



Housing Mismatch and Rent Burden Information for Rental Housing in Colorado

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Division of Housing

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Summary

There are more than 1.8 million households in Colorado including more than 600,000 renter households. While almost 70 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 the lowest income levels.

The purpose of this report is to provide an overview of availability and affordability of rental housing for renter households in Colorado. The information is organized into mismatch tables for the state of Colorado and for five regions in the state. Also provided is a listing of the number of rent burdened households in Colorado and in 25 Colorado counties. 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.

The mismatch tables in this report provide information on the number of rental units available in Colorado to households at different income levels. The tables provide mismatch ratios that show the number of households for each unit available at a given income level.

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 25 counties.

Mismatch Findings

The mismatch in Colorado is largest at the lowest income levels. Statewide, there are 1.9 households for every unit affordable to households earning less than \$10,000 per year. There are 2.3 households for every unit affordable to households earning between \$10,000 and \$15,000 per year.

In general, there is approximately one affordable unit for every household earning \$35,000 or more.

In other words, households that earn approximately 60 percent of area median income or more 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 at least 2.4 households for every unit affordable to households making less than \$20,000 per year. But in Pueblo, the only income group with a mismatch ratio above 2.0 was households making less than 10,000, which showed a mismatch of 2.1.

In the Mesa County/Garfield County region, there were 1.7 households for every unit affordable to households making less than \$10,000, although there were 2.2 households for every affordable unit for households earning between \$15,000 and \$20,000.

The areas showing the largest mismatches were El Paso County and the Denver metro area. In both regions, there were at least 2.9 households for every unit affordable to households making \$15,000 or less.

Rent burden findings

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

The counties with largest rent burdens were Teller, Eagle, Pueblo, Fremont, Boulder and Larimer Counties. These counties were among the counties with the highest rent burdens in all three categories.

At the 50 percent rent burden level, Teller County topped the list with 35.5 percent of renter households paying more than 50 percent toward housing. Eagle County and Pueblo County both showed a rate of slightly below 31 percent.

At the 35 percent rent burden level, Teller County showed 46.6 percent of renter households paying 35 percent or more of income toward housing. Fremont County showed 47 percent while Eagle County and Pueblo County both showed 45 percent.

At the 30 percent rent burden level, Fremont County topped the list with 63.8 percent of renter households paying 30 percent or more of income toward housing, while Teller, Pueblo and Boulder Counties all showed rent burden rates at 53 percent.

Methods

The mismatch tables are based on household income data by Bill Kendall and the Center for Business and Economic Forecasting, Inc. (CBEF). The housing supply data is provided by the Census Bureau's American Community Survey (ACS). 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, reflects the economic and demographic conditions found in Colorado during 2008.

"Affordability" assumes rent equal to 30 percent or less 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, 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 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 and the CBEF household income report. Not all Colorado counties contain a sufficient number of rental units for statistical validity with ACS sampling 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. Totals are then calculated as a percentage of all renter households. Not all counties are available given the small number of renter households in many small counties.

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

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. According to the Center for Business and Economic Forecasting's estimates, state AMI is \$55,276 and state RMI is \$32,611.

Housing Mismatch, State of Colorado

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	83,384	44,401	1.9	53	18%	31%
15,000	375	140,530	60,173	2.3	43	27%	46%
20,000	499	190,877	94,224	2.0	49	36%	61%
25,000	624	247,849	166,774	1.5	67	45%	77%
30,000	750	296,781	254,078	1.2	86	54%	92%
35,000	875	344,543	327,290	1.1	95	63%	107%
40,000	999	388,202	397,146	1.0	102	72%	123%
45,000	1125	427,270	441,666	1.0	103	81%	138%
50,000	1250	458,089	441,666	1.0	96	90%	153%
60,000	1500	508,256	490,670	1.0	97	109%	184%
75,000	1875	561,011	524,670	1.1	94	136%	230%
100,000	2499	604,399	563,836	1.1	93	181%	307%

Housing Mismatch, Denver Metropolitan Area

Includes Adams County, Arapahoe County, Boulder County, Broomfield County, Denver County, Douglas County, Jefferson County

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	46,575	19,627	2.4	42	18%	31%
15,000	375	77,343	26,340	2.9	34	27%	46%
20,000	499	104,704	40,025	2.6	38	36%	61%
25,000	624	137,105	80,295	1.7	59	45%	77%
30,000	750	164,319	129,678	1.3	79	54%	92%
35,000	875	191,266	197,546	1.0	103	63%	107%
40,000	999	217,257	243,810	0.9	112	72%	123%
45,000	1125	240,998	272,215	0.9	113	81%	138%
50,000	1250	259,731	300,620	0.9	116	90%	153%
60,000	1500	288,658	331,241	0.9	115	109%	184%
75,000	1875	320,830	355,698	0.9	111	136%	230%
100,000	2499	346,491	363,017	1.0	105	181%	307%

Housing Mismatch, Larimer County /Weld County

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	9,463	5,364	1.8	57	18%	31%
15,000	375	16,054	7,416	2.2	46	27%	46%
20,000	499	20,841	11,170	1.9	54	36%	61%
25,000	624	26,881	19,760	1.4	74	45%	77%
30,000	750	32,307	29,399	1.1	91	54%	92%
35,000	875	37,061	37,981	1.0	102	63%	107%
40,000	999	41,186	44,717	0.9	109	72%	123%
45,000	1125	45,181	49,717	0.9	110	81%	138%
50,000	1250	48,185	53,373	0.9	111	90%	153%
60,000	1500	52,698	58,188	0.9	110	109%	184%
75,000	1875	57,268	60,688	0.9	106	136%	230%
100,000	2499	60,032	61,996	1.0	103	181%	307%

Housing Mismatch, El Paso County/Colorado Springs

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	9,066	3,141	2.9	35	18%	31%
15,000	375	15,360	4,459	3.4	29	27%	46%
20,000	499	21,886	10,315	2.1	47	36%	61%
25,000	624	28,499	20,070	1.4	70	45%	77%
30,000	750	34,464	31,124	1.1	90	54%	92%
35,000	875	40,585	41,223	1.0	102	63%	107%
40,000	999	46,810	48,884	1.0	104	72%	123%
45,000	1125	50,807	54,884	0.9	108	81%	138%
50,000	1250	54,801	59,593	0.9	109	90%	153%
60,000	1500	61,341	65,407	0.9	107	109%	184%
75,000	1875	67,766	68,948	1.0	102	136%	230%
100,000	2499	73,252	70,027	1.0	96	181%	307%

Housing Mismatch, Pueblo County/Pueblo

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	4,315	2,060	2.1	48	18%	31%
15,000	375	7,008	3,481	2.0	50	27%	46%
20,000	499	9,297	5,907	1.6	64	36%	61%
25,000	624	11,092	8,942	1.2	81	45%	77%
30,000	750	12,608	11,824	1.1	94	54%	92%
35,000	875	13,938	14,393	1.0	103	63%	107%
40,000	999	15,126	15,841	1.0	105	72%	123%
45,000	1125	16,134	17,141	0.9	106	81%	138%
50,000	1250	16,338	17,341	0.9	106	90%	153%
60,000	1500	17,730	17,965	1.0	101	109%	184%
75,000	1875	18,498	18,181	1.0	98	136%	230%
100,000	2499	19,316	18,299	1.1	95	181%	307%

Housing Mismatch, Mesa County/Grand Junction Area/Garfield County

Income level in \$	Affordable monthly payment in \$; based on housing expense as 30% of income	Number of renter households at this income level or below	Number of housing units at this rent level or below	Number of households per unit affordable at this income level	Number of units available per 100 households at this income level	Household income as % of state AMI (\$55,276)	Household income as % of state RMI (\$32,611)
10,000	250	3,460	2,020	1.7	58	18%	31%
15,000	375	5,533	2,827	2.0	51	27%	46%
20,000	499	7,776	3,577	2.2	46	36%	61%
25,000	624	10,154	6,504	1.6	64	45%	77%
30,000	750	12,362	9,427	1.3	76	54%	92%
35,000	875	14,600	12,195	1.2	84	63%	107%
40,000	999	16,094	14,767	1.1	92	72%	123%
45,000	1125	18,062	16,867	1.1	93	81%	138%
50,000	1250	19,128	18,718	1.0	98	90%	153%
60,000	1500	21,721	20,491	1.1	94	109%	184%
75,000	1875	24,025	21,630	1.1	90	136%	230%
100,000	2499	26,940	22,395	1.2	83	181%	307%

Rent Burdens in Colorado

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

	Total number of households paying 50% or more of income toward housing.	Percentage of households paying 50% or more toward housing
Teller County	448	35.50%
Eagle County	1,617	30.91%
Pueblo County	5,586	30.52%
Larimer County	10,419	28.37%
Boulder County	11,149	28.18%
La Plata County	1,782	26.42%
Denver County	27,777	25.41%
Fremont County	1,124	24.88%
Arapahoe County	17,092	24.83%
Routt County	548	24.71%
Adams County	10,608	23.57%
Colorado	139,408	23.55%
Jefferson County	13,249	22.48%
Broomfield County	1,090	22.03%
El Paso County	15,000	21.42%
Montrose County	986	21.33%
Weld County	5,319	21.04%
Montezuma County	574	20.80%
Mesa County	3,215	19.95%
Delta County	697	19.05%
Garfield County	923	14.70%
Douglas County	2,200	12.99%
Elbert County	101	12.24%
Summit County	319	10.64%
Morgan County	333	10.18%
Logan County	196	7.16%

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

	Total number of households paying 35% or more of income toward housing	Percentage of households paying more than 35% of income toward housing
Teller County	626	49.60%
Fremont County	2144	47.47%
Eagle County	2365	45.20%
Pueblo County	8,257	45.12%
Boulder County	17,541	44.33%
Larimer County	15,936	43.40%
Routt County	936	42.20%
Denver County	44,495	40.70%
Arapahoe County	28,014	40.70%
Adams County	17,918	39.80%
Colorado	227,183	38.37%
Jefferson County	21,968	37.28%
El Paso County	25,770	36.80%
La Plata County	2425	35.95%
Broomfield County	1753	35.43%
Delta County	1278	34.94%
Weld County	8,817	34.88%
Montrose County	1539	33.30%
Mesa County	5,268	32.68%
Montezuma County	836	30.30%
Garfield County	1742	27.75%
Douglas County	4,514	26.65%
Elbert County	218	26.42%
Summit County	729	24.32%
Morgan County	705	21.55%
Logan County	341	12.46%

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

	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
Fremont County	2885	63.87%
Teller County	678	53.72%
Pueblo County	9,783	53.46%
Boulder County	20,970	53.00%
Larimer County	19,112	52.05%
Eagle County	2609	49.87%
Arapahoe County	34,273	49.79%
Routt County	1097	49.46%
Denver County	53,211	48.68%
Adams County	21,525	47.82%
Colorado	278,154	46.98%
Montrose County	2145	46.41%
Jefferson County	27,293	46.32%
El Paso County	31,818	45.44%
Weld County	11,233	44.44%
La Plata County	2989	44.31%
Broomfield County	2174	43.94%
Mesa County	6,531	40.52%
Summit County	1209	40.34%
Elbert County	330	40.00%
Garfield County	2479	39.49%
Montezuma County	1067	38.67%
Delta County	1412	38.60%
Douglas County	6,245	36.87%
Morgan County	914	27.93%
Logan County	462	16.89%