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COLORADO HOUSING AFFORDABILITY REPORT

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ABOUT THE AUTHORS



Peter LiFari is the 2025 CSI Housing Fellow. He is the Chief Executive Officer of [Maiker Housing Partners](#), a socially conscious public housing authority, owner, operator, and developer of multifamily affordable housing based in Adams County, Colorado. In his role as CEO, LiFari leads a passionate team committed to ending the cycle of generational poverty by providing individuals and families with access to affordable housing and support programs and by engaging in community development. LiFari is a compassionate visionary whose leadership style is grounded in treating individuals with empathy, warmth, and grace.

Beyond his work with Maiker Housing Partners, LiFari is currently using his expertise to provide strategic guidance to Rocky Mountain Partnership, a collective impact model, as Co-Chair of their Steering Committee. Additionally, he was appointed by the Governor of Colorado to serve on the inaugural Colorado Statewide Middle Income Housing Authority Board and serves as Chairman. LiFari is the recipient of the 2023 NAHRO Outstanding Professional of The Year Award, and past Chair of the National NAHRO Community Revitalization and Development Committee. LiFari is the current 2025 Housing Fellow and past Terry J. Stevenson Fellow at the Common Sense Institute and is frequently invited to showcase his expertise in affordable housing through local and national speaking engagements including panel discussions and podcasts.

LiFari is a graduate of the Maryland Institute College of Art. He earned his MFA from Queens College and his MBA from the Florida Institute of Technology.



Steven Byers, Ph.D. is the Senior Economist with Common Sense Institute. Steven's experience as an economist spans twenty-six years, including work at federal regulatory agencies (SEC, CFTC, PCAOB) and quantitative economic analysis supporting international trade litigation cases brought before the U.S. International Trade Commission.

ABOUT THE CSI HOUSING FELLOWSHIP

Colorado ranks in the top 10 most expensive places to live and while many factors contribute to the rank, housing is one of the most significant. If people can't afford to live here, economic development will suffer, jobs will suffer, families will suffer, and our economy will stagnate.

The focus of the fellowship is an issue that impacts every single Coloradan – housing affordability. The fellow will continue to develop original research and analysis to fulfill CSI's mission of delivering facts and data to the policy challenges facing our state. The Fellowship is a yearlong commitment and focuses on a number of research topics impacting housing.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of our economy. As a leading voice for free enterprise, CSI's mission is to examine the fiscal impacts of policies and laws and educate voters on issues that impact their lives.

CSI's founders were a concerned group of business and community leaders who observed that divisive partisanship was overwhelming policy-making and believed that sound economic analysis could help people make fact-based and *common sense* decisions.

CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. CSI's work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit of academic freedom. The CSI team's work is informed by data-driven research and evidence.

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INTRODUCTION

Regrettably, the Common Sense Institute (CSI) Homebuyers Misery Index, which measures effective homebuying costs, has worsened across many parts of the Denver metro since the last CSI quarterly housing affordability report.ⁱ According to CSI's Free Enterprise Competitiveness Housing Index,ⁱⁱ Colorado currently ranks 50th in competitiveness relative to 49 states and the District of Columbia, highlighting the urgent need for continued strategic interventions. Despite declining mortgage rates in 2024, interest rates have since increased and inventories have remained small, keeping the cost of housing stubbornly high. New housing permitting also remained slow in 2024, causing all Denver metro area counties to end the year in a housing-supply deficit.

This report analyzes trends in housing affordability and estimates whether there is a deficit or surplus in housing units in seven counties in the Denver metro area and five other large counties. Data sources used and most recent availability include the American Community Survey (2024), the National Association of Homebuilders (2020), the U.S. Department of Housing and Urban Development (January 2025), Zillow (March 2025), and the Colorado State Demography Office (2022). The housing deficit/surplus in 2024 is estimated using forecasts of population and average household sizes. It is important to note that the housing unit deficit/surplus estimates may change with each new U.S. Census data release.

The Denver metro area continues to grapple with a housing shortage, resulting in sky-high home prices and an alarming affordability crisis for owners and renters alike. Home prices have remained high while mortgage rates remain elevated, making housing more difficult to afford. The decline in affordability meant that the hours of work required for the average homeowner in the Denver metro to afford a mortgage rose to 97, a 94% increase from just 50 a decade ago. In Pueblo, the increase was 157% from 2015, from 35 to 90.

In 2024, the housing deficit in the Denver metro area stood between 64,095 and 135,139 units. New home permits in 2024 fell short of the pace of permitting that will be needed to eliminate the housing deficit by 2028.

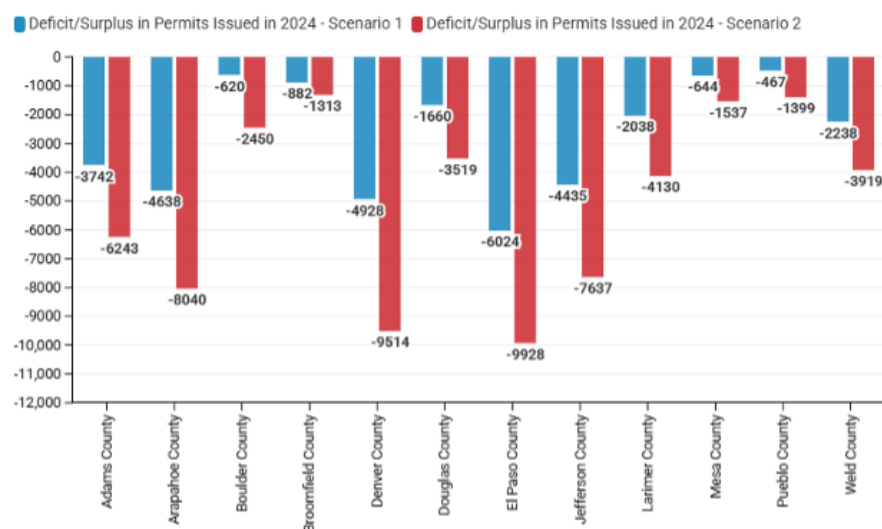
Analysis of permit types highlights that, in 2024, 52.6% of permits in the Denver metro area were for single-family homes and 47.4% were for multi-family units. Adams and Jefferson Counties skewed heavily towards single-family units at 85.1% and 79.5%, respectively. Rectifying the housing shortage necessitates a strategic permit issuance approach and a diverse housing development plan that emphasizes both for-sale and multi-family rental units.

Key Findings:

- **Affordability Worsens:** The Homebuyer Misery Index rose in all counties in the latter half of 2024 and into 2025. Home prices and mortgage rates remained near historic highs in 2024–2025, worsening affordability in most Colorado counties. Mesa County saw the sharpest decline. Only four counties showed slight improvements.
- **Workload for Homeowners Rising:** The hours of work needed to afford a mortgage at the average wage rose 94% in the Denver metro from 2015 to 2025—up from 50 to 97 hours per month.
- **Severe Housing Shortage:** The Denver metro area faces a housing unit deficit between 64,000 and 135,000 in 2024. Meeting future demand in metro Denver will require 37,500 to 55,000 new units annually through 2028.
- **Permitting Gap Persists:** Only 16,615 new home permits were issued in the Denver metro area in 2024—well below what’s needed. No county met its projected permit target.
- **Types of Permits Issued Vary:** In 2024, 53% of Denver metro permits issued were for single-family homes while Adams and Jefferson Counties skewed heavily towards single-family units at 85.1% and 79.5%, respectively.
- **Market Imbalance Deepening:** Listings are rising but closings lag as affordability constraints and economic uncertainty weaken demand, signaling a mismatch between prices and buyer capacity.
- **Policy Response Incomplete:** While the state passed seven housing affordability bills since 2024, regulatory bottlenecks and zoning rigidity continue to limit progress.
- **Among the Least Competitive Markets:** Colorado ranks 50th out of 51 (all U.S. states plus D.C.) in housing competitiveness, reflecting high costs, reduced accessibility, and persistent regulatory friction.
- **Permit Distribution:** In 2024, the distribution of permits in the Denver metro area revealed 52.6% for single-family and 47.4% for multi-family units. Adams County issued the highest share of single-family unit permits at 85.1%, while Broomfield had the lowest share at 14.1%.
- **Challenges Ahead for Colorado’s Housing Market:** The Denver metro area housing market faces persistent challenges in 2025, characterized by enduring housing shortages compounded by an insufficient number of new building permits. Without falling interest rates, this scenario is likely to reduce the availability of new homes and damage affordability.

FIGURE 1

Shortage/Surplus of Annual Permits Required to Close the Housing Shortage and Meet New Housing Demand



Source: U.S. Census and H.U.D.

COLORADO HOUSING COMPETITIVENESS

The prevalence and affordability of housing are critical to the competitiveness of Colorado's economy. It impacts employers' abilities to retain talented workers, affecting the overall attractiveness of Colorado because housing consumes such a large share of a household's budget. As discussed in this report, the high cost and shortage of available affordable housing have emerged as one of Colorado's most serious problems.

Figure 2 shows Colorado's decreasing competitiveness relative to 49 other states and the District of Columbia. Colorado's Housing Competitiveness Index score is 46, which currently ranks 50th among all states and the District of Columbia.

Figure 3 shows the components of the aggregate housing competitiveness shown above. The affordability of monthly mortgages and rent have been the largest drivers of the overall decline. One area where there has been some improvement is an increase in the housing permits issued, though there is still a shortage of permitting required to close the housing deficit statewide. Estimates of the shortage are detailed later in this report.

FIGURE 2

CSI Housing Competitiveness Index - Colorado

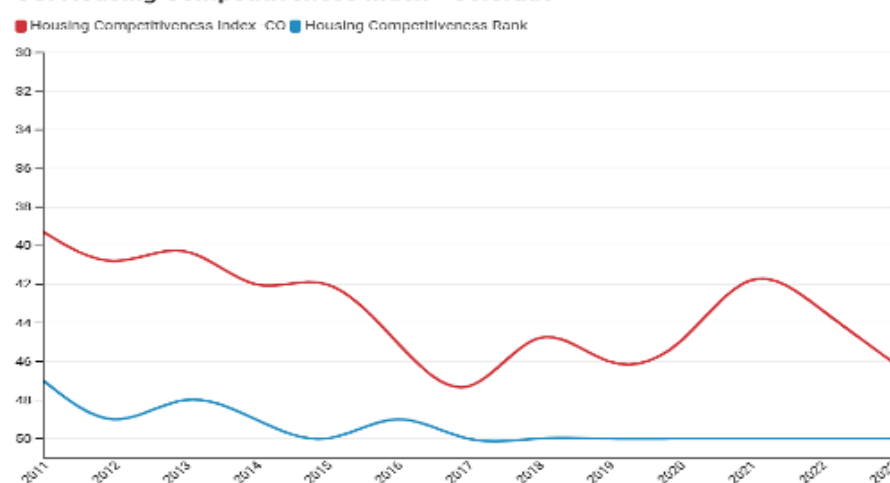
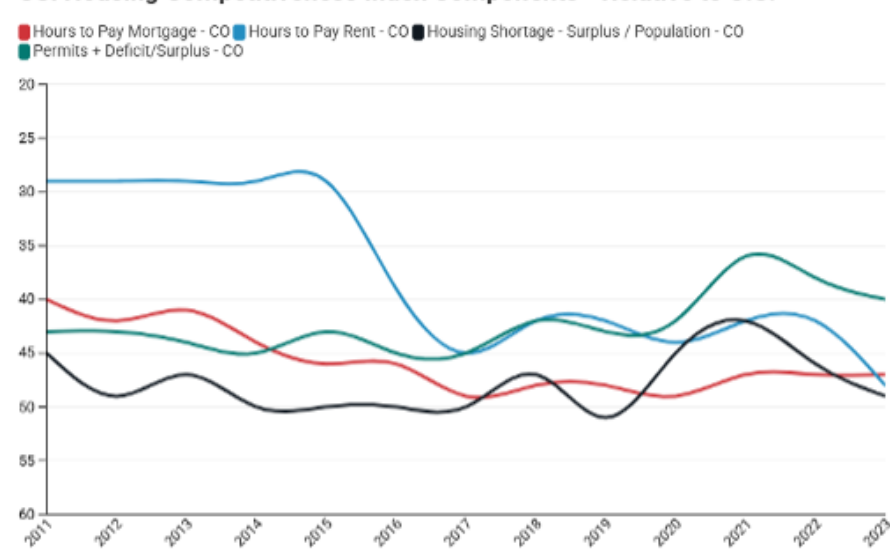


FIGURE 3

CSI Housing Competitiveness Index Components - Relative to U.S.



A Colorado competitiveness metric may rise at the state level, however, fall relative to the U.S., thus decreasing Colorado's overall competitiveness. The inverse may also be true.

HOMEBUYER MISERY INDEX

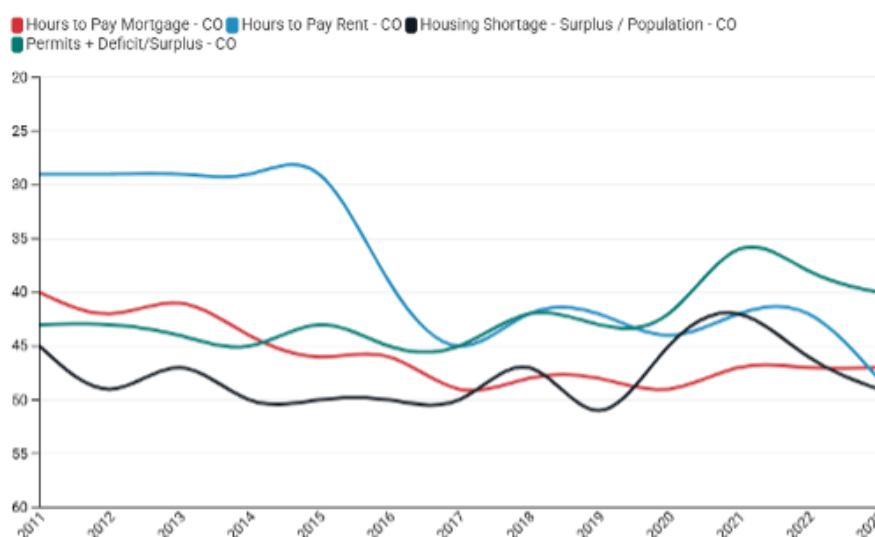
The “Homebuyer Misery Index,” developed by Common Sense Institute, captures the impact of housing prices and mortgage rates on the affordability of purchasing a new home. The Denver, Colorado Homebuyer, and U.S. Homebuyer Misery indices are based on 30-year mortgage rates and Zillow home prices.

The mortgage rates are converted into an index with 2000 as their base year. The mortgage rate index is then added to the Zillow price index and normalized. **Figure 4** shows the Misery Index for 12 of the most populous counties in Colorado: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. The substantial increase from 2012 to the end of 2020 was primarily a function of home prices increasing. Beginning in 2021, home prices in these counties continued to increase, and mortgage rates more than doubled by November 2023. Consequently, the cost to purchase an average-priced home more than doubled from 2012 to 2023, with the largest increases occurring in the Denver metro area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson). In 2024, home prices varied some but remained near historic highs.

After the Homebuyer Misery Index peaked in late 2023, it declined slightly as 30-year mortgage rates declined heading into 2024. In recent months, mortgage rates have risen again, making homes less affordable.

FIGURE 4

CSI Housing Competitiveness Index Components - Relative to U.S.



A Colorado competitiveness metric may rise at the state level, however, fall relative to the U.S., thus decreasing Colorado's overall competitiveness. The inverse may also be true.

In the counties under consideration, **Figure 5**, shows the change in home affordability from January of each year beginning in 2015 to March 2025. Adams County has experienced the largest increase in unaffordability at a 104% increase since January 2015. Larimer County saw the smallest decrease in affordability (70.7%).

FIGURE 5

Percent Change in Housing Unaffordability											
% Change as of March 2025 Since:	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Adams	104.0%	79.6%	62.5%	52.6%	42.0%	42.9%	37.3%	15.4%	1.3%	-0.1%	-1.5%
Arapahoe	96.1%	73.6%	58.6%	50.2%	40.6%	41.5%	36.9%	15.1%	1.4%	-0.3%	-1.7%
Boulder	89.4%	68.2%	52.7%	46.8%	39.5%	40.5%	37.3%	16.4%	0.5%	0.2%	-1.3%
Broomfield	90.3%	71.5%	57.0%	49.7%	41.5%	42.7%	39.5%	16.0%	1.8%	-0.1%	-1.6%
Denver	85.8%	63.8%	50.5%	42.8%	33.3%	34.7%	30.5%	12.6%	-0.9%	-1.6%	-1.7%
Douglas	83.9%	68.4%	58.4%	52.0%	43.8%	45.1%	41.3%	16.0%	2.0%	0.6%	-1.5%
El Paso	74.4%	57.6%	50.0%	44.3%	31.2%	27.5%	18.6%	3.3%	0.9%	1.6%	-0.2%
Jefferson	81.4%	57.1%	47.4%	42.4%	32.7%	29.7%	20.3%	7.1%	2.9%	2.2%	-0.4%
Larimer	70.7%	48.8%	40.3%	36.3%	27.4%	26.1%	20.8%	7.5%	1.7%	2.6%	0.1%
Mesa	82.4%	66.0%	62.1%	57.5%	43.5%	38.8%	29.9%	13.6%	8.3%	6.1%	0.7%
Pueblo	91.7%	70.6%	61.7%	55.6%	39.8%	33.9%	20.0%	3.9%	-0.2%	1.8%	0.2%
Weld	79.0%	54.3%	45.4%	38.2%	27.4%	25.5%	19.1%	4.8%	0.7%	2.6%	0.1%

Over the same period when housing unaffordability increased, the average wage rose in each county by between 33%, in Boulder County, and 50%, in Larimer County, as shown in **Figure 6**. Without comparable increases in wages, affordable housing was pushed further out of reach for many households.

FIGURE 6

Change in Average Wage from January of Each Year to October 2024									
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Adams	44%	40%	43%	37%	27%	24%	22%	11%	4%
Arapahoe	44%	40%	43%	37%	27%	24%	22%	11%	4%
Boulder	33%	36%	35%	27%	15%	14%	15%	10%	7%
Broomfield	44%	40%	43%	37%	27%	24%	22%	11%	4%
Denver	44%	40%	43%	37%	27%	24%	22%	11%	4%
Douglas	44%	40%	43%	37%	27%	24%	22%	11%	4%
El Paso	45%	43%	38%	34%	28%	19%	13%	8%	3%
Jefferson	44%	40%	43%	37%	27%	24%	22%	11%	4%
Larimer	50%	47%	40%	36%	30%	20%	15%	8%	2%
Mesa	39%	42%	35%	29%	25%	20%	15%	7%	2%
Pueblo	35%	43%	32%	36%	24%	20%	10%	4%	-2%
Weld	41%	42%	34%	27%	21%	17%	14%	5%	0%

HOME PRICES

Figure 7 shows home price indices for Colorado's most populous counties. The index for home prices peaked in 2022 and declined through May 2023 before rising slightly through 2025. Boulder has the highest prices in 2025 followed closely by Jefferson County.

As shown in **Figure 8**, since 2015 home prices have increased in percentage terms the most in Pueblo County (133%) and the least in Douglas County (86%).

FIGURE 7

Home Price Indices

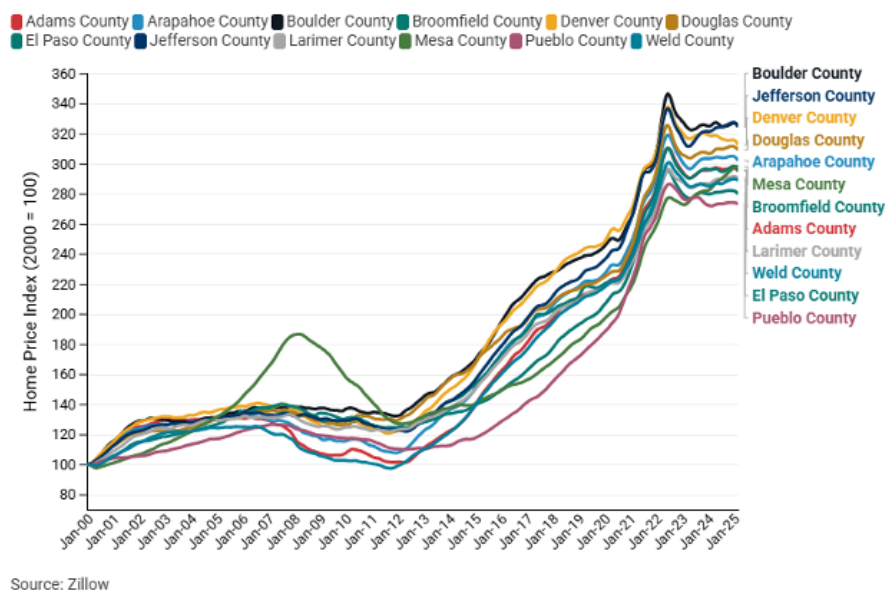


FIGURE 8

Change in Average Home Prices From January of Each Year to March 2025											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Adams	113%	82%	63%	50%	40%	35%	23%	4%	0%	0%	-1%
Arapahoe	102%	74%	58%	47%	38%	33%	22%	4%	0%	0%	-1%
Boulder	93%	67%	51%	43%	37%	33%	24%	6%	-1%	0%	0%
Broomfield	95%	71%	56%	46%	40%	34%	25%	5%	1%	0%	-1%
Denver	89%	62%	48%	38%	30%	26%	16%	2%	-3%	-2%	-1%
Douglas	86%	68%	58%	49%	43%	38%	27%	5%	1%	1%	-1%
El Paso	109%	87%	72%	58%	45%	36%	22%	2%	0%	0%	-1%
Jefferson	102%	82%	65%	53%	45%	37%	24%	7%	2%	1%	-1%
Larimer	94%	71%	56%	46%	39%	33%	25%	7%	1%	1%	0%
Mesa	111%	100%	91%	77%	63%	51%	37%	15%	9%	6%	0%
Pueblo	133%	113%	93%	76%	59%	45%	24%	3%	-2%	0%	0%
Weld	108%	80%	64%	48%	39%	32%	23%	4%	0%	1%	0%

HOURS OF WORK NEEDED TO AFFORD A HOME MORTGAGE

To measure the impact on the average homeowner in Colorado's largest counties, Common Sense Institute calculated the number of hours that one would have to work while earning the average hourly wage in 2015 and 2025 to cover the monthly mortgage payments shown in **Figure 9**. The largest relative increase in hours required to cover a mortgage on a newly purchased average-priced home was 157% in Pueblo County (from 35 to 90). In the Denver metro area, the largest increase was 106% in Adams, from 39 to 81. It takes the longest to afford a monthly mortgage in El Paso County (139 hours) and the second-longest in Boulder County (122 hours).

FIGURE 9

Average Home Prices and Hours Required to Pay Monthly Mortgage at the Average Wage						
	Average Home Price 2015	Average Home Price 2025	% Change in Average Home Price	Hours Required to Pay Mortgage 2015	Hours Required to Pay Mortgage 2025	% Change in Hours Required to Pay Mortgage
Adams	\$237,966	\$506,479	113%	39	81	106%
Arapahoe	\$269,923	\$546,399	102%	45	87	96%
Boulder	\$389,749	\$750,575	93%	61	122	101%
Broomfield	\$340,112	\$661,574	95%	53	108	103%
Denver	\$302,522	\$571,562	89%	50	91	82%
Douglas	\$397,718	\$739,261	86%	66	118	80%
Jefferson	\$229,377	\$463,517	102%	38	74	95%
El Paso	\$310,460	\$650,370	109%	68	139	104%
Larimer	\$289,811	\$563,041	94%	62	110	78%
Mesa	\$195,127	\$412,558	111%	47	100	111%
Pueblo	\$124,268	\$289,358	133%	35	90	156%
Weld	\$243,467	\$506,688	108%	48	104	119%

HOUSING SUPPLY SHORTAGE

The Denver metro area has failed to build enough housing to keep pace with demand. Standard housing market reports, like those developed by the National Association of Realtors, track inventory based on homes listed for sale. What those reports do not capture is the total stock of homes needed to maintain a healthy housing market.

CSI estimates the number of homes needed in the Denver metro area to achieve a healthy housing market under two scenarios. Each scenario is intended to measure the difference between the actual number of homes in a county relative to the number of homes needed to maintain a more stable market for the local population. The first scenario calculates the values of a housing deficit or surplus based on the low estimate of homes held off the market for purchase by the local population. The second scenario calculates the values of a housing deficit or surplus based on the high estimate of homes held off the market for purchase by the local population.

Housing units and households – Each scenario uses both the estimate of housing units and households from the U.S. Census Bureau’s American Community Survey (ACS) and the Colorado State Demography Office.

Homes held off the market – Total homes held off the market reflect existing housing units not available for purchase by the local population. The estimate includes a range of second homes at the county level released by the National Association of Homebuilders.ⁱⁱⁱ All of the counties in this study have between 0% and 4.99% of the housing stock allocated to second homes.

Desired ratio of total units to the local population – To estimate the target number of housing units, the value of 1.1 housing units per household was used to represent a healthy market. This value is derived from the historic average ratio of vacancy rates for the U.S. and was the basis for a housing supply report done for the state of Oregon.^{iv} **Figure 10** shows the forecasted change in population and the number of households in 2028. The population in the Denver metro area is forecasted to increase by 207,063 from 2023 to 2028, resulting in another 85,766 households.

FIGURE 10

Population, Households, Housing Units						
Region	Population			Households		
	2023	2028	Change	2023	2028	Change
Denver Metro	3,269,966	3,477,029	207,063	1,354,421	1,440,187	85,766
Adams	533,365	567,213	33,848	192,742	204,974	12,232
Arapahoe	656,061	704,187	48,126	261,161	280,319	19,158
Boulder	326,831	337,386	10,555	137,425	141,863	4,438
Broomfield	76,860	89,666	12,806	32,113	37,463	5,350
Denver	716,577	769,522	52,945	342,996	368,339	25,343
Douglas	383,906	404,492	20,586	145,551	153,356	7,805
Jefferson	576,366	604,563	28,197	242,433	254,293	11,860
El Paso	744,215	801,843	57,628	298,973	322,124	23,151
Larimer	370,771	395,713	24,942	156,498	167,026	10,528
Mesa	159,681	166,991	7,310	68,115	71,233	3,118
Pueblo	169,422	174,055	4,633	68,732	70,612	1,880
Weld	359,422	398,878	39,456	129,057	143,224	14,167

Using the scenarios discussed above, the deficit in housing units in the Denver metro area in 2023 is estimated to be between 64,095 and 135,139 units. **Figure 11** presents the results for Colorado's most populous counties considered in this study. CSI will continue to monitor new data as it becomes available and will amend the estimates and methodology as required.

FIGURE 11

Housing Deficit/Surplus in Select Counties in 2023					
Region	Housing Stock 2023	Housing Deficit/Surplus in 2023		Deficit/Surplus as a Percent of 2023 Existing Stock of Housing Units	
		Scenario 1	Scenario 2	Scenario 1	Scenario 2
Denver Metro	1,424,898	-64,095	-135,139	-4.5%	-9.5%
Adams	200,085	-11,931	-21,935	-6.0%	-11.0%
Arapahoe	272,175	-15,102	-28,711	-5.5%	-10.5%
Boulder	146,373	-4,795	-12,113	-3.3%	-8.3%
Broomfield	34,454	201	-1,522	0.6%	-4.4%
Denver	366,952	-10,344	-28,691	-2.8%	-7.8%
Douglas	148,748	-11,358	-18,796	-7.6%	-12.6%
Jefferson	256,111	-10,565	-23,371	-4.1%	-9.1%
El Paso	312,300	-16,570	-32,185	-5.3%	-10.3%
Larimer	167,381	-4,767	-13,136	-2.8%	-7.8%
Mesa	71,412	-3,515	-7,085	-4.9%	-9.9%
Pueblo	74,540	-1,065	-4,792	-1.4%	-6.4%
Weld	134,498	-7,465	-14,190	-5.6%	-10.6%

BUILDING PERMITS AND THE HOUSING SUPPLY DEFICIT

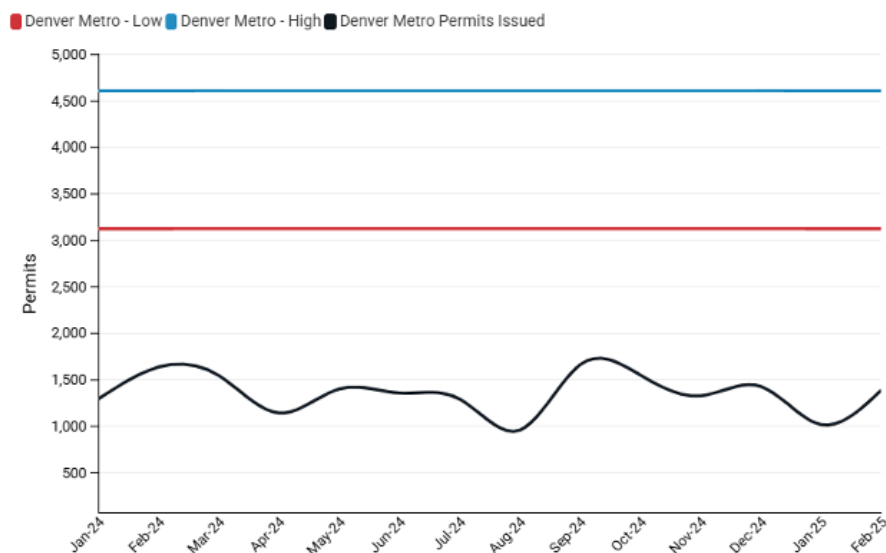
To erase the estimated deficit and meet new population-driven demand for housing in the Denver metro area by 2028, an additional 37,520 to 55,331 permits are needed per year, as seen in **Figure 12**. CSI tracks monthly housing-unit permits by county to evaluate whether the level of issuance is sufficient to close the existing housing deficit and meet new demand for housing as the population grows.

El Paso County shows the largest deficit in permits issued to close the unit deficit and meet new demand by 2028, 6,024 to 9,928, followed by Denver County with an estimated deficit of 4,928 to 9,514. Pueblo has the lowest deficit between 467 and 1,399.

FIGURE 12

Permits Required to Close the 2023 Deficit and New Housing Demand in 2028							
Region	Number of Permits Required to Close the Deficit Plus New Demand for Housing in Deficit Counties by 2028		Number of Permits Required to Close the Deficit Plus New Demand for Housing in Deficit Counties per Year by 2028		Permits Issued in 2024	Deficit/Surplus in Permitted Units Issued in 2024 Projected	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2		Scenario 1	Scenario 2
Denver Metro	150,079	221,324	37,520	55,331	16,615	-20,905	-38,716
Adams	24,163	34,167	6,041	8,542	2,299	-3,742	-6,243
Arapahoe	34,260	47,869	8,565	11,967	3,927	-4,638	-8,040
Boulder	9,233	16,551	2,308	4,138	1,688	-620	-2,450
Broomfield	5,149	6,872	1,287	1,718	405	-882	-1,313
Denver	35,686	54,034	8,922	13,508	3,994	-4,928	-9,514
Douglas	19,163	26,600	4,791	6,650	3,131	-1,660	-3,519
Jefferson	22,426	35,231	5,606	8,808	1,171	-4,435	-7,637
El Paso	39,721	55,336	9,930	13,834	3,906	-6,024	-9,928
Larimer	15,295	23,664	3,824	5,916	1,786	-2,038	-4,130
Mesa	6,633	10,203	1,658	2,551	1,014	-644	-1,537
Pueblo	2,945	6,672	736	1,668	269	-467	-1,399
Weld	21,632	28,357	5,408	7,089	3,170	-2,238	-3,919

Figure 13 shows the number of housing unit permits needed in the Denver metro area to close the deficit by 2028 under two scenarios and the number of permits issued monthly from January 2024 through February 2025. The red line shows the average monthly required permits to close the 2023 deficit and meet new housing demand by 2028 for scenario 1. The blue line is for scenario 2. In both scenarios, not enough permits were issued to close the housing deficit and meet the new demand for housing by 2028. The appendix shows county-by-county permitting needs and issuances for the 12 counties included in this study.

FIGURE 13**Permits Needed Versus Issued - Denver Metro**

Source: HUD, CSI Calculations

TYPES OF PERMITS ISSUED

Figure 14 shows the number of housing unit permits issued in total and the percentage of each type issued in 2024. In the Denver metro area, 52.6% of permits were for single-family and 47.4% for multi-family. Adams County issued the highest share of single-family unit permits (85.1%) and Broomfield issued the lowest percentage share of single-family unit permits (14.1%).

Outside of the Denver metro area, Pueblo issued only single-family permits and Weld County issued 88.5% single-family permits.

FIGURE 14

Number of Permits by Type Issued in 2024					
	Total Units	Single-family Units	Multi-family Units	% Single-family Units	% Multi-family Units
Denver Metro	16,615	8,734	7,881	52.6%	47.4%
Adams	2,299	1,956	343	85.1%	14.9%
Arapahoe	3,927	2,359	1,568	60.1%	39.9%
Boulder	1,688	439	1,249	26.0%	74.0%
Broomfield	405	57	348	14.1%	85.9%
Denver	3,994	872	3,122	21.8%	78.2%
Douglas	3,131	2,120	1,011	67.7%	32.3%
Jefferson	1,171	931	240	79.5%	20.5%
El Paso	3,906	2,790	1,116	71.4%	28.6%
Larimer	1,786	1,370	416	76.7%	23.3%
Mesa	1,014	714	300	70.4%	29.6%
Pueblo	269	269	0	100.0%	0.0%
Weld	3,170	2,805	365	88.5%	11.5%

LEGISLATION RELATED TO HOUSING

In response to the housing shortage there have been multiple land use bills recently passed, see bills listed below. The legislation addresses occupancy limits, accessory dwelling units, minimum parking requirements, transit oriented communities, sustainable affordable housing, residential building stair modernization, and regional building codes for factory built structures.

- **HB24-1007** – Prohibit Residential Occupancy Limits. Concerning residential occupancy limits.
- **HB24-1152** – Accessory Dwelling Units. Concerning increasing the number of accessory dwelling units, and, in connection therewith, making an appropriation.
- **HB24-1304** – Minimum parking requirements. Concerning parking requirements within metropolitan planning organizations.
- **HB24-1313** – Housing in Transit-Oriented Communities. Concerning measures to increase the affordability of housing in transit-oriented communities, and in connection therewith, making an appropriation.
- **SB24-174** – Sustainable Affordable Housing Assistance. Concerning state support for sustainable affordable housing, and, in connection therewith, making an appropriation.
- **HB25-1273** – Residential Building Stair Modernization. Concerning requiring certain municipalities to modify building codes to allow five-story multifamily residential buildings to be served by a single exit.
- **SB25-002** – Regional Building Codes for Factory-Built Structures. Concerning the development of regional building codes that account for local climatic and geographic conditions for the construction and installation of residential and nonresidential factory-built structures, and, in connection therewith, making an appropriation.

GOING FORWARD

As we approach the latter half of 2025, Colorado's housing market remains on unsteady ground. Persistent interest rate pressure continues to distort both supply and demand. While historically low mortgage rates once disincentivized sellers from listing, recent trends reveal a rise in listings, but not in closings.^v Inventory is increasing, but homes are sitting unsold as buyers retreat in the face of affordability constraints and macroeconomic uncertainty. This emerging mismatch reflects a deeper disconnect between asking prices and borrowing power, compounding structural instability across the state's housing ecosystem.

Simultaneously, national trade policy has begun to ripple through local development conditions. Recently imposed tariffs on key construction materials, such as lumber, steel, and aluminum, are expected to add an average of \$11,000 to the cost of building a new home.^{vi} For developers already contending with rising labor costs, elevated interest rates, and elongated permitting timelines, these additional pressures are further constraining feasibility and slowing the pipeline of housing starts across product types and regions.

Institutionally, Colorado's governance landscape is adapting under pressure. Many local governments have demonstrated a willingness to engage with the 2024–2025 suite of statewide housing reforms, recognizing that supply constraints now cross jurisdictional boundaries. Still, a subset of municipalities have expressed concerns regarding implementation capacity, home rule authority, and the structure of state mandates.^{vii} In response, Governor Jared Polis issued an executive order outlining potential consequences for sustained noncompliance, including limited access to infrastructure resources, local planning support, and state-administered housing funds.^{viii}

The order reflects the Governor's position that housing is both a local and statewide concern, requiring coordinated action across all levels of government. Marking a new era between state and local governments, one defined by shared responsibility and uncertain outcomes. While the Governor calls for stronger intervention, many local leaders see the state's role as a partner, not a preemptor. That tension escalated in May 2025, when a coalition of six municipalities filed a lawsuit challenging the constitutionality of two of the state's new land use reforms, an act that puts

the question of governance squarely before the courts, adding new headwinds to homebuilding in Colorado and deepening uncertainty in a market starved for stability.

Two findings in this report further clarify the urgency of the moment. First, Colorado ranks 50th in housing competitiveness among all U.S. states and the District of Columbia, an indicator that reflects not only elevated costs but also diminished accessibility and persistent regulatory friction. Second, in 2024, the Denver metro area issued only 16,615 new housing permits, well below the estimated 37,520 to 55,331 units needed annually to meet projected demand and close the current housing deficit by 2028. Absent a course correction, this shortfall will deepen the structural gap between population growth and housing supply.

The interdependence of fiscal, regulatory, and macroeconomic constraints leaves little room for uncoordinated or incremental responses. Market feasibility is being eroded by high borrowing costs, input price volatility, and capital scarcity. Meanwhile, regulatory inertia and land-use rigidity remain entrenched bottlenecks. Though distinct, these forces compound one another, reinforcing a persistent affordability crisis and a durable housing supply imbalance unlikely to resolve absent systemic intervention.

Although tensions between local autonomy and statewide intervention remain, they are neither new nor unresolvable. Such tensions are a hallmark of federalist systems in periods of recalibration. The task is not to eliminate disagreement, but to build governance frameworks capable of managing it constructively in pursuit of shared public outcomes.

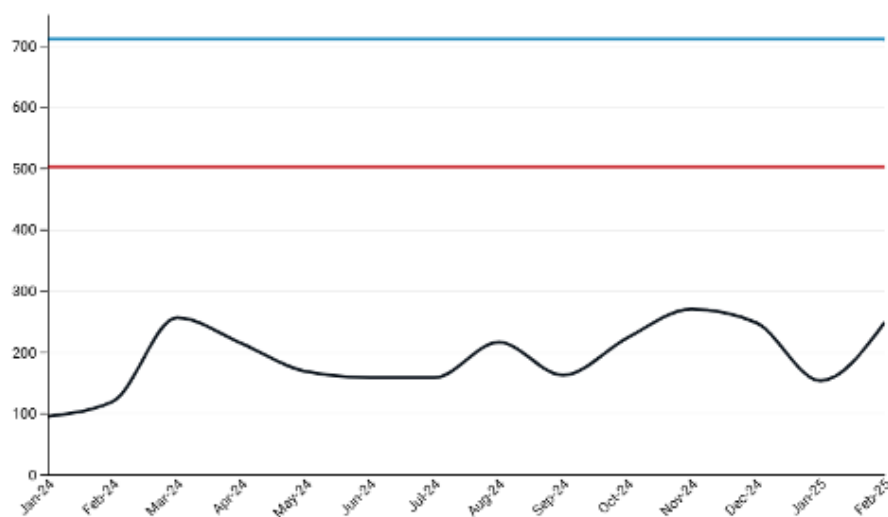
If Colorado is to revitalize its housing future, serving both current and future generations, it must seek an amicable and timely resolution to the longstanding conflict over whether housing is a local or statewide concern. Following the May 19th lawsuit, absent compromise, that resolution may now come through the courts, and while imperfect, that too is democracy in action. Regardless of the path, sustained investment in collaborative governance, regulatory modernization, and scalable housing production must guide Colorado forward.

APPENDIX A: COUNTY LEVEL PERMITTING

FIGURE 15

Permits Needed Versus Issued - Adams County

Adams-Low Adams-High Adams-Issued

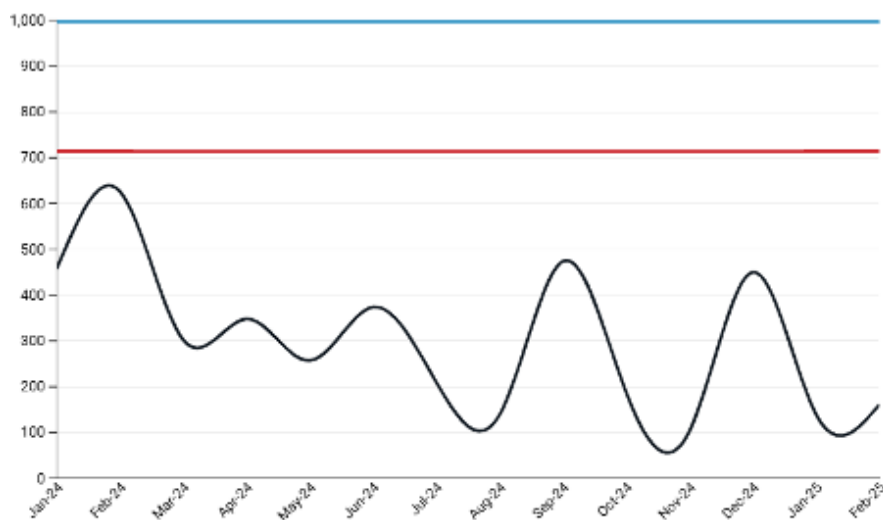


Source: H.U.D., CSI Calculations

FIGURE 16

Permits Needed Versus Issued - Arapahoe County

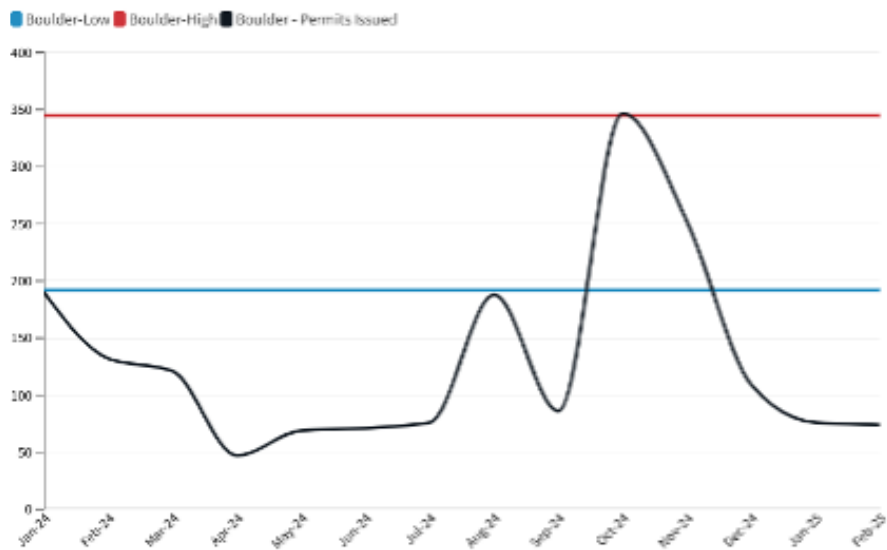
Arapahoe-Low Arapahoe-High Arapahoe-Issued



Source: H.U.D., CSI Calculations

FIGURE 17

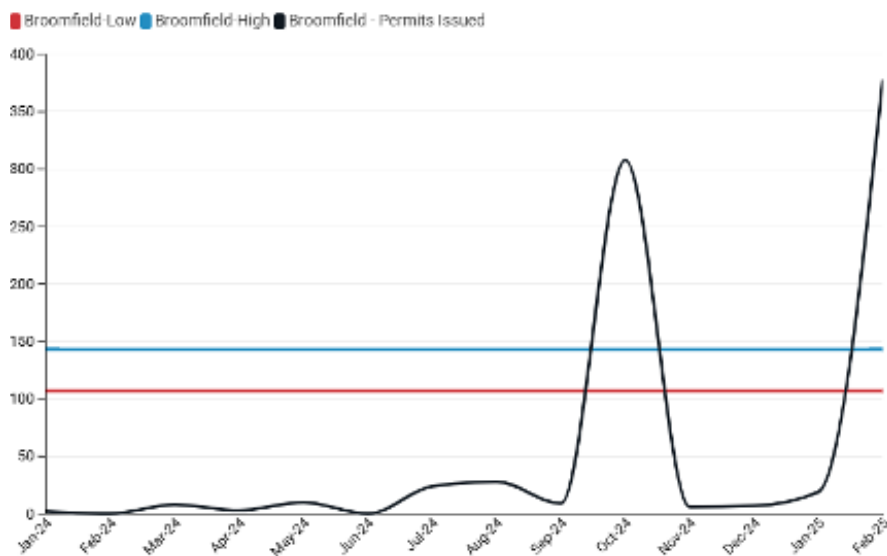
Permits Needed Versus Issued - Boulder County



Source: H.U.D., CSI Calculations

FIGURE 18

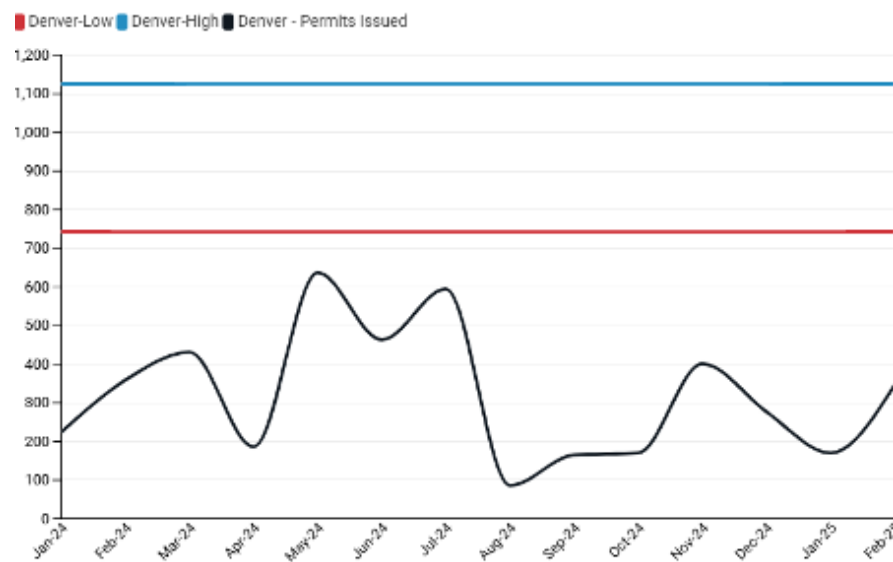
Permits Needed Versus Issued - Broomfield County



Source: H.U.D., CSI Calculations

FIGURE 19

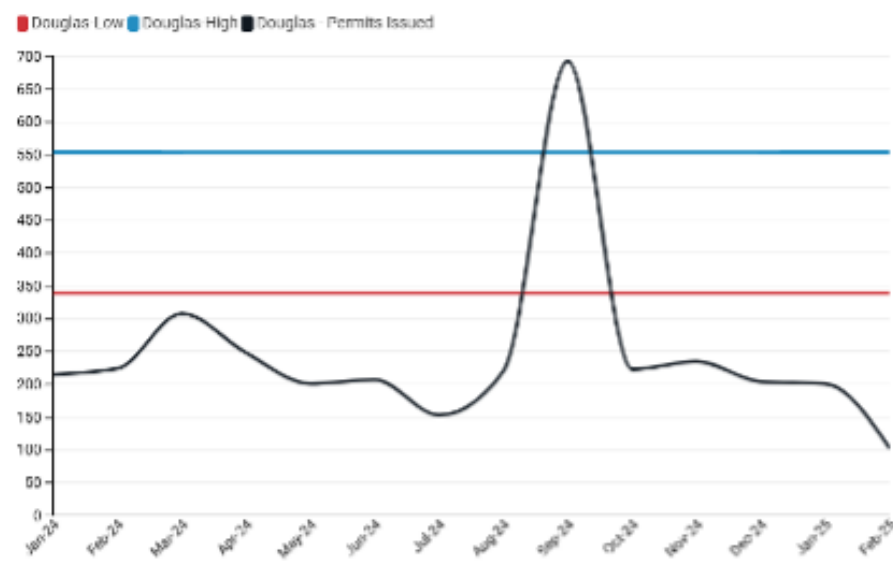
Permits Needed Versus Issued - Denver County



Source: H.U.D., CSI Calculations

FIGURE 20

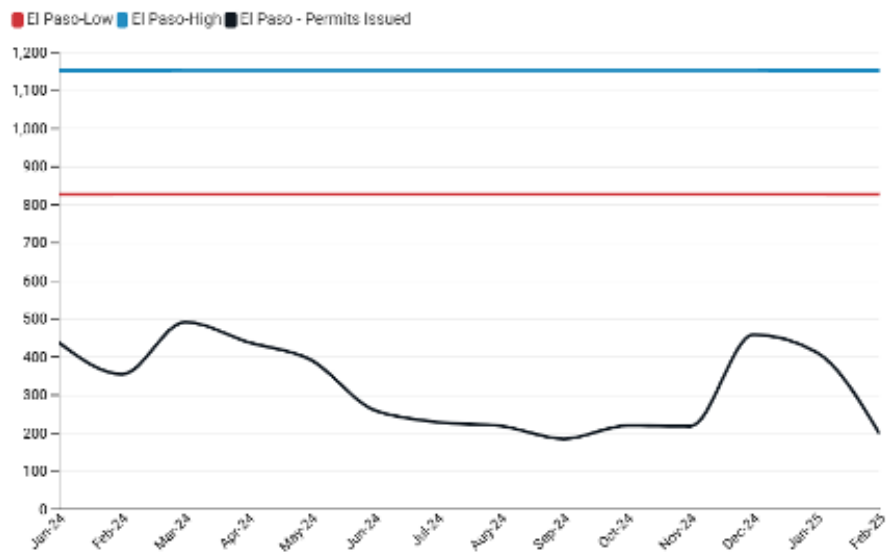
Permits Needed Versus Issued - Douglas County



Source: H.U.D., CSI Calculations

FIGURE 21

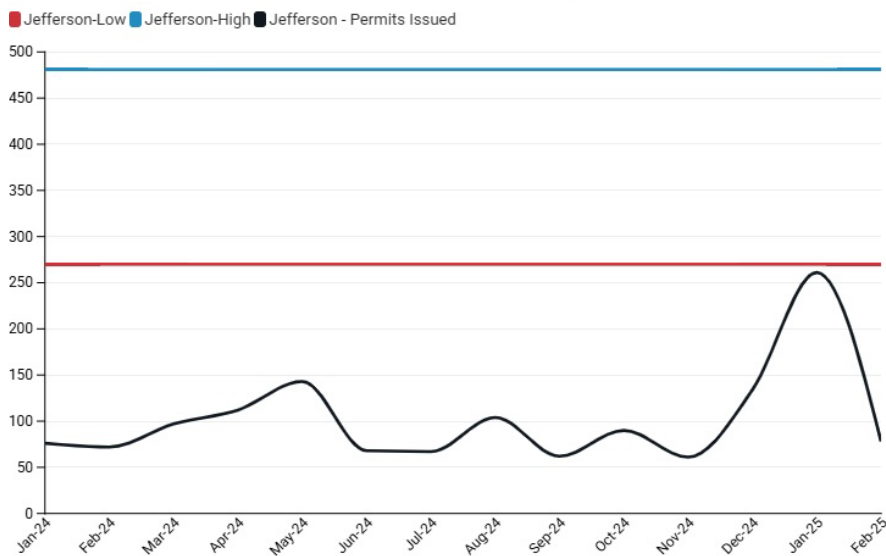
Permits Needed Versus Issued - El Paso County



Source: H.U.D., CSI Calculations

FIGURE 22

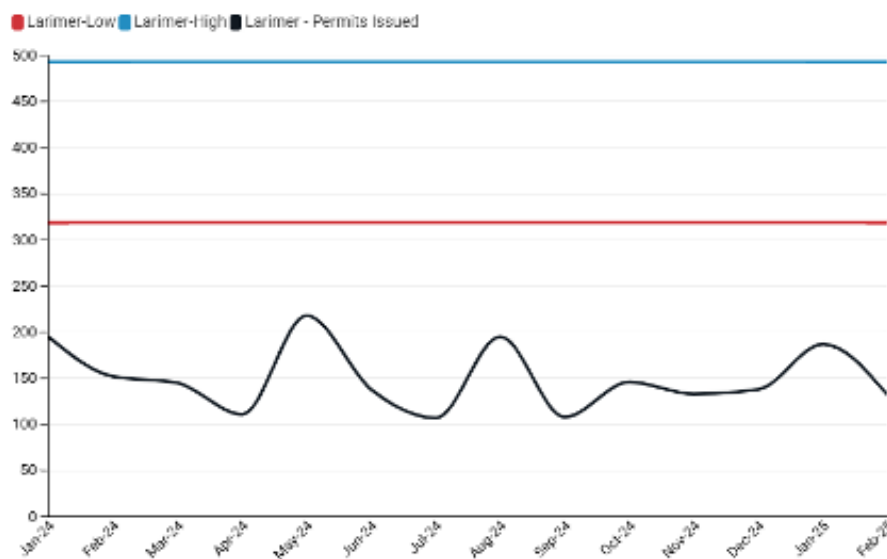
Permits Needed Versus Issued - Jefferson County



Source: H.U.D., CSI Calculations

FIGURE 23

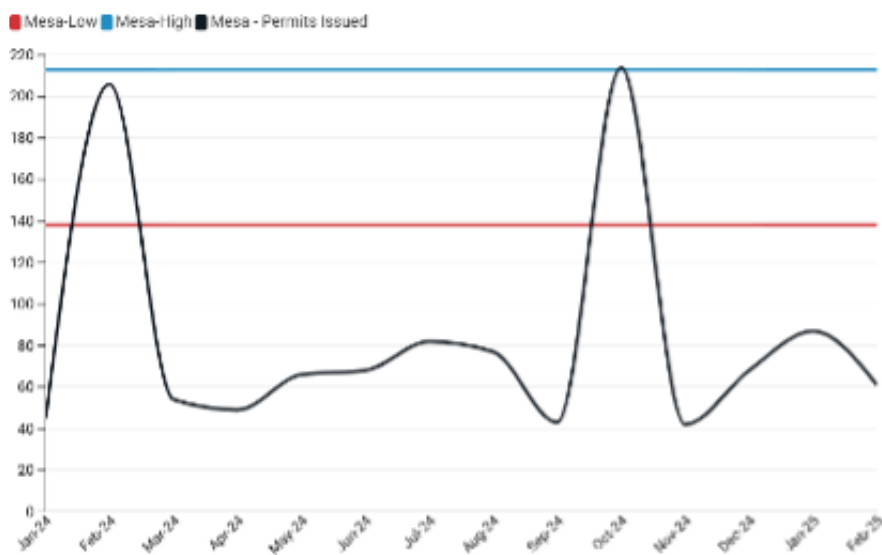
Permits Needed Versus Issued - Larimer County



Source: H.U.D., CSI Calculations

FIGURE 24

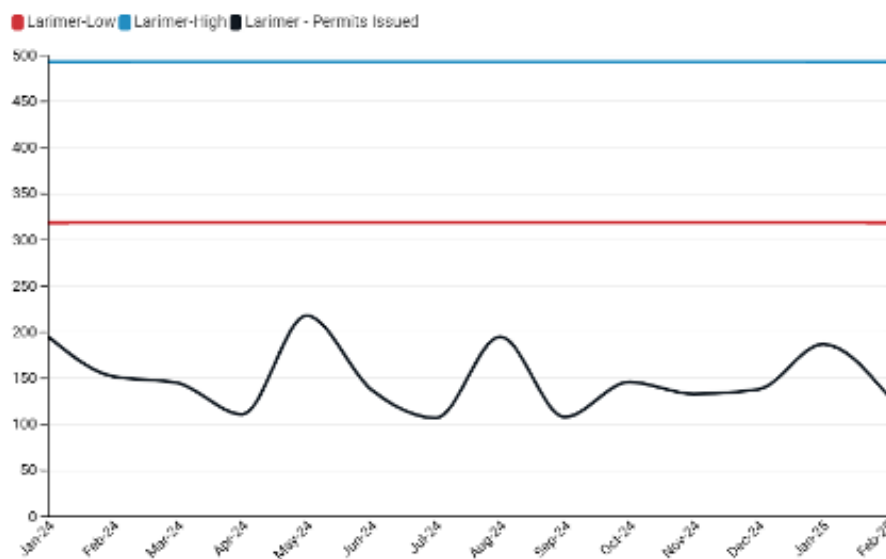
Permits Needed Versus Issued - Mesa County



Source: H.U.D., CSI Calculations

FIGURE 25

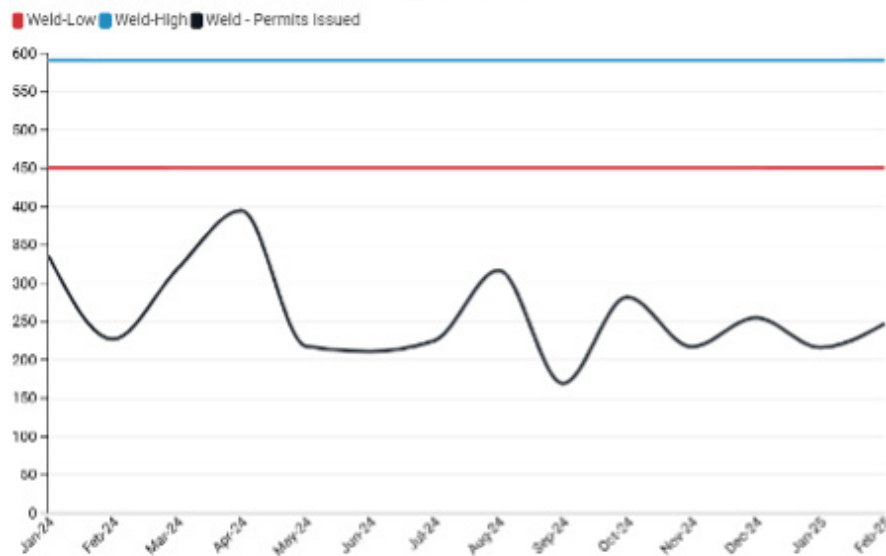
Permits Needed Versus Issued - Larimer County



Source: H.U.D., CSI Calculations

FIGURE 26

Permits Needed Versus Issued - Weld County



Source: H.U.D., CSI Calculations

SOURCES

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- ii. <https://commonsenseinstitute.org/2024-free-enterprise-report/>
- iii. The Nation's Stock of Second Homes, Zhao, Na., May 2013, National Association of Home Builders
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- v. <https://www.newsweek.com/denver-housing-market-hit-unprecedented-spike-home-sales-2071504>
- vi. <https://www.marketwatch.com/story/builders-expect-tariffs-to-increase-costs-by-nearly-11-000-but-theyre-slashing-home-prices-heres-why-798d82d2>
- vii. <https://www.cpr.org/2025/02/18/some-local-governments-say-they-wont-follow-new-colorado-laws-requiring-denser-housing-less-parking>
- viii. <https://www.colorado.gov/governor/news/governor-polis-takes-action-increase-housing-supply-break-down-barriers-more-housing>
- ix. <https://www.denverpost.com/2025/05/19/colorado-land-use-housing-reforms-lawsuit>