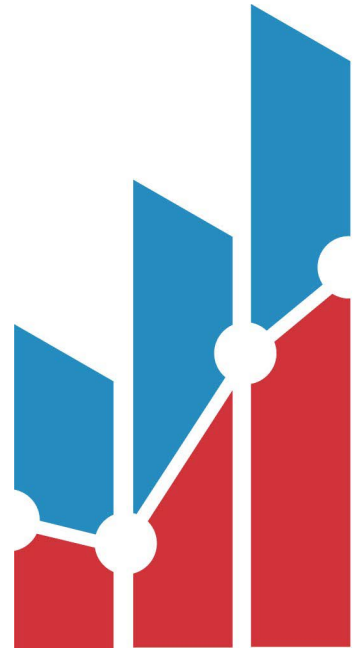


Affordability in Colorado in 2022

October 19, 2022





COMMON SENSE

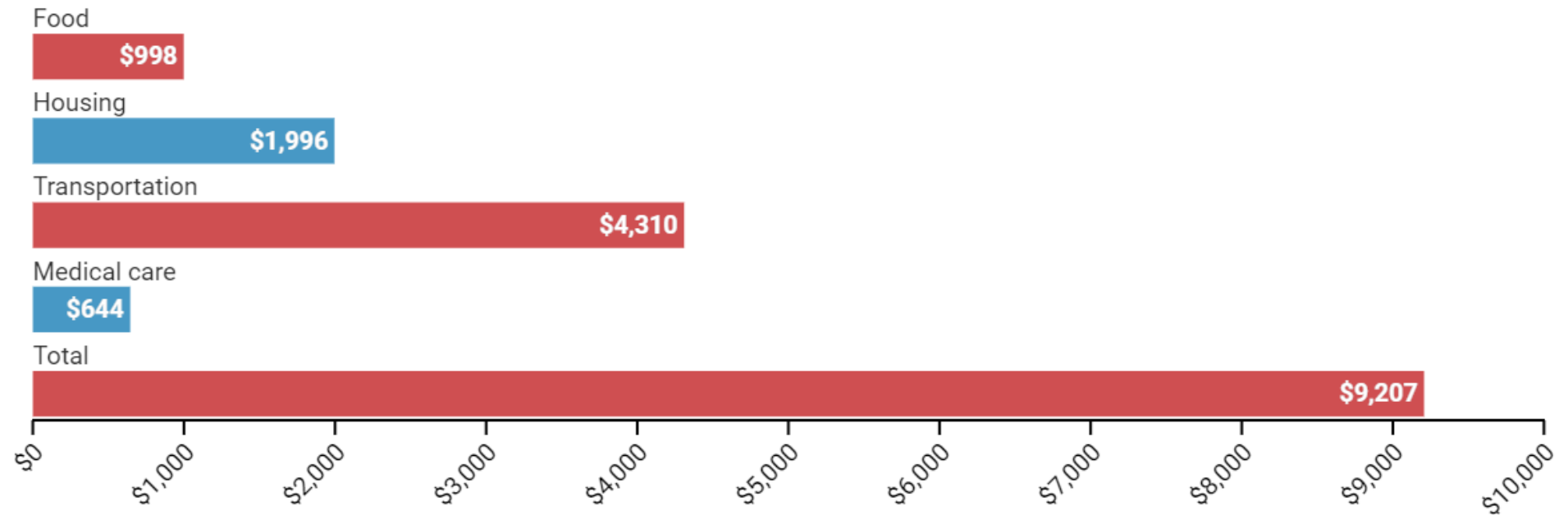
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We believe sound fiscal and economic research is essential to uphold Colorado's economy, vitality, future, and individual opportunity.

Impact of Inflation On Coloradans

Inflation's Impact on What We Buy

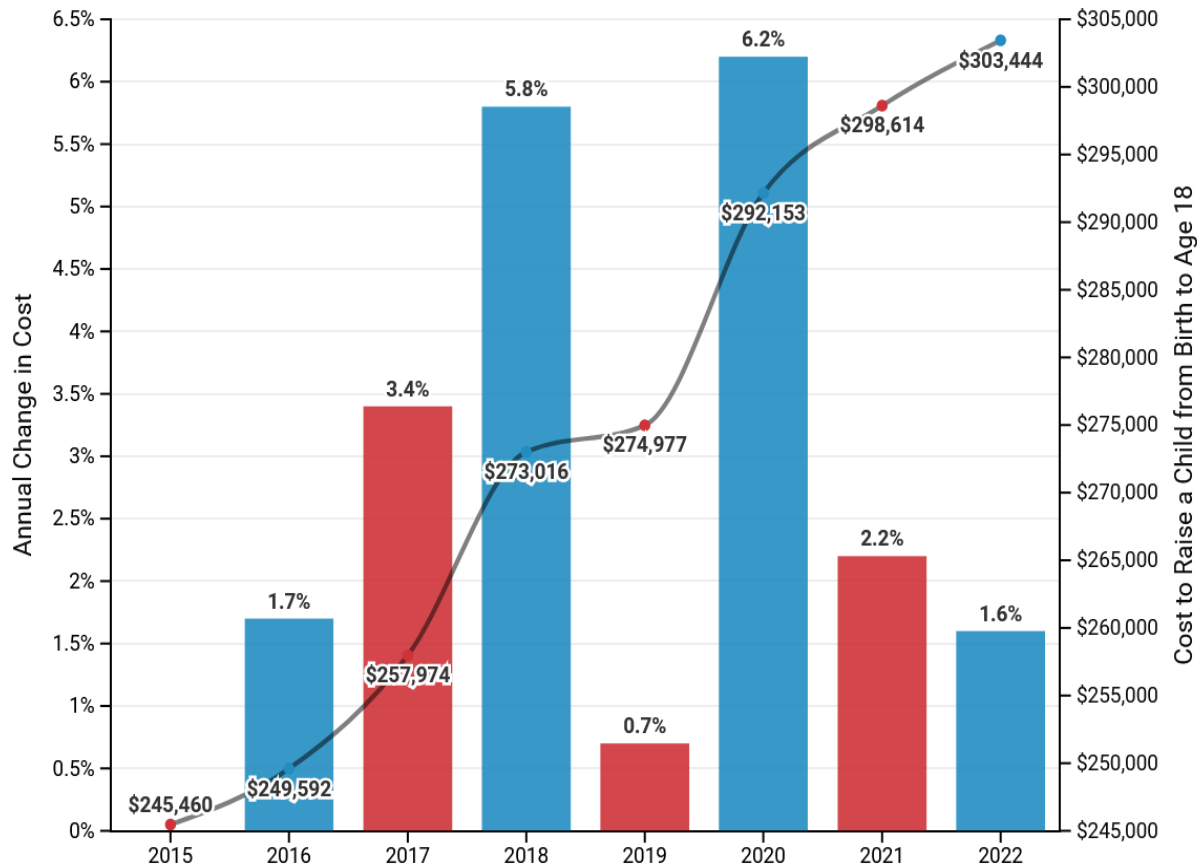
How much more has the average household spent since 2020 because of inflation?



- Monthly cost of inflation now \$842

Cost to Raise a Child in Colorado

The Cost to Raise a Child in Colorado



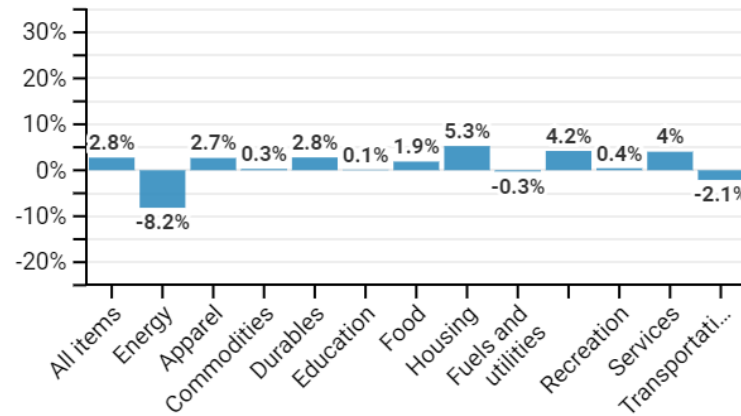
- The total cost of raising a child from birth to age 18 for the average married-couple grew by 24% between 2015 and Sept 2022.
 - +\$58,984 total cost or +\$3,277 per year.

Impact of Inflation On Coloradans

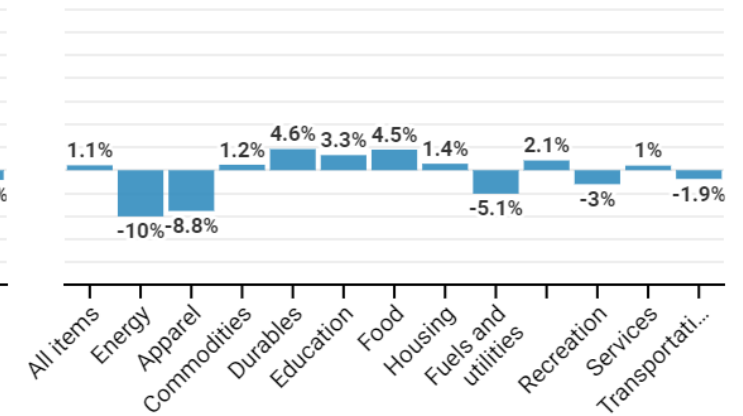
- Inflation for all items increased **7.7%** in September 2022 year-on-year.
- The two price categories that grew the fastest in the last 12 months were food and fuels/utilities which grew by **11.8%** and **9.4%** respectively.

Source: BLS CPI-U Data

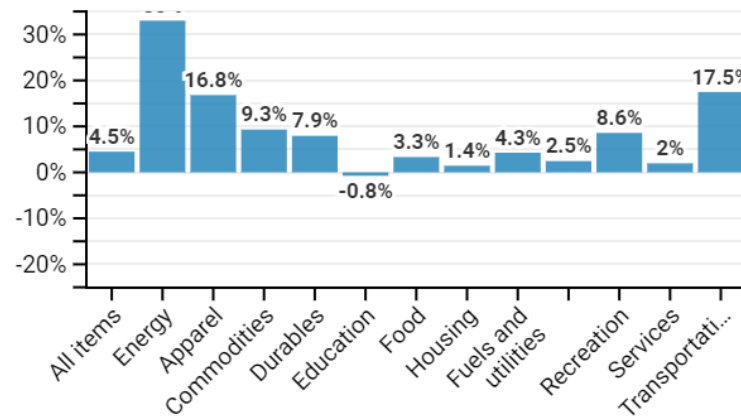
September 2018 through September 2019



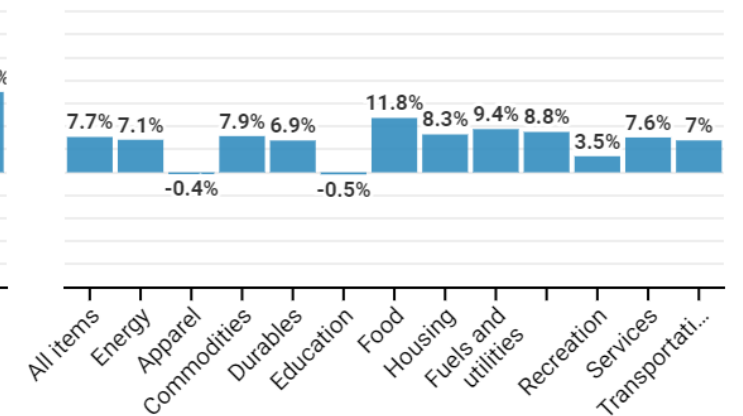
September 2019 through September 2020



September 2020 through September 2021

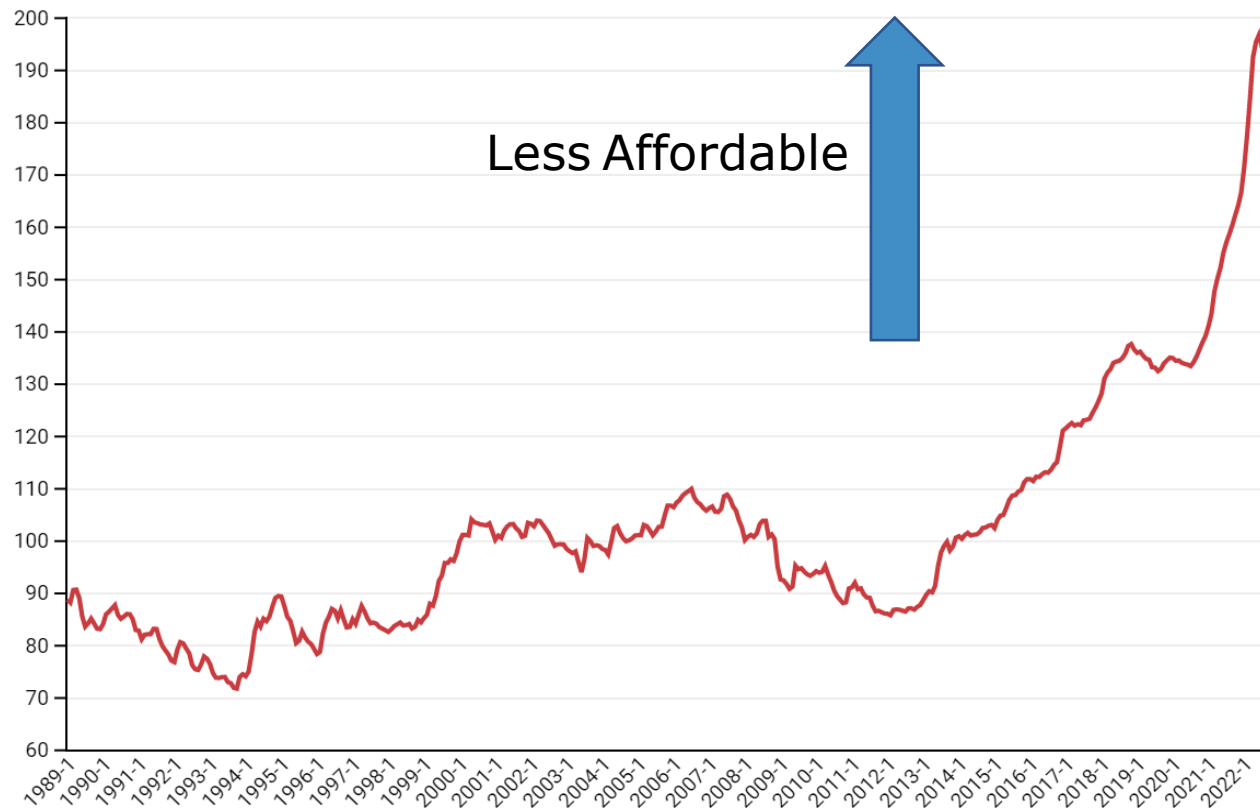


September 2021 through September 2022



Colorado Homebuyer Misery Index

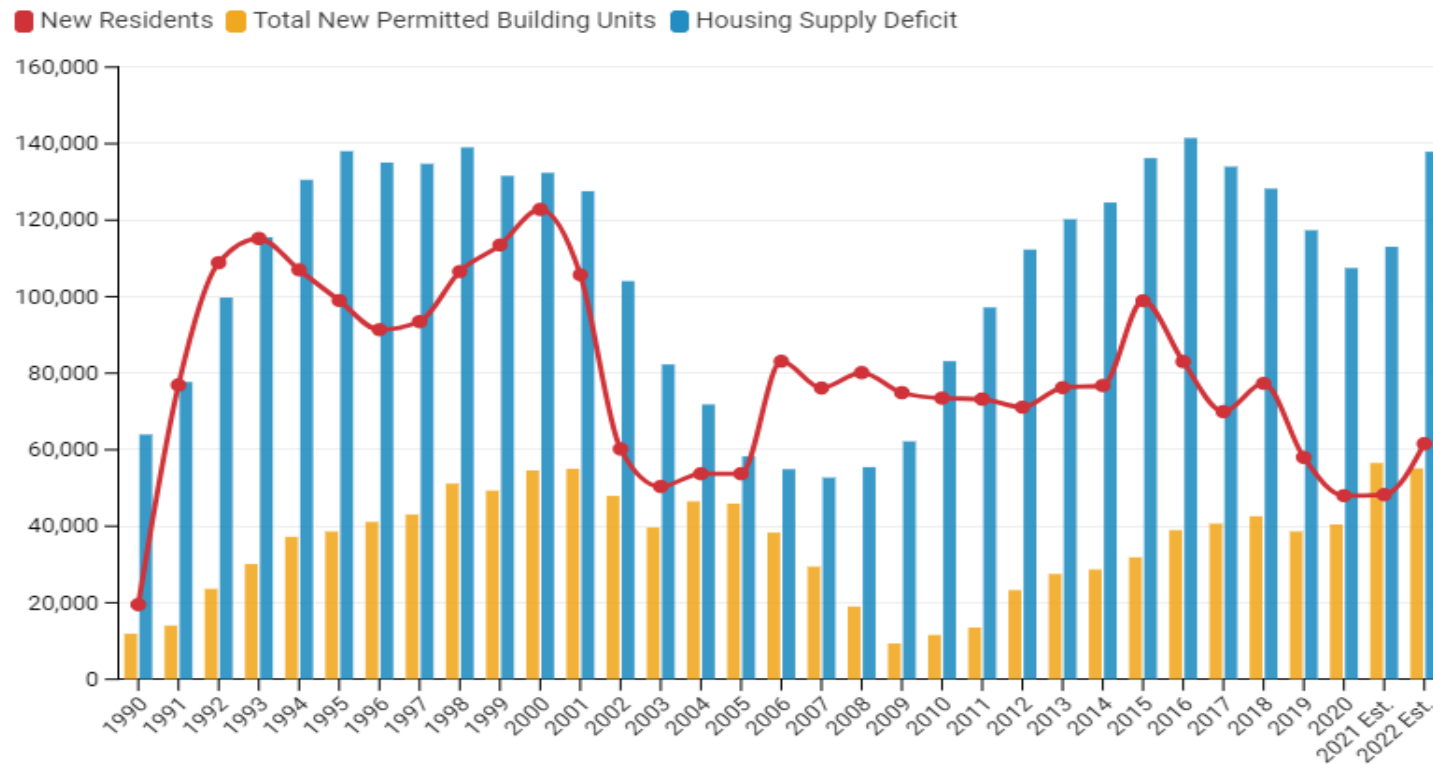
Colorado Homebuyer Misery Index



- The Colorado Homebuyer Misery Index is a combination of the Case-Shiller Home Price Index and the average monthly 30-year mortgage rate (indexed).
- Higher (lower) home prices and a mortgage rates increase (decrease) the Misery Index. A higher (lower) level of the index means homes are less (more) affordable.
- **Home affordability has decreased 94 percent since 2015.**

Colorado Housing Shortage

Population Growth, New Unit Permits, and the Housing Supply Deficit



Sources: National Association of Homebuilders, Colorado State Demography Office, U.S. Census Bureau ACS

- In 2020, Colorado had a housing unit deficit between 93,000 and 216,000.
- The deficit combined with increased demand for housing as the population increases, is causing home prices to increase dramatically.
- Currently, monthly permitting is insufficient to close the existing deficit.

Colorado Housing Shortage

Table 2 – Housing Deficit/Surplus in Select Counties in 2020

| Region | Housing Deficit Rank 2020 Relative to All 64 Colorado Counties | | Housing Deficit/Surplus 2020 | | Deficit/Surplus as a Percent of 2020 Existing Stock of Housing Units | |
|--------------------------|--|------------|------------------------------|------------|--|------------|
| | Scenario 1 | Scenario 2 | Scenario 1 | Scenario 2 | Scenario 1 | Scenario 2 |
| Colorado shortage | | | -92,853 | -216,350 | 3.7% | 8.6% |
| Denver metro area | | | -64,312 | -128,848 | | |
| Adams County | 5 | 5 | -10,017 | -18,962 | 5.3% | 10.1% |
| Arapahoe County | 3 | 2 | -14,412 | -27,127 | 5.5% | 10.3% |
| Boulder County | 8 | 7 | -5,334 | -12,169 | 3.8% | 8.6% |
| Broomfield County | 11 | 13 | -1,491 | -2,973 | 4.7% | 9.4% |
| Denver County | 4 | 4 | -10,585 | -26,634 | 3.0% | 7.7% |
| Douglas County | 6 | 6 | -7,449 | -13,970 | 5.5% | 10.2% |
| Jefferson County | 1 | 3 | -15,024 | -27,013 | 6.0% | 10.9% |
| Larimer County | 9 | 9 | -1,983 | -9,494 | 1.2% | 6.0% |
| El Paso County | 2 | 1 | -14,500 | -28,431 | 5.0% | 9.9% |
| Pueblo County | 12 | 12 | -1,250 | -4,809 | 1.7% | 6.7% |

- The housing unit deficit is predominantly in the Denver MSA and Larimer, El Paso, and Pueblo Counties.
- Though not shown in here, there are considerable shortage in mountain or recreation counties due to a prevalence of second homes.

Colorado Housing Shortage

Table 3 - Permits Required to Close the 2020 Deficit and New Housing Demand in Select Counties in 2025

| Region | Number of Permits Required to Close the Deficit Plus New Demand for Housing in Deficit Counties | | Permits Issued per Year in Deficit Counties | | Deficit/Surplus in Permitted Units Issued in Deficit Counties | | | |
|--------------------------|---|------------|---|----------------|---|-----------------|-----------------|-----------------|
| | Scenario 1 | Scenario 2 | 2021 | 2022 Projected | 2021 Scenario 1 | 2021 Scenario 2 | 2022 Scenario 1 | 2022 Scenario 2 |
| Colorado | 46,604 | 72,622 | 53,250 | 55,113 | | | | |
| Denver Metro area | 28,588 | 41,863 | 30,518 | 27,183 | 1,930 | -11,345 | -1,405 | -14,680 |
| Adams County | 4,599 | 6,439 | 4,687 | 3,521 | 88 | -1,757 | -1,079 | -2,919 |
| Arapahoe County | 5,854 | 8,470 | 5,519 | 4,923 | -335 | -2,952 | -931 | -3,547 |
| Boulder County | 1,864 | 3,270 | 1,237 | 1,199 | -627 | -2,033 | -666 | -2,072 |
| Broomfield County | 1,257 | 1,562 | 501 | 570 | -756 | -1,061 | -687 | -992 |
| Denver County | 6,572 | 9,872 | 10,000 | 9,488 | 3,428 | 128 | 2,916 | -385 |
| Douglas County | 4,067 | 5,409 | 6,059 | 5,330 | 1,992 | 650 | 1,263 | -80 |
| Jefferson County | 4,375 | 6,841 | 2,515 | 2,154 | -1,860 | -4,326 | -2,221 | -4,687 |
| Larimer County | 2,595 | 4,140 | 3,221 | 2,936 | 626 | -919 | 341 | -1,205 |
| El Paso County | 6,891 | 9,756 | 9,186 | 10,737 | 2,295 | -570 | 3,846 | 981 |
| Pueblo County | 710 | 1,442 | 742 | 671 | 32 | -700 | -40 | -772 |

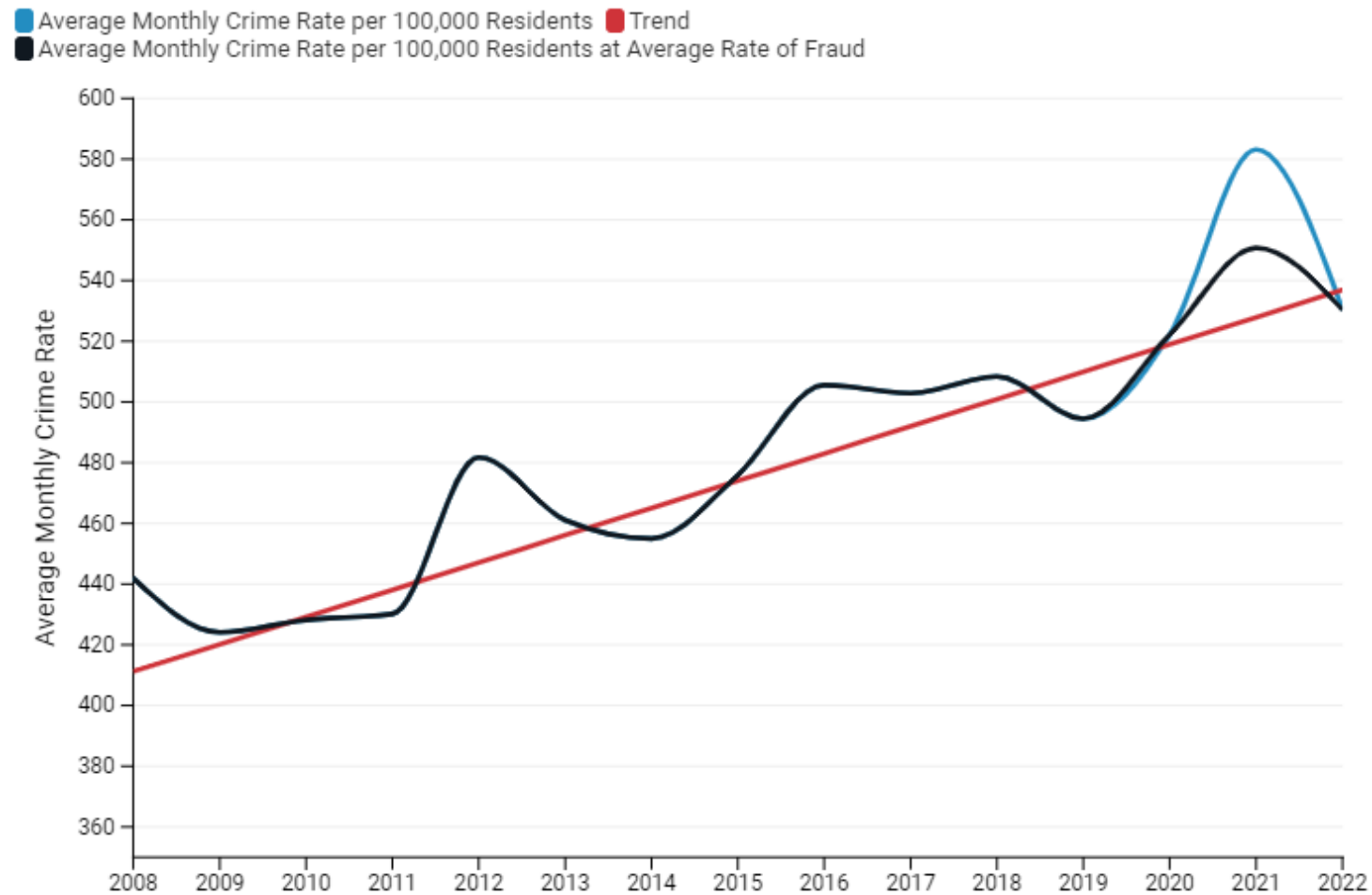
- The housing unit deficit is predominantly in the Denver MSA and Larimer, El Paso, and Pueblo Counties.
- Though not shown in here, there are considerable shortage in mountain or recreation counties due to a prevalence of second homes.
- Preliminary data updates for 2021 and 2022, into the model are telling us that the housing supply situation will likely get worse despite a lot of new construction activity.

Crime Rate

CO's average monthly crime rate is 530 crimes per 100,000 residents

Cases of fraud declined by **61%** as frauds associated with COVID-19 relief programs receded when the programs ended

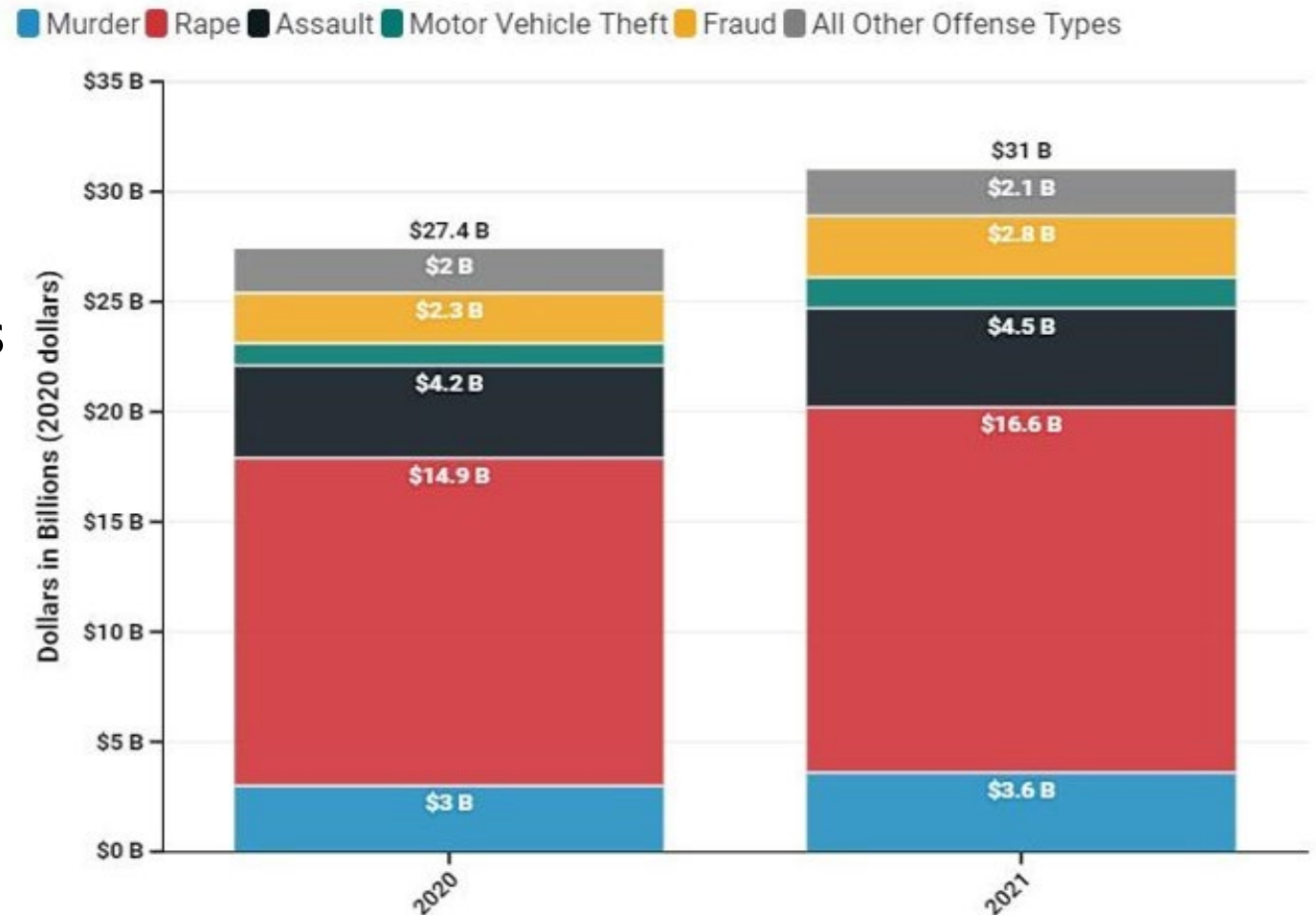
Average Monthly Crime Rate per 100,000 Residents



Colorado's Crime Wave

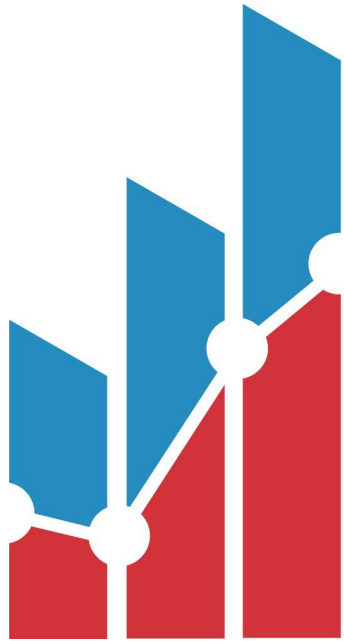
- **Total cost \$31B** in 2021
- **Up 12.9%, +\$3.5B** in total costs
- Cost of **\$5,320 per Coloradan**
- Inflation not included

Crime Total Cost Comparisons of 2020 and 2021



**Table 2 - FBI Quarterly Crime Rates Ranked
150 Cities Reporting in 2021 and 167 Cities Reporting in 2022.^{vi}**

| | Year | Aggravated Assault | Violent Crime | Murder | Rape | Robbery | Property Crime | Burglary | Larceny-theft | Motor Vehicle Theft | Arson |
|------------------|------|--------------------|---------------|--------|------|---------|----------------|----------|---------------|---------------------|-------|
| Arvada | 2021 | 110 | 110 | 115 | 115 | 84 | 30 | 65 | 29 | 24 | 86 |
| | 2022 | 114 | 119 | 137 | 104 | 117 | 49 | 72 | 60 | 25 | 47 |
| Aurora | 2021 | 24 | 20 | 57 | 6 | 12 | 19 | 33 | 53 | 4 | 16 |
| | 2022 | 16 | 12 | 41 | 29 | 9 | 14 | 42 | 54 | 3 | 20 |
| Boulder | 2021 | 99 | 102 | 103 | 95 | 101 | 39 | 27 | 35 | 67 | 46 |
| | 2022 | 113 | 123 | 50 | 142 | 125 | 101 | 65 | 109 | 115 | 35 |
| Centennial | 2021 | 118 | 127 | 106 | 141 | 118 | 93 | 99 | 106 | 52 | 52 |
| | 2022 | 138 | 149 | 137 | 151 | 157 | 116 | 108 | 134 | 60 | 92 |
| Colorado Springs | 2021 | 54 | 53 | 64 | 30 | 76 | 45 | 43 | 45 | 41 | 35 |
| | 2022 | 48 | 53 | 66 | 18 | 91 | 50 | 34 | 57 | 44 | 9 |
| Denver | 2021 | 30 | 28 | 37 | 15 | 26 | 4 | 9 | 10 | 3 | 40 |
| | 2022 | 24 | 23 | 32 | 8 | 24 | 4 | 22 | 10 | 2 | 36 |
| Fort Collins | 2021 | 103 | 113 | 131 | 75 | 130 | 114 | 124 | 104 | 120 | 75 |
| | 2022 | 117 | 131 | 137 | 93 | 155 | 110 | 133 | 101 | 127 | 80 |
| Greeley | 2021 | 62 | 68 | 105 | 88 | 75 | 76 | 79 | 76 | 53 | 110 |
| | 2022 | 39 | 48 | 88 | 51 | 81 | 43 | 75 | 67 | 16 | 19 |
| Lakewood | 2021 | 58 | 46 | 93 | 54 | 17 | 7 | 17 | 7 | 7 | 41 |
| | 2022 | 79 | 67 | 98 | 77 | 38 | 29 | 47 | 52 | 13 | 56 |
| Pueblo | 2021 | 17 | 14 | 25 | 2 | 25 | 8 | 4 | 13 | 8 | 2 |
| | 2022 | 8 | 5 | 8 | 2 | 4 | 5 | 4 | 7 | 6 | 2 |
| Thornton | 2021 | 126 | 107 | 92 | 16 | 106 | 42 | 88 | 44 | 21 | 84 |
| | 2022 | 148 | 130 | 130 | 37 | 98 | 37 | 114 | 38 | 20 | 57 |
| Westminster | 2021 | 96 | 91 | 32 | 64 | 83 | 15 | 57 | 20 | 6 | 50 |
| | 2022 | 124 | 121 | 137 | 125 | 92 | 15 | 70 | 22 | 8 | 40 |



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Cost per Coloradan

Table 1 - Colorado's Crime Category Rankings 2022 and 2021 Rankings are Compared to 2020 Rates in Other States*

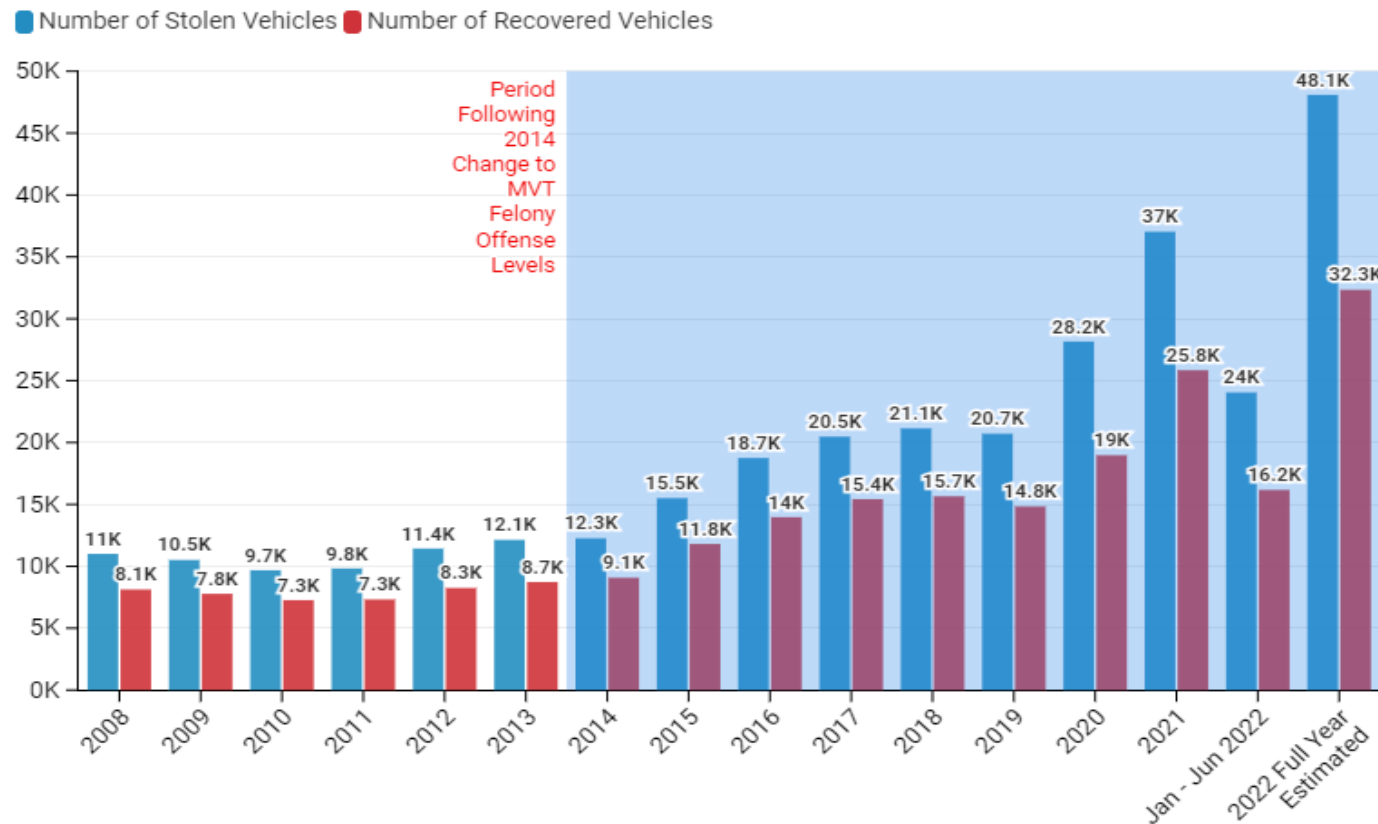
| Year | Crimes Against Person | Crimes Against Society | Crimes Against Property | Motor Vehicle Theft | Homicide Rate |
|------|-----------------------|------------------------|-------------------------|---------------------|------------------|
| 2020 | 23 rd | 29 th | 4 th | 1 st | 22 nd |
| 2021 | 20 th | 27 th | 2 nd | 1 st | 19 th |
| 2022 | 20 th | 26 th | 2 nd | 1 st | 21 st |

*Colorado's rankings in 2021 and 2022 are compared to the crime rates of all other states in 2020, the last year the annual crime rates for all cities are available from the FBI's National Incident-based Reporting System

- **The cost of crime in 2021 per Coloradan was over \$5,320, an increase of almost \$560 per Coloradan.**
- Murder across Colorado increased by **18%** in 2021, costing Colorado an additional **\$600M**. Both the number and rate of homicides in 2021 was **the highest on record**, dating back to 1985.

Motor Vehicle Theft

Figure 1 - Number of Motor Vehicles Thefts and Recovered



Colorado ranks **1st** in motor vehicle theft. The motor vehicle theft rate has increased by another **13.6% in 2022**.

At this rate, there will be over **48,000 vehicle thefts** in Colorado this year

Cost of Motor Vehicle Theft Approaching \$1 Billion

- The **2022 total estimated value of stolen vehicles** is on track to be between **\$468.1M and \$848.3M**.
- **Motor vehicle thefts occur more in low-income communities,** hurting those who can least afford it

