



AUGUST 2025

# HOME AFFORDABILITY IN COLORADO MOUNTAIN COUNTIES

AUTHOR: STEVEN L. BYERS, PH.D.

## ABOUT THE AUTHOR



**Steven L. 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 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.

# TABLE OF CONTENTS

---

About the Author .....1

About Common Sense Institute.....1

Teams & Fellows Statement.....1

Introduction ..... 3

Key Findings .....4

Home Price Indices ..... 5

Homebuyer Misery Indices ..... 6

Housing Surplus/Shortage..... 7

Permitting.....8

Bottom Line..... 10

# INTRODUCTION

Home prices in Colorado's mountain communities have risen dramatically over the last decade, in many instances home prices have more than doubled and in a few they have tripled. These counties have higher prices than the state at large, and those prices have risen more quickly in the last decade than the state at large. The large price increases and a large number of second homes unavailable for long-term rental have created a housing shortage for local workforces.

This study analyzes affordability in seven mountain counties since 2012, the first year data is available for all the towns in each county. The counties under consideration include Eagle, Garfield, Grand, Pitkin, Routt, San Miguel, and Summit.



## KEY FINDINGS

- Home prices have more than doubled in mountain resort counties since 2012 and in some cases tripled.
  - Garfield County's home prices have risen 197.9%.
  - Eagle County's home prices have risen 209.2%.
- Mountain county home prices have risen faster than Colorado's statewide home prices.
  - Home prices have risen by an average of 188.7% in mountain resort counties since 2012.
  - Statewide, home prices have risen 153.7% since 2012.
- Between 2012 and 2024, 56.9% of all units permitted in Colorado were for single-family homes while 43.1% were for multi-family homes.
- Mountain resort counties have very small surpluses or shortages of housing available for purchase or long-term rental.
- The majority of permitting for new housing since 2012 has been primarily for single-family homes.

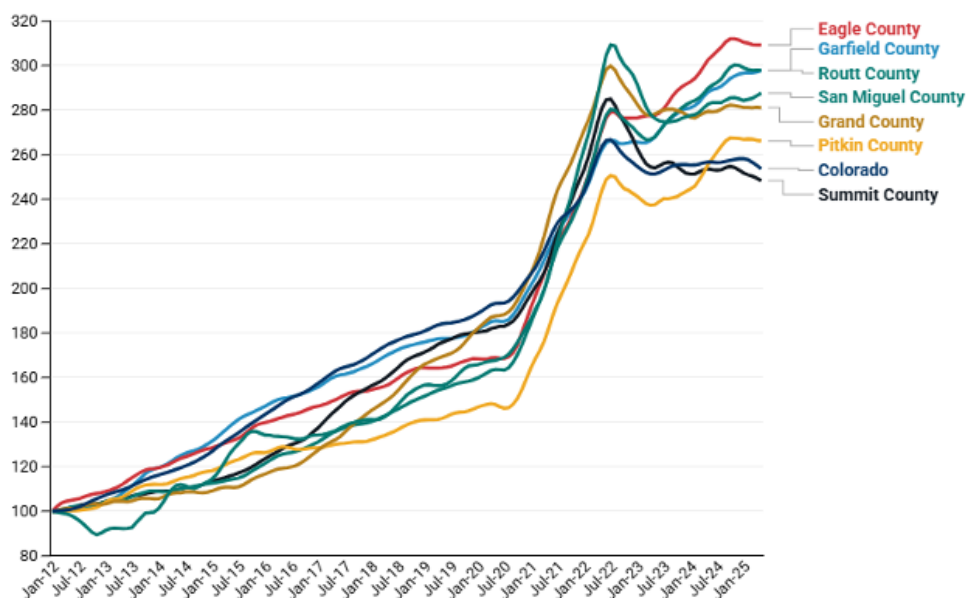
# HOME PRICE INDICES

Home price indices are calculated using Zillow Home Value Index (ZHVI), a measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range. From 2012 to May 2025, home prices in Colorado have risen 154% statewide. In many of Colorado's mountain communities the increases have been much greater as shown in **Figure 1**.

The percentage change in average home prices from 2012 to May 2025 ranges from 166.1% in Routt County to 209.2% in Eagle County. Changes in home prices in all seven counties exceeded the change for Colorado, 153.7%.

**FIGURE 1. HOME PRICE INDICES**

Home Price Indices, Colorado Mountain Counties



Source: Zillow

**FIGURE 2. CHANGE IN HOME PRICES**

Change in Average Home Prices				
	Jan-12	May-25	Change	% Change
Eagle	\$ 416,999	\$ 1,289,519	\$ 872,520	209.2%
Garfield	\$ 234,793	\$ 699,374	\$ 464,582	197.9%
Grand	\$ 275,782	\$ 775,126	\$ 499,344	181.1%
Pitkin	\$ 373,274	\$ 1,111,644	\$ 738,370	197.8%
Routt	\$ 961,438	\$ 2,558,617	\$ 1,597,179	166.1%
San Miguel	\$ 275,782	\$ 775,126	\$ 499,344	181.1%
Summit	\$ 527,525	\$ 1,517,161	\$ 989,636	187.6%
Colorado	\$ 219,317	\$ 556,482	\$ 337,165	153.7%

Source: Zillow

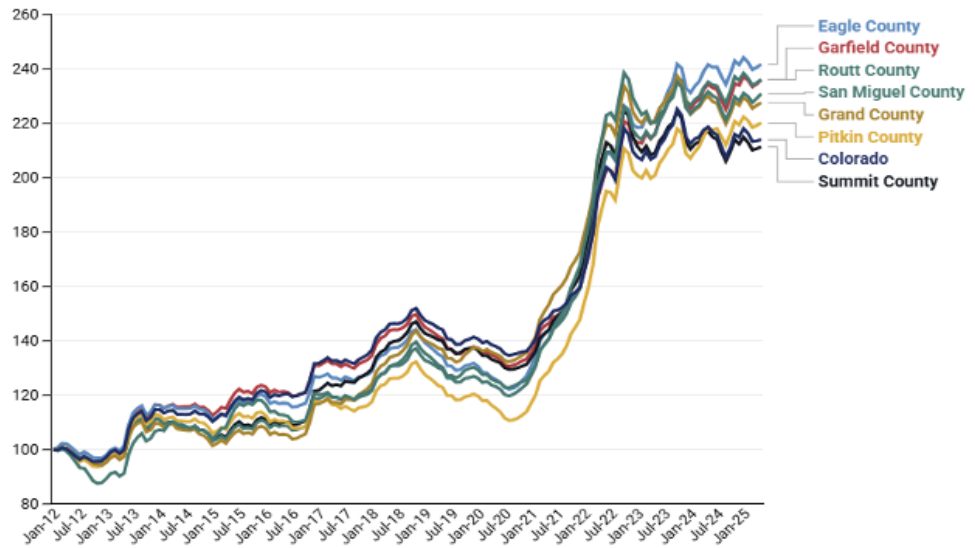
# HOMEBUYER MISERY INDICES

The “Homebuyer Misery Index,” as developed by Common Sense Institute, captures the impact of housing prices and mortgage rates on the affordability of purchasing a new home. The ‘Misery Index’ sums normalized and equally weighted home prices and 30-year mortgage rates to measure effective costs of home buying relative to historical levels. Six of the seven counties saw larger increases in the Homebuyer Misery Index than the state overall. Only Summit County was lower.

From 2012 to May 2025, Homebuyer Misery Indices increased from 120.1% in Routt County to 141.7% in Eagle County.

**FIGURE 3. HOMEBUYER MISERY INDICES**

## Homebuyer Misery Indices, Colorado Mountain Counties



Source: Zillow, St. Louis Federal Reserve Bank (FRED), and CSI Calculations

**FIGURE 4. CHANGE IN HOMEBUYER INDICES**

Homebuyer Misery Indices			
	Jan-12	May-25	Change
Eagle County	100	241.7	141.7
Garfield County	100	236.0	136.0
Grand County	100	227.6	127.6
Pitkin County	100	236.0	136.0
Routt County	100	220.1	120.1
San Miguel County	100	227.6	127.6
Summit County	100	230.8	130.8
Colorado	100	213.9	113.9

# HOUSING SURPLUS/SHORTAGE

CSI estimates the number of homes needed in the mountain counties to achieve a healthy housing market by calculating the difference between the actual number of homes available in a county relative to the number of homes needed to maintain a more stable market for the local population. The data on the number of housing units and households come from the U.S. Census Bureau's American Community Survey (ACS).

**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 count of second homes at the county level released by the National Association of Home Builders.

**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 historic vacancy rates.

As of 2023, five of the seven counties have housing shortages and two, Grand and Routt counties, have slight surpluses. Garfield County has the largest shortage at 1,975 followed closely by Pitkin County with a shortage of 1,500. Demand for housing is based on full-time households and does not include seasonal and temporary resident households.

Housing Shortage/Surplus 2023						
	Households	Target Housing Units	Housing Units	Homes Held Off the Market	Available Housing Units	Housing Units Surplus/ Shortage
Eagle	20,911	23,002	33,455	11,866	21,589	-1,414
Garfield	23,071	25,378	24,640	1,237	23,403	-1,975
Grand	6,460	7,106	17,037	9,633	7,404	298
Pitkin	9,031	9,934	13,350	4,915	8,435	-1,500
Routt	10,619	11,681	16,913	5,155	11,758	77
San Miguel	3,998	4,398	6,606	2,688	3,918	-480
Summit	12,347	13,582	31,849	18,886	12,963	-619

Source: U.S. Census, NAHB



## PERMITTING

Building permitting data comes from the U.S. Department of Housing and Urban Development (HUD). Figure 5 shows the number of housing unit permits from 2012 through 2024 for the seven counties. Since 2012 Summit County has issued 4,573 permits, Eagle County 4,405, Grand County 3,096, Routt County 2,910, Garfield County 2,782, Pitkin County 961, and San Miguel County 637. Statewide, 461,640 housing unit permits have been issued over the same time period.

**FIGURE 5. HOUSING UNIT BUILDING PERMITS**

Housing Unit Building Permits													
Total Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Eagle	95	130	256	188	346	426	382	630	403	439	268	426	416
Garfield	96	65	83	138	156	194	189	327	334	631	240	155	174
Grand	182	240	137	128	161	198	213	223	234	467	375	244	294
Pitkin	23	45	98	103	54	53	83	51	72	97	99	36	147
Routt	54	60	132	102	163	115	170	250	285	215	438	329	597
San Miguel	25	22	36	32	35	68	53	51	34	80	70	74	57
Summit	139	279	207	195	306	475	643	401	318	407	400	545	258

Source: HUD

Permits are issued for both single-family and multi-family housing units. Since 2012 Grand County has issued the highest percentage of single-family permits with 83%, followed by San Miguel County with 76%, Pitkin County 68%, Summit County 64%, Garfield County 61%, Routt County 57%, and Eagle County with 47%. **Statewide 56.9% of all permits were for single-family housing units.** Annual permitting percentages for single-family homes are shown in Figure 6.

FIGURE 6. PERCENT OF SINGLE-FAMILY HOUSING PERMITS

Housing Unit Building Permits													
Total Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Eagle	94%	80%	41%	86%	55%	71%	69%	25%	37%	44%	37%	26%	34%
Garfield	38%	92%	95%	92%	89%	63%	65%	45%	48%	44%	81%	80%	62%
Grand	75%	67%	86%	90%	92%	92%	93%	91%	88%	82%	75%	94%	72%
Pitkin	100%	100%	65%	71%	89%	85%	57%	76%	83%	80%	48%	94%	31%
Routt	100%	67%	56%	100%	71%	100%	91%	64%	55%	96%	42%	39%	28%
San Miguel	100%	100%	75%	84%	86%	69%	77%	67%	68%	66%	100%	64%	65%
Summit	83%	64%	83%	79%	79%	83%	47%	72%	76%	66%	64%	28%	62%

Source: HUD

Figure 7 shows the percentage of permits that were issued each year for multi-family housing units. From 2012 through 2024 Eagle County issued the highest percentage of multi-family housing units with 53%, followed by Routt County at 43%, Garfield County at 39%, Summit County at 36%, Pitkin County with 32%, San Miguel County with 24%, and Grand County at 17%. **Statewide, 43.1% of all permits were for multi-family housing units.** Annual permitting for multi-family housing units is shown in Figure 7.

FIGURE 7. PERCENT OF MULTI-FAMILY BUILDING PERMITS

Housing Unit Building Permits													
Total Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Eagle	6%	20%	59%	14%	45%	29%	31%	75%	63%	56%	63%	74%	66%
Garfield	63%	8%	5%	8%	11%	37%	35%	55%	52%	56%	19%	20%	38%
Grand	25%	33%	14%	10%	8%	8%	7%	9%	12%	18%	25%	6%	28%
Pitkin	0%	0%	35%	29%	11%	15%	43%	24%	17%	20%	52%	6%	69%
Routt	0%	33%	44%	0%	29%	0%	9%	36%	45%	4%	58%	61%	72%
San Miguel	0%	0%	25%	16%	14%	31%	23%	33%	32%	34%	0%	36%	35%
Summit	17%	36%	17%	21%	21%	17%	53%	28%	24%	34%	36%	72%	38%

Source: HUD

## BOTTOM LINE

Housing in Colorado mountain counties has more than doubled in price since 2012 and permitting has been, in most cases, for single-family homes. As a result, most counties have housing shortages or very small surpluses of homes available for sale or long-term rent.

Most of the housing units in mountain counties that are not occupied by full-time, year round residents are held off the market for long-term rental. Instead, many owners opt to offer their properties for short-term rentals utilizing vacation rental platforms like Airbnb and Vrbo. This results in many locals and seasonal workers finding it hard to find a place to rent or purchase. In response, they move farther away from their place of employment or leave the area completely, making it difficult for employers to find workers.