls in September, and has added over 450,000 jobs since the low recorded in September 2009. Employment in private sector health care increased by 24,000 jobs since August, and has averaged a gain of 21,000 jobs per month so far in 2010. Since the most recent low in December 2009, overall private sector payrolls have risen by over 950,000 and other indicators suggest that a slow recovery is continuing.

Nationally, real Gross Domestic Product (GDP) growth was 2.0 percent in the 3rd quarter 2010, up from the 1.7 percent growth rate recorded in the previous quarter. The increase in GDP growth primarily reflected an increase in personal consumption expenditures, private inventory investment, and federal government spending. The annualized pace of new-home starts in September declined by 11.7 percent from August to 519,000 units, and is down 1.9 percent from a year ago. Regionally, building permit activity in the region through September was up by 4.2 percent from the same period last year. A 23-percent increase in Colorado accounted for the majority of the increase in the region.

From January to October 2010, existing single-family home sales in the Denver region were 7.2 percent below last year's pace, to about 31,000 units sold. The average home sale price in Denver followed suit, and was off by 4 percent from a year ago to $264,500. Unsold inventories in Denver for September were up 3.4 percent from the level recorded a year ago. In the 3rd Quarter 2010 National Delinquency Survey, the single-family foreclosure rate of 2.4 percent for all conforming loans in the region was well below the national rate of 4.4 percent. Rates for the region and the nation were down from the previous quarter and from a year ago, indicating that the regional and national housing markets stabilized slightly in the third quarter.

U.S. consumer prices increased 0.2 percent in September from August, and were up by 1.2 percent from a year ago. Taking out energy and food, the core inflation index advanced 0.6 percent from a year ago, the lowest 12-month increase on record. The Federal Reserve Board recently announced that current employment and inflation conditions require increased monetary stimulus in the form of a second round of quantitative easing ("QE2"). As of the end of October, the average 30-year fixed mortgage interest rate of 4.23 percent was a record low and 72 basis points below a year earlier.

ROCKY MOUNTAIN ECONOMIC INDICATORS

Indicator	Data as of	Most Recent Mth./Qtr.	Previous Mth./Qtr.	Year Ago	Change Last Mth/Qtr	Change Year Ago	Source
Nonfarm Employment (thousands, seas. adj.):							
Colorado	September-10	2,196.2	2,196.0	2,218.4	0.0%	-1.0%	BLS
Montana	September-10	424.8	425.5	428.1	-0.2%	-0.8%	BLS
North Dakota	September-10	370.0	372.2	367.0	-0.6%	0.8%	BLS
South Dakota	September-10	405.7	406.2	402.8	-0.1%	0.7%	BLS
Utah	September-10	1,187.4	1,197.5	1,183.3	-0.8%	0.3%	BLS
Wyoming	September-10	284.8	283.7	283.9	0.4%	0.3%	BLS
Rocky Mountain Region	September-10	4,868.9	4,881.1	4,883.5	-0.2%	-0.3%	BLS
United States	September-10	130,201	130,296	129,857	-0.1%	0.3%	BLS
Unemployment Rate (seasonally adjusted):							
Colorado	September-10	8.2	8.1	7.7	0.1	0.5	BLS
Montana	September-10	7.4	7.4	6.5	0.0	0.9	BLS
North Dakota	September-10	3.7	3.7	4.3	0.0	-0.6	BLS
South Dakota	September-10	4.4	4.5	4.7	-0.1	-0.3	BLS
Utah	September-10	7.5	7.4	6.7	0.1	0.8	BLS
Wyoming	September-10	6.8	6.8	7.3	0.0	-0.5	BLS
Rocky Mountain Region	September-10	7.3	7.3	6.9	0.0	0.4	BLS
United States	September-10	9.6	9.6	9.8	0.0	-0.2	BLS
GDP Growth Rate (%) - United States	3rd Qtr 10	2.0	1.7	1.6	0.3	0.4	BEA
U.S. Housing Starts (Annual rate)	October-10	519,000	588,000	529,000	-11.7%	-1.9%	Census
Residential Building Permits:							
Colorado	YTD-Sep-10	9,185	na	7,449	na	23.3%	Census
Montana	YTD-Sep-10	1,768	na	1,422	na	24.3%	Census
North Dakota	YTD-Sep-10	2,639	na	2,399	na	10.0%	Census
South Dakota	YTD-Sep-10	2,396	na	2,631	na	-8.9%	Census
Utah	YTD-Sep-10	7,444	na	8,794	na	-15.4%	Census
Wyoming	YTD-Sep-10	1,658	na	1,381	na	20.1%	Census
Rocky Mountain Region	YTD-Sep-10	25,090	na	24,076	na	4.2%	Census
Apartment Vacancy Rates:							
Colorado Springs Metro	3rd Qtr 10	6.6	6.2	7.8	0.4	-1.2	Apartment Insights
Denver/Boulder area	3rd Qtr 10	5.4	6.4	7.7	-1.0	-2.3	Apartment Insights
Salt Lake City Metro	3rd Qtr 10	6.5	6.9	7.0	-0.4	-0.5	Reis, Inc.
United States	3rd Qtr 10	10.3	10.6	11.4	-0.3	-1.1	Census
Existing Single-Family Sales: Denver PMSA							
Active Listings	October-10	20,419	21,838	19,750	-6.5%	3.4%	MetroList, Inc.
Number of Sales	YTD-Oct-10	30,975	28,347	33,382	9.3%	-7.2%	MetroList, Inc.
Average Price	YTD-Oct-10	$264,544	264,835	$275,620	-0.1%	-4.0%	MetroList, Inc.
Existing Home Sales: United States							
Annual Rate of Sales (SA)	September-10	4,530,000	4,120,000	5,600,000	10.0%	-19.1%	NAR
Average Price	September-10	$218,200	$226,000	$221,900	-3.5%	-1.7%	NAR
Residential (1-4 Family) Foreclosure Rate:							
Rocky Mountain Region	3rd Qtr 10	2.44	2.65	2.60	-0.21	-0.16	MBA Survey
United States	3rd Qtr 10	4.39	4.57	4.47	-0.18	-0.08	MBA Survey
Consumer Price Index - All Items:							
Denver-Boulder CMSA	1st Half 10	211.0	209.7	207.4	0.6%	1.7%	BLS
United States (SA)	October-10	218.9	218.4	216.4	0.2%	1.2%	BLS
Avg. 30-Year Mortgage Interest Rate:	October-10	4.23	4.35	4.95	-0.12	-0.72	Freddie Mac