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 For Immediate Release

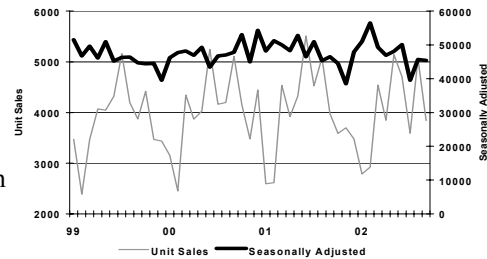
Denver Board of REALTORS®
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JULY SPOILS THIRD QUARTER

Summary: There were bright spots as well as a few disappointments in the third quarter of 2002. Inventory (see note below) whittled itself down, appreciation rate changes were mixed, and housing affordability continued to improve. Sales plunged in July, but August and September held up. Seasonally adjusted annual sales ended in September at 45,400, not much different from August's 45,700, and interest rates remained low.

Note: Metrolist, Inc. the source of our housing data, found a glitch in their reported inventory. Inventory figures have been revised from February 2001 to July 2002. Denver Board's month's supply numbers and charts were not affected. In the event you wish to receive the revised inventory numbers or revised monthly reports; we will be happy to mail or e-mail them upon request.

Denver Metro Single Family and Condominium/Townhouse
 Seasonally Adjusted Annual Sales vs. Actual Unit Sales



Demand: Sales were a disappointment in the third quarter. Condominium sales declined each quarter this past year. Single-family sales, for the first time this year, were less than last year's closings. July's sales decline spoiled the quarter. Condominium sales plunged 22 percent from the 2001 third quarter level and single-family sales fell by 20 percent. On the positive side, August and September sales almost equaled last year. Despite leveling off in August and September, single-family closings ended six percent less and condominiums were down 10 percent.

Inventory (Revised): Inventory slowly declined since the beginning of the year. First quarter single-family inventory increase 46 percent over the first quarter of last year, while the third quarter inventory increased to 20 percent over last year. First quarter condominium inventory increased 65 percent in the first quarter and 31 percent in the third. Even though there was improvement, inventory remained excessive in the upper price ranges. By comparing the inventory percentage changes in the number of homes placed on the market above \$300,000, it is clear where overcapacity was most problematic.

Inventory Above \$300,000	% inc. from '01 to '02	
Price Range	Single Family	Condo's
\$300m to \$399.9m	51%	36%
\$400m to \$499.9m	46%	19%
\$500m to \$999.9m	28%	15%
\$1000m plus	19%	52%

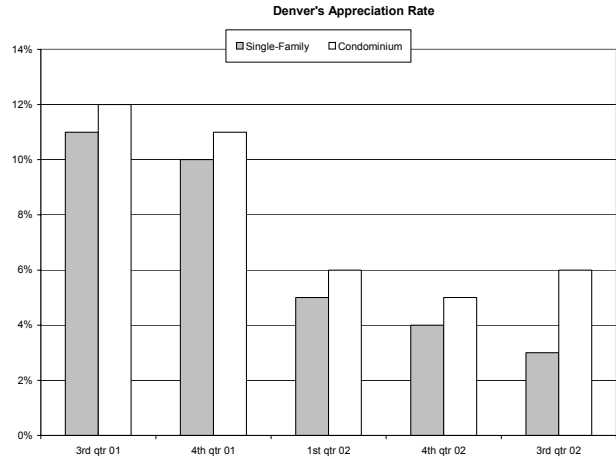
Month's Supply: Month's supply is the ratio between inventory and demand. It is calculated by dividing the inventory by the number of sales to determine the number of months needed to deplete the entire inventory at a given period of time.

In prospective, Denver's month's supply, for the first nine months, was 4.7 compared to the latest national month's supply of 4.6. For single-family homes over \$300,000 and condominiums over \$200,000, where the highest inventories and the lowest sales were in July, month's supply ended at 8.2 and 8.9 respectively.

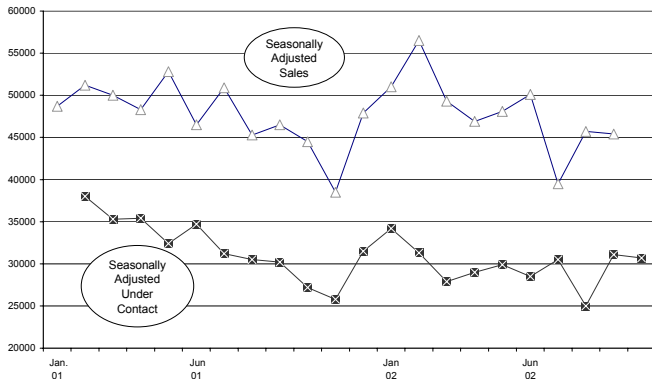


Appreciation Rate: Appreciation rate change was mixed. Condominium median price appreciation rate improved from five percent in the second quarter to six percent in the third. Disappointingly, single-family median rates slipped from four percent in the second quarter to three percent.

Affordability: Denver's Housing Affordability Index was at 135 percent, a new high since 1998, compared to the national Index at 133 percent. Denver's Entry Level Affordability Index reached 99 percent, another new high since 1998, compared to the latest national rate of 82 percent. Housing affordability improvements were due to Denver's price reductions and record low interest rates.



Seasonally Adjusted Sales vs. Under Contract
Reported Under Contract Advanced One Mo.



Under Contract Connection:

The number of homes under contract is a leading indicator whereas the number of closings is a lagging indicator. Housing trends can be predicted by comparing the number of seasonally adjusted homes and condominiums under contract with the number of sales. Since the beginning of January 2001 to September 2002, homes under contract have indicated market direction. The inconsistencies were the months of June and July when closings plunged. Based on the September under contract numbers, October sales should be on the low side.

Conclusion: The third quarter left us with signs of improvement coupled with disappointments. Inventory dropped, housing affordability improved, and condominium appreciation rates moved up. Single-family appreciation rate fell. Demand took its toll in July, but August and September sales leveled off.

Newspaper headlines read "Denver's Recession Worst In 20 Years" in mid-September, and the article emphasized how the job losses are affecting Denver's economy. In the midst of it all, the housing market was proclaimed to be one of Denver's economic strengths. To maintain its intensity, interest rates must remain low, inventory must continue its decline, and more buyers must take advantage of competitive pricing.

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