

# Defense 'a lie'

Convicted ex-Qwest CEO Joe Nacchio declined to use as a defense at his insider trading trial that he was privy to secret government information. The reason? It was "a lie," the prosecutor says. ▶3



Stricklin

Nacchio

DIA gets a checkup  
Israeli airport security experts take a tour and offer suggestions for improvements. ▶2

## Rocky Business

Dow  
14,015.12 ▼63.57Nasdaq  
2,772.20 ▼39.41S&P 500  
1,554.41 ▼8.0610-yr. T-notes  
4.69% ▲0.04

# 1 in 9 jobs tied to real estate

Employment, earnings crucial to local economy

By John Rebchook  
ROCKY MOUNTAIN NEWS

One out of every nine jobs in Colorado is tied to the multibillion-dollar residential and commercial real estate industry, according to a report released Thursday.

"Regionally, real estate-related employment and earnings are a bedrock of the local economy," noted the report prepared for the Colorado Association of Realtors.

The report, done by the University of Colorado at Colorado Springs and the Colorado Policy Studies group, tracked the economic impact of the real estate industry from Grand Junction to Pueblo.

"Approximately 10.8 percent of the region's jobs and earnings and profits are real estate related," the report concluded.

The report was based on 2005 data, the most current information available, said Kit Cowperthwaite, the 2007 president of the 28,000-member Realtor group. It shows:

- More than 65,000 people were directly employed in the real estate industry.
- 242,000 were indirectly employed.
- In 2004, more than \$16.5 billion in wages and profits was generated by the industry.
- More than half — \$9.1 billion — came from the Denver area.
- More than \$5.23 billion in property taxes was collected statewide in 2005.

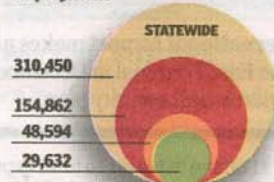
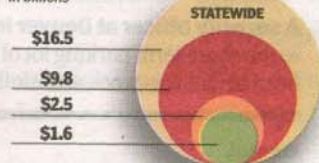
"The real estate industry is bigger than tourism," Cowperthwaite said. "Real estate is a driving force in our economy. I think it may surprise people that so many industries are related to real estate."

The report, for example, includes data not only on real estate, but on the impact of furniture, electronics, appliances and building materials.

## Industry's wide reach

Based on 2005 data, more than 65,000 people were directly employed in the real estate industry in Colorado, and 242,000 were indirectly employed. In 2005, more than \$16.5 billion in wages and profits were earned by people in the industry, accounting for slightly more than 11 percent of the total income in the state.

2005 real estate-related employment

2005 real estate-related earnings and profits  
In billions

Share of the state's ...

	METRO	NORTH FRONT RANGE	MOUNTAIN RESORT
Population	50%	17%	4%
Real estate earnings and profits	55%	15%	9%
Assessed value of all property	44%	17%	13%
Real estate-related employment	50%	16%	9%

Breakdown of employment by sector

Sector	METRO	NORTH FRONT RANGE	MOUNTAIN RESORT
Nonresidential building	5%	6%	2%
Residential building	7%	8%	15%
Real estate	22%	22%	31%
Furniture, appliances and building materials	16%	18%	10%
Specialty trade contractors	50%	46%	42%



Source: Colorado Association of Realtors

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Independent broker Gary Bauer said, at first blush, it may not seem possible the industry generates such huge numbers. But because building a house employs not just a developer or builder, but plumbers, electricians, roofers, landscapers and others, it begins to make sense, he said. And selling a home involves Realtors, title companies and mortgage companies, so it is easy to see how the economic impact multiplies, he added.

However, rising foreclosures

and the loss of jobs in the mortgage industry may already have hurt the real estate economic engine, the report notes.

Homeowners borrowing against the equity in their houses were credited with softening the impact of the last recession, but that may not be the case during the next economic downturn because many homeowners no longer have equity to borrow against. Colorado and the Denver area are suffering from record foreclosures that could hit 40,000 state-

wide this year.

"The foreclosure activity in the state is both a vulnerability and a warning for the future," the report notes.

Cowperthwaite and Bauer, in separate interviews, said parts of the real estate industry already have been hit this year.

"I suspect it has changed somewhat," Cowperthwaite said. "We have seen a drop in residential construction activity since 2005."

Bauer said the mortgage industry has taken a big hit in employ-

ment since August, when the subprime market collapsed.

Chicago-based Challenger, Gray & Christmas said 130,000 financial jobs nationwide were cut in the first nine months of this year, with the biggest share resulting from losses in the subprime lending business.

That equates to about 2,600 jobs lost in Colorado, many of them high-paying, Bauer said.

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