

# Factors Impacting Colorado's Housing Affordability and How Coloradans are Responding

NoCo Housing Now  
November 8, 2109



# Everyone Should Care About Housing Affordability

Health Impacts

Education  
Impacts

Economic Impacts

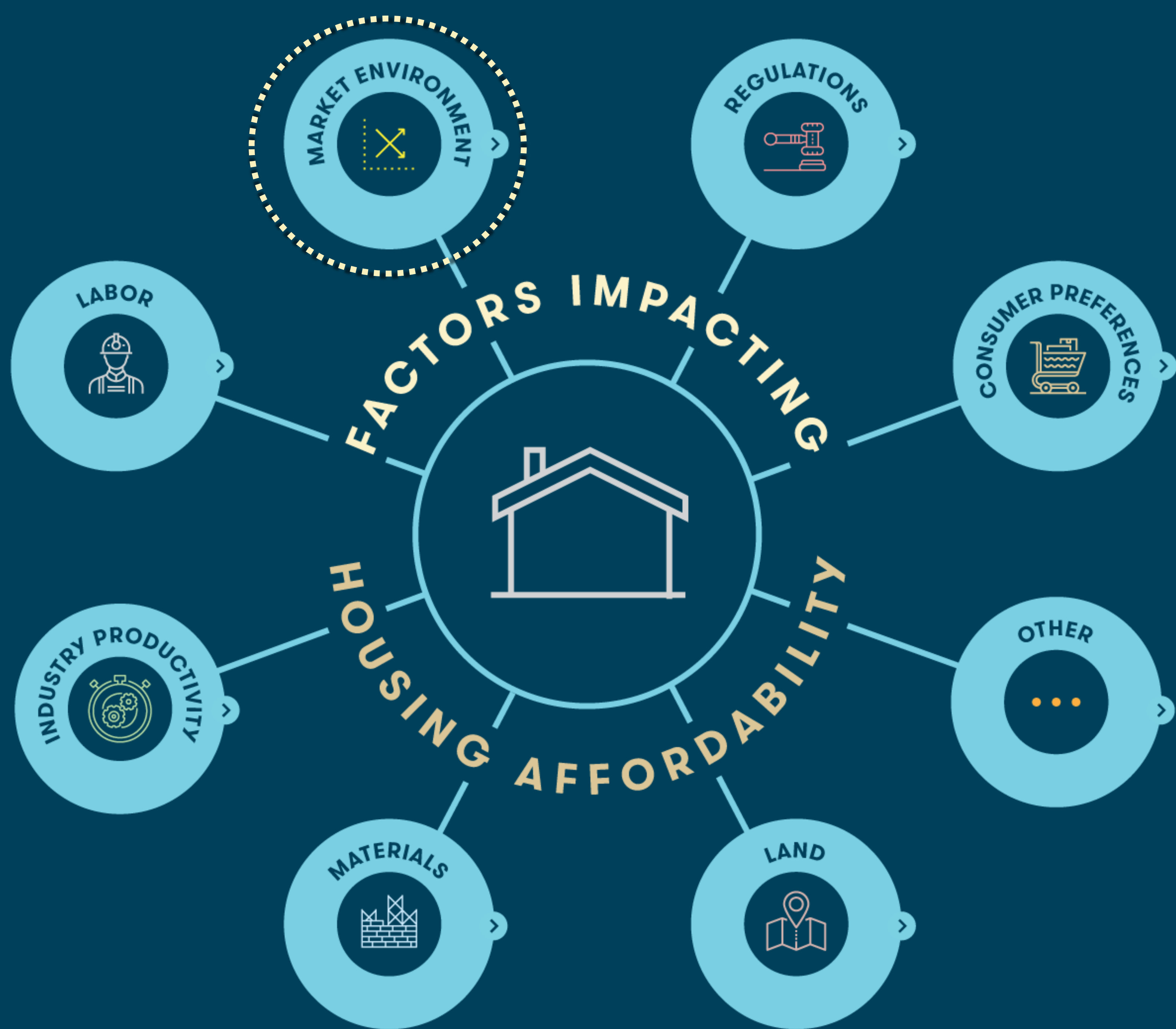
Fiscal Impacts

# Economic Impact: Why Everyone Should Care

FOREGONE SPENDING TO THE COLORADO ECONOMY

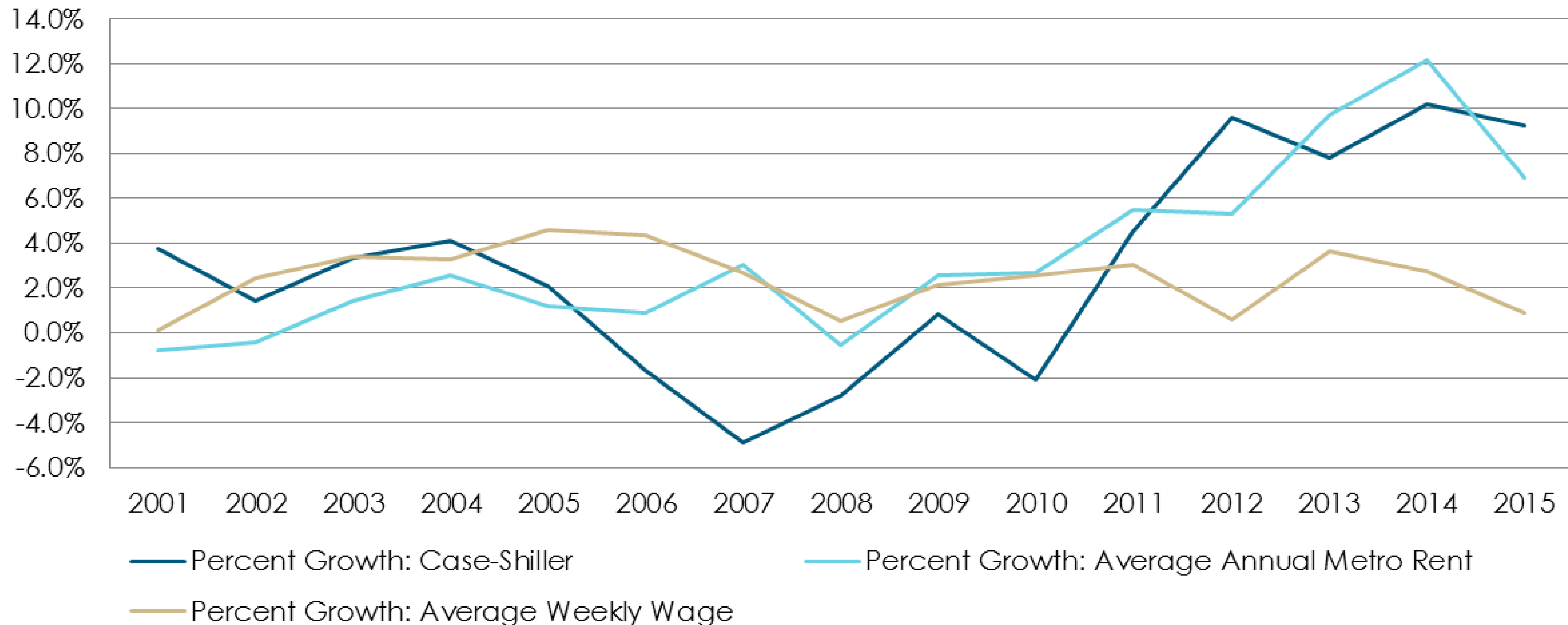
*Additional dollars spent (annually) on housing that could otherwise go to...*

**\$2 Billion**



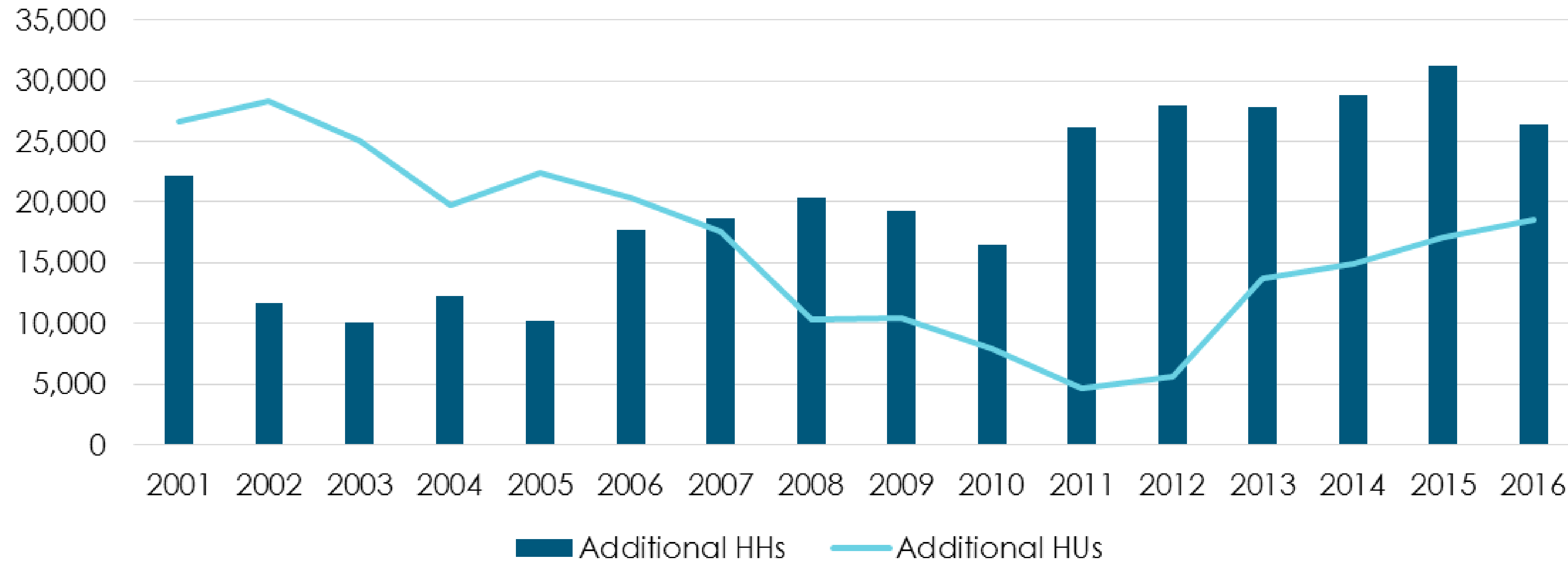
# How Did This Become Such A Hot Topic?

## Wages vs Housing (Price and Rent): Annual Growth



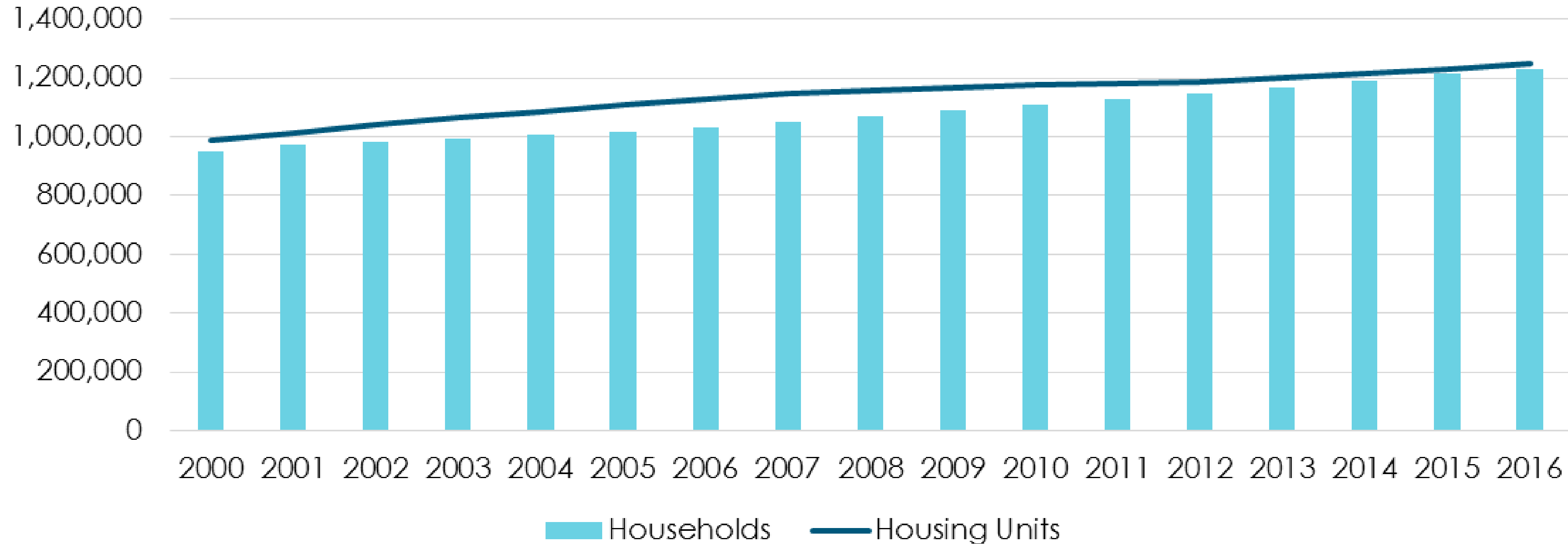
# A Year Over Year Dynamic

## Change in Households and Housing Units Annual Growth



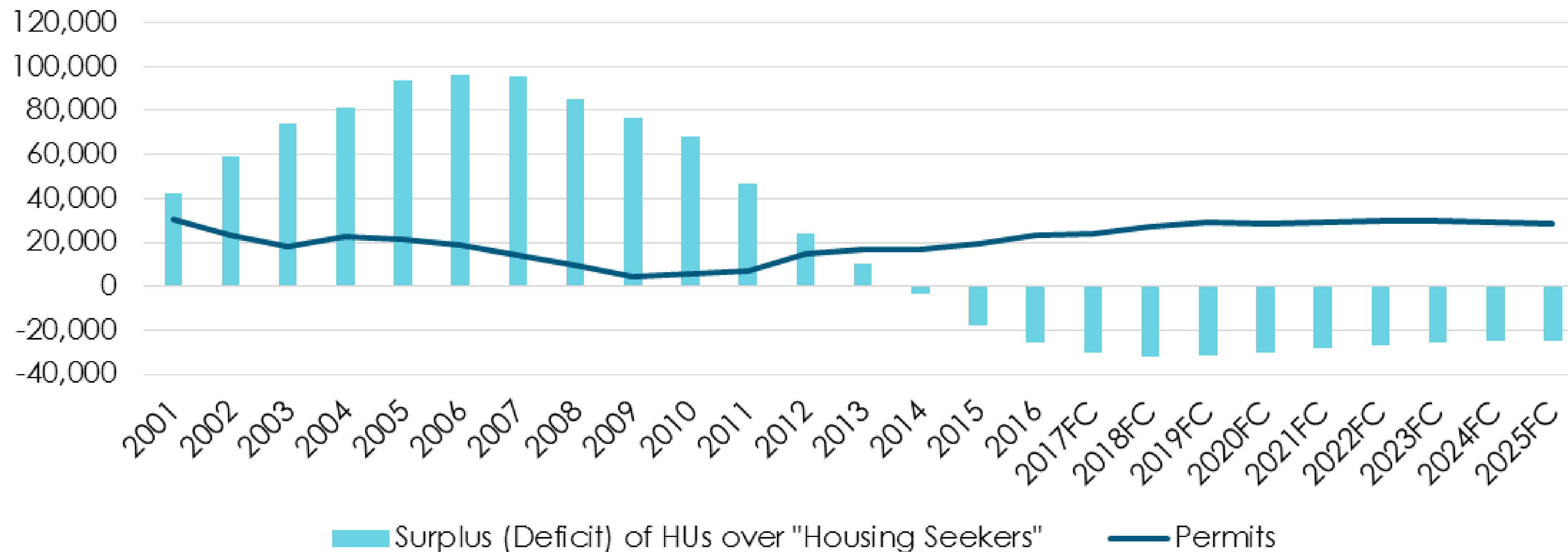
# A Total Picture

## Households vs. Housing Units Seven-County Denver Metro Region



# A Look Into the Future

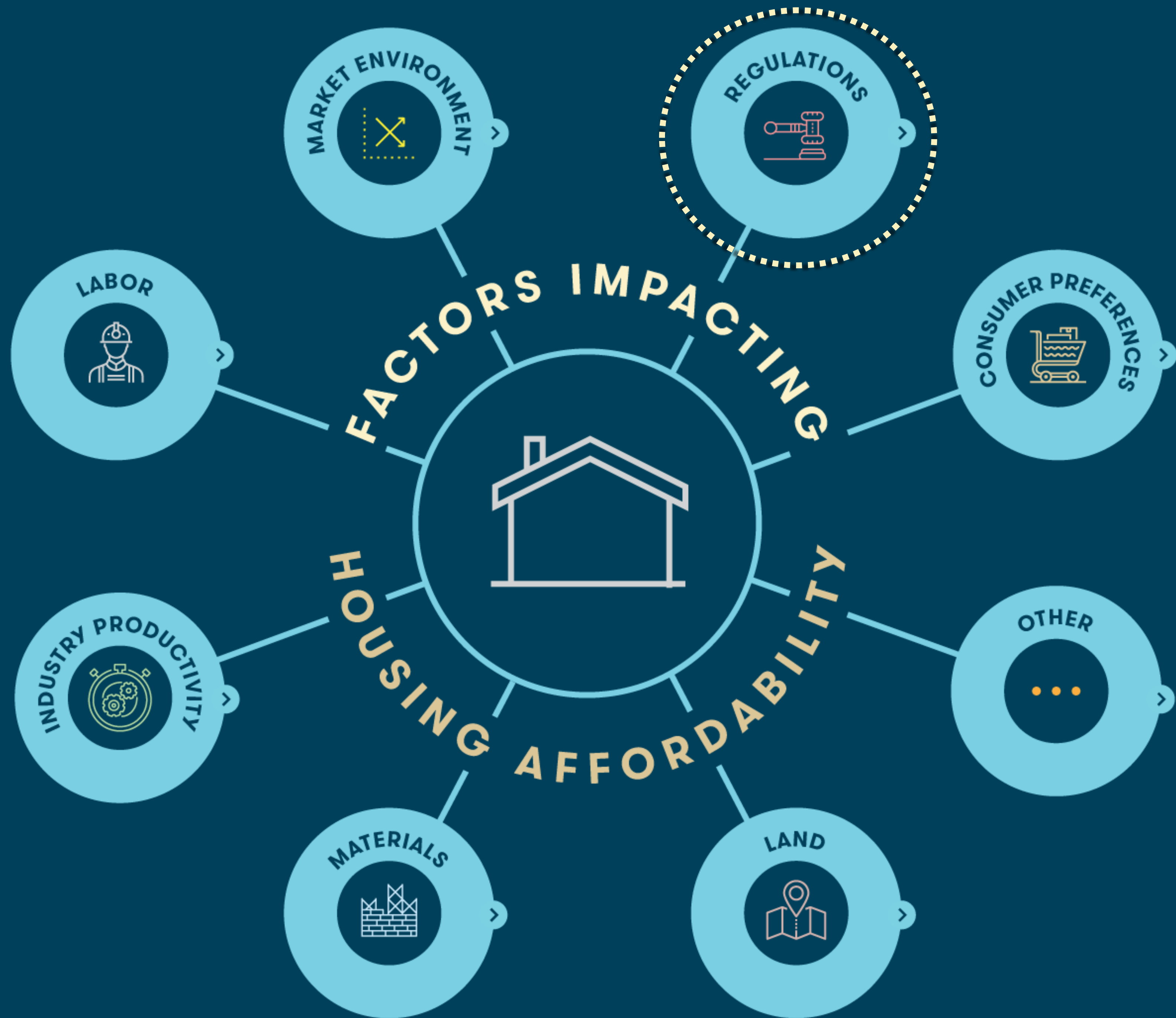
## Residential Permits and Housing Surplus/Deficit (Assumes 100% Realization Rate of All Permits)





# The Bottom Line: SUPPLY

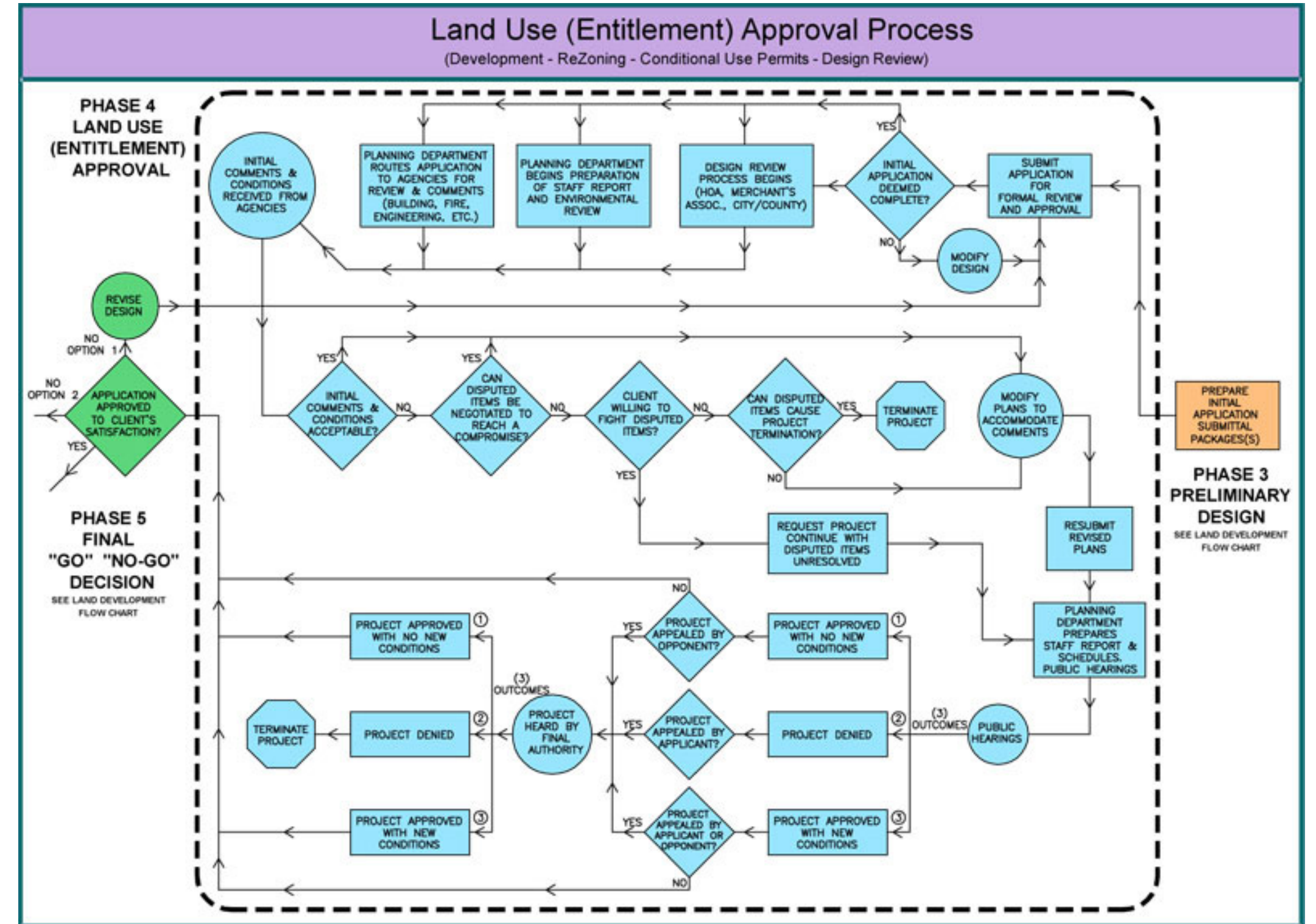
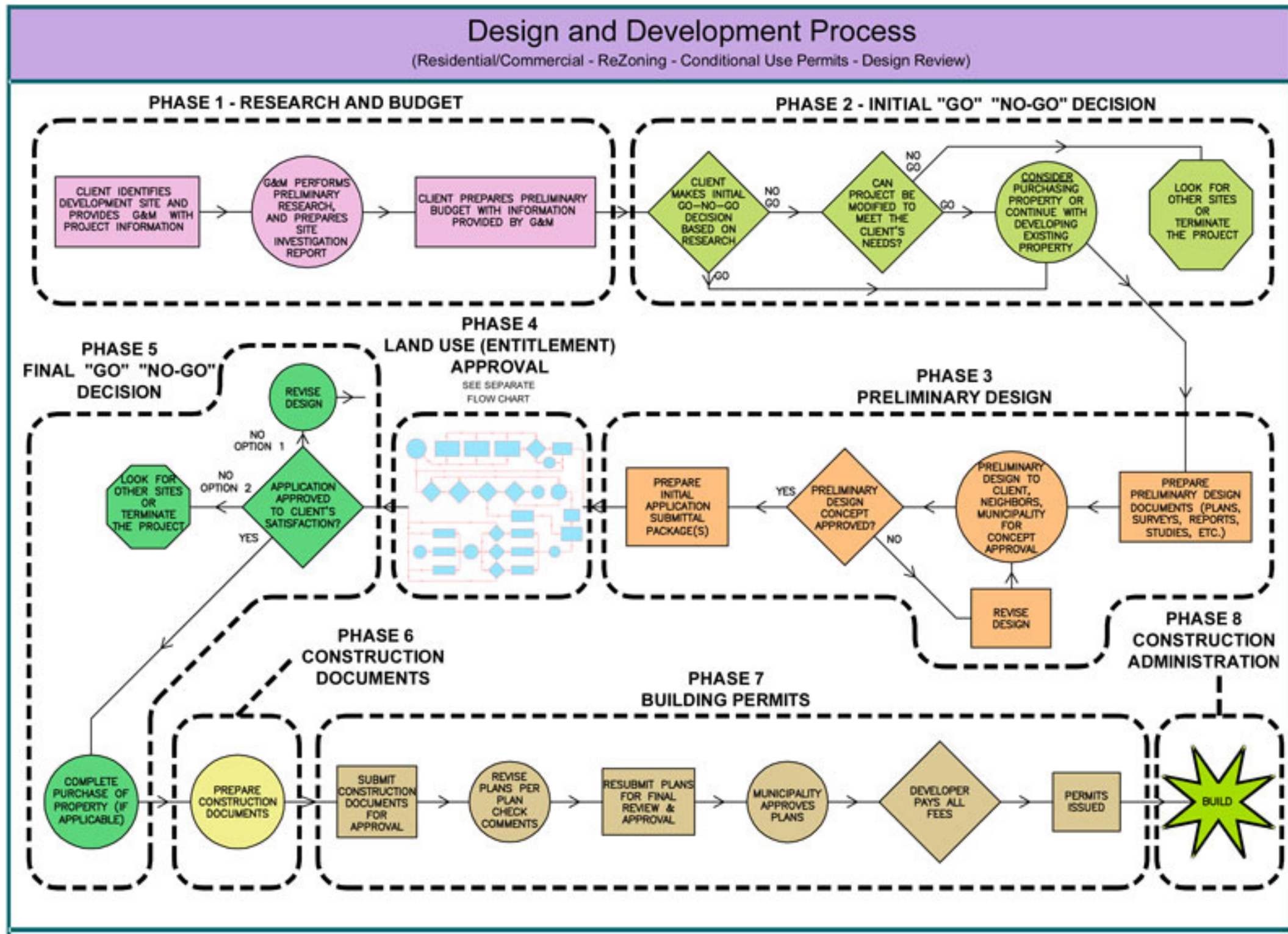




# Regulations: It's Complicated - Fees

<b>Multifamily Buildings (per unit - 2017)</b>	<b>Low</b> <i>(CO Springs, Englewood, Parker)</i>	<b>Moderate</b> <i>(Aurora, Erie, Ft. Collins)</i>	<b>High</b> <i>(Broomfield, Brighton, Eagle)</i>
<b>Core Fees</b>	\$3,000-\$9,000	\$6,000-\$16,000	\$3,000-\$24,000
<b>Impact Fees</b>	\$0-\$2,000	\$0-\$13,000	\$1,000-\$21,000
<b>Total</b>	\$3,000-\$10,000	\$11,000-\$20,000	\$21,000-\$27,000
<b>Growth 2007-2017</b>	<b>0 – 25%</b>	<b>8 – 32%</b>	<b>17 – 48%</b>

# Regulations: It's Complicated – Land Use





# Land: We Have a Lot, But Not Really

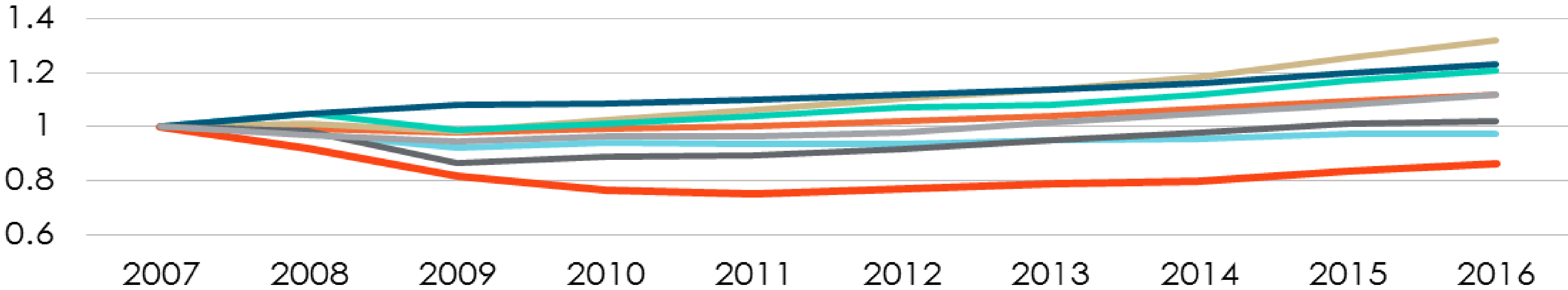


Use by Right Residential - Denver Metro Region



# Labor Productivity May Be a Low Hanging Fruit

### Real Gross Value Added per Hour Worked (2007 = 1)

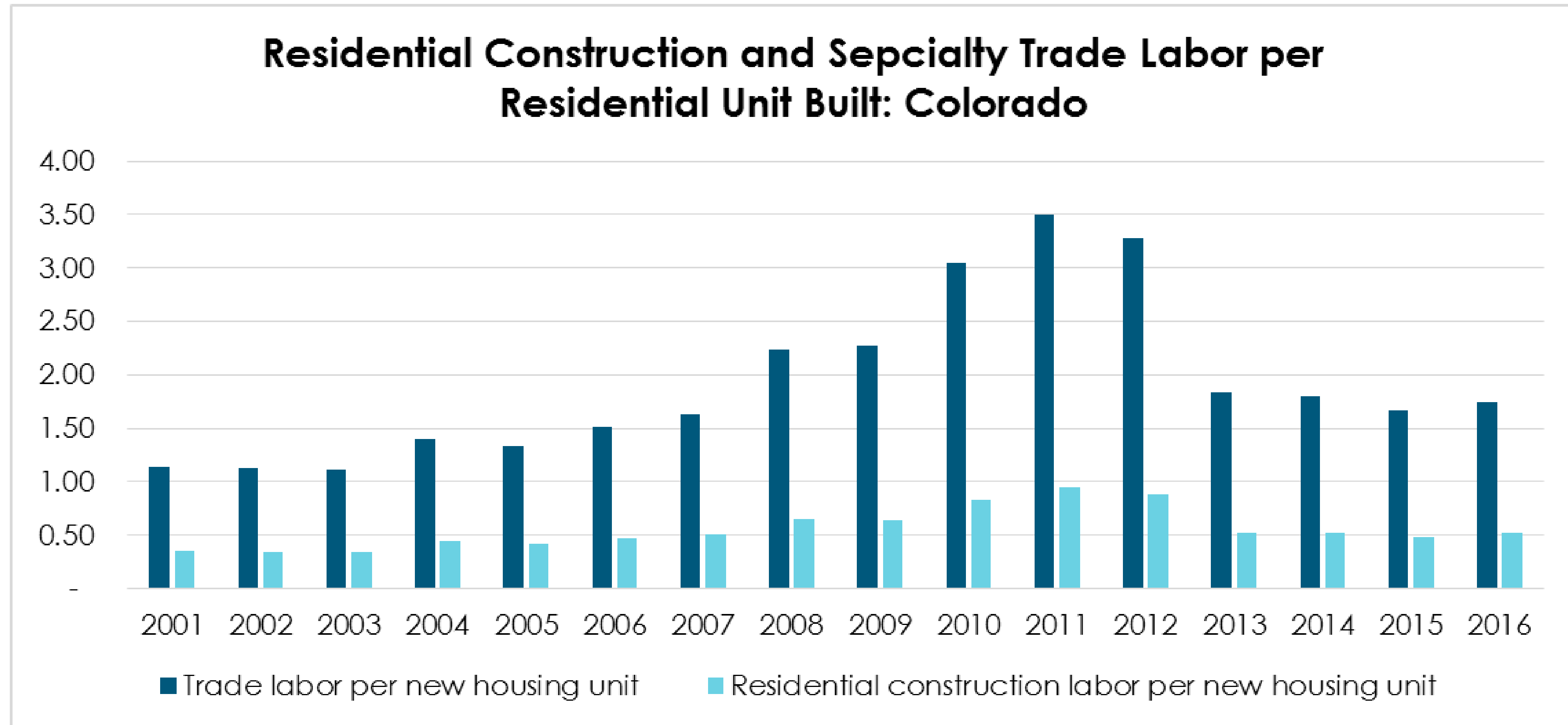


— Total Private  
— Manufacturing  
— PBS  
— Wholesale Trade

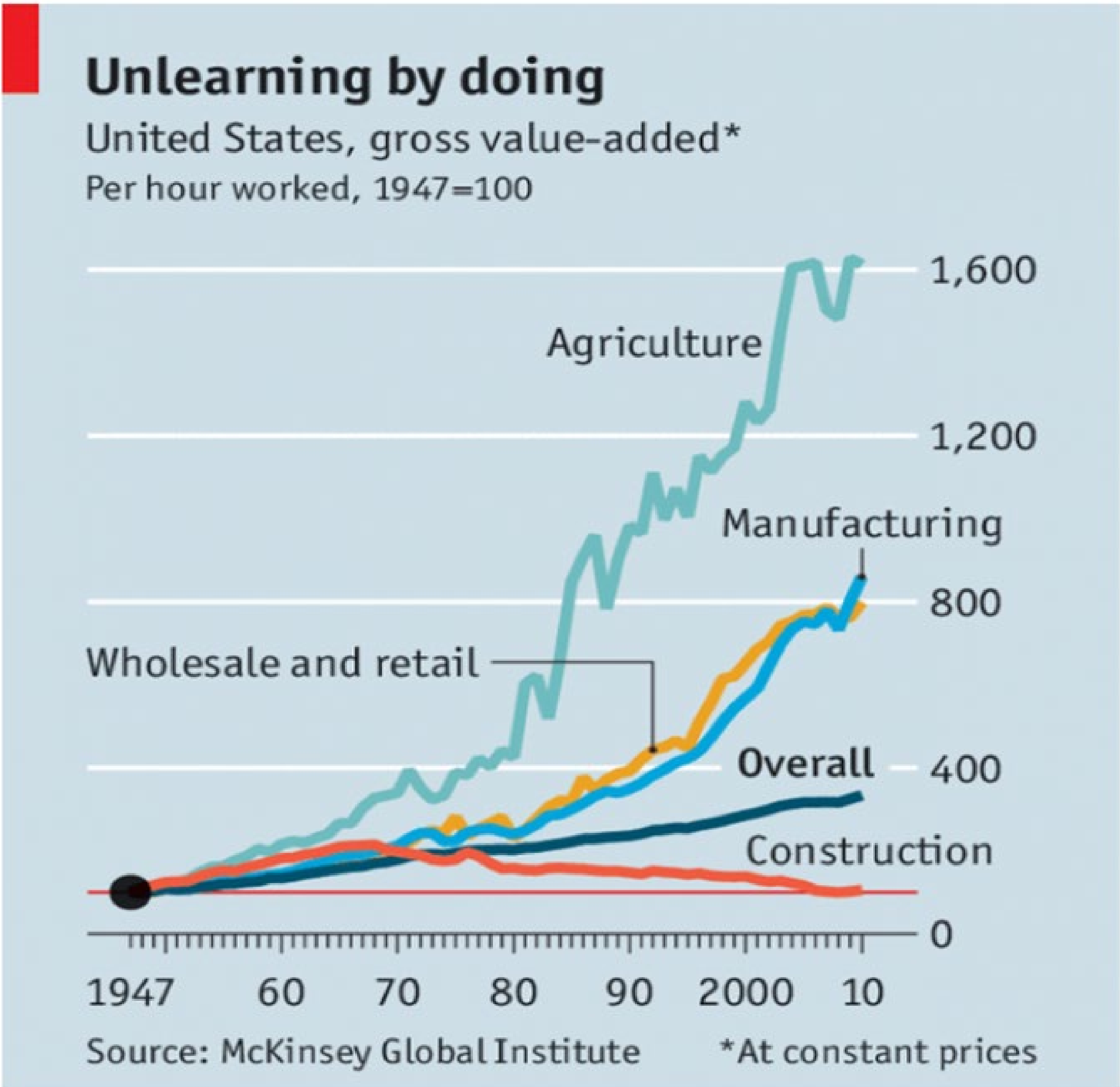
— Construction  
— Information  
— Education & Health Services  
— Retail Trade



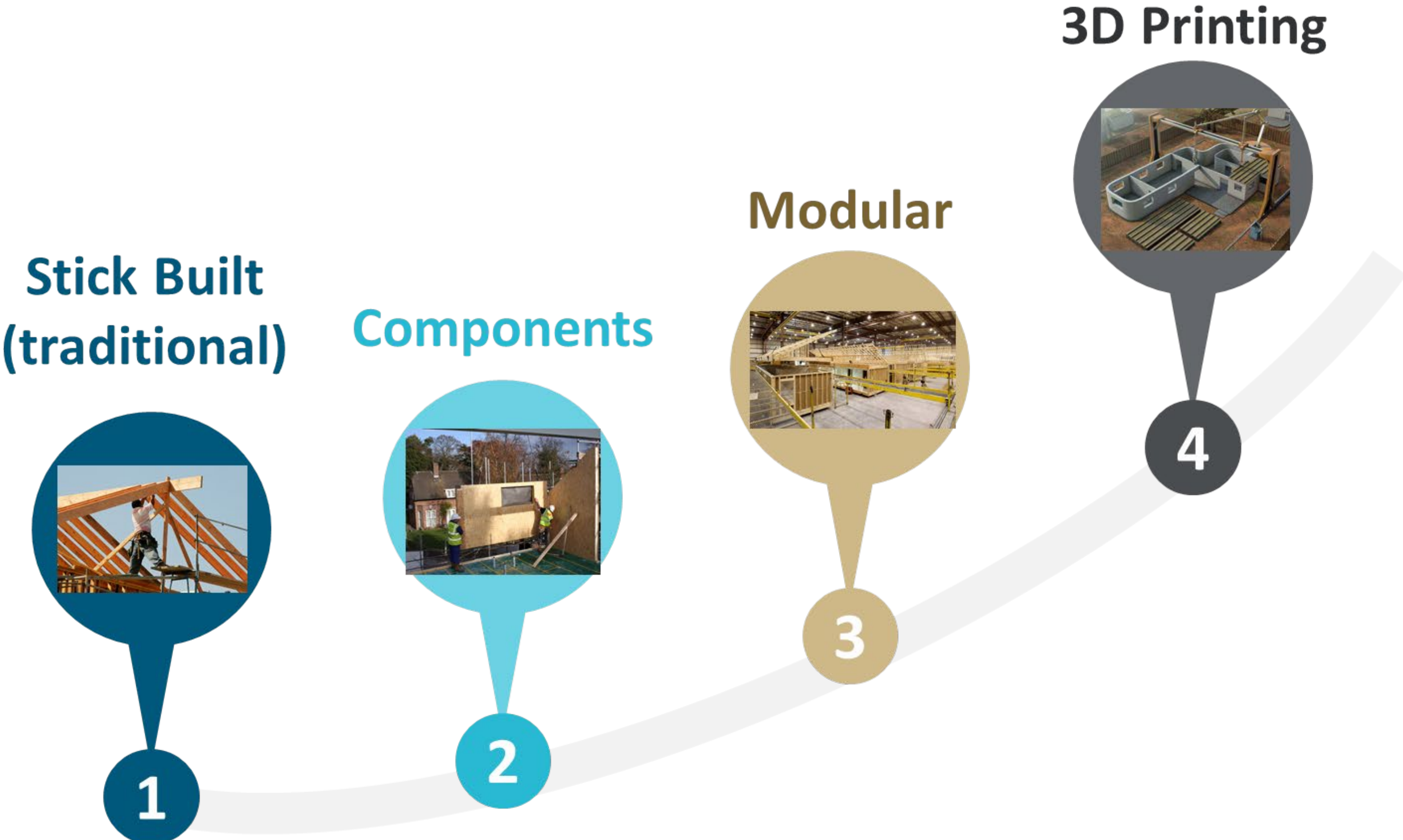
# Labor Productivity May Be a Low Hanging Fruit



# Not A Colorado or Recent Issue



# Productivity Continuum – Potential to Catch Up



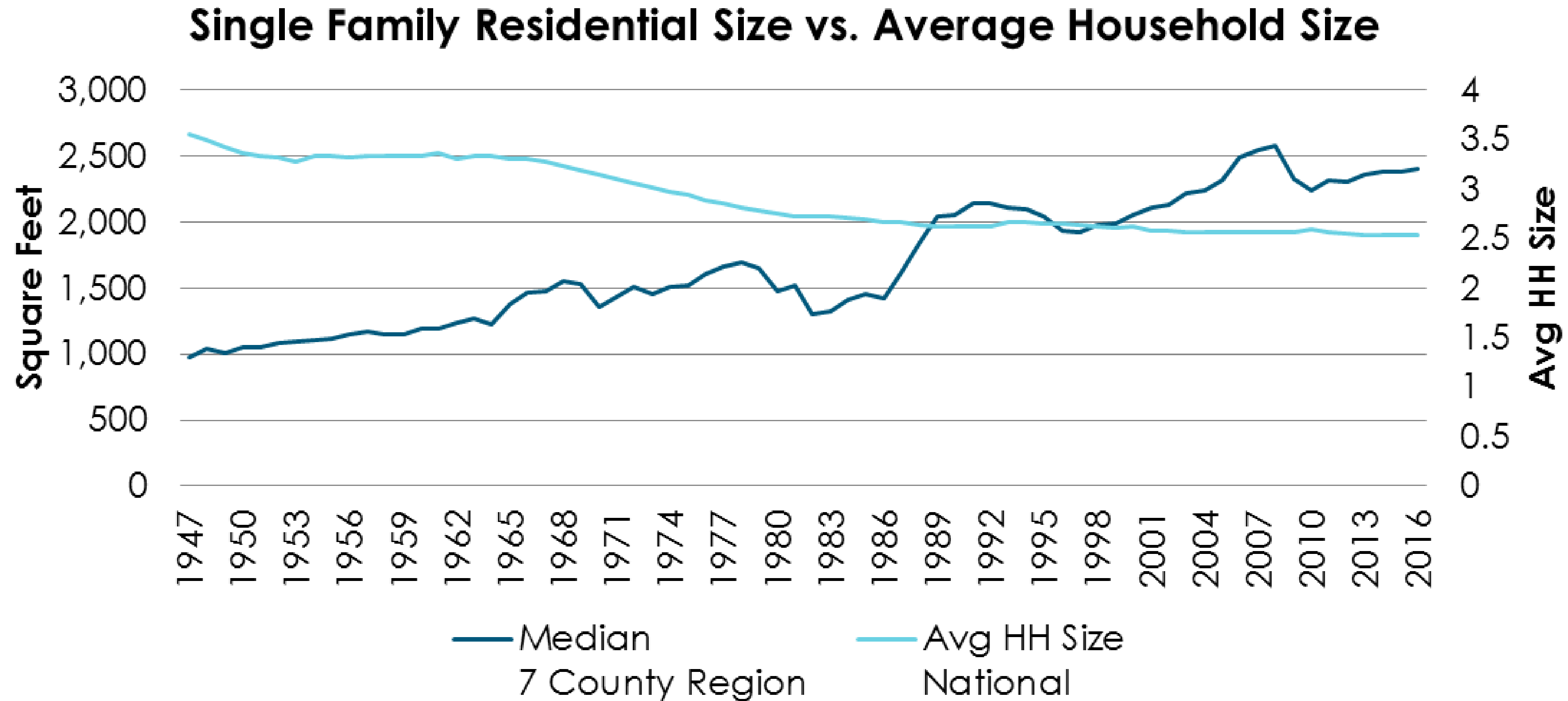


# Materials: Mixed Results

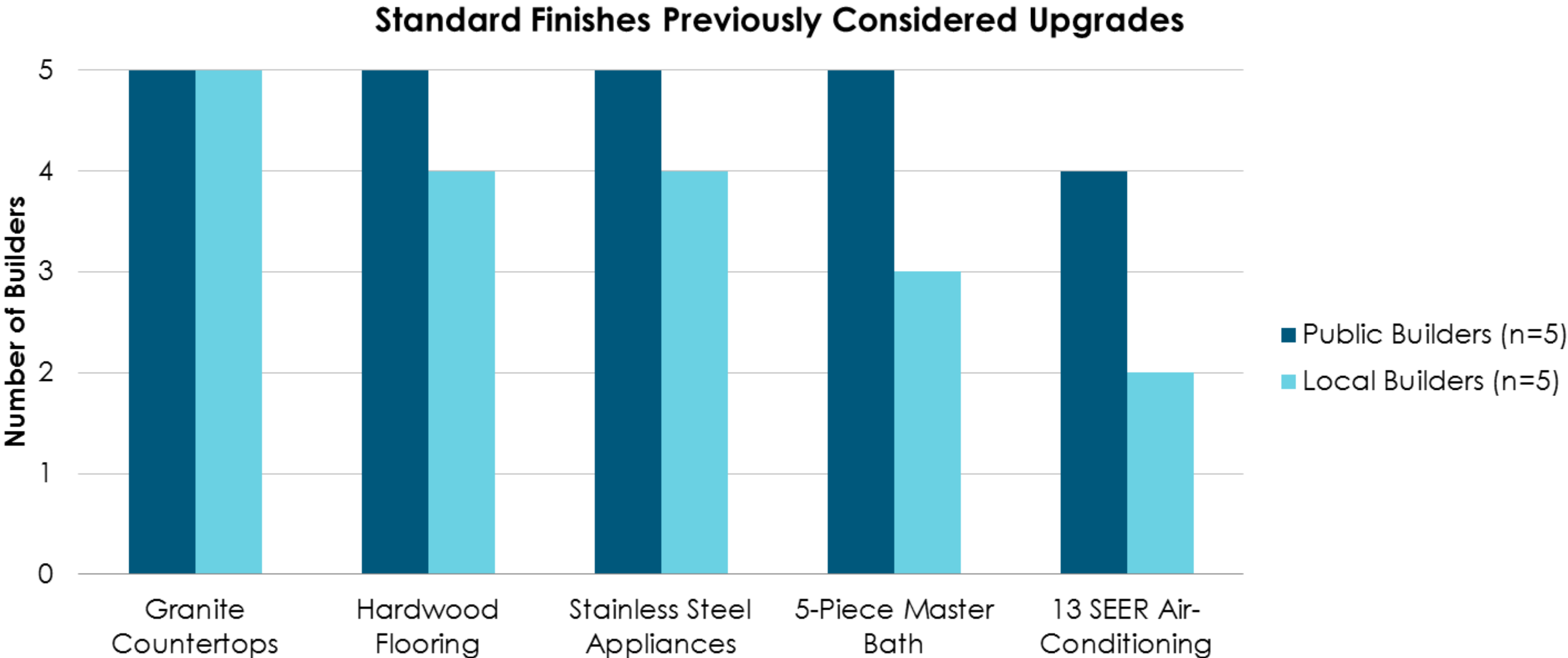
<u>Major Material</u>	<u>2007-2016 Growth</u>
Ready-Mix Concrete	21.9%
Softwood Cut Stock & Dimension	-0.5%
Plywood	9.2%
Gypsum	24.1%
Copper Wire & Cable	-20.3%



# Consumer Preference: More = More



# Consumer Preference: Then vs. Now







# Other: More Inquiry is Needed

Construction  
Defects

Lending

Economic  
Development

Investor  
Owned Units

Localized  
Policies

???

# Call-to-Action

HOUSING AFFORDABILITY ROUNDTABLE



# Our Latest Inquiry Grew from Counterintuitive Finding

Remember that \$2 Billion in Foregone Spending?

It remained constant even as the number of cost burdened households **DECLINED**

Cost burdened  
households  
In 2006:

533K

Cost burdened  
households  
In 2017:

496K

# Doubling Up: Part 1 Findings

# Why Do People Decide to “Double-Up”?

- Newly formed adult households – the classic roommate
- Some cultures it is the norm – multiple generations
- Care for an elderly family member
- Extended economic pressures – all generations
- Costs beyond housing – child care

# How We Defined Doubled Up Households

**Doubled-up family households:** A nuclear family, plus any other related family members not included in non-doubled up households. This can include family members, such as children of legal age who could otherwise form their own unique household, siblings or parents of the head of household, or other familial relations.

**Doubled-up non-family households:** Any other legal age person who does not have a familial relationship with the head of household, where the head of household is the Census survey respondent. The predominant doubled-up non-family household is one containing roommates.

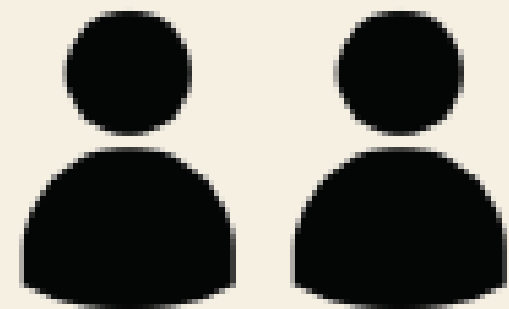
# Colorado's Doubled-Up Households in 2017

Family vs. Non-Family Households: Doubled-up family households are more than twice as common as doubled-up non-family ones.



**~405K**

FAMILY



**~155K**

NON-FAMILY



# Who They Are

2017

Owners vs. Renters:  
60% of doubled-up  
households are in  
owner-occupied units.



**~220K**  
RENTERS



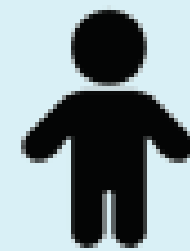
**~340K**  
OWNERS

# Who They Are

2017

## THOSE LIVING IN A DOUBLED-UP HOUSEHOLD

Young vs. Old: Doubled-up households contain between 20% and 25% of very young children and the aging in Colorado.



**1 in 5**

CHILDREN UNDER 6



**1 in 4**

CHILDREN UNDER 18



**1 in 5**

SENIORS OVER 65

# Who They Are

2017

## HOUSEHOLDS WITH CHILDREN UNDER AGE 5

**Married vs. Single Parents:** Three-fourths of doubled-up households with children under 5 are headed by a single parent.



**~17K**  
MARRIED



**~50K**  
SINGLE PARENT

# Changes in Doubled-Up Households: 2006 - 2017

TOTAL NUMBERS

The number of doubled-up households increased by 34%, as compared to 16% for all household growth.

**1 in 5**

DOUBLED UP IN 2006

**1 in 4**

DOUBLED UP IN 2017



**~415K**

2006 DOUBLED-UP HOUSEHOLDS

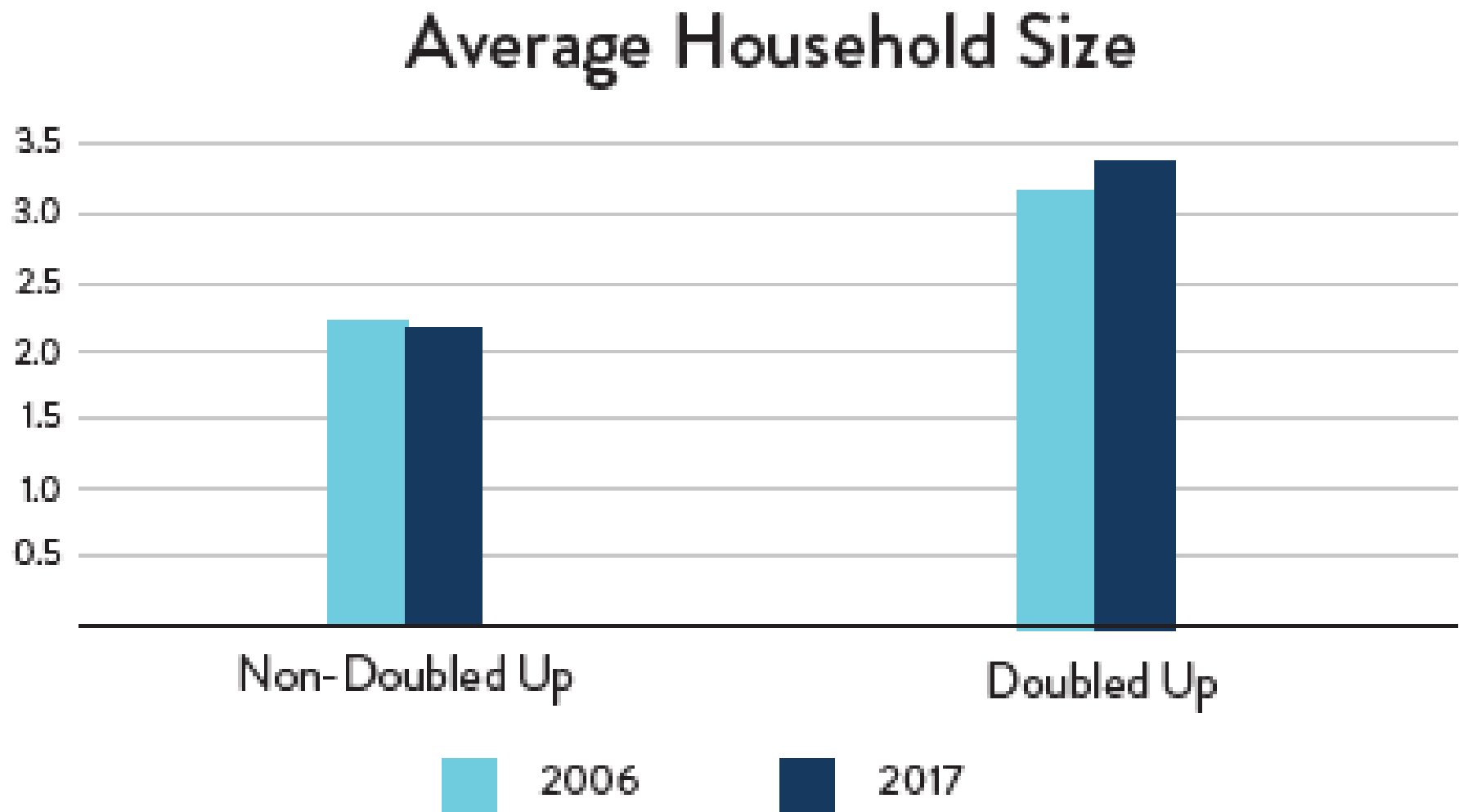
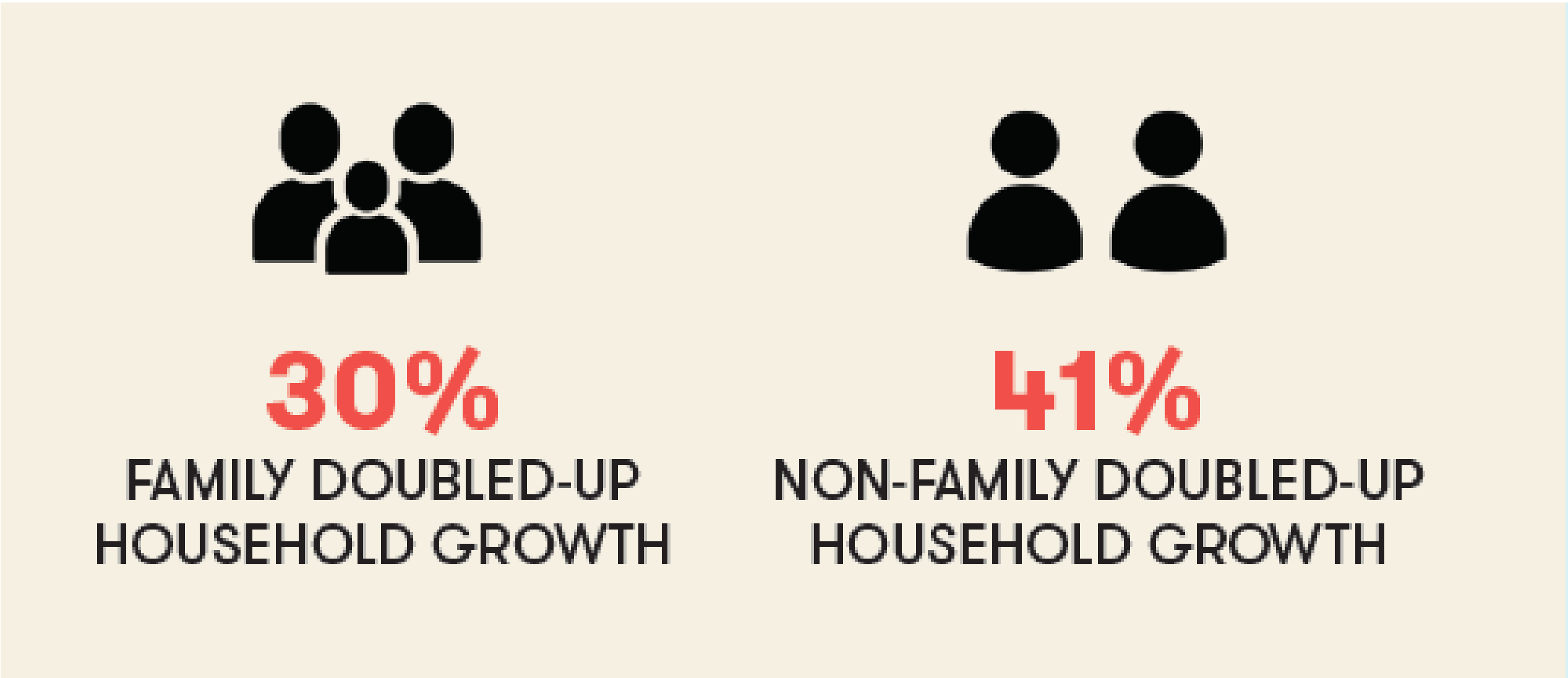


**~560K**

2017 DOUBLED-UP HOUSEHOLDS

# Changes in Doubled-Up Households: 2006 - 2017

HOUSEHOLD TYPE AND SIZE

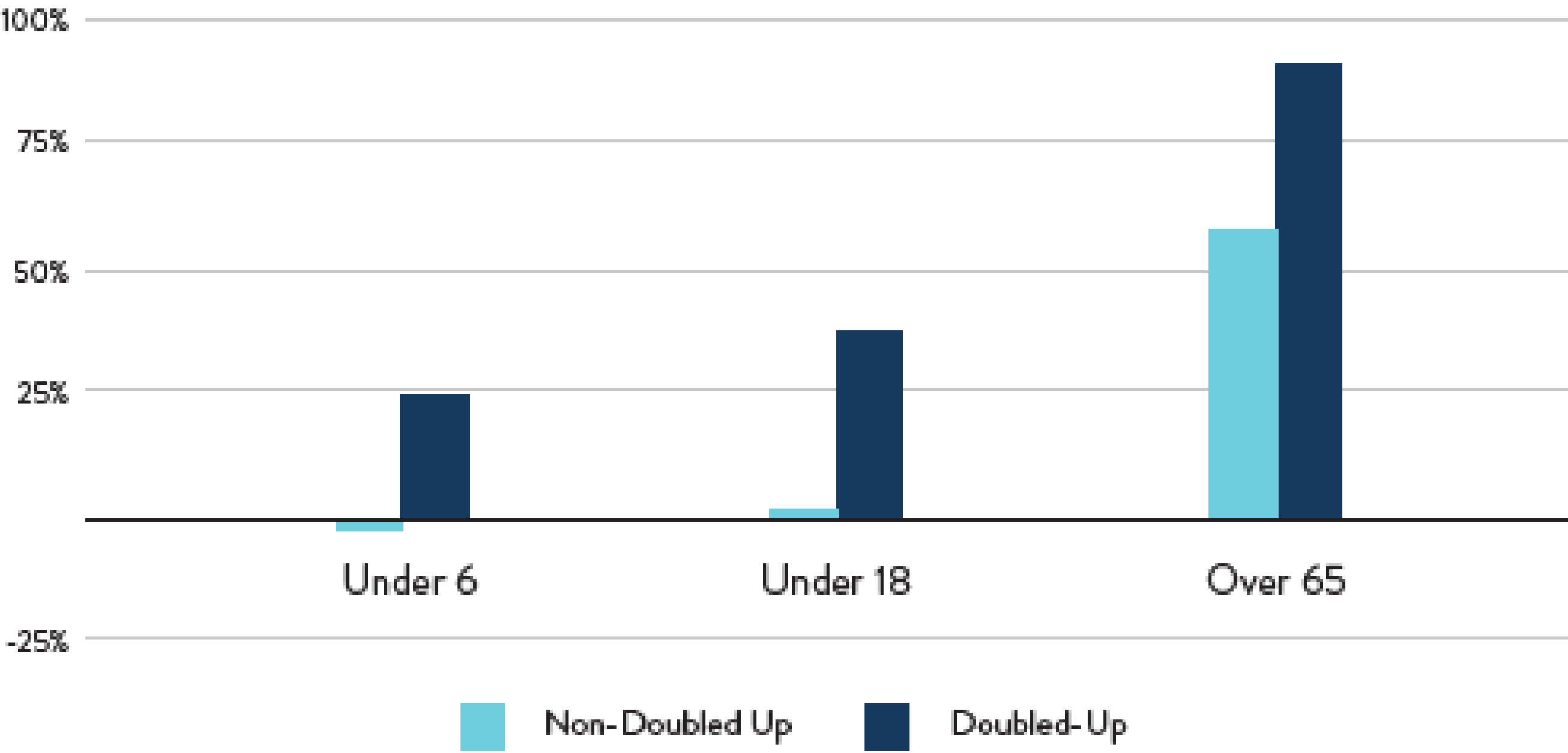


Source: Analysts' calculation from 2006 and 2017 American Community Survey Public Use Microdata Sample (IPUMS), U.S. Census Bureau. Note: All figures are rounded.

# Changes in Doubled-Up Households: 2006 - 2017

THE YOUNGEST IMPACT

### Non-Doubled vs. Doubled-Up Growth by Age

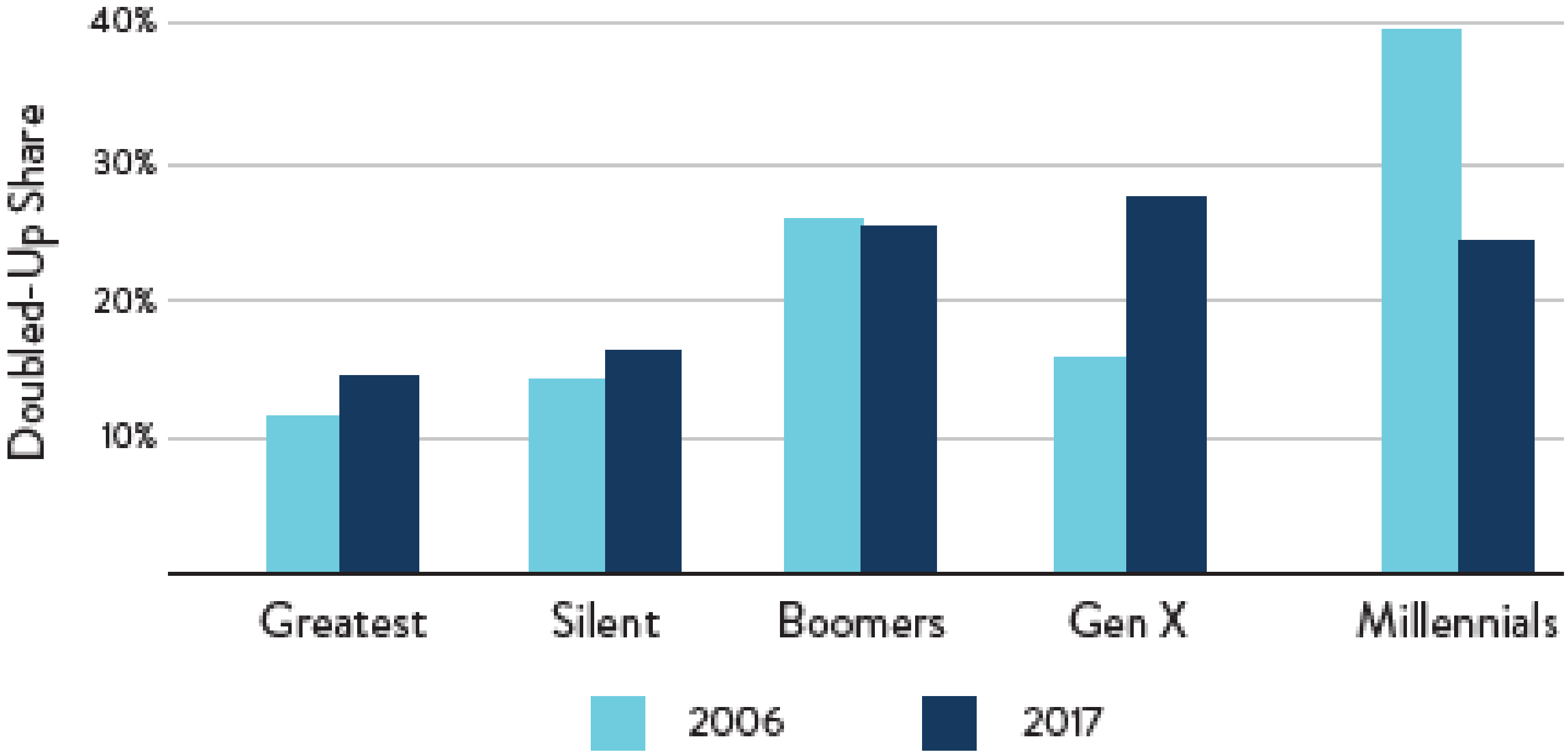


Almost **90%** of the growth in children under 18 were in doubled-up households.

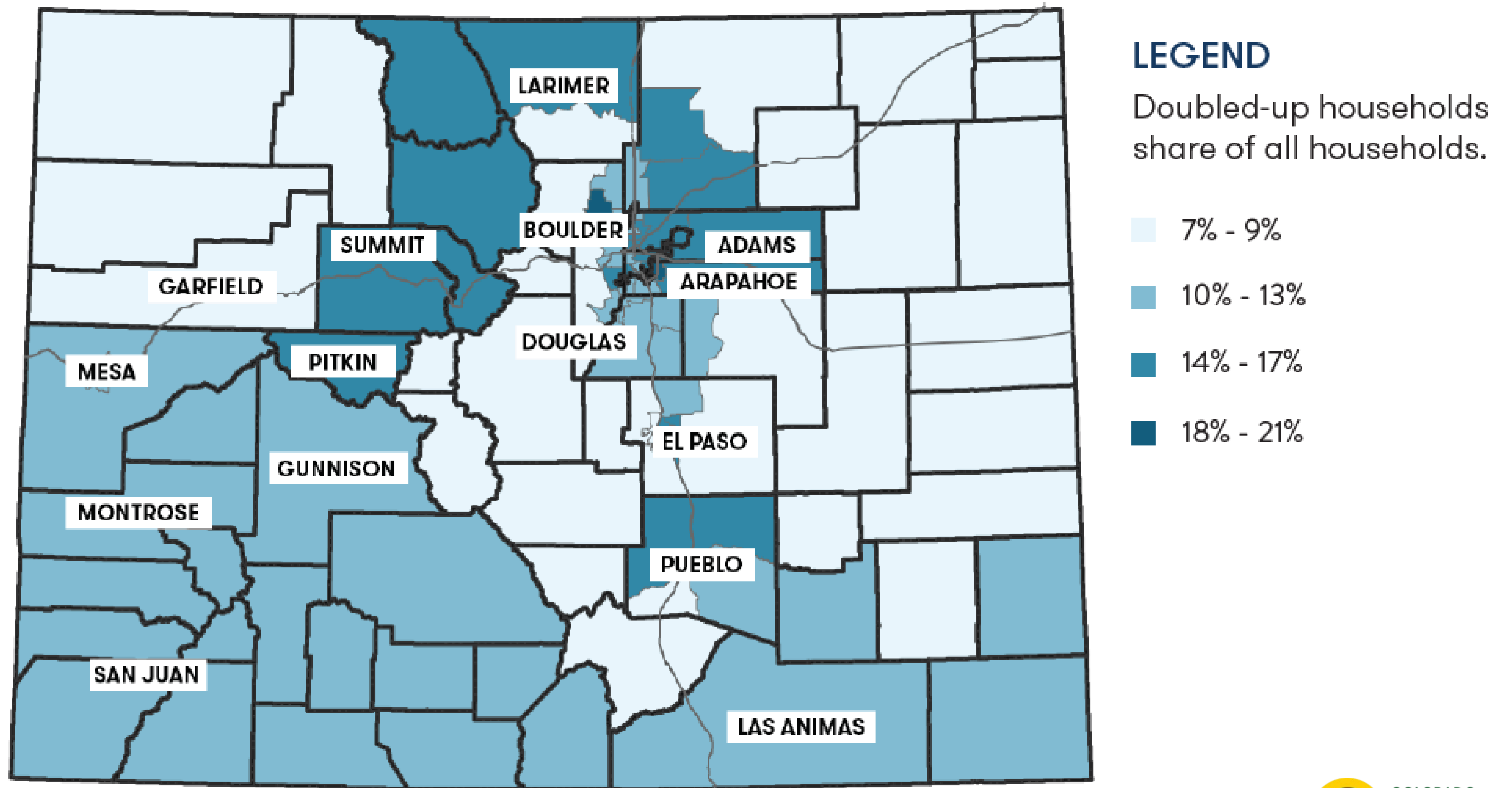
Source: Analysts' calculation from 2006 and 2017 American Community Survey Public Use Microdata Sample (IPUMS), U.S. Census Bureau. Note: All figures are rounded.

# Doubled Up Households Increasingly in Older Generations

## Share of Total Households by Generation

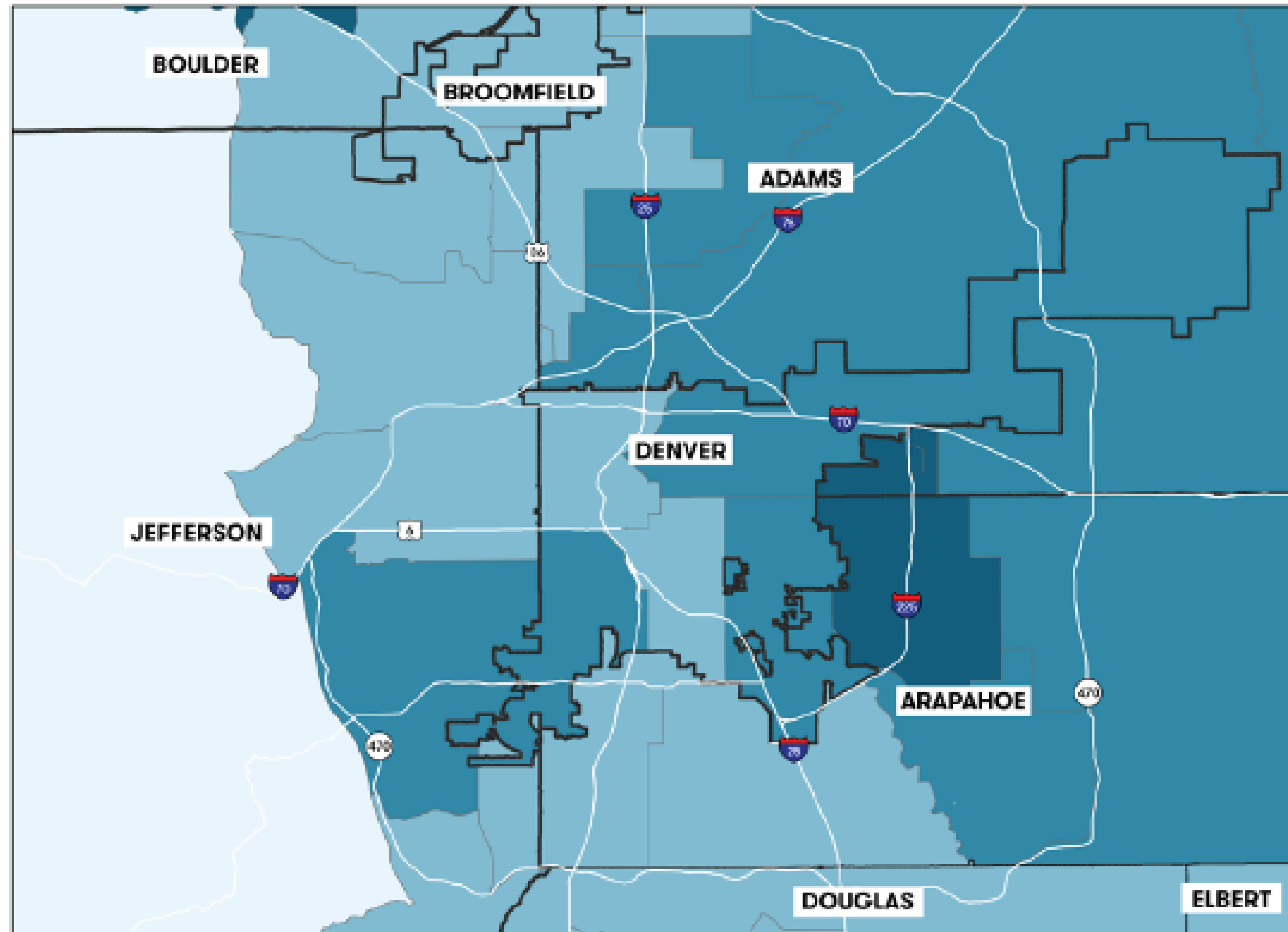


# Where in the State is Doubling Up More Prevalent?





# Where Are People Doubling Up? A Regional View



## LEGEND

Doubled-up households share of all households.

7% - 9%

10% - 13%

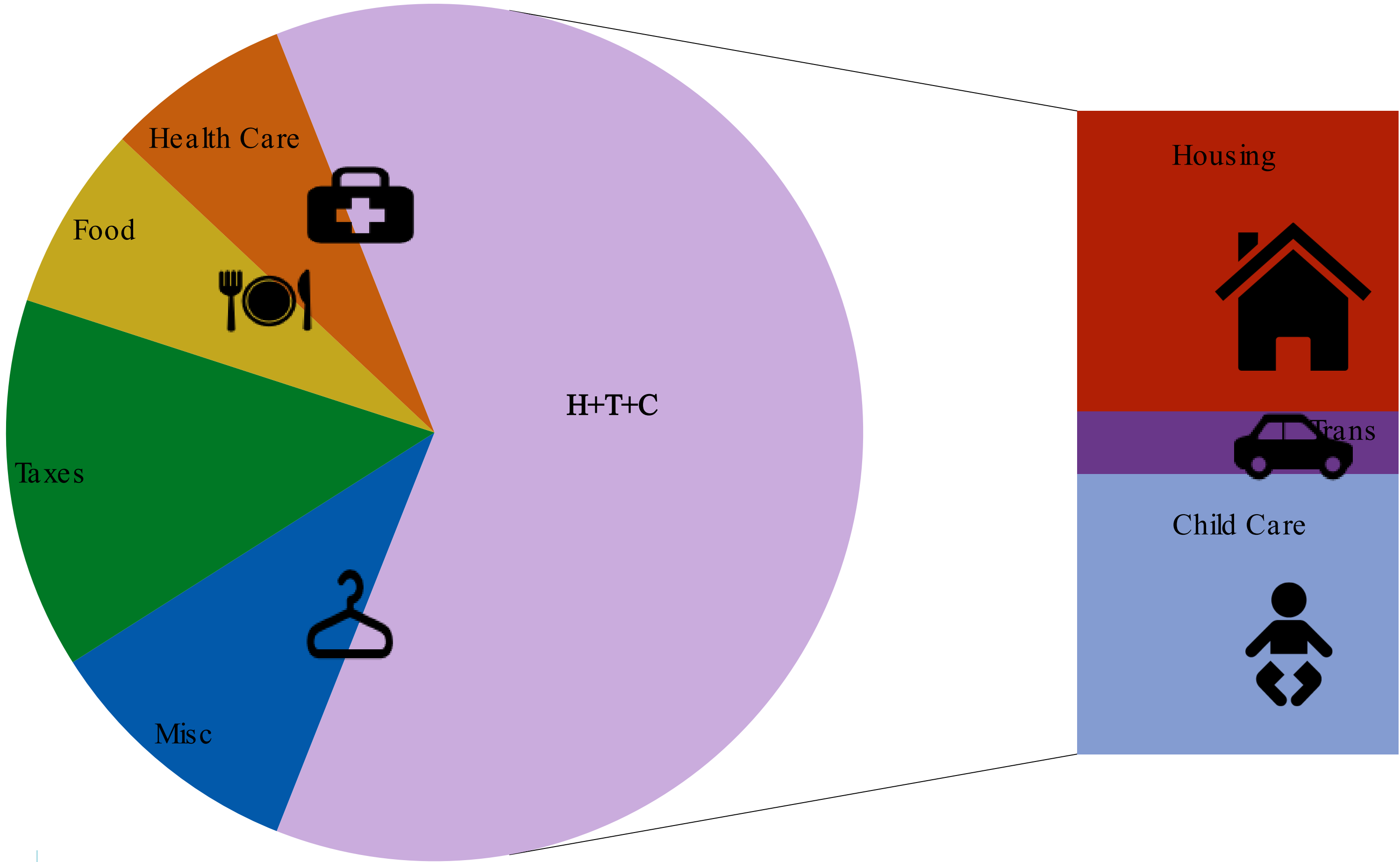
14% - 17%

18% - 21%

# Teaser for Part 2: The Economics of Doubled Up Households

# Household Economic Drivers

SELF SUFFICIENCY STANDARD: ONE ADULT ONE INFANT HOUSEHOLD



**Statewide  
Average  
\$3,820/mo**

Source: The Self-Sufficiency Standard for Colorado 2018

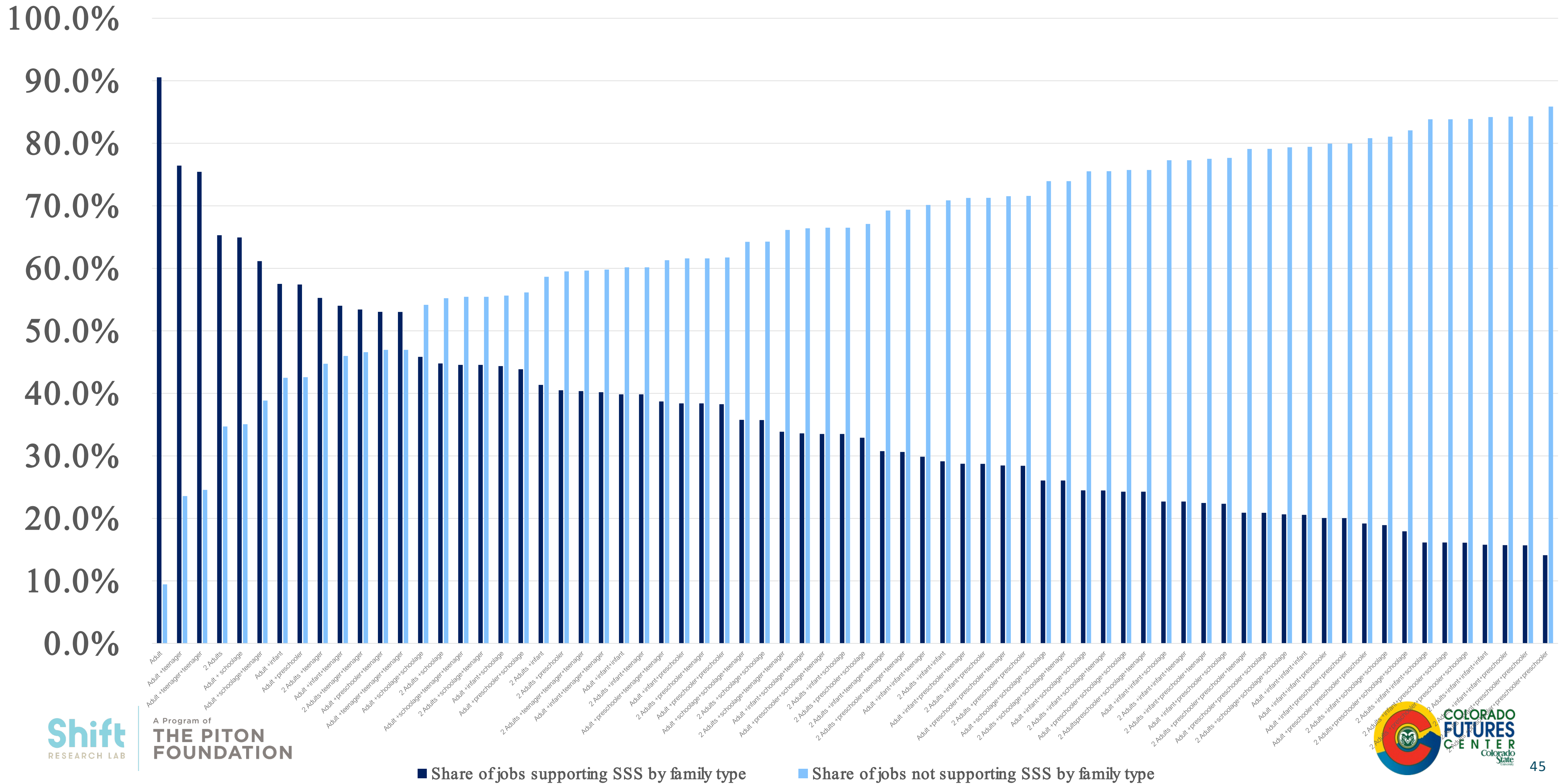
# How Has Colorado's Occupation Profile Supported Self Sufficiency?

2006 to 2017

**Shift**  
RESEARCH LAB

A Program of  
**THE PITON  
FOUNDATION**

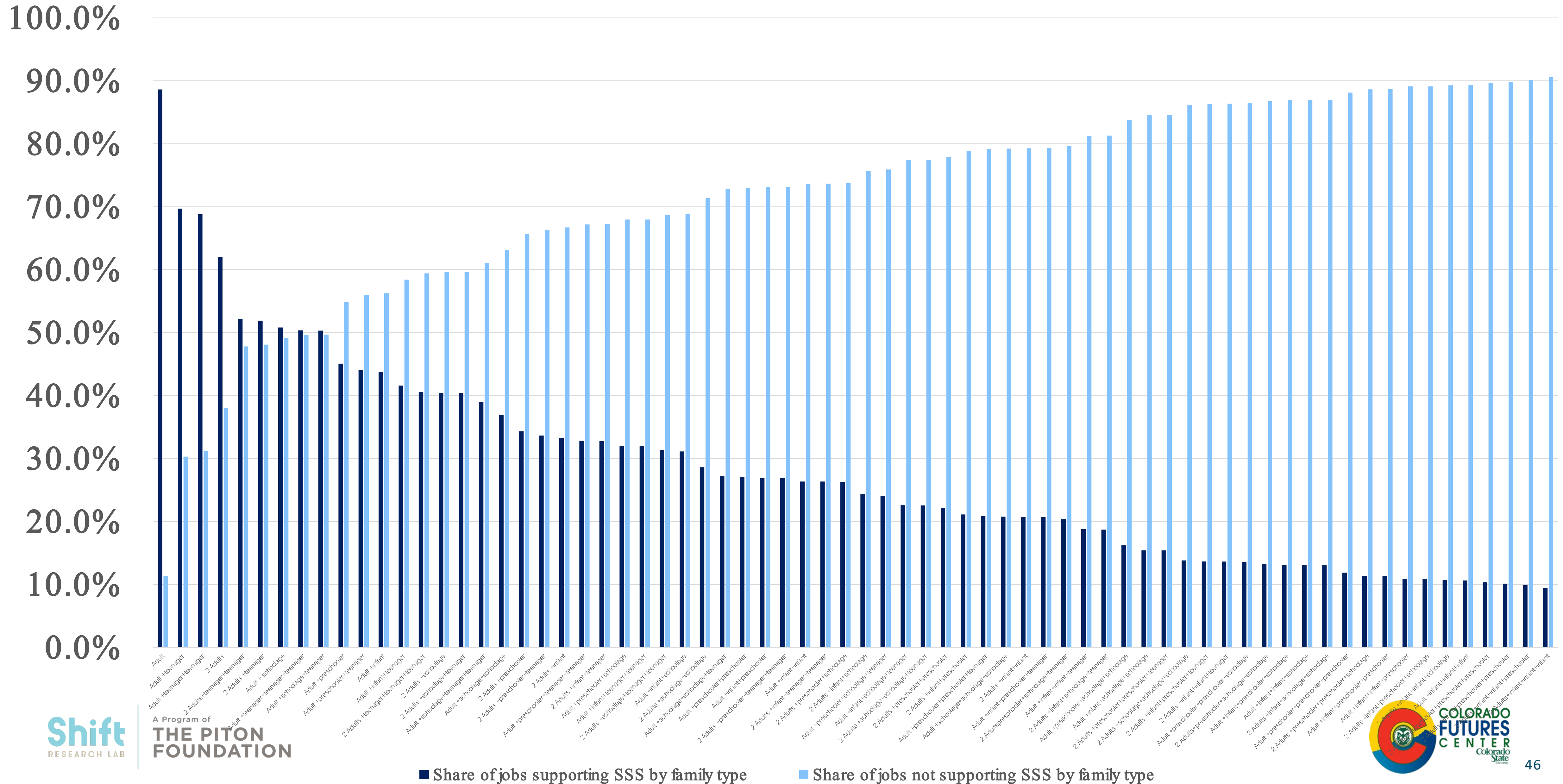
# 2006



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FOUNDATION**



# 2017



# How Has Colorado's Occupation Profile Supported Housing Self Sufficiency?

2006 to 2017

**Shift**  
RESEARCH LAB

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## NEXT STEPS: WHAT DOES THIS MEAN FOR COLORADO?

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**Income:** Are doubled-up households under more economic stress?

**Affordability:** How many doubled-up households could afford median priced house if separated?

**Demand:** To what extent is doubling-up masking true housing demand, and what are the implications such choices have on factors such as housing policy and resource allocations?

**Policy:** How does doubling-up impact housing policy, HUD income limits, the relationship between occupations and salaries “artificially qualified” for housing support, and competition for housing support?

The Full Reports are Available at  
<https://www.shiftresearchlab.org>

Jennifer Newcomer

[jnewcomer@garycommunity.org](mailto:jnewcomer@garycommunity.org)

303.454.3776

Phyllis Resnick, PhD

[Phyllis@coloradofuturescsu.org](mailto:Phyllis@coloradofuturescsu.org)

303.579.8992

Thank You  
Questions?