

COLORADO
BUSINESS ECONOMIC
OUTLOOK
2015



RESIDENTIAL REAL ESTATE BREAKOUT SESSION

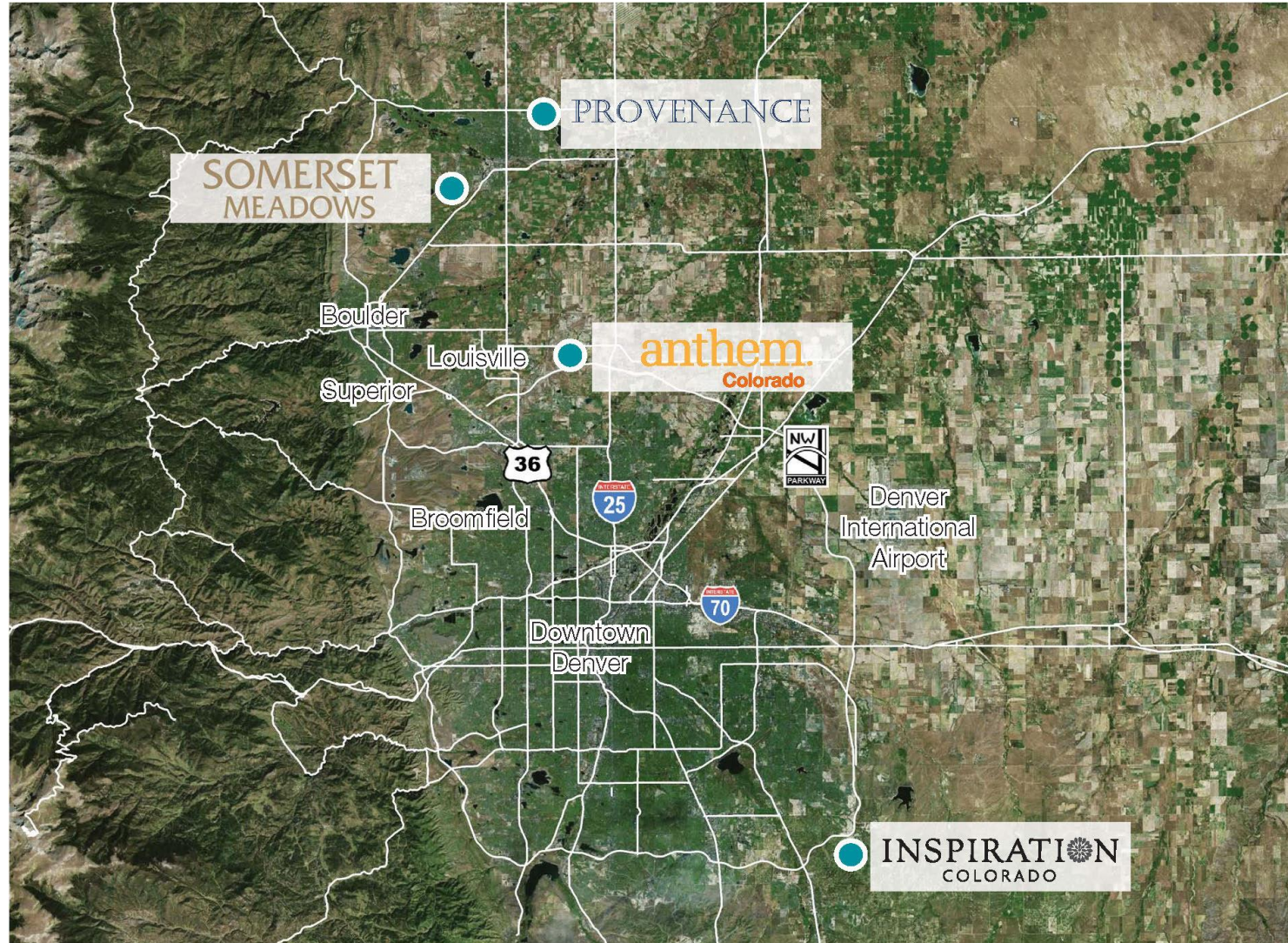
OREAD CAPITAL & DEVELOPMENT

- SPECIALIZING IN LARGE-SCALE MASTER PLANNED COMMUNITIES
- COLORADO-BASED COMPANY WITH OFFICES IN BROOMFIELD AND CENTENNIAL

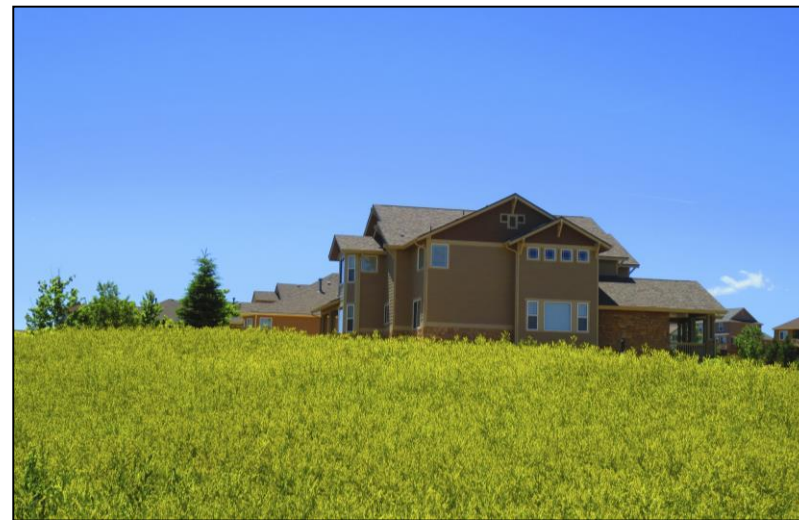
Investing in Value.
Developing Value.
Protecting Value.

**OREAD**[®]
CAPITAL & DEVELOPMENT

OREAD CAPITAL DEVELOPMENTS



OREAD CAPITAL DEVELOPMENTS

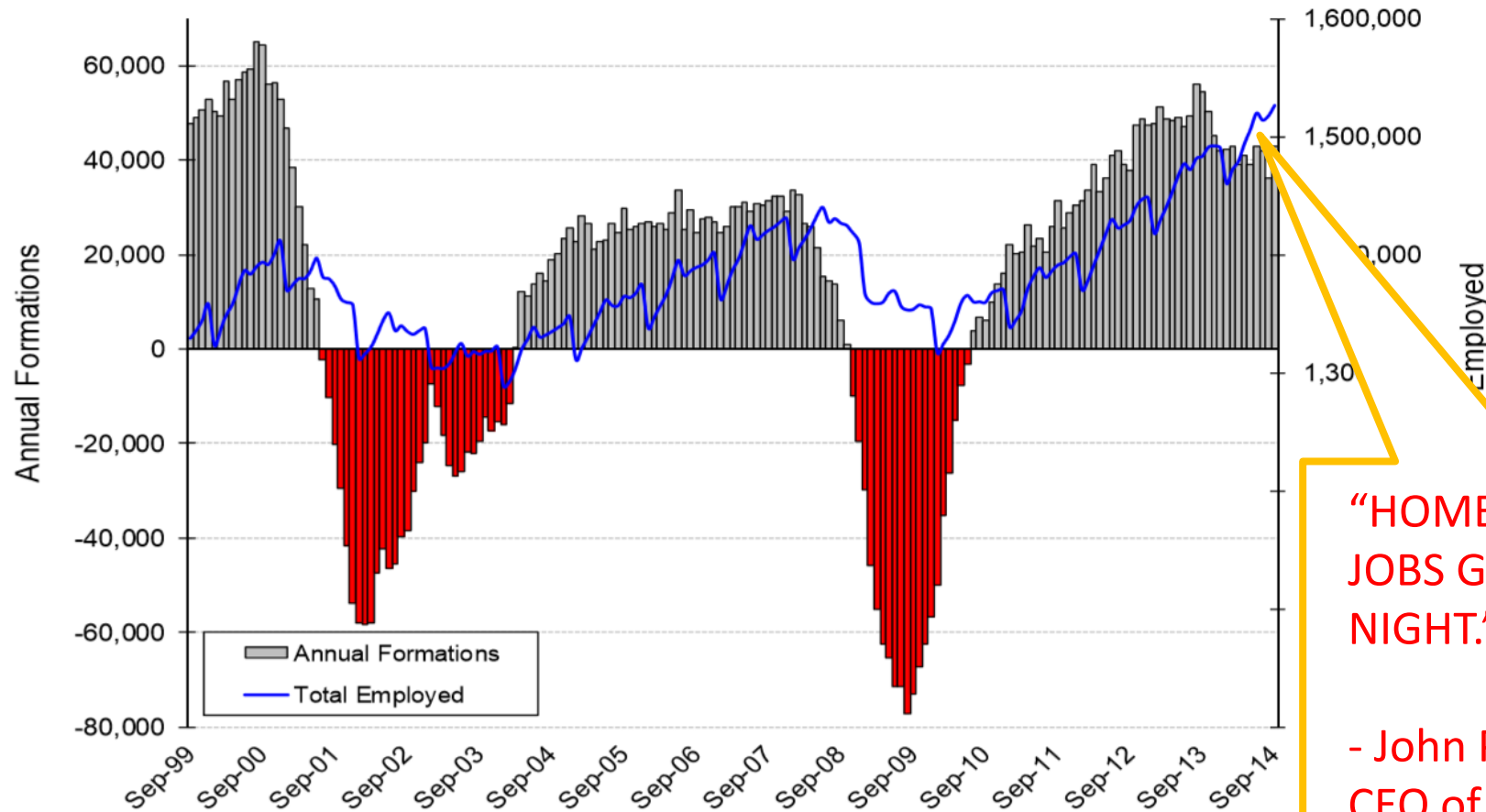


OREAD CAPITAL DEVELOPMENTS



Denver Metro Job Growth

Market Experienced Ave. Ann. Increase of +43,100 jobs = 2.9% Growth Rate



“HOMES ARE WHERE JOBS GO TO SPEND THE NIGHT.”

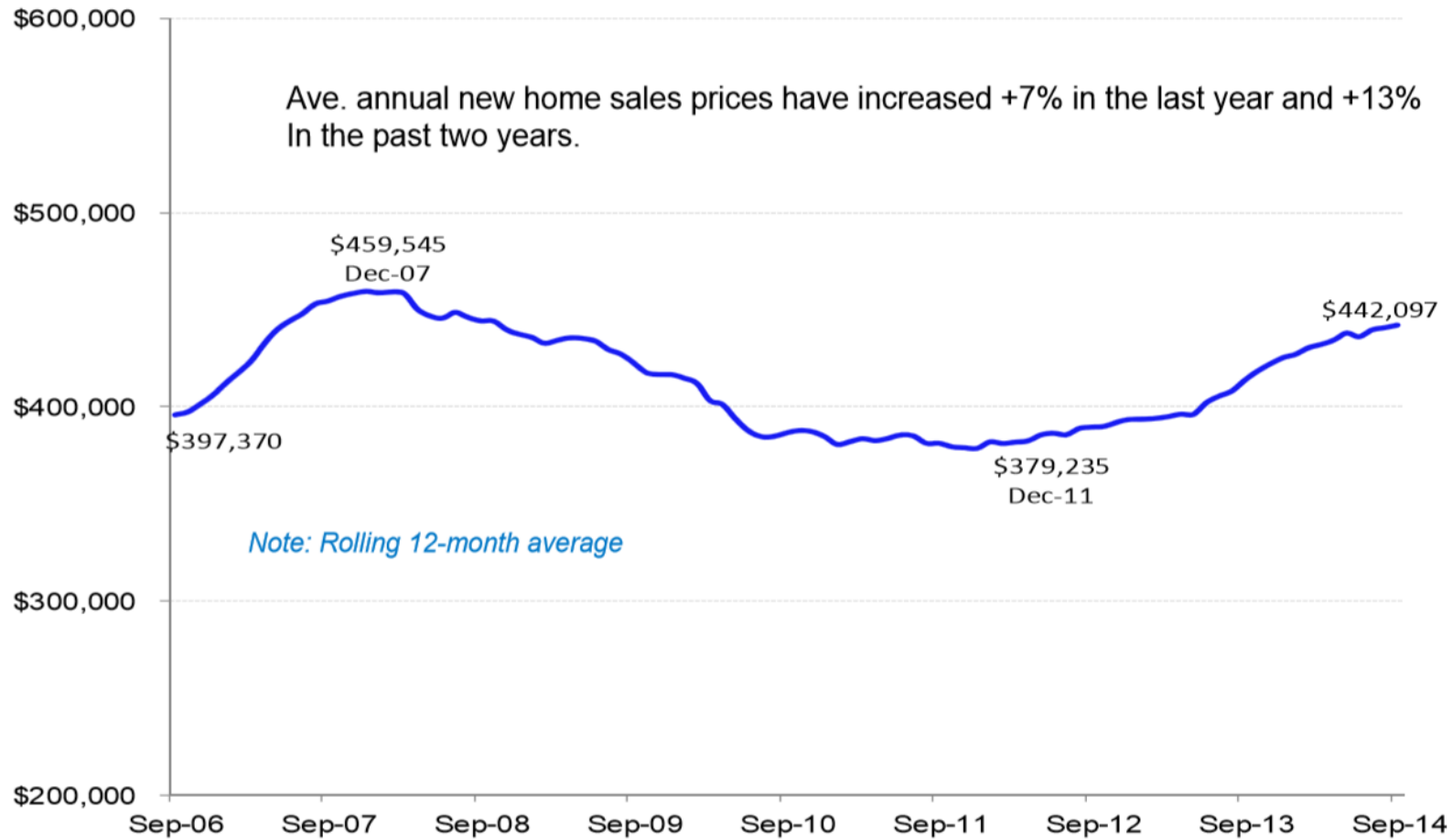
- John Peshkin, former CEO of Taylor Woodrow



Source: Bureau of Labor Statistics

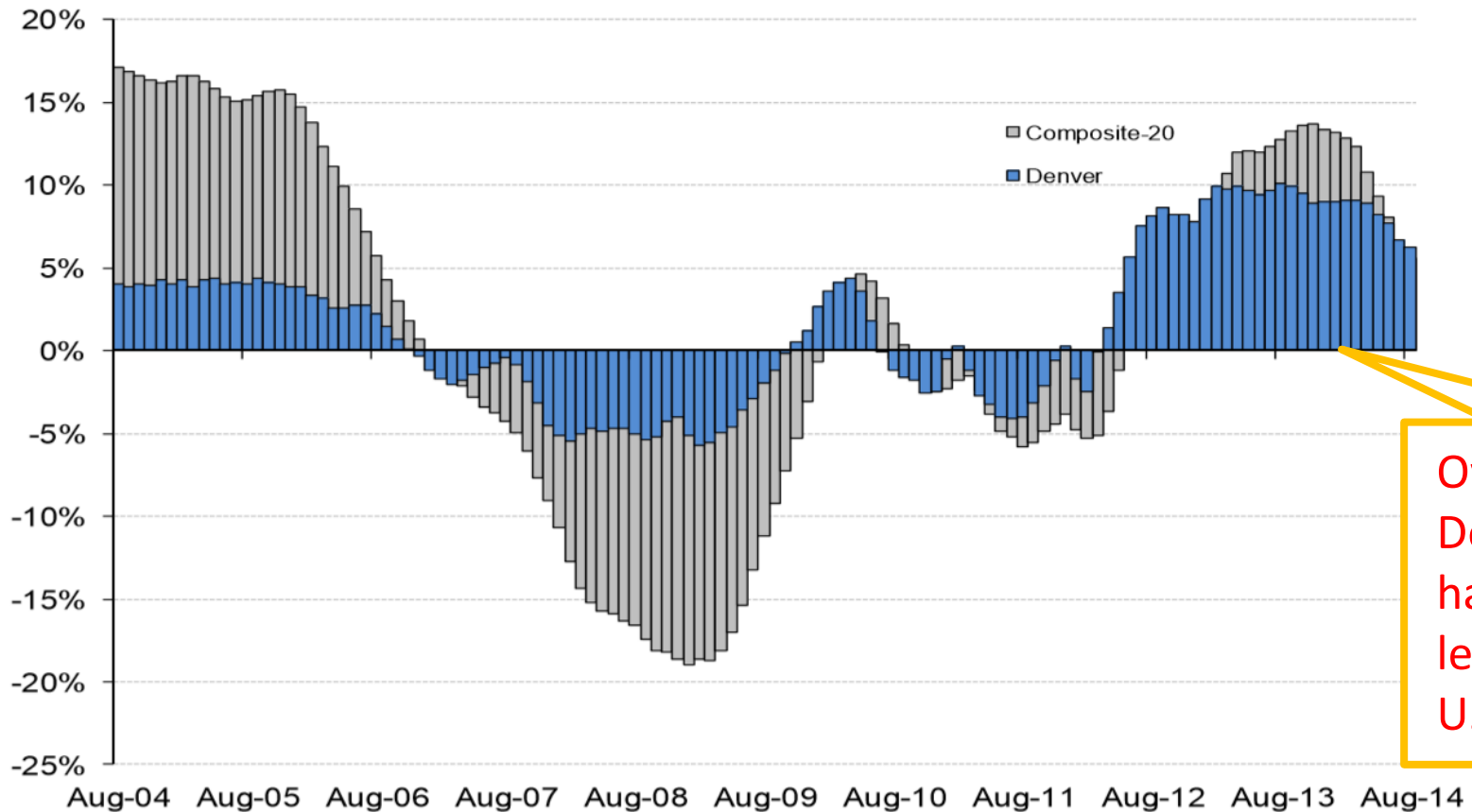
Denver Market

Prices have increased for homes...



S&P Case-Shiller Home Price Index

Denver v. Composite 20 Annual Change – August 2014



Over last 10 years, Denver home prices have been considerably less volatile than the U.S. as a whole.

THE GOOD

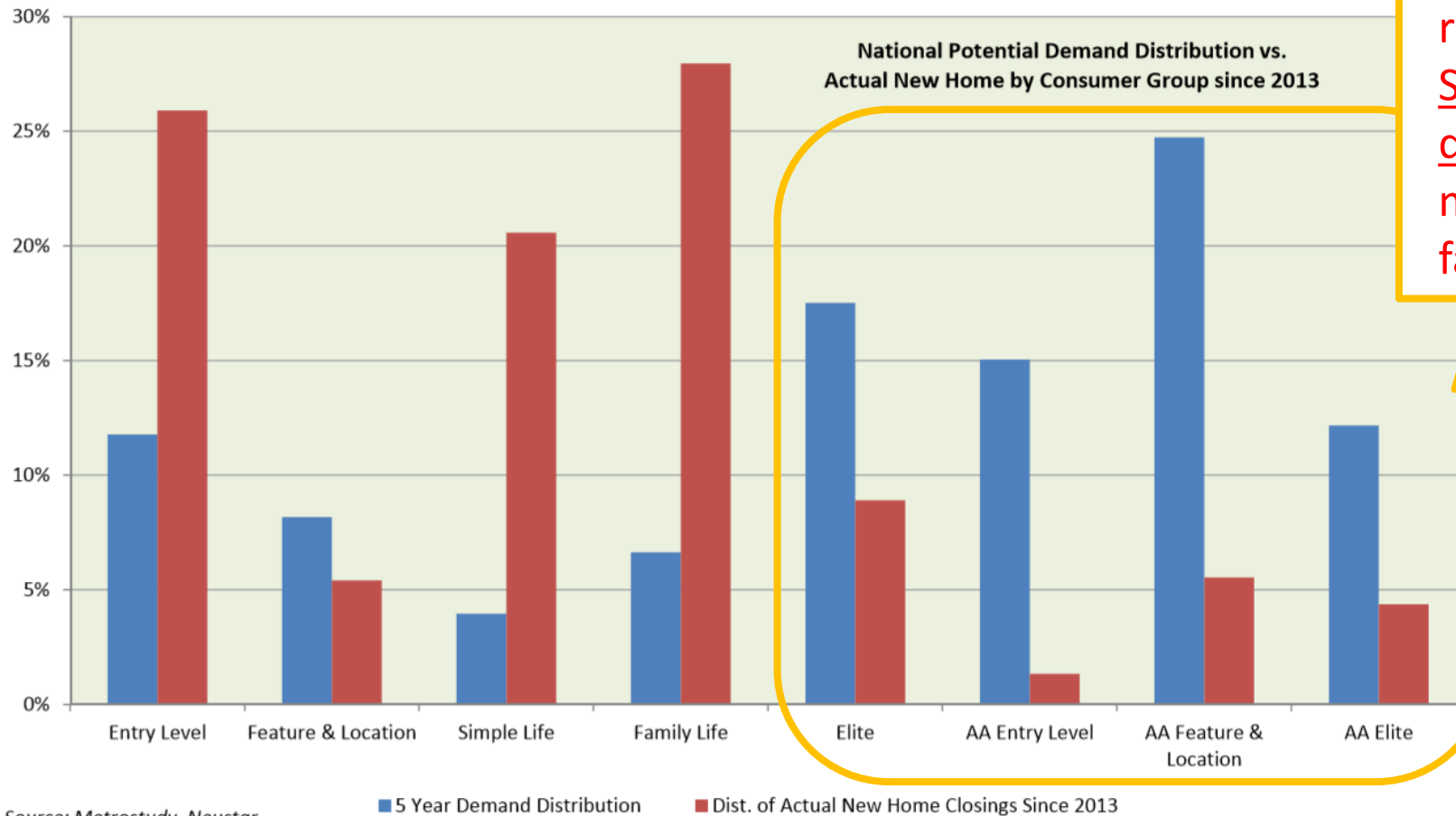
- NEW HOME SALES **UP 9%** THROUGH 3Q14 vs. 2013 (vs. 1.7% NATIONALLY)
- SINCE 1Q12, BULK RESIDENTIAL LAND PRICES HAVE **DOUBLED** (AND RECENTLY LAND/LOT PRICES HAVE STABILIZED INTO EQUILIBRIUM)
- THROUGH OCTOBER, DENVER/BOULDER MSA HAS PULLED APPROX. 7,400 SINGLE FAMILY BUILDING PERMITS, AN **18% INCREASE** (vs. FLAT NATIONALLY)
- NO SUPPLY IN THE MARKET (1.7 MONTHS)

THE BAD

- 2014 NEW HOME SALES PER SUBDIVISION ARE **FLAT** vs. 2013
- SINCE 3Q12, DEVELOPMENT COSTS **INCREASED 35%** & BUILDING COSTS **INCREASED 20%** (MUNICIPAL FEES & WATER TAPS ALSO INCREASED DRAMATICALLY)
- LONG-TERM AVERAGE FOR SINGLE FAMILY BUILDING PERMITS IS APPROX. 12,000. WE ARE **STILL NOT BACK TO NORMAL VOLUMES.**
- NO SUPPLY IN THE MARKET (1.7 MONTHS)

THE UGLY: ALMOST NO ATTACHED HOMES BEING CONSTRUCTED/SOLD (TOWNHOMES & CONDOS)

Baby Boomers Are Critical to the Industry Now and For at Least the Next 5 Years



Colorado consistently ranked in Top 5 U.S. States for retirement destination, so in-migration also a big factor

Source: Metrostudy, Neustar



Housing Market Update

November 6, 2014 33

