

2012 Wrap Up

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Legislation:

On the legislation front, the Senate Bill 12-70, Uniform Residential Landlord and Tenant Act , is dead. It is a victory for the landlords and property managers. The bill would have imposed undue/duplicate requirements on landlords and property managers. [Here a link to my original blog post on this topic.](#)

Another bill postponed indefinitely is the Senate Bill 12-162, [concerning verification of the remedy performed](#) on properties contaminated by an illegal drug lab.

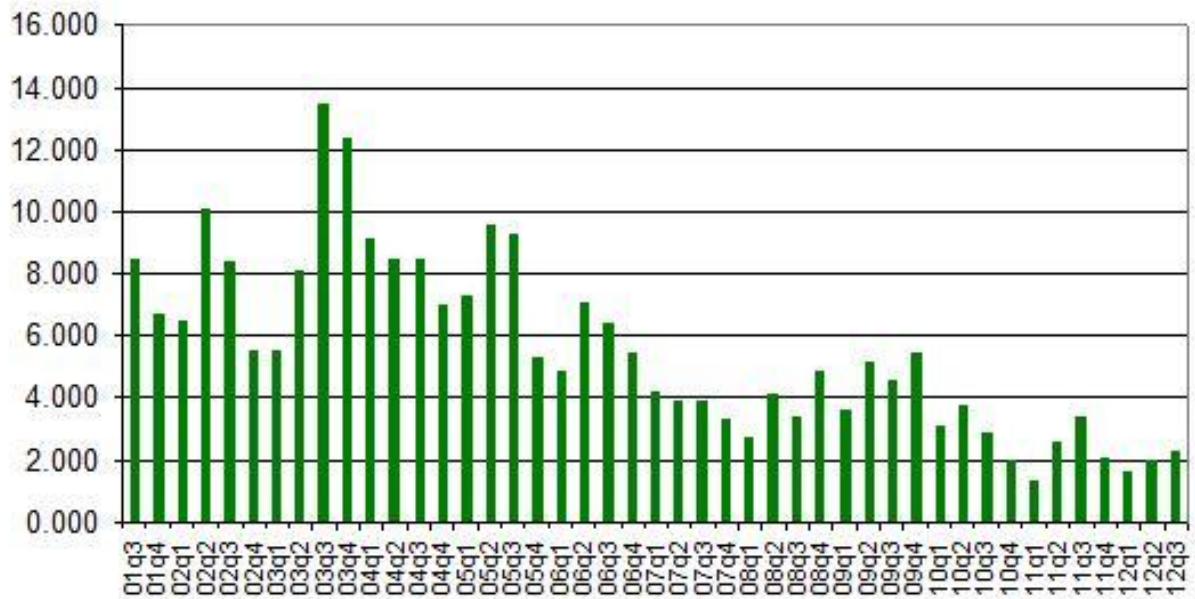
Is your HOA compliant with CCIOA? The Senate Bill 12-1237 passed in Summer imposing [Record Keeping Requirements](#) on HOAs.

There is nothing on the horizon for 2013 impacting real estate as of now. I track legislation activities. Feel free to subscribe to my blog to stay current.

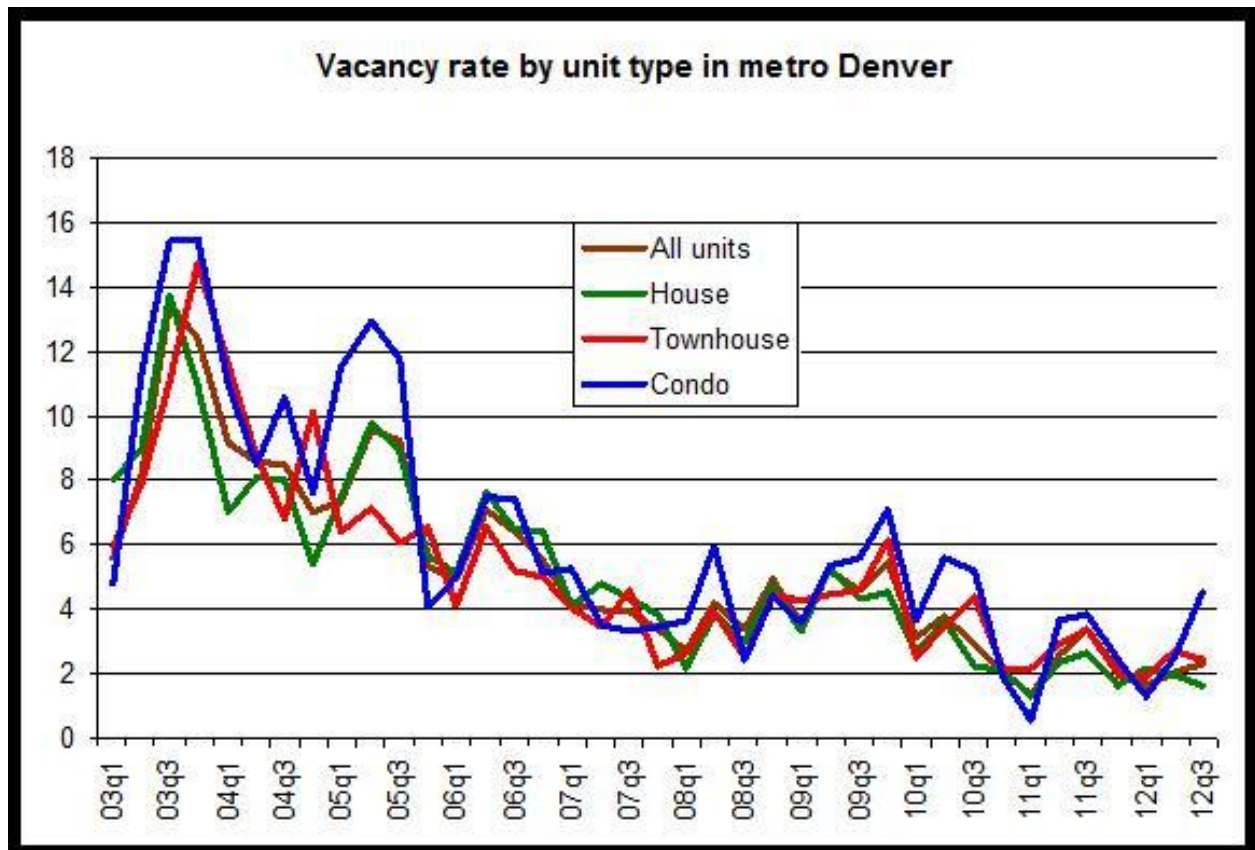
Rental Market:

It is a great time for the investors. The vacancy rates are dropping and the rents on the rise. The vacancy rate in the metro Denver is at 2.3%. The following graphs are the overall vacancy rate, and by dwelling type. The rates by county is available in the full report. [Drop me a note](#) for that information.

Single-family, et al vacancy rate, metro Denver, by %, Source: vacancy and rent surveys

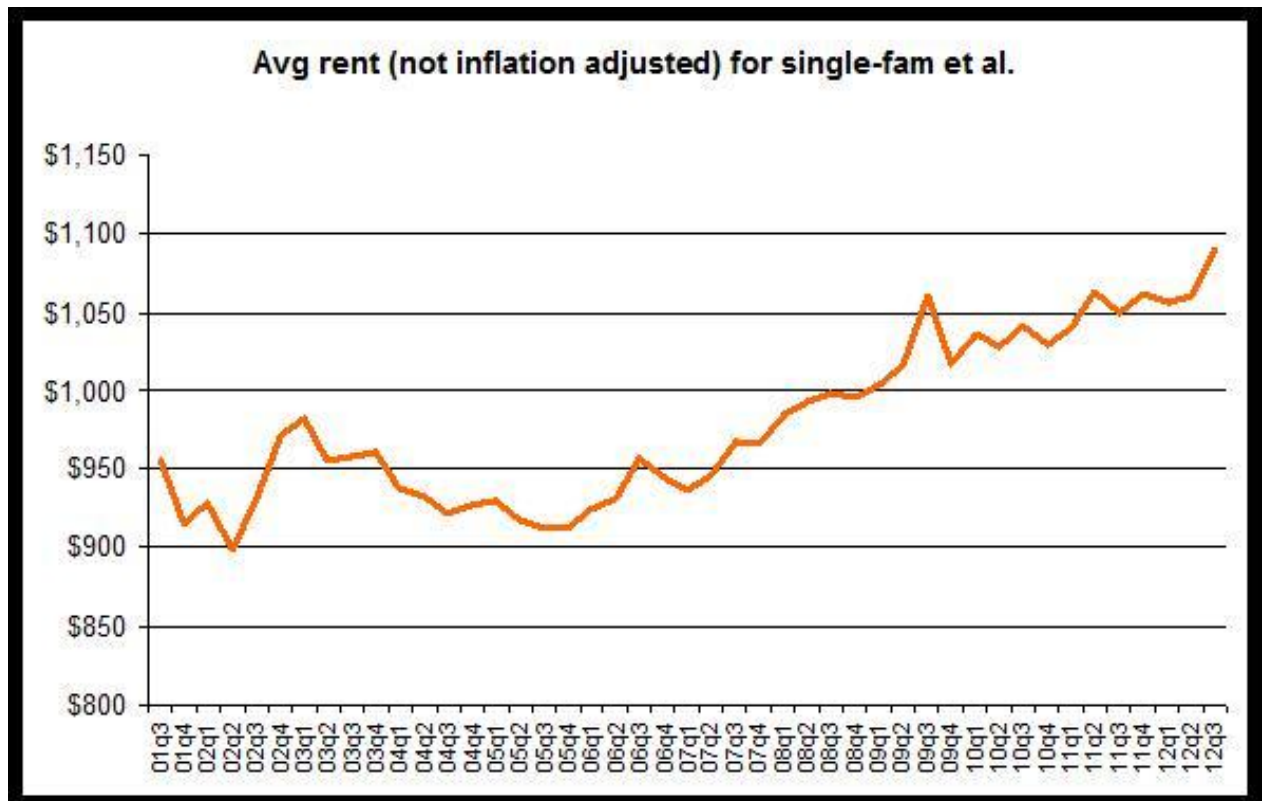


Source: [Colorado Division of Housing](#)

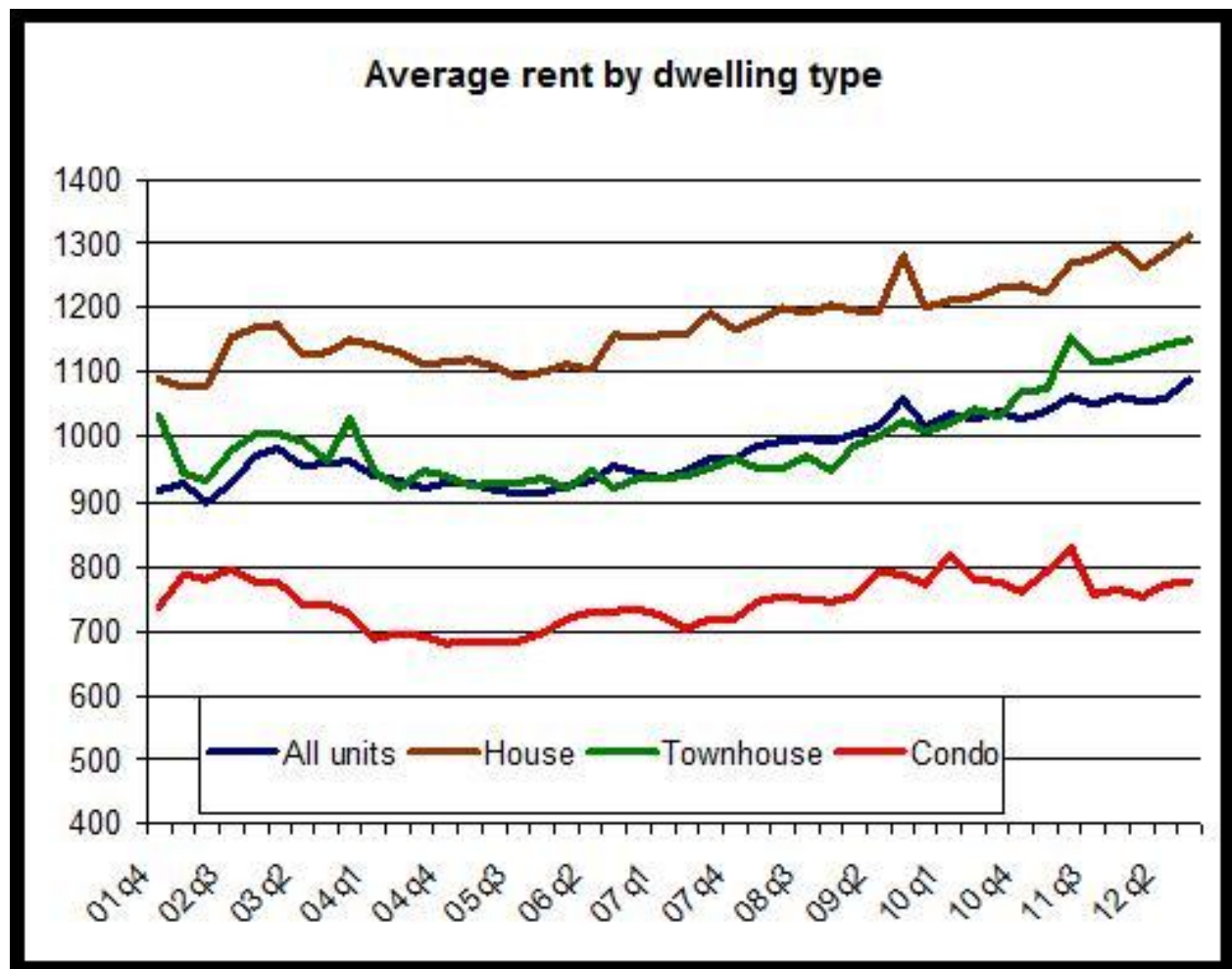


Source: [Colorado Division of Housing](#)

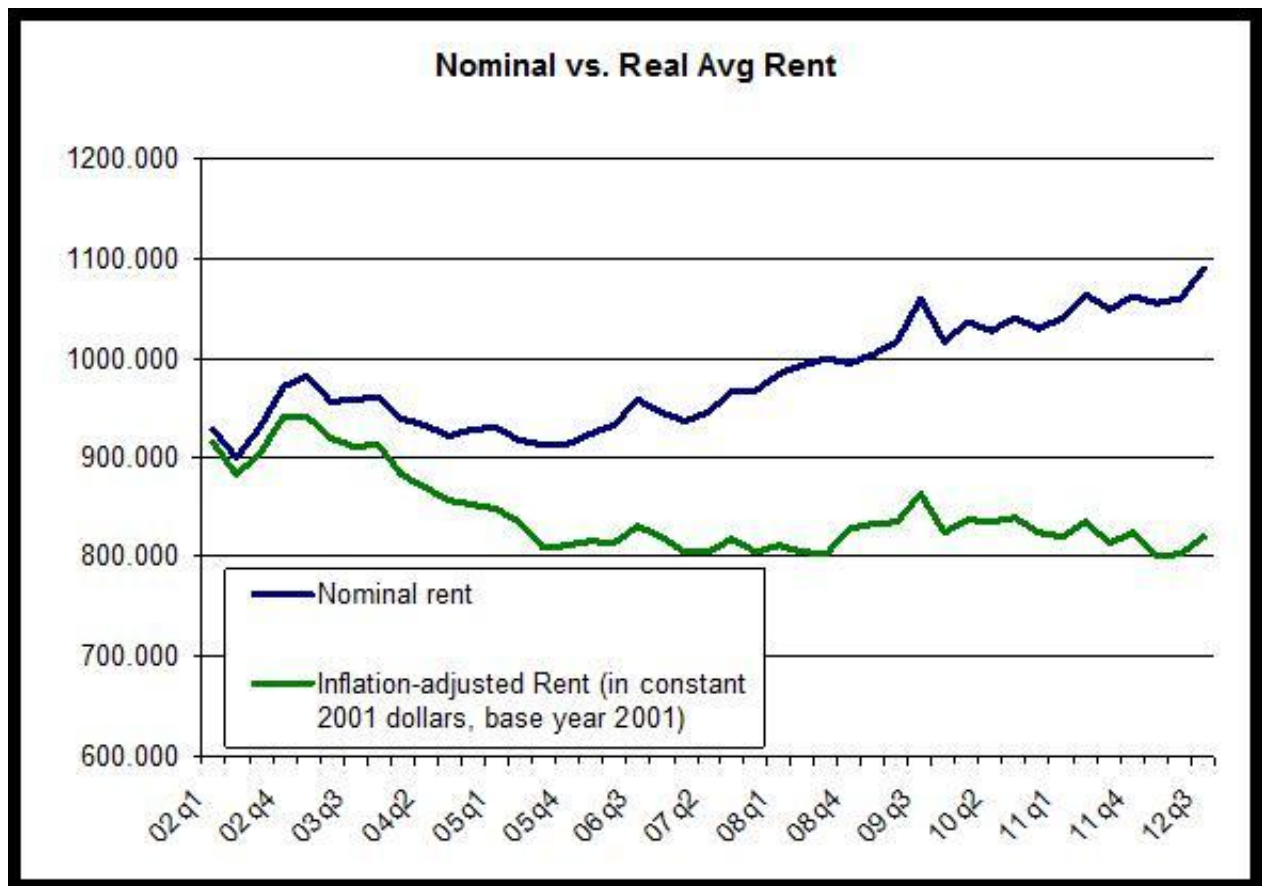
Real Estate is one of the best vehicles to keep up with the inflation. However, surprisingly, even though the rents are rising they have not kept up with the inflation. I often hear the reasoning that, say, a \$25-increase a month is not worth having a month or so of vacancy. Though, that argument has merits, the inflation erodes more than \$25 a month. For those of you that have rentals, put mechanisms in place, like having the increase built in your leases, that would set the expectations and you will face less resistance.



Source: [Colorado Division of Housing](#)



Source: [Colorado Division of Housing](#)

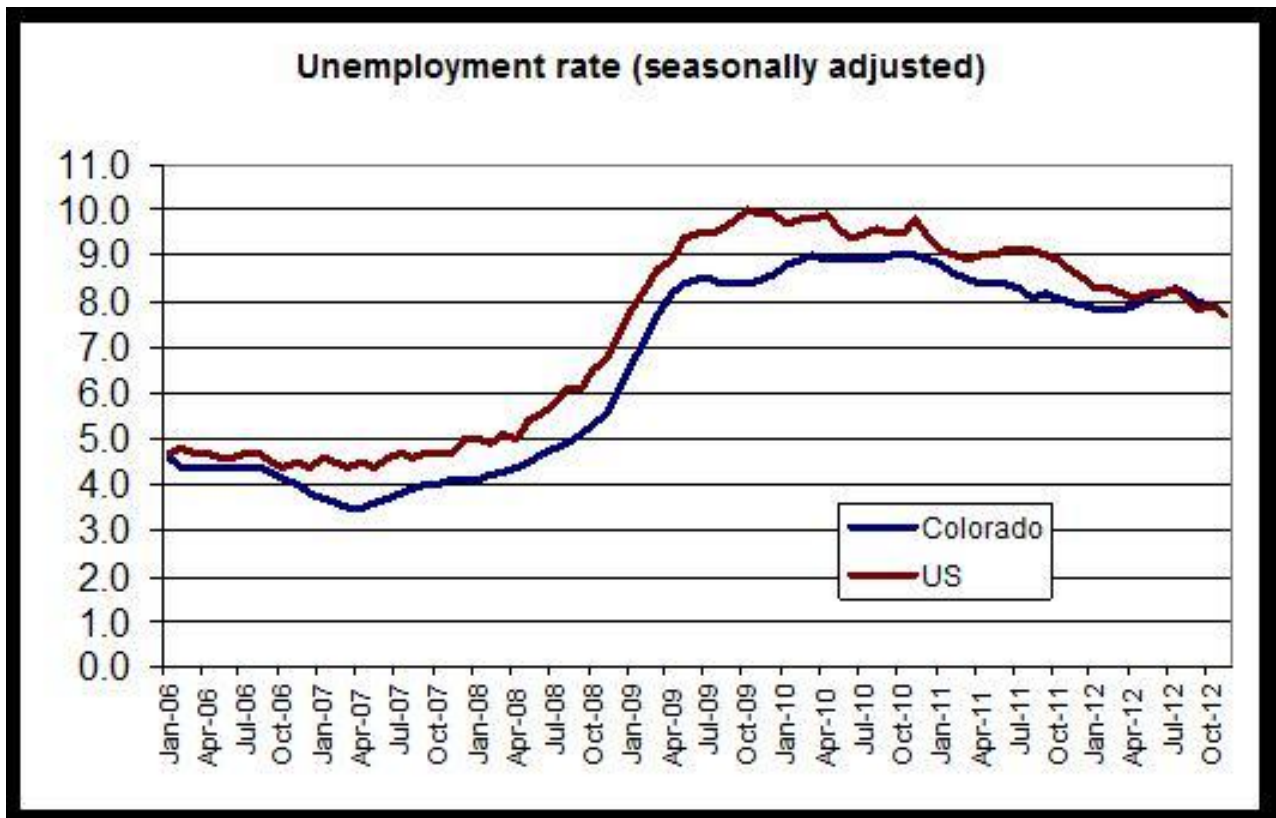


Source: [Colorado Division of Housing](#)

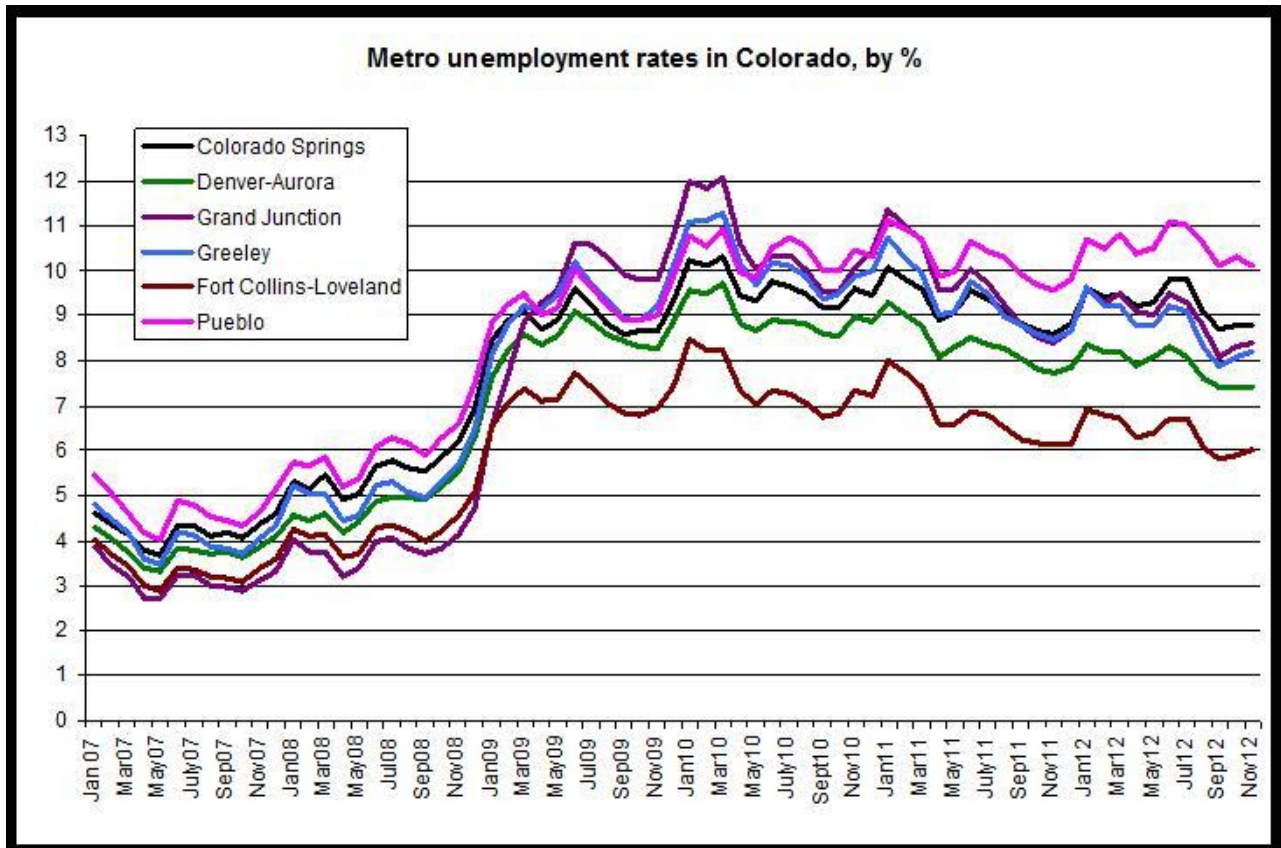
Unemployment:

Everything hinges around the employment. The Colorado unemployment rate is at the national levels. Colorado Springs at the lowest and Greeley at the top. The Metro Denver is at about 7.4%. With the new construction picking up, I am looking out to see hiring in that segment with its ripple effect throughout the whole economy.

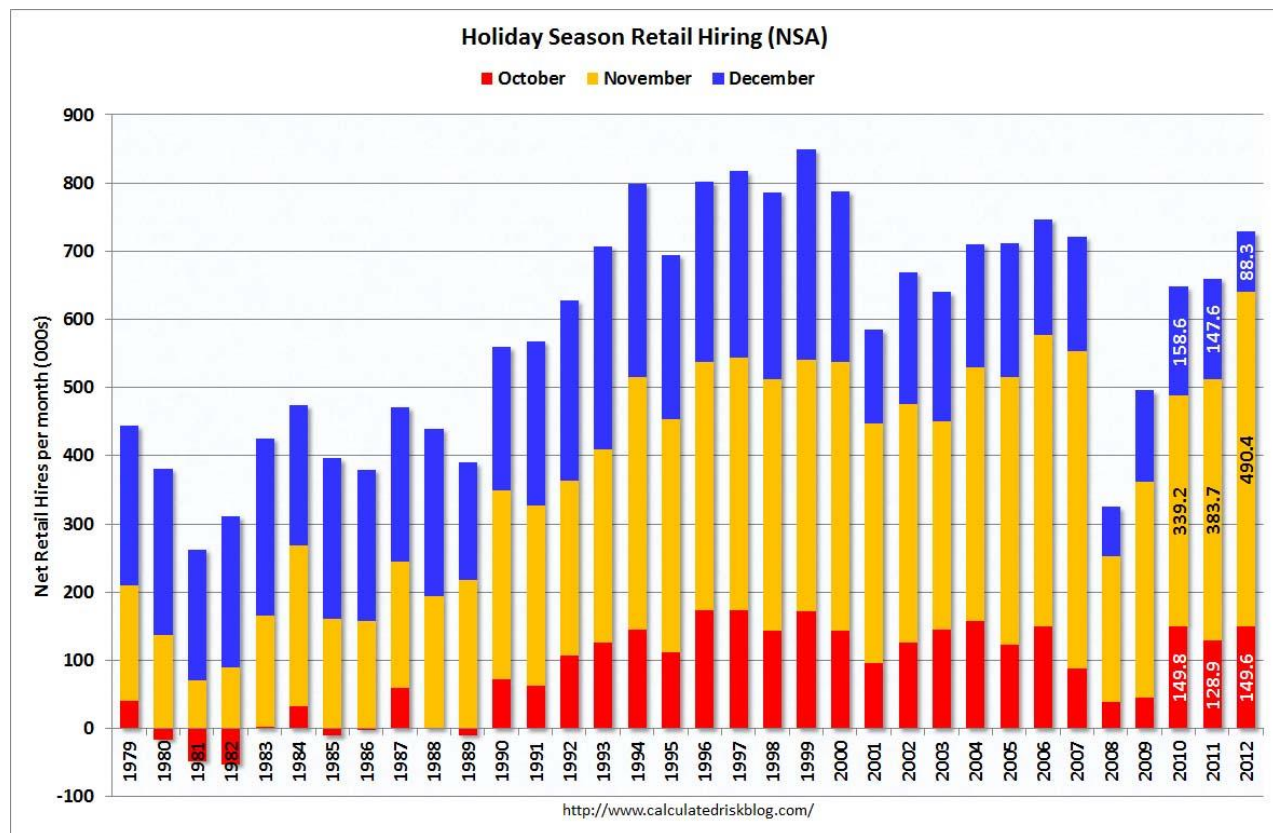
The last two graphs in this series put this recession, that we are climbing our way out, in perspective.



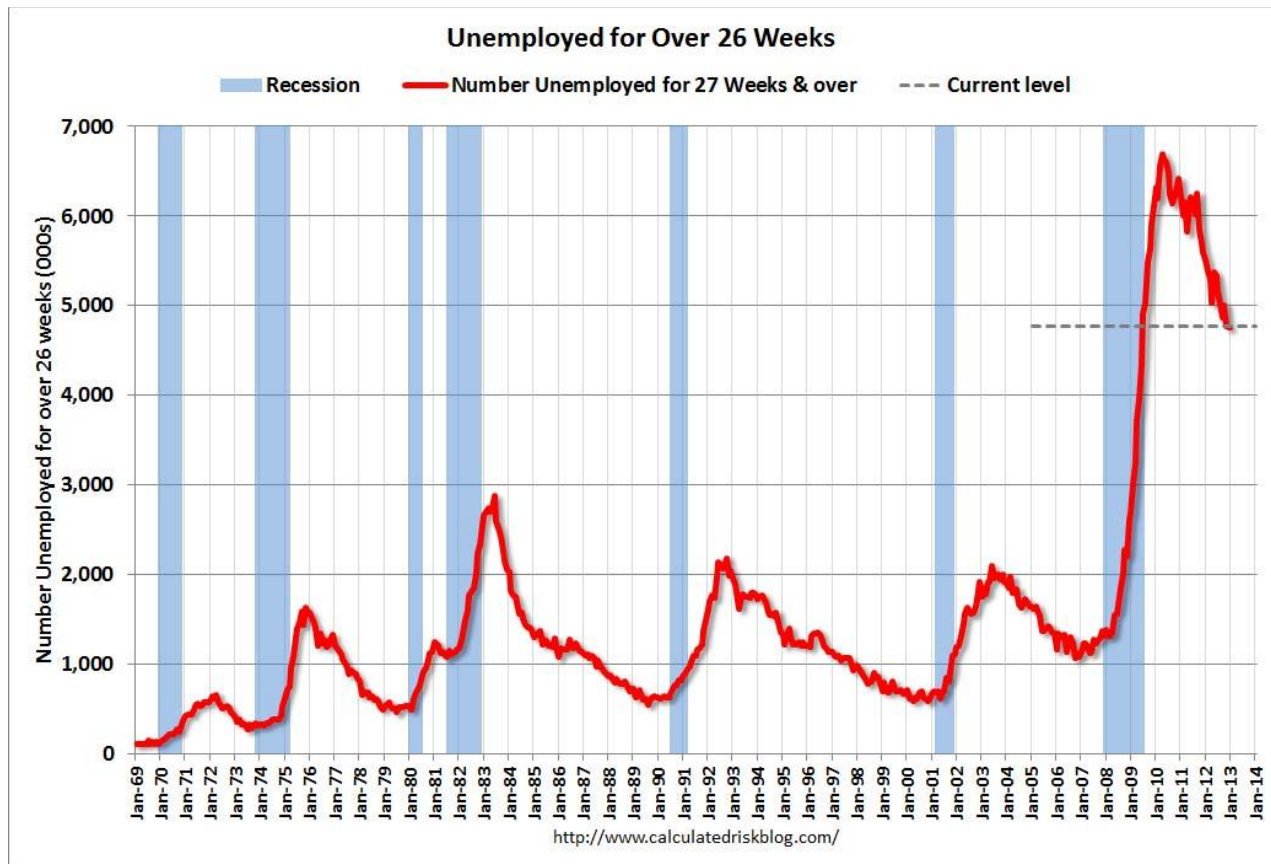
Source: [Colorado Division of Housing](#)



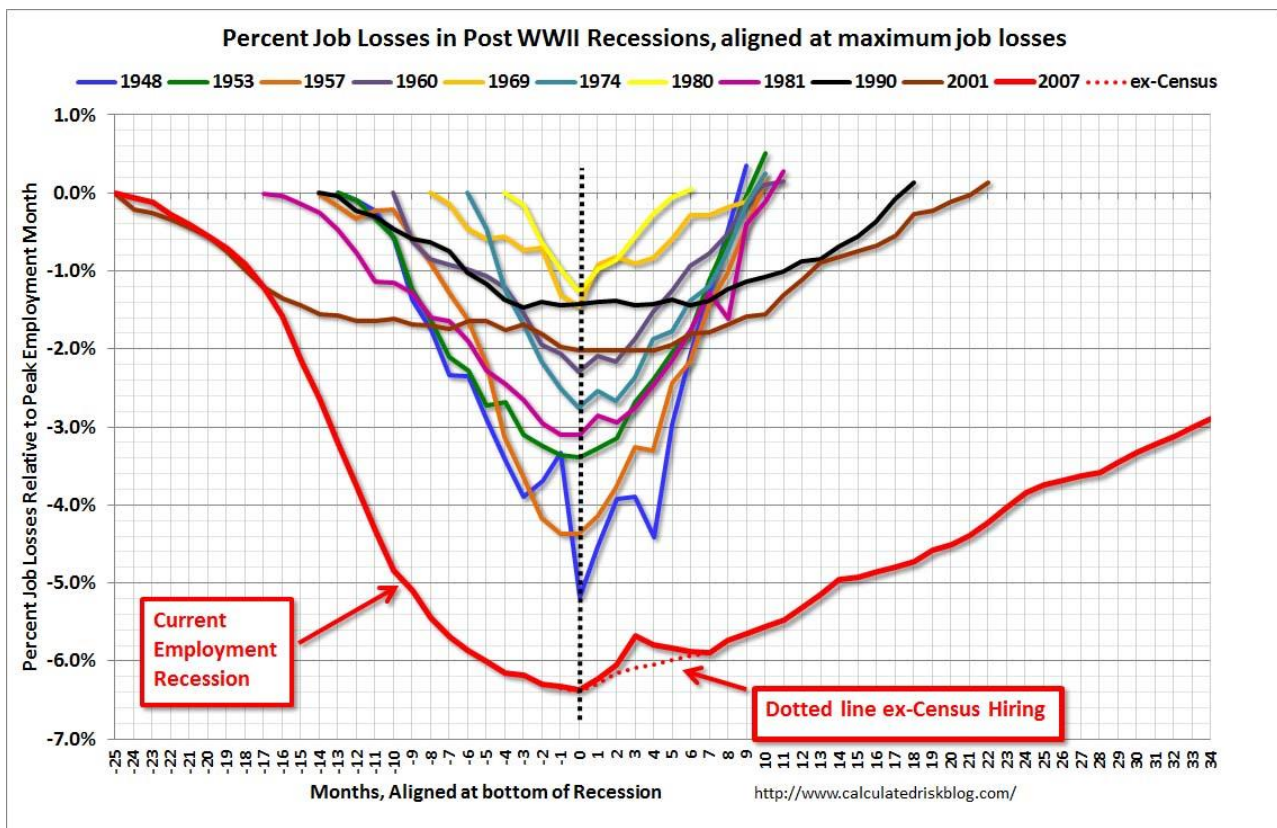
Source: [Colorado Division of Housing](#)



Source: <http://www.calculatedriskblog.com/>



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Home Prices:

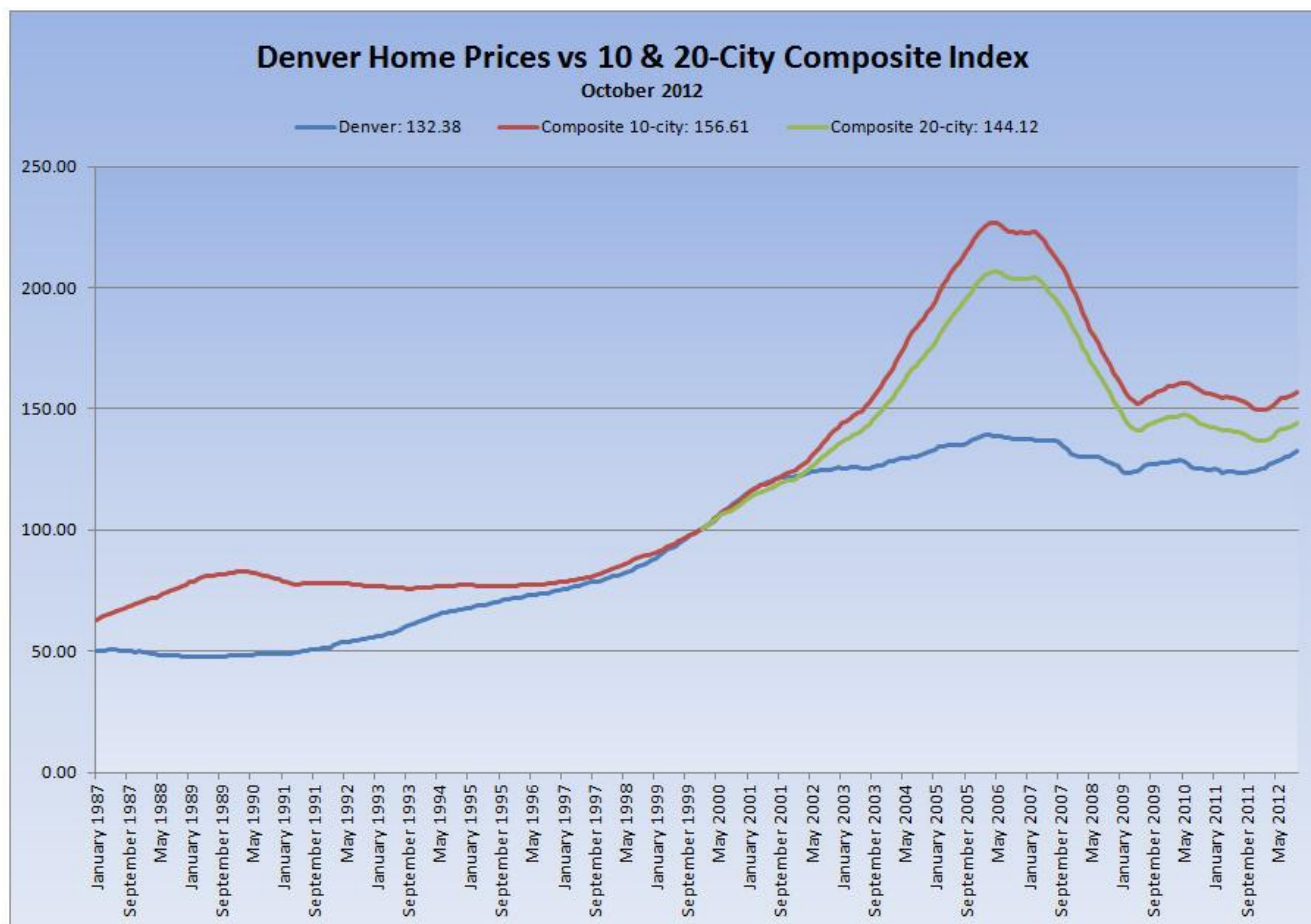
Our forests weren't the only thing on fire this year. The real estate market, particularly in the west, has caught on the heat. The sales of luxury, upper end homes are starting to follow. The Standard & Poor Case Shiller report indicates home prices are well up. Existing home sales are up. And, we are seeing a lot of activities in new home sales. The permits are up. Here is that word, however. Perhaps seasonal, the 6-month trend, moving averages, of home prices are down for the composites indices, and flat Denver.

The 10-city composite index includes Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, Washington, D.C.

The 20-city composite index adds Atlanta, Charlotte, Cleveland, Dallas, Las Vegas, Minneapolis, Phoenix, Portland, Seattle, and Tampa.

The counties included in Denver-Aurora Metro area are Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.

Case Shiller prices lag 2 months.



Source: S&P Case-Shiller®

Analysis & Graphs: Hossein Tolooee, Metro RE Investment Group & Property Management

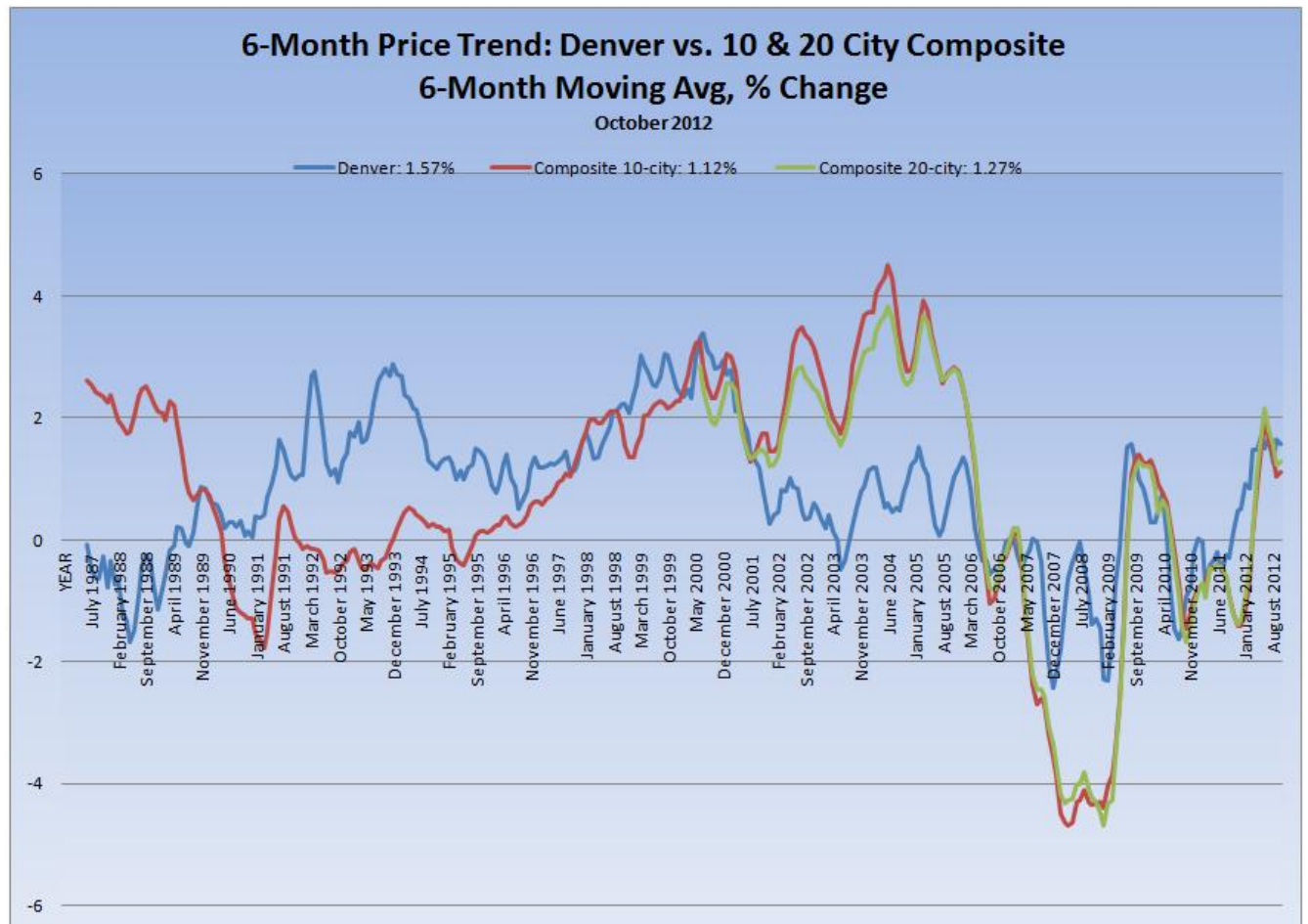
Y/Y % Price Change Denver vs. 10 & 20-City Composite

October 2012



Source: S&P Case-Shiller®

Analysis & Graphs: Hossein Tolooee, *Metro* RE Investment Group & Property Management



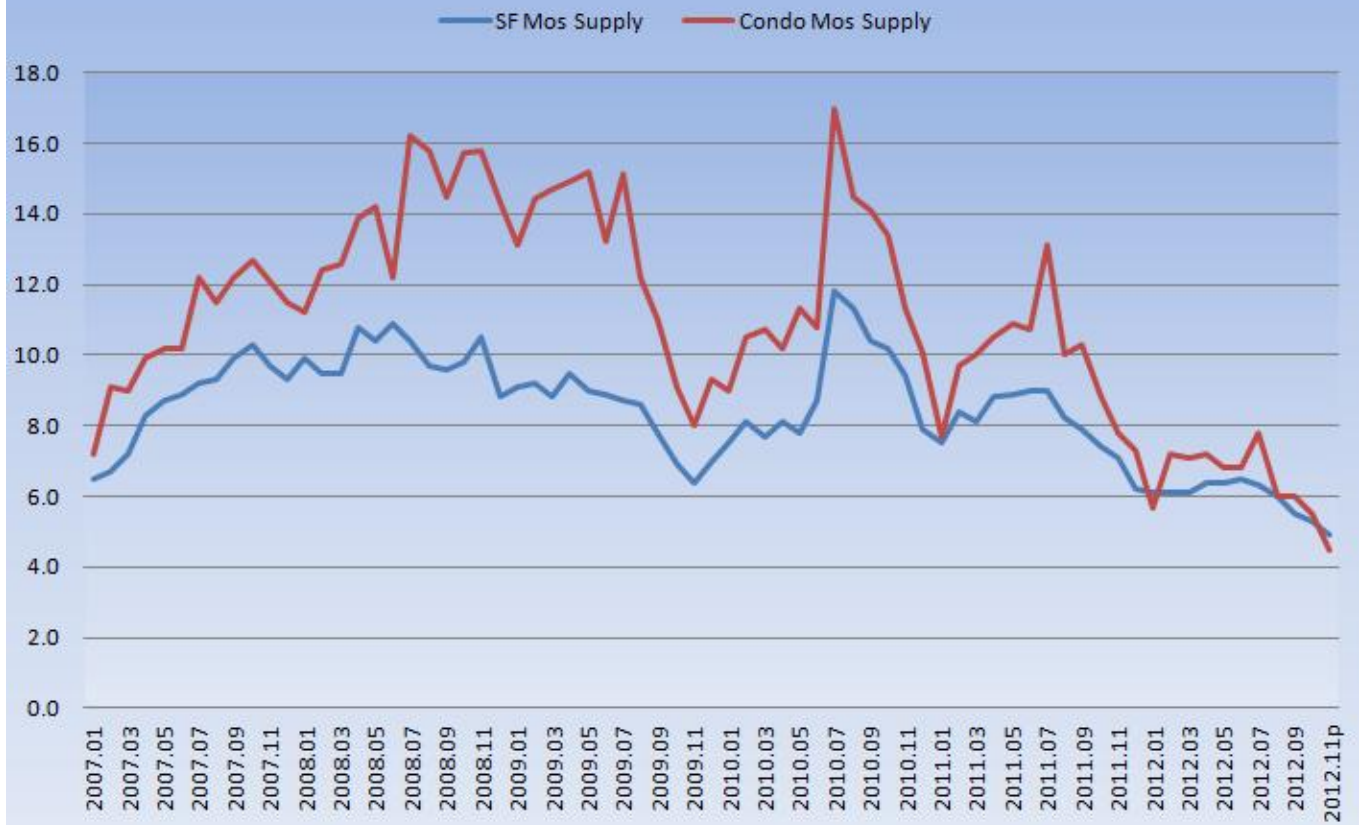
Source: S&P Case-Shiller®

Analysis & Graphs: Hossein Tolooee, **Metro** RE Investment Group & Property Management

Existing Home Sales and Inventory

Inventory: Months Supply of Homes on Market

Nov 2012



Source: National Association of REALTORS®

Graph & Analysis: Hossein Tolooee, *Metro* RE Investment Group & Property Management

Monthly Existing-Condo Sales

Non-Seasonally Adjusted
Colorado is in West Region
Nov 2012



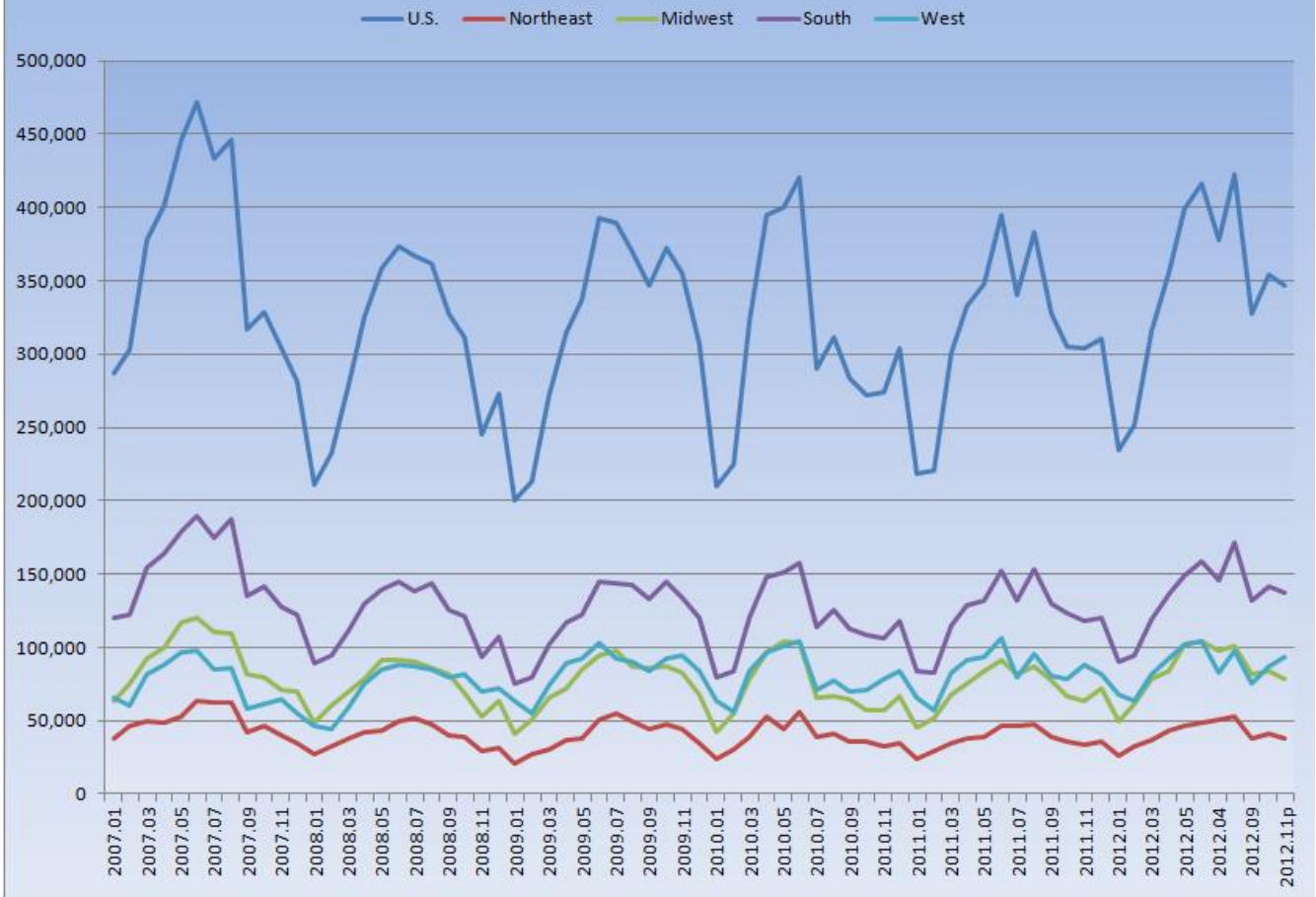
Source: National Association of REALTORS®

Graph & Analysis: Hossein Tolooee, *Metro* RE Investment Group & Property Management

Monthly Existing-Single Family Home Sales

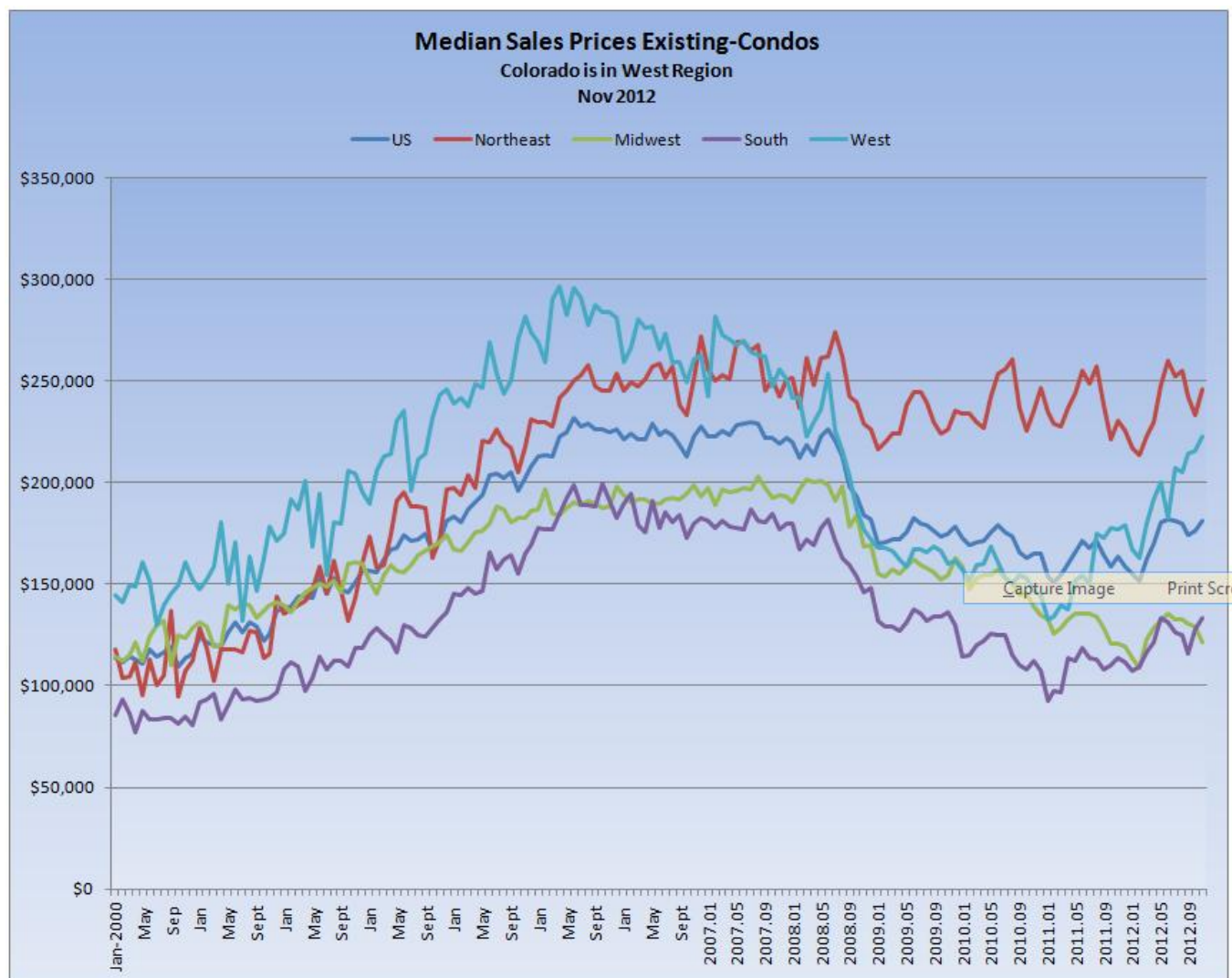
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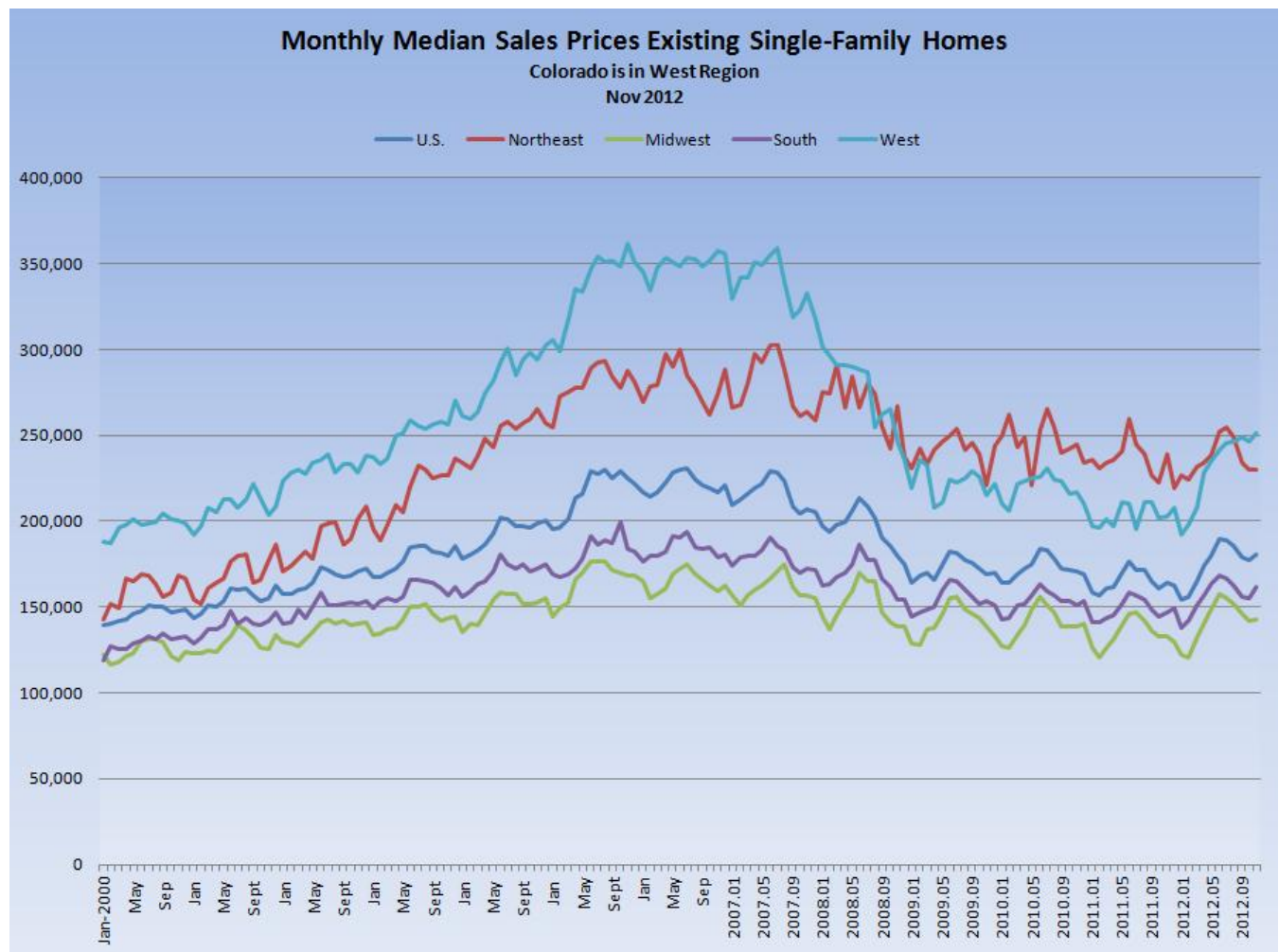
Source: National Association of REALTORS®

Graph & Analysis: Hossein Tolooee, *Metro* RE Investment Group & Property Management



Source: National Association of REALTORS®

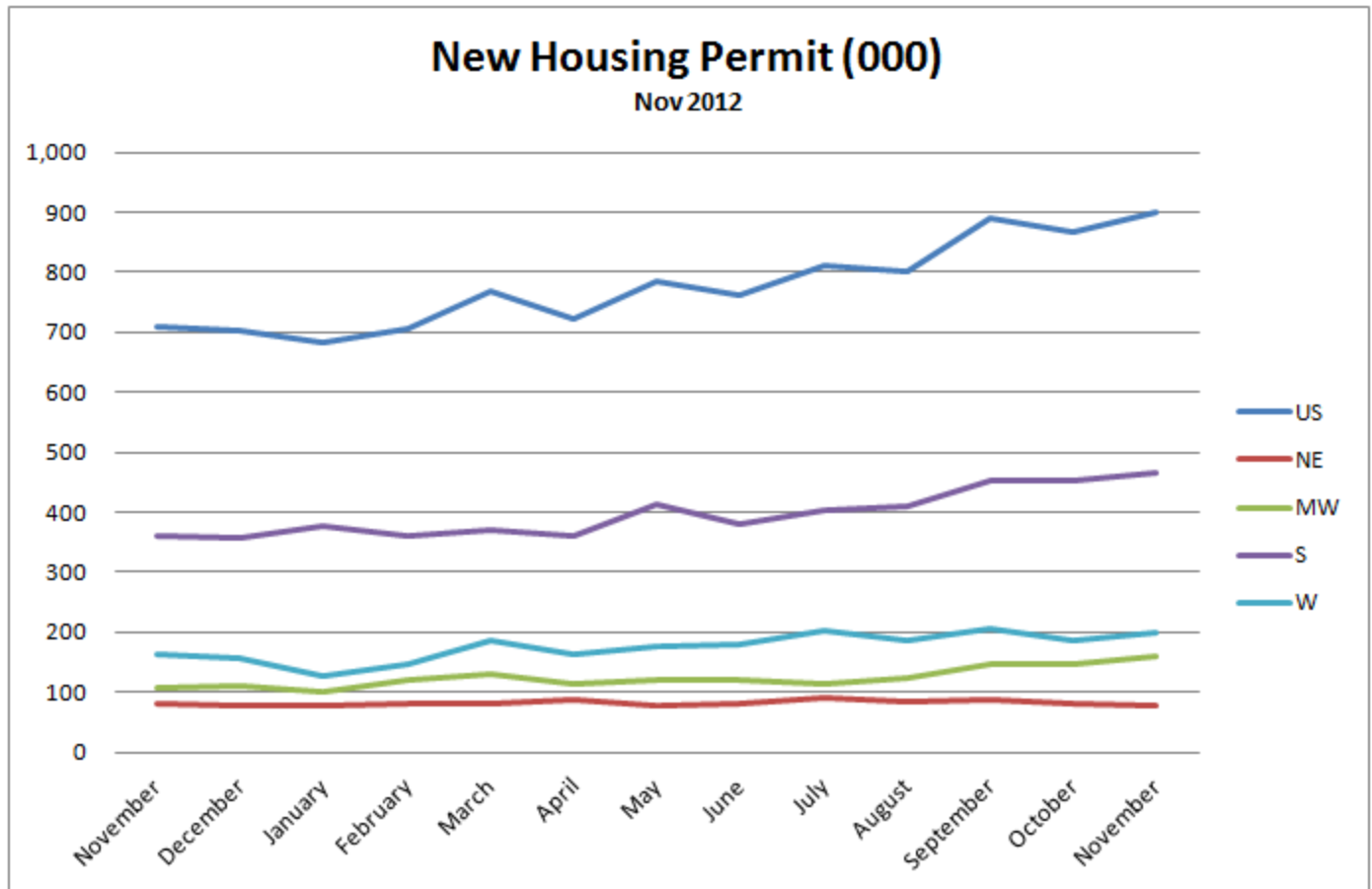
Graph & Analysis: Hossein Tolooee, *Metro* RE Investment Group & Property Management



Source: National Association of REALTORS®

Graph & Analysis: Hossein Tolooee, *Metro* RE Investment Group & Property Management

New Housing Permits



Source: The U.S. Census Bureau and the Department of Housing and Urban Development
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This is about it for the year wrap-up. If I can ever be of any assistance please call.

Hossein Tolooee

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