

From the Denver Business Journal:

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Weak economic data to persist for Denver

Date: Monday, August 29, 2011, 4:47pm MDT

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Employment in Colorado is likely to grow only 0.6 percent for all of 2011, and unemployment will remain high at 8.8 percent, according to the Metro Denver Economic Development Corp.'s Midyear Economic Update released Monday.

So far, Colorado has not been a standout in the recovery, the report concluded. The state's year-over-year employment gain in July of 0.7 percent ranked 33rd fastest among the 44 states that reported growth, and the state's seasonally adjusted unemployment rate of 8.5 percent was higher than rates in 27 other states.

"Significant headwinds from the public sector and the still-harsh economic climate for startups mean overall employment growth will remain unimpressive this year," the report said.

The shrinking of the federal government will affect the state negatively on two fronts: increased layoffs in the public sector and slower growth for the many industries here that rely heavily on government contracts, according to the report.

The story is pretty much the same for metro Denver, which is expected to see job growth of 0.5 percent and an average unemployment rate of 8.7 percent.

The nation's underlying vulnerabilities — massive federal debt, lack of confidence in the private sector and household debt problems — continue to stall a strong economic recovery, said Metro Denver EDC chief economist **Patty Silverstein**.

"These challenges are difficult in themselves, but their interconnectedness makes them

much harder to confront," Silverstein said. "The recent uncertainty in the economy suggests meaningful growth will not appear until these imbalances are resolved."

On a positive note, companies with a focus on health care and renewable energy "are expected to add a respectable number of jobs this year," according to the report.

Other highlights from the report:

- Metro Denver home sales will increase a modest 0.6 percent and total 39,060 this year and the median home price will decline a slight 0.8 percent in 2011 to \$230,600.
- The number of building permits issued in metro Denver in 2011 will increase 8.5 percent from last year to 5,585.
- Metro Denver foreclosures will decline 29.5 percent this year to 16,500.
- Office vacancies will remain above 13 percent for the rest of 2011 and will decline only slowly thereafter.
- Industrial vacancies will remain around 6 percent this year and retail market vacancies will average 7.5 percent for all of 2011.

> [Click here for an executive summary of the report.](#)

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