



Housing Need and Rent Burden in Colorado and its Metropolitan Areas

Colorado Department of Local Affairs,
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Summary

There are more than 1.9 million households in Colorado including more than 600,000 renter households. While more than 65 percent of Colorado households are owner occupants, rental housing continues to be an important source of shelter for households at all income levels in Colorado.

Among low-income households, rental housing is often the only option and rental housing continues to be essential for households at middle-income and lower-income levels.

The purpose of this report is to provide an overview of availability and affordability of rental housing for households in Colorado. The information is organized into housing mismatch tables for the state of Colorado and for seven regions in the state. Also provided is a listing of the number of rent-burdened households in Colorado and in seven metropolitan areas. The housing mismatch describes the difference between the number of households at a certain income level, and the number of units affordable to households at that level. See Tables 8-15.

The rent burden tables show three levels of rent burden and show the total number of rent burdened households and the percentage of all rental households that are rent burdened in each area. See Tables 1-3.

Rent burden totals are broken out by income level in Tables 4, 5, 6 and 7.

All findings reflect information provided by the 2006-2010 American Community Survey five-year estimates.

Rent Burden Findings

Rent burdened households are households that pay 30 percent or more of income toward housing. This report shows data on households paying 30 percent, 35 percent, and 50 percent or more of income toward housing.

The metropolitan areas with largest rent burdens were the Boulder area and Fort Collins-Loveland area. These counties were among the counties with the highest rent burdens in all three categories.

The metropolitan areas with smallest rent burdens were the Grand Junction area and the Colorado Springs area. These counties were among the counties with the lowest rent burdens in all three categories.

Out of a total of 622,000 renter households in Colorado, there were approximately 298,000 households (48 percent of all renter households) paying 30 percent or more of income toward housing, and 243,000 households (39 percent of all renter households) paying 35 percent or more of income toward housing. Approximately 150,000 households (24 percent of all renter households) pay 50 percent or more of income toward housing.

Among rent-burdened households in Colorado, 150,500 (50 percent) were households with incomes of less than \$20,000 per year.

Rent burden information is provided for six income levels within each metro area. The rent burden total for each income level reflects the number of households at that income level and in that metro area that pay 30 percent or more of income toward gross rent.

When broken out by income levels, rent burdened households are most numerous at the lower income levels. As incomes rise, fewer renters are rent burdened, and there are fewer renters at the higher income levels.

For households below the \$20,000 income level, the largest proportions of households that are rent burdened were found in the Boulder area and the Fort Collins-Loveland area. The areas with the smallest proportions of rent burdened households below the \$20,000 income level were found in the Grand Junction and Greeley areas. See Tables 4-7 for details.

Mismatch Findings

The mismatch in Colorado is largest at the lowest income levels. Statewide, there are 1.8 households for every unit affordable to households earning less than \$10,000 per year. There are 2.2 households for every unit affordable to households earning less than \$15,000 per year, and 2.0 households for every unit affordable to households earning less than \$20,000 per year.

In general, there is at least one affordable unit for every household earning \$35,000 or more in Colorado.

In other words, households that earn more than 60 percent of the area median income will generally be able to find a rental unit that is affordable to that household. However, for households earning 45 percent of area median income or less, rental housing is much more difficult to find. For households earning incomes below 30 percent of area median income, there are generally two households for every affordable unit. In all regions of the state, as incomes go down, the number of available affordable units falls.

Findings varied from region to region. In the metro Denver area, there were 2.5 households for every unit affordable to households making less than \$20,000 per year. In Greeley and Pueblo, there were 1.6 and 1.5 households for every unit affordable to households earning less than \$20,000 per year, respectively.

In the Grand Junction metro area there were 1.3 households for every unit affordable to households making less than \$10,000, although there were 1.6 households for every affordable unit for households earning \$20,000 or less.

The area showing the largest mismatch was the Boulder area. In the Boulder area, there were 3.5 households for every unit affordable to households making \$20,000 or less.

Methods

Rent burden information is based on tables showing “gross rent as a percentage of household income in the past 12 months” in the American Community Survey. Total units are then calculated as a percentage of all renter households.

The rent burden data (Tables 1-7) reflects only residents within each listed county and does not reflect the incomes or rents of workers who commute to the counties listed.

Rent burden information by income level (Tables 4-7) is based on tables showing “household income by gross rent as a percentage of household income” in the American Community Survey.

The mismatch tables are based on household income data and rent level data provided by the 2006-2010 five-year estimates of the American Community Survey (ACS) conducted by the U.S. Census Bureau. Housing unit totals and rents are drawn from both subsidized and market-rate units. Unit supply at specific rent levels is then compared to household totals at specific income levels. The data, which is the most recent data available for gross rent, reflects the economic and demographic conditions found in Colorado during 2010.

“Affordability” assumes rent equal to less than 30 percent of the household’s income. However, incomes analyzed are gross incomes and not based on monthly take-home pay or after-tax pay. The mismatch does not reflect the impact of payroll taxes or income

taxes, and therefore overestimates what some households have available to pay toward housing.

The total number of available units includes units that are classified as “no cash rent.” These are units that are provided in exchange for services, such as in the case of on-site property managers. “No cash rent” also includes renters who live in units rent-free because the units are owned by friends or relatives who provide the units in exchange for consideration other than cash. Also included is base housing (not including barracks and group housing) at military installations. “No cash rent” units are included at the lowest rent level, so it is assumed that households with little to no income can afford these units.

The areas selected for regional mismatch analysis are dictated by the availability of data through the American Community Survey. Smaller regions have not been included at this time due to large margins of error within the ACS data for small regions.

All data in this report is based on rental units, renter households and renter household income. “RMI” describes renter median income. “AMI” describes area median income which reflects both renter and homeowner incomes.

The unit totals also assume a five-percent vacancy rate, and that five percent more units are available than were counted by the American Community Survey.

Note: Rent burden totals should not be confused with mismatch totals. The mismatch provides information on how many units are available to renters seeking to avoid a rent burden. The rent-burden totals provide information on how many renter households are actually rent burdened for any reason. For a variety of reasons, renters may choose to be rent burdened if units or unit locations are deemed unsafe or undesirable for some reason. Households with higher incomes have more flexibility in coping with rent burden than do lower-income households.

If a rent burden total is higher than the mismatch total, this suggests that households are rent burdened for reasons in addition to a physical lack of units and that available units are considered by renters to be undesirable in some way: The reasons for this can include safety, size of unit, sanitary conditions of the unit, proximity to workplace, proximity to public transportation, or aesthetic considerations.

Rent Burdens in Colorado

Table 1: Households paying 50% or more of income toward housing

Metro Area	Total number of households paying 50% or more of income toward housing.	Percentage of households paying 50% or more of income toward housing
Boulder	13,080	30.8%
Colorado Springs	17,296	22.4%
Denver-Aurora-Broomfield	77,709	23.6%
Fort Collins-Loveland	11,530	30.1%
Grand Junction	3,243	20.5%
Greeley	5,752	23.4%
Pueblo	5,452	29.4%
Colorado	150,142	24.1%

Table 2: Households paying 35% or more of income toward housing

Metro Area	Total number of households paying 35% or more of income toward housing	Percentage of households paying 35% or more of income toward housing
Boulder	19,857	46.7%
Colorado Springs	29,004	37.6%
Denver-Aurora-Broomfield	128,796	39.2%
Fort Collins-Loveland	17,021	44.5%
Grand Junction	5,744	36.3%
Greeley	9,622	39.1%
Pueblo	8,303	44.8%
Colorado	243,687	39.1%

Table 3: Households paying 30% or more of income toward housing

Metro Area	Total number of renter households paying 30% or more of income toward housing	Percentage of renter households paying 30% or more of income toward housing
Boulder	23,714	55.8%
Colorado Springs	35,872	46.6%
Denver-Aurora-Broomfield	158,067	48.1%
Fort Collins-Loveland	20,588	53.9%
Grand Junction	6,848	43.3%
Greeley	11,794	48.0%
Pueblo	9,785	52.8%
Colorado	298,412	47.9%

Rent Burden by Income Level

Table 4: Households paying 30% or more of income toward housing, by region, by income level.

Rent burdened households (paying 30% or more of income toward housing) at income level:

Metro Area	Less than \$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000 or more
Boulder	5,074	5,888	7,592	3,302	1,427	431
Colorado Springs	6,813	11,753	11,841	4,221	1,055	189
Denver-Aurora-Broomfield	29,022	46,930	54,016	19,320	7,554	1,225
Fort Collins-Loveland	4,704	6,211	6,574	2,472	575	52
Grand Junction	1,530	2,270	2,157	676	168	47
Greeley	2,569	4,125	3,378	1,184	483	55
Pueblo	3,217	3,751	2,230	437	139	11
Colorado	60,165	90,430	96,568	35,453	13,148	2,648

Table 5: Percentage of all households that are rent burdened at each income level.

Percent of households that are at 30% rent burden at each income level:

Metro Area	Less than \$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000 or more
Boulder	80.2%	90.7%	83.2%	48.6%	20.7%	6.3%
Colorado Springs	76.7%	91.8%	63.5%	30.1%	8.0%	2.0%
Denver-Aurora-Broomfield	67.4%	88.0%	71.4%	34.4%	13.8%	2.7%
Fort Collins-Loveland	82.1%	87.4%	73.0%	35.5%	10.9%	1.3%
Grand Junction	70.7%	81.0%	59.6%	28.4%	6.4%	2.1%
Greeley	68.5%	79.2%	61.8%	28.5%	14.7%	2.0%
Pueblo	75.8%	79.5%	53.9%	19.0%	6.7%	1.1%
Colorado	71.0%	85.7%	67.6%	33.5%	13.0%	3.2%

Rent Burden by Income Level

Table 6: Households paying 35% or more of income toward housing, by region, by income level.

Rent burdened households (paying 35% or more of income toward housing) at income level:

Metro Area	Less than					
	\$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000 or more
Boulder	4,992	5,706	6,317	1,901	776	165
Colorado Springs	6,646	10,615	8,801	2,432	394	116
Denver-Aurora-Broomfield	27,816	44,826	41,098	10,988	3,553	515
Fort Collins-Loveland	4,638	5,956	4,903	1,311	170	43
Grand Junction	1,460	2,113	1,657	418	72	24
Greeley	2,459	3,792	2,508	631	185	47
Pueblo	3,042	3,366	1,561	290	44	0
Colorado	57,917	85,023	73,263	20,199	5,974	1,311

Table 7: Percentage of all households that are rent burdened at each income level.

Percent of households at 35% rent-burden level at each income level:

Metro Area	Less than					
	\$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000 or more
Boulder	78.9%	87.9%	69.2%	28.0%	11.3%	2.4%
Colorado Springs	74.8%	82.9%	47.2%	17.4%	3.0%	1.2%
Denver-Aurora-Broomfield	64.6%	84.0%	54.3%	19.6%	6.5%	1.1%
Fort Collins-Loveland	81.0%	83.8%	54.5%	18.8%	3.2%	1.0%
Grand Junction	67.5%	75.4%	45.8%	17.6%	2.7%	1.1%
Greeley	65.6%	72.8%	45.9%	15.2%	5.6%	1.7%
Pueblo	71.7%	71.4%	37.8%	12.6%	2.1%	0.0%
Colorado	68.4%	80.6%	51.3%	19.1%	5.9%	1.6%

Mismatch Tables

Table 8: Availability of Rental Housing, State of Colorado

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$32,321	Income level as % of overall area median income: \$56,456
\$10,000	\$250	46,694	84,734	1.8	55	31%	18%
\$15,000	\$375	63,201	140,232	2.2	45	46%	27%
\$20,000	\$499	95,571	190,215	2.0	50	62%	35%
\$25,000	\$624	169,094	241,507	1.4	70	77%	44%
\$35,000	\$875	356,544	333,145	0.9	107	108%	62%
\$50,000	\$1,250	535,989	438,916	0.8	122	155%	89%
\$75,000	\$1,875	634,510	539,768	0.9	118	232%	133%
\$150,000	\$3,750	653,401	622,289	1.0	105	464%	266%

Table 9: Availability of Rental Housing, Boulder Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$33,739	Income level as % of overall area median income: \$64,839
\$10,000	\$250	2,135	6,328	3.0	34	30%	15%
\$15,000	\$375	2,769	9,657	3.5	29	44%	23%
\$20,000	\$499	3,693	12,819	3.5	29	59%	31%
\$25,000	\$624	5,975	15,897	2.7	38	74%	39%
\$35,000	\$875	17,047	21,947	1.3	78	104%	54%
\$50,000	\$1,250	31,659	28,738	0.9	110	148%	77%
\$75,000	\$1,875	41,586	35,631	0.9	117	222%	116%
\$100,000	\$2,499	44,269	38,685	0.9	114	296%	154%

Table 10: Availability of Rental Housing, Colorado Springs Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$33,178	Income level as % of overall area median income: \$56,358
\$10,000	\$250	3,992	8,886	2.2	45	30%	18%
\$15,000	\$375	5,571	15,201	2.7	37	45%	27%
\$20,000	\$499	11,828	21,687	1.8	55	60%	35%
\$25,000	\$624	22,980	28,690	1.2	80	75%	44%
\$35,000	\$875	46,397	40,320	0.9	115	105%	62%
\$50,000	\$1,250	68,451	54,330	0.8	126	151%	89%
\$75,000	\$1,875	79,378	67,525	0.9	118	226%	133%
\$100,000	\$2,499	80,812	72,631	0.9	111	301%	177%

Table 11: Availability of Rental Housing, Denver-Aurora-Broomfield Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$33,120	Income level as % of overall area median income: \$60,137
\$10,000	\$250	18,740	43,090	2.3	43	30%	17%
\$15,000	\$375	25,538	70,997	2.8	36	45%	25%
\$20,000	\$499	38,037	96,430	2.5	39	60%	33%
\$25,000	\$624	74,442	123,458	1.7	60	75%	42%
\$35,000	\$875	178,179	172,118	1.0	104	106%	58%
\$50,000	\$1,250	279,902	228,281	0.8	123	151%	83%
\$75,000	\$1,875	335,146	283,192	0.8	118	226%	125%
\$100,000	\$2,499	344,789	307,467	0.9	112	302%	166%

Table 12: Availability of Rental Housing, Fort-Collins-Loveland Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$30,291	Income level as % of overall area median income: \$56,447
\$10,000	\$250	2,539	5,729	2.3	44	33%	18%
\$15,000	\$375	3,350	8,909	2.7	38	50%	27%
\$20,000	\$499	4,851	12,353	2.5	39	66%	35%
\$25,000	\$624	9,131	15,569	1.7	59	83%	44%
\$35,000	\$875	22,068	21,356	1.0	103	116%	62%
\$50,000	\$1,250	32,828	28,329	0.9	116	165%	89%
\$75,000	\$1,875	39,316	33,583	0.9	117	248%	133%
\$100,000	\$2,499	40,011	35,834	0.9	112	330%	177%

Table 13: Availability of Rental Housing, Grand Junction Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: \$31,781	Income level as % of overall area median income: \$52,067
\$10,000	\$250	1,661	2,164	1.3	77	31%	19%
\$15,000	\$375	2,323	3,879	1.7	60	47%	29%
\$20,000	\$499	3,025	4,965	1.6	61	63%	38%
\$25,000	\$624	5,275	6,385	1.2	83	79%	48%
\$35,000	\$875	9,897	8,585	0.9	115	110%	67%
\$50,000	\$1,250	14,499	10,965	0.8	132	157%	96%
\$75,000	\$1,875	16,250	13,589	0.8	120	236%	144%
\$100,000	\$2,499	16,593	14,975	0.9	111	315%	192%

Table 14: Availability of Rental Housing, Greeley Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: 28,471	Income level as % of overall area median income: 55,596
\$10,000	\$250	2,906	3,750	1.3	78	35%	18%
\$15,000	\$375	3,772	6,665	1.8	57	53%	27%
\$20,000	\$499	5,772	8,957	1.6	64	70%	36%
\$25,000	\$624	9,529	10,759	1.1	89	88%	45%
\$35,000	\$875	15,013	14,422	1.0	104	123%	63%
\$50,000	\$1,250	21,121	18,572	0.9	114	176%	90%
\$75,000	\$1,875	23,878	21,851	0.9	109	263%	135%
\$100,000	\$2,499	24,471	22,875	0.9	107	351%	180%

Table 15: Availability of Rental Housing, Pueblo Metropolitan Statistical Area

Income level	Maximum monthly rent affordable to a household living below income level	Rental Units available at rent level or below	Renter Households living below the income level	Number of renter households per affordable rental unit	No. of units available per 100 renter households	Income level as % of area renter median income: 20,844	Income level as % of overall area median income: 40,699
\$10,000	\$250	2,410	4,242	1.8	57	48%	25%
\$15,000	\$375	3,678	6,777	1.8	54	72%	37%
\$20,000	\$499	6,007	8,959	1.5	67	96%	49%
\$25,000	\$624	9,485	10,471	1.1	91	120%	61%
\$35,000	\$875	15,147	13,094	0.9	116	168%	86%
\$50,000	\$1,250	18,353	15,398	0.8	119	240%	123%
\$75,000	\$1,875	19,352	17,459	0.9	111	360%	184%
\$100,000	\$2,499	19,428	18,079	0.9	107	480%	246%