

COMPREHENSIVE HOUSING MARKET ANALYSIS

Boulder, Colorado

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of May 1, 2024



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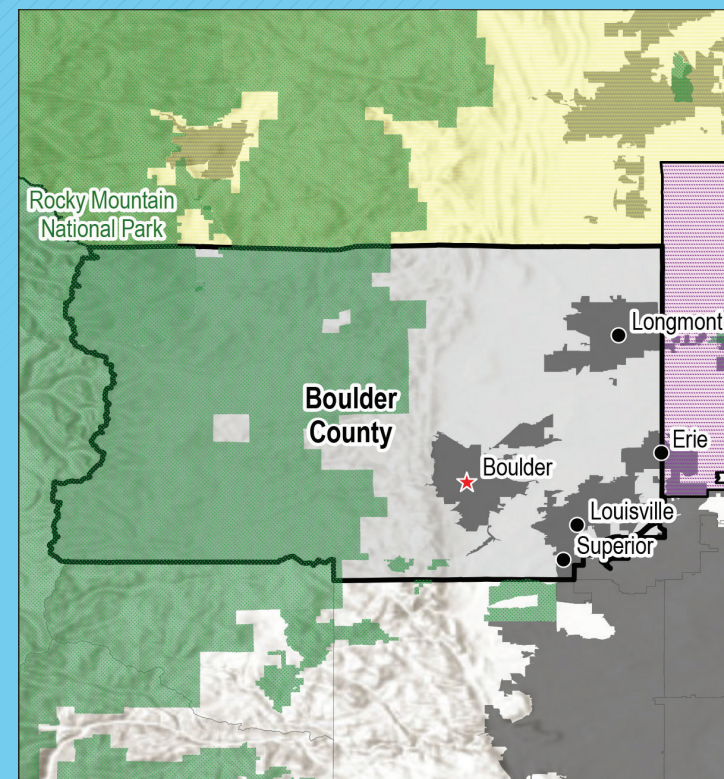
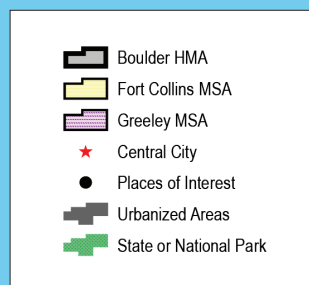


Executive Summary

Housing Market Area Description

The Boulder Housing Market Area (HMA) is coterminous with the Boulder, CO Metropolitan Statistical Area, which is defined as Boulder County, in the foothills of the Rocky Mountains. National parks and forests cover much of the western portion of the county. The HMA is home to the main campus of the University of Colorado (hereafter CU Boulder). The presence of the university, major research labs, and a highly educated workforce has contributed to the emergence of high-tech industry clusters. The principal city of Boulder is approximately 30 miles northwest of Denver.

The current population of the HMA is estimated at 328,300.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).


Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).




Market Qualifiers

Economy

 **Stable:** The unemployment rate averaged 3.1 percent during the 12 months ending April 2024, up from 2.4 percent the previous year but below the 3.7-percent rate during the 12 months ending April 2022.


Economic conditions in the Boulder HMA were stable during the 12 months ending April 2024, with a gain of 4,400 jobs, or 2.1 percent—down from an increase of 5,800 jobs, or 2.9 percent, the previous year. The government, the education and health services, and the leisure and hospitality sectors led gains during the past 12 months. Three sectors decreased during the period: the information, the manufacturing, and the financial activities sectors. During the 3-year forecast period, payrolls are expected to increase at an average annual rate of 2.4 percent.

Sales Market

 **Balanced but Softening:** During the 12 months ending April 2024, new home sales prices fell 10 percent, and existing home sales prices decreased less than 1 percent (CoreLogic, Inc., with adjustments by the analyst).

The home sales vacancy rate is currently estimated at 0.9 percent, unchanged since April 2020. New and existing home sales declined 4 percent during the 12 months ending April 2024, and the average sales price decreased 2 percent to \$844,500 (CoreLogic, Inc., with adjustments by the analyst). The inventory of homes for sale increased to a 3.0-month supply in April 2024 compared with the 2.6-month supply a year earlier. During the forecast period, demand is estimated for 1,625 additional sales units. The 670 sales units under construction are expected to meet demand during the first year of the forecast period.

Rental Market

 **Slightly Soft:** A surge in apartment completions in the HMA during the past year has contributed to rising rental vacancy rates since the second quarter of 2023.

Rental market conditions in the HMA are slightly soft. The overall rental market vacancy rate is currently estimated at 7.0 percent, up from 5.1 percent in April 2020 and above the 4.6-percent rate in April 2010. Apartment market conditions in the HMA are soft, with an apartment vacancy rate of 8.0 percent during the first quarter of 2024, up from 5.7 percent a year earlier (CoStar Group). During the forecast period, demand is expected for 2,100 rental units. The 1,525 rental units under construction are expected to satisfy a significant portion of the demand.

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3-Year Housing Demand Forecast			
Boulder HMA	Sales Units		Rental Units
	Total Demand	1,625	2,100
	Under Construction	670	1,525

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2024. The forecast period is May 1, 2024, to May 1, 2027.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

Since 2010, the professional and business services sector has accounted for more than 30 percent of total job growth and, in 2019, surpassed the government sector to become the largest nonfarm payroll sector in the HMA.

Primary Local Economic Factors

Higher education, high-tech industries, and tourism support the Boulder HMA economy. The largest employer in the Boulder HMA is CU Boulder, with 8,100 employees (Table 1). CU Boulder collaborates with the federal government on research in fields including energy, biotechnology, aeronautics, and climate science. The HMA has more than 15 federal research labs, notably the National Center for Atmospheric Research, the National Institute of Standards and Technology, the U.S. Geological Survey, and the National

Table 1. Major Employers in the Boulder HMA

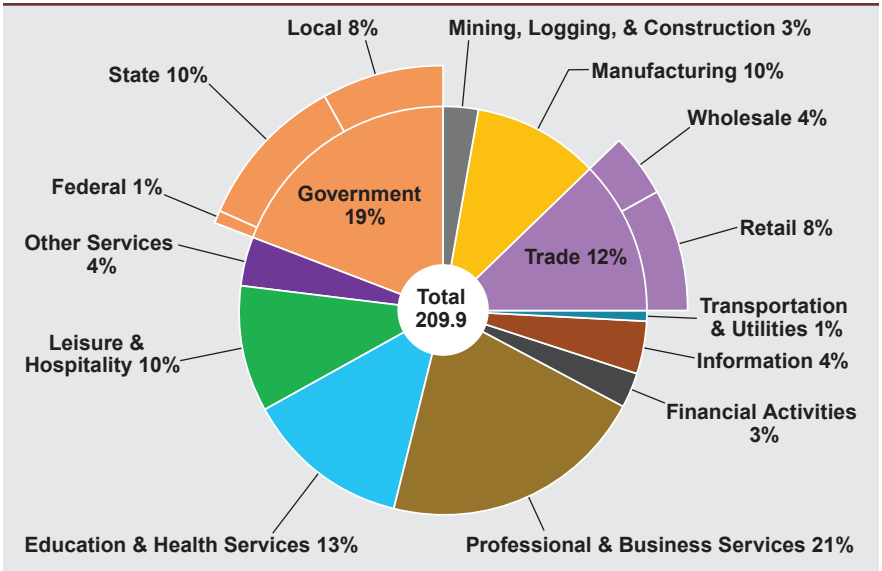
Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of Colorado Boulder	Government	8,100
Medtronic plc	Manufacturing	2,430
Boulder Community Health—Foothills Hospital	Education & Health Services	2,380
BAE Systems plc	Professional & Business Services	1,650
Seagate Technology LLC	Manufacturing	1,460
IBM Corporation	Professional & Business Services	1,460
Intermountain Health—Good Samaritan Medical Center	Education & Health Services	1,450
Google LLC	Professional & Business Services	1,300
Centura Health: Longmont United Hospital & Avista Adventist Hospital	Education & Health Services	1,280
Sierra Space Corporation	Manufacturing	1,100

Note: Excludes local school districts.
Source: Metro Denver Economic Development Corporation, November 2022

Oceanic and Atmospheric Administration. In 2015, federal labs in the HMA had an economic impact of \$1.1 billion and employed nearly 3,900 full- and part-time workers (CU Boulder CO-LABS report, latest data available). High-tech jobs generally offer higher-than-average wages and are typically in the professional and business services sector, which is the largest nonfarm payroll sector in the HMA, accounting for 21 percent of payrolls (Figure 1). High-tech jobs are also concentrated in the information and the manufacturing sectors, which account for a combined 14 percent of payrolls in the HMA.

The tourism industry supports job growth in the leisure and hospitality sector, which accounts for 10.4 percent of nonfarm payroll jobs in the HMA. The HMA attracts visitors with year-round outdoor recreation opportunities. Rocky Mountain National Park, in northwest Boulder County, received 4.1 million visitors in 2023, the fifth highest number of visitors among all national parks

Figure 1. Share of Nonfarm Payroll Jobs in the Boulder HMA, by Sector



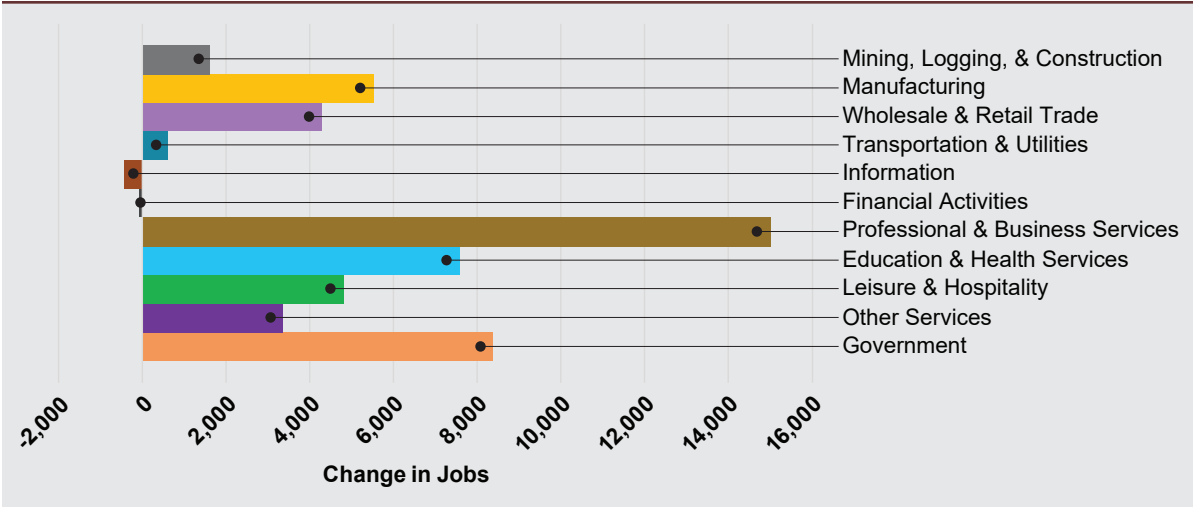
Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding.
Based on 12-month averages through March 2024.
Source: U.S. Bureau of Labor Statistics

(National Park Service). Most of the western one-half of the HMA is within Roosevelt National Forest, which includes the James Peak Wilderness and Indian Peaks Wilderness recreation areas. The Eldora Ski Resort, with 700 acres of downhill ski terrain, is 21 miles west of the city of Boulder, and several other ski areas are in close proximity to the HMA. Figure 2 shows the change in jobs for each sector from 2011 to current.

Current Conditions—
Nonfarm Payrolls

During the 12 months ending April 2024, the economy continued to expand in the Boulder HMA, although nonfarm payrolls rose at a slower rate than during the previous 12 months. Nonfarm payrolls increased year over year by 4,400 jobs, or 2.1 percent, to 209,900 (Table 2). By comparison, payrolls increased by 5,800 jobs, or 2.9 percent, during the 12 months ending April 2023. During the 12 months ending April 2024, the government sector added the most jobs of any employment sector, increasing by 2,700 jobs, or 7.2 percent. The state government subsector accounted for 63 percent of the sector growth. The leisure and hospitality and the education and health services sectors also added a significant number of jobs, each increasing by 1,200 jobs, or 5.8 percent and 4.6 percent, respectively. By comparison, the leisure and hospitality sector added 1,100 jobs, or 5.6 percent, and the education and health services sector added 600 jobs, or 2.4 percent, during the previous

Figure 2. Sector Growth in the Boulder HMA, 2011 to Current



Note: Current data are based on the 12-month averages ending April 2024.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Boulder HMA, by Sector

	12 Months Ending April 2023	12 Months Ending April 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	205.5	209.9	4.4	2.1
Goods-Producing Sectors	27.1	26.6	-0.5	-1.8
Mining, Logging, & Construction	5.8	5.9	0.1	1.7
Manufacturing	21.4	20.7	-0.7	-3.3
Service-Providing Sectors	178.4	183.3	4.9	2.7
Wholesale & Retail Trade	24.3	24.4	0.1	0.4
Transportation & Utilities	2.0	2.1	0.1	5.0
Information	9.2	8.3	-0.9	-9.8
Financial Activities	7.3	7.1	-0.2	-2.7
Professional & Business Services	42.9	43.2	0.3	0.7
Education & Health Services	26.2	27.4	1.2	4.6
Leisure & Hospitality	20.6	21.8	1.2	5.8
Other Services	8.3	8.7	0.4	4.8
Government	37.6	40.3	2.7	7.2

Notes: Based on 12-month averages through April 2023 and April 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

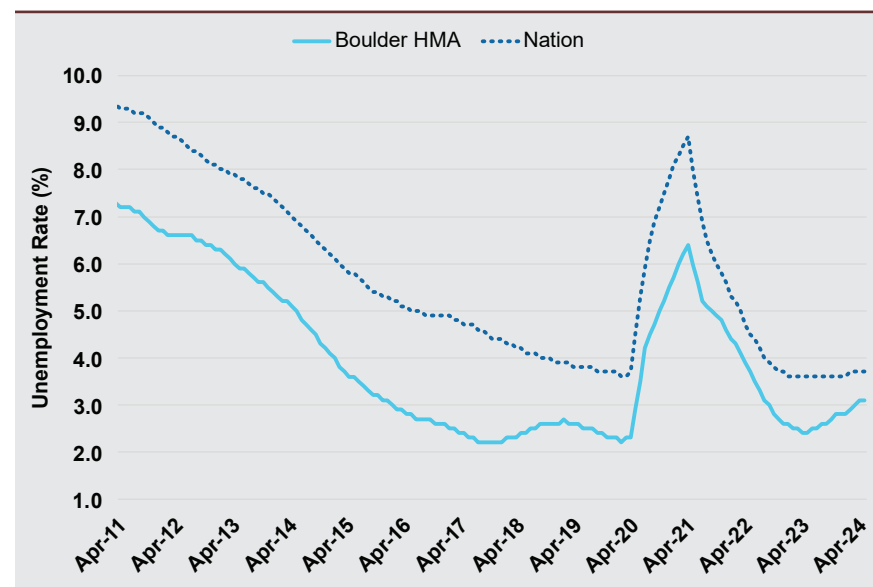
12 months. Losses in three sectors—led by the information sector, which fell by 900 jobs, or 9.8 percent, during the most recent 12 months—partially offset overall nonfarm payroll gains. In the information sector, subsector declines across software and traditional publishing sectors contributed to losses, in addition to long-run decreases across the telecommunications industry. Nonfarm payrolls in the manufacturing and the financial activities sectors also fell during the most recent 12 months, decreasing by 700 and 200 jobs, respectively, or 3.3 and 2.7 percent. In the manufacturing sector, demand declined in part because of rising interest rates, particularly in industries sensitive to higher rates, such as building materials. In addition, retaining employees in the manufacturing sector has been challenging due to the high cost of living in the HMA. Recent job losses in the financial activities sector occurred mostly because of rising interest rates that led to a decrease in mortgage lending and declining investment banking activities.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.1 percent during the 12 months ending April 2024, up from an average of 2.4 percent during the previous 12-month period, because labor force growth of 1.4 percent outpaced the 0.6-percent growth in resident employment. The unemployment rate reached a recent high of 6.4 percent during the 12 months ending March 2021, after the onset of the pandemic, compared with 2.2 percent during the 12 months ending January 2020, before the pandemic (Figure 3). The unemployment

rate in the HMA previously peaked at 7.4 percent during 2010 because of the Great Recession. The current rate in the HMA is below the statewide rate in Colorado of 3.4 percent and the national rate of 3.7 percent.

Figure 3. 12-Month Average Unemployment Rate in the Boulder HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

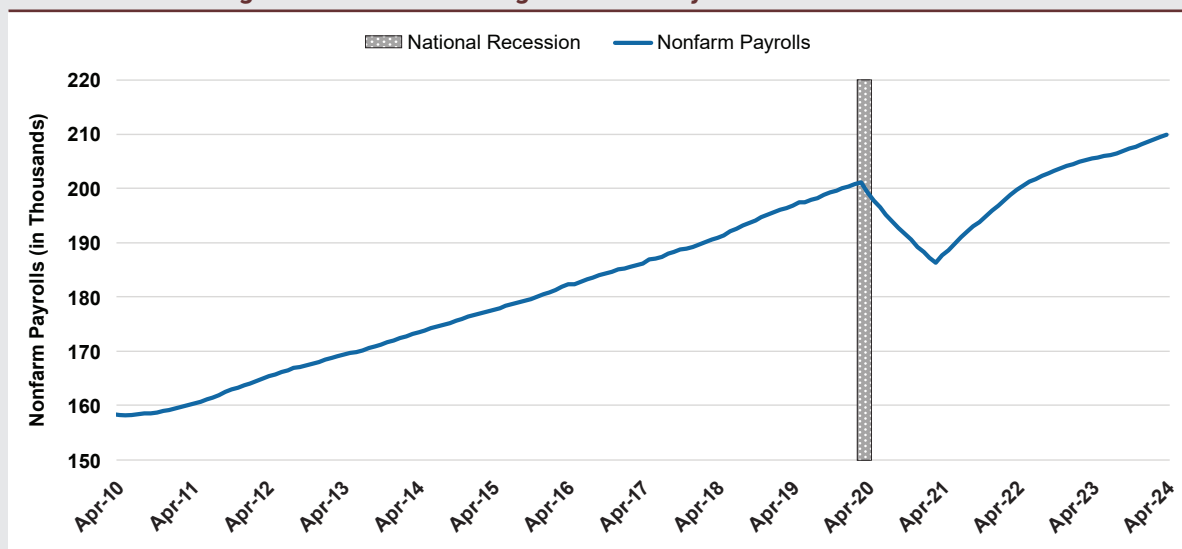
Economic Periods of Significance

2011 Through 2015

The economy rebounded quickly from the Great Recession, with payrolls surpassing the pre-Great Recession peak in 2012. By comparison, the state of Colorado and the nation surpassed the respective prerecession peaks in 2013 and 2014. From 2011 through 2015, nonfarm payrolls in the HMA increased by an average of 4,300 jobs, or 2.5 percent, a year (Figure 4). Nine of the 11 sectors added jobs from 2011 through 2015, with the largest gains occurring in the professional and business services and the education and health services sectors, which rose by averages of 1,200 and 800 jobs, or 3.9 and 3.6 percent, a year, respectively. Part of the increase in the education and health services sector is attributable to expansions at Boulder Community Health facilities that modernized and expanded patient services beginning in 2012. The hospital added approximately 200 employees during the expansion.

Nonfarm payrolls in the government sector rose by an average of 600 jobs, or 1.7 percent, annually from 2011 through 2015. Gains in the state government subsector, which rose an average of 400 jobs, or 2.7 percent, annually offset losses in the federal government subsector. The rise in state government subsector jobs was partly due to increased employment at CU Boulder, particularly during 2014 and 2015,

Figure 4. 12-Month Average Nonfarm Payrolls in the Boulder HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

when enrollment rose by an average of 3 percent each year. The information sector was the only sector to decrease during the period, falling by an average of 200 jobs, or 1.9 percent, annually.

2016 Through 2019

From 2016 through 2019, job growth in the HMA accelerated slightly. Nonfarm payrolls rose by an average of 4,900 jobs, or 2.6 percent, annually to 200,000 jobs in 2019. The government and the professional and business services sectors—which rose by respective averages of 1,300 and 900 jobs, or 3.4 and 2.5 percent, annually—led gains. The government sector job gains were concentrated in the state and local government subsectors, which increased by respective averages of 1,700 and 900, or 1.7 and 0.9 percent, annually. Enrollment at CU Boulder continued to increase by an average of 1,175 students, or 3.6 percent, annually. In the professional and business services sector, NASA selected the Sierra Nevada Corporation to build the Dream Chaser cargo system, and the company added 400 employees in the HMA in 2016. In 2017, Google LLC increased employment by 650 workers upon completion of Pearl Place, a \$150 million, 330,000-square-foot office complex in the city of Boulder.

An expanding retiree population contributed to growth in healthcare services during the period. The education and health services sector increased by an average of 700 jobs, or 2.9 percent, annually from 2016 through 2019. Construction of the UCHHealth Longs Peak Hospital in the city of Longmont was completed in 2017, and the hospital added 350 employees. Although no employment sectors lost jobs during the period, the financial activities sector rose by an average of only 100 jobs, or 0.7 percent, annually, and the transportation and utilities sector remained unchanged from the previous period.

2020 Through 2023—The COVID-19 Pandemic and Marshall Fire

Following 9 years of job gains in the HMA, the economy weakened, and jobs declined in 2020 because of countermeasures taken to slow the spread of COVID-19. During 2020, nonfarm payrolls decreased by 10,700 jobs, or 5.3 percent. The rate of decline was lower than the national rate, which fell 5.8 percent during the same period. In the HMA, the leisure and hospitality sector accounted for nearly 50 percent of the losses during the period and was down by 5,300 jobs, or 24.8 percent, from 2019. Five employment sectors added jobs in 2020, partially offsetting nonfarm payroll losses in the HMA. The manufacturing sector had the largest gain, adding 300 jobs, or 1.5 percent. The professional and business services, the transportation and utilities, the information, and the other services sectors increased by 200, 200, 100,

and 100 jobs, or 0.5, 11.1, 1.2, and 1.4 percent, respectively, during the year. Economic conditions in the HMA improved during the next 2 years, and nonfarm payrolls rose to 204,200 jobs in 2022, reflecting an average increase of 3.9 percent annually. During 2022, nonfarm payrolls surpassed 2019 levels by 2.1 percent. Eight of the 11 payroll sectors grew during the 2021 through 2022 period, with the largest increases occurring in the professional and business services and the leisure and hospitality sectors, which grew by averages of 2,600 and 2,100 jobs annually, or 6.5 and 11.5 percent, respectively.

In December 2021, the Marshall Fire burned more than 6,000 acres in the Boulder HMA, and nearly 1,100 homes were destroyed, mainly in the town of Superior and the city of Louisville. An estimated 35,000 people were evacuated. Damage caused by the fire exceeded \$2 billion, making it the most destructive fire in Colorado history and the 10th most expensive in the nation (*Denver Post*). Recovery efforts contributed to notably strong job growth during 2022, although the long-term economic damage from the fire, including significant net out-migration, contributed to slower nonfarm payroll growth during 2023. The number of jobs in the HMA increased by 4,000 jobs, or 2.0 percent, in 2023, just under one-half the growth rate during the previous 2 years. Of the eight sectors that increased during 2023, the largest gains were in the government, the leisure and hospitality, and the education and health services sectors, which rose 5.4, 4.9, and 4.2 percent, respectively, or by 2,000, 1,000, and 1,100 jobs.

Forecast

During the 3-year forecast period, the economy of the HMA is expected to continue expanding, with nonfarm payrolls rising an average of 2.4 percent annually. Job growth is expected in several sectors, including the professional and business services, the education and health services, and the government sectors. Tendeg, LLC, a Colorado-based aerospace company, recently leased space at the Innovation Center of the Rockies in Louisville;

the company plans to add 450 jobs during the next 8 years. Google LLC recently purchased 125,000 square feet of additional office space and has plans to increase its head count in the Boulder area. The office space will serve as an extension of the nearby Pearl Place campus. Employment at CU Boulder is expected to increase during the forecast period in response to rising enrollment at the university.



Population and Households

Current Population: 328,300

The population of the HMA declined from 2020 to 2023 because of net out-migration fueled by the COVID-19 pandemic and the Marshall Fire.

Population Trends

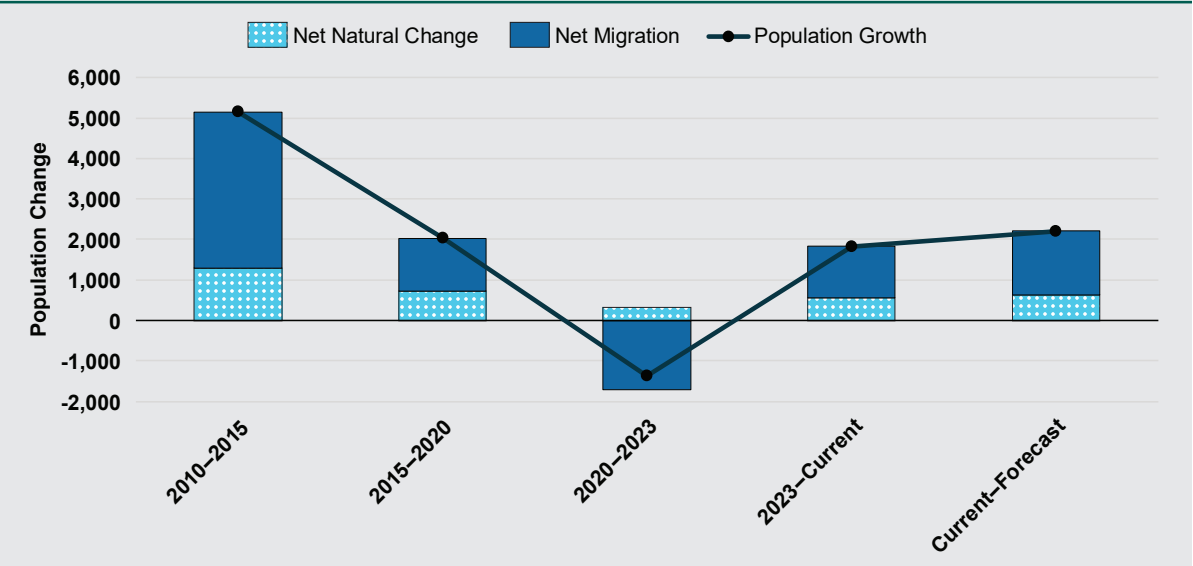
The Boulder HMA is the fifth most populous metropolitan area in the state of Colorado, with a population currently estimated at 328,300 (Table 3). Population trends in the Boulder HMA are significantly affected by the presence of college students and by young professionals migrating to the HMA for job opportunities. Population growth in the Boulder HMA has been predominately due to net in-migration, including international in-migration, which was elevated through much of the 2010s. From 2010 to 2015, population growth averaged 5,000 people, or 1.6 percent, annually (Census Bureau decennial counts and population estimates as of July 1; Figure 5). During this period, net natural increase averaged 1,325 people, while net in-migration averaged 3,675 people each year, accounting for 74 percent of total population growth. Enrollment at CU Boulder rose from 29,950 in 2010 to 30,800 in 2015, partially supporting net in-migration. International net in-migration, including by many students who enrolled at CU Boulder, averaged 1,000 people a year during the period.

Table 3. Boulder HMA Population and Household Quick Facts

Population Quick Facts		2020	Current	Forecast
	Population	330,758	328,300	335,000
	Average Annual Change	3,625	-590	2,200
	Percentage Change	1.2	-0.2	0.7
Household Quick Facts		2020	Current	Forecast
	Households	132,551	136,750	140,000
	Average Annual Change	1,325	1,025	1,075
	Percentage Change	1.1	0.8	0.8

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (May 1, 2024) to May 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Boulder HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (May 1, 2024) to May 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

From 2015 to April 2020, population increases slowed to an average of 2,100 people, or 0.6 percent, annually. During this period, net in-migration averaged only 1,350 people each year, accounting for 64 percent of the population growth, and net natural increase averaged 760 people each year. Enrollment at CU Boulder continued to expand from 2015 to 2020, rising to 35,000 in the fall of 2020. The increase in



students was partially offset by net out-migration of many families to neighboring Larimer and Weld Counties, where home prices were 26 and 32 percent, respectively, lower than in the Boulder HMA. Moderating international net in-migration also contributed to the decline in net in-migration during the period. International net in-migration averaged 710 a year from 2010 to 2020, partly because of changes in immigration policy that affected prospective CU Boulder students. Long-term demographic trends, including an aging population and fewer births, contributed to a slowing of net natural increase.

COVID-19 Pandemic and Marshall Fire

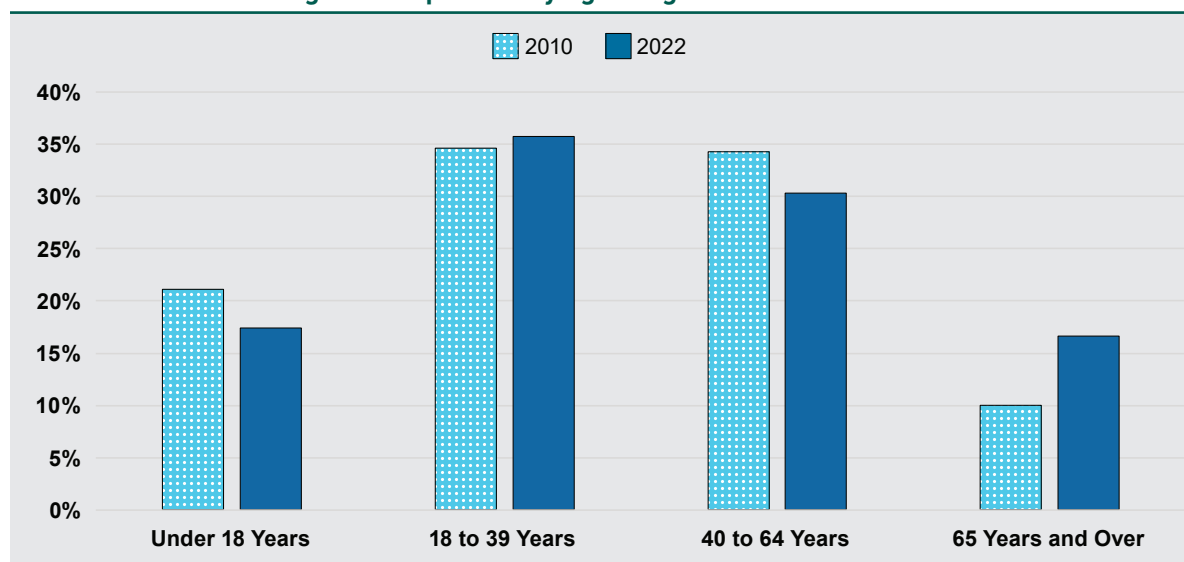
From 2020 to 2023, the COVID-19 pandemic, combined with the impact of the Marshall Fire, led to net out-migration from the HMA, and the population declined by an average of 1,200, or 0.4 percent, annually. Net out-migration averaged 1,525 people a year, partly because of a significant number of students leaving the HMA during the early stages of the pandemic and many residents being forced to relocate following the fire in late 2021. Net natural increase averaged 325 people annually, significantly reduced by excess deaths related to the COVID-19 pandemic. Since 2023, however, the impact of the pandemic has eased, and recovery from the fire, including rebuilding homes

that were lost, has contributed to modest population growth. The population increase has averaged 1,825 people annually, including net in-migration of 1,275 people and net natural increase of 550 people each year.

Age Cohort Trends

The HMA attracts young professionals and retirees, offering a high quality of life due to the availability of outdoor recreation and opportunities in education. Through CU Boulder, retirees have access to a wide range of lifelong learning opportunities. The fastest growing age cohort in the HMA includes people aged 65 and older, which expanded from approximately 10.0 percent of the population in 2010 to 16.6 percent in 2022 (Figure 6). During the same period, the share of the population younger than 18 declined to approximately 17.4 percent, down from 21.1 percent in 2010. In 2022, the largest age cohorts in the HMA were residents aged 18 to 39, followed by residents aged 40 to 64, accounting for 35.7 and 30.3 percent of the total population, respectively. Those age cohorts include a notably high percentage of highly educated people. The share aged 25 or older with at least a bachelor's degree in the HMA was 63 percent in 2022, compared with 36 percent nationally (American Community Survey [ACS] 1-year data).

Figure 6. Population by Age Range in the Boulder HMA



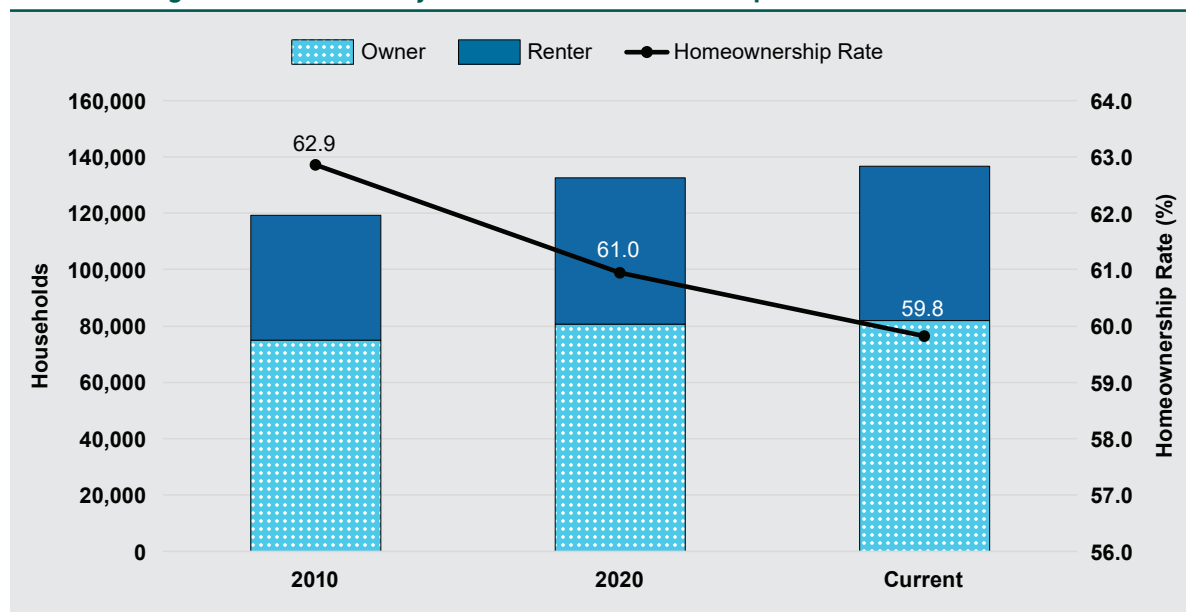
Source: 2022 American Community Survey 1-year data

The large share of people aged 18 to 39 includes portions of millennials and Generation Z, both of which are in stages of life typically associated with moving out of shared housing or group quarters (including dormitories), which has contributed to increasing demand for rental units in the HMA.

Household Trends

Due to overall population decline since 2020, the rate of household growth in the HMA slowed compared with the 2010s. As of May 1, 2024, the number of households is estimated at 136,750, reflecting an average increase of 1,025, or 0.8 percent, annually since 2020. By comparison, household growth averaged 1.1 percent annually from 2010 to 2020, slightly slower than the 1.2-percent population growth rate during the period. In spite of population decline, the rate of household growth in the HMA has remained positive since 2020, partly because of the increasing share of people aged 65 and older, who tend to have smaller household sizes. Dissolution of multiperson households, particularly among millennials and members of Generation Z who moved into their own homes following the pandemic, has also contributed to a decline in the average household size in the HMA. The average household size is currently estimated at 2.3 persons, down from 2.4 in 2020. An estimated 59.8 percent of households in the HMA are currently homeowners, less than the

Figure 7. Households by Tenure and Homeownership Rate in the Boulder HMA



Note: The current date is May 1, 2024.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

homeownership rate of 61.0 percent in 2020 (Figure 7). Renter households have accounted for much of the household growth since 2020, rising at an average annual rate of 1.5 percent, or by 780 households, each year. By comparison, owner households have increased an average of 0.3 percent, or by 240 households, annually.

Forecast

During the next 3 years, the population and number of households in the HMA are expected to increase at average annual rates of 2,200 and 1,075, or 0.7 and 0.8 percent, respectively. The population is expected to increase because net in-migration and net natural increase are expected to rise to average annual changes of 1,575 and 630 people, respectively. On the basis of expected economic and net in-migration trends, the population and number of households in the HMA are estimated to reach 335,000 and 140,000, respectively, by May 1, 2027, with generally steady growth expected throughout the 3-year forecast period.

Home Sales Market

Market Conditions: Balanced but Softening

The number of homes sold declined 4 percent from a year earlier in the Boulder HMA during the 12 months ending April 2024 to the lowest level since early 2012, partly because of higher mortgage interest rates since 2022.

Current Conditions

Home sales market conditions in the Boulder HMA are currently balanced, with an estimated 0.9-percent vacancy rate, unchanged from 2020 and below the 1.8-percent rate from 2010 (Table 4). The market has eased since late 2022, although relatively low levels of for-sale inventory and continued declining affordability have persisted for many years. During the past 4 decades, the Boulder HMA has ranked in the top five most expensive noncoastal metropolitan area housing markets in the nation (Zonda). Rising mortgage interest rates have contributed to the recent easing of sales market conditions. The average interest rate for a 30-year fixed-rate mortgage was 7.0 percent during April 2024, compared with average rates of 3.1 and 3.0 percent during 2020 and 2021, respectively, representing the two lowest annual average rates during the past 50 years (Freddie Mac). As of April 2024, the number of available homes for sale in the Boulder HMA represented 3.0 months of supply, up from

Table 4. Home Sales Quick Facts in the Boulder HMA

Home Sales Quick Facts	Boulder HMA		Nation
	Vacancy Rate	0.9%	NA
	Months of Inventory	3.0	3.0
	Total Home Sales	4,750	5,028,000
	1-Year Change	-4%	-15%
	New Home Sales Price	\$760,300	\$420,700
	1-Year Change	-10%	-2%
	Existing Home Sales Price	\$857,700	\$305,400
	1-Year Change	0%	5%
	Mortgage Delinquency Rate	0.2%	0.9%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending April 2024; and months of inventory and mortgage delinquency data are as of April 2024. The current date is May 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with adjustments by the analyst

2.6 months in April 2023 (CoreLogic, Inc.). During 2020 and 2021, home sales market conditions tightened, partly because of increased demand stemming from low mortgage interest rates; home sales increased an average of 6 percent annually, and the average price of homes increased an average of 12 percent annually. During 2022 and 2023, the number of home sales fell as mortgage rates increased, decreasing an average of 22 percent annually, and average home price increases slowed to 4 percent annually. During the 12 months ending April 2024, the average home sales price fell 2 percent, and the number of sales fell 4 percent from the previous year.

New Home Sales and Prices

New home sales have accounted for approximately 11 percent of total home sales in the HMA since 2010. An average of 460 new homes sold annually from 2010 through 2014 as the economy transitioned from recovery to expansion after the Great Recession, before rising to an average of 860 annually from 2015 through 2019 when job growth was strong (Figure 8). From 2020 through 2022, an average of 740 new homes sold annually. Sales then declined sharply, with rapidly rising mortgage interest rates significantly reducing homeownership affordability. In 2023, new home sales decreased to 510, the lowest level since 2013. New home sales increased during the most recent 12 months, however, and during the 12 months ending April 2024, 640 new homes sold, representing a 19-percent increase from the previous year, when 540 new homes sold.



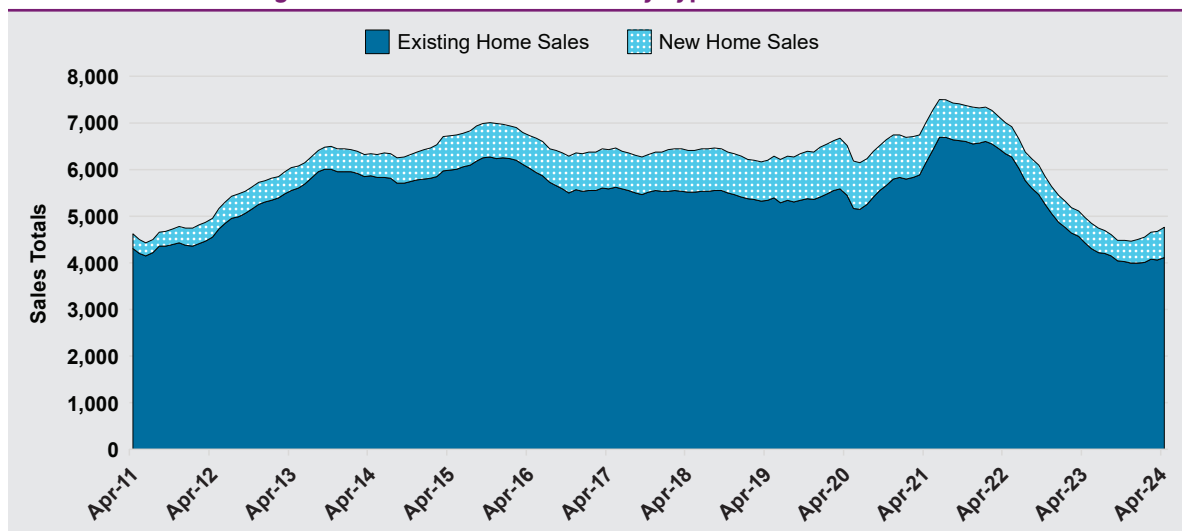
From 2011 through 2019, the average new home price increased 5 percent a year (Figure 9). New home price growth then accelerated from 2020 through 2022, with prices increasing an average of 10 percent annually as rising costs for building materials contributed to higher new home construction costs. The average new home price fell 10 percent to \$760,300 in the 12 months ending April 2024, compared with the 12 months ending April 2023, when the average new home price rose 15 percent to \$840,300.

Existing Home Sales and Prices

Similar to national trends, sales of existing homes in the Boulder HMA peaked after the COVID-19 pandemic, when 6,575 homes sold in 2021. By comparison, an average of 5,200 existing homes sold annually from 2010 through 2014, a figure that rose to an average of 5,625 annually from 2015 through 2019. From 2020 through 2021, an average of 6,200 existing homes sold annually because low mortgage interest rates contributed to strong sales demand. From 2022 through 2023, however, rising mortgage interest rates significantly reduced demand in the market, and existing home sales fell to an annual average of 4,425 homes sold. More recently, 4,125 existing homes sold in the HMA during the 12 months ending April 2024, down 7 percent from the 12 months ending April 2023.

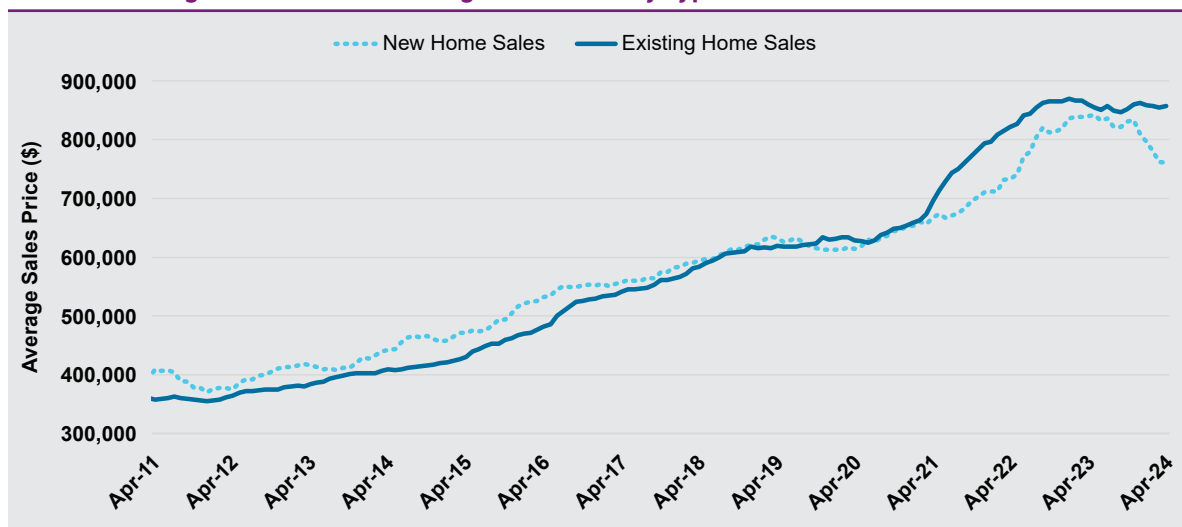
From 2011 through 2014, the average sales price of an existing home rose an average of 4 percent

Figure 8. 12-Month Sales Totals by Type in the Boulder HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 9. 12-Month Average Sales Price by Type of Sale in the Boulder HMA



Source: CoreLogic, Inc., with adjustments by the analyst

a year before accelerating to an average increase of 7 percent annually from 2015 through 2020. In 2021, existing home prices increased 21 percent, reflecting the notably strong demand. The following year, mortgage interest rates began to rise, and growth in the average price of an existing home slowed to 9 percent during 2022. The average sales price of an existing home in the HMA fell less than 1 percent to \$857,700 during the 12 months ending April 2024, following a 5-percent increase to \$859,600 during the 12 months ending April 2023. Homes are particularly expensive in the city of Boulder, where existing home prices are 72 percent higher than in Longmont (Redfin, a national real estate brokerage).

Seriously Delinquent Mortgages and Real Estate Owned Properties

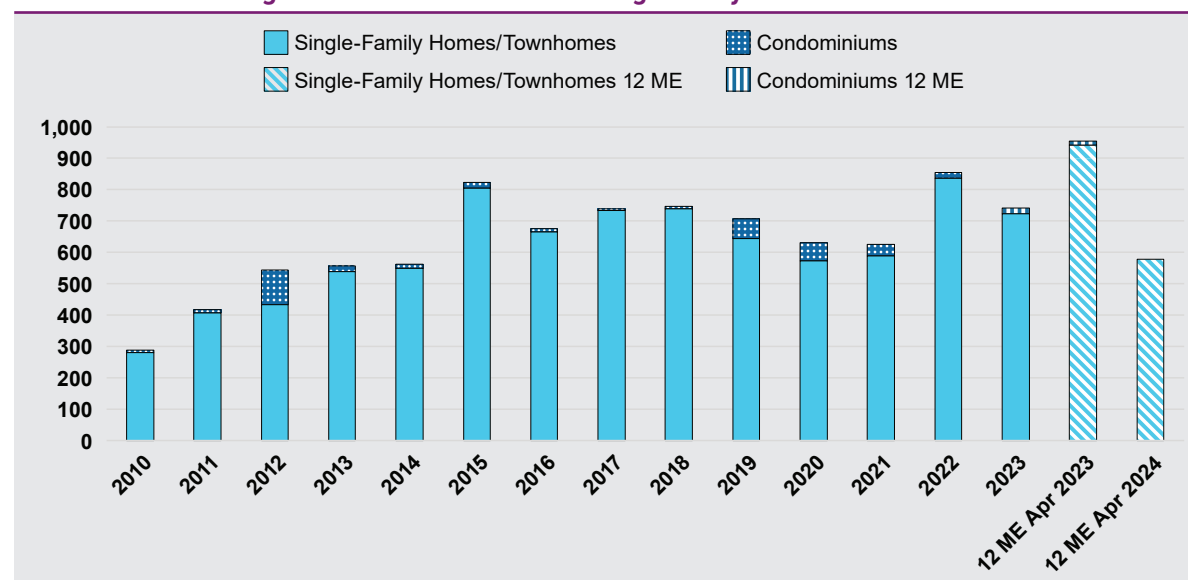
The rate of seriously delinquent mortgages and real estate owned (REO) properties has declined sharply in the HMA after increasing briefly in 2020 due to the COVID-19 pandemic. The share of seriously delinquent mortgages and REO properties in the HMA was only 0.2 percent in April 2024, down from 0.3 percent in April 2023 and the recent high 2.3-percent rate in August 2020 (CoreLogic, Inc.). By comparison, the national percentage of seriously delinquent

mortgages and REO properties was 1.1 percent in April 2024, up from 0.9 percent a year earlier and significantly below the 8.6-percent peak rate in January 2010 following the Great Recession.

Sales Construction Activity

Home sales construction activity in the HMA—as measured by the number of units permitted (see building permits) for sales housing, including single-family homes, townhomes, and condominiums—peaked in 2022, partially because of new construction after the Marshall fire. Sales construction activity increased each year from 2010 through 2015, rising from 290 homes permitted in 2010 to 820 homes permitted in 2015 (Figure 10). Increasing home sales demand stemming from a rise in high-paying jobs in the HMA during the mid-2010s was a primary reason for increased homebuilding during much of the period. Home construction activity slowed to an average of 720 homes permitted each year from 2016 through 2019, when population growth moderated, and construction slowed again to an average of only 630 homes a year from 2020 through 2021, when rising construction costs limited new home development. In 2022, as additional home construction

Figure 10. Annual Sales Permitting Activity in the Boulder HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

began to replace homes lost in the Marshall Fire, permitting increased to 860 homes before declining to 740 homes permitted in 2023. During the 12 months ending April 2024, homebuilding fell to 590 homes permitted, a 39-percent decrease from the previous 12-month period, when 960 homes were permitted.

New Home Developments

Much of the recent new home construction activity has been concentrated along the eastern border of the HMA in the cities of Lafayette and Longmont. These areas have more developable land available at a lower cost, allowing for new homes to be offered at lower prices than the average for existing homes in the HMA. Willoughby Corner, located in the eastern portion of Lafayette, is an affordable community with

sales and rental units, including apartments, duplexes, and townhomes. Phase 3 of construction will include 80 homes sold at below-market-rate prices to income-eligible buyers who intend to occupy the home. Erie Town Center is a master-planned community in the Town of Erie, in the eastern part of the Boulder HMA. The community is within walking distance of Old Town Erie and includes a mix of 50 single-family homes and 195 three-story townhomes, with an expected completion date in 2025. The new homes will be priced from the upper \$600,000s.

Forecast

During the next 3 years, demand is estimated for 1,625 new homes (Table 5). Although the market has recently eased, new home sales demand is expected to remain stable each year of the 3-year forecast period, partly because of increasing employment and net in-migration. The 670 homes under construction are expected to meet a portion of the demand during the first year of the forecast period.

Table 5. Demand for New Sales Units in the Boulder HMA During the Forecast Period

Sales Units	
Demand	1,625 Units
Under Construction	670 Units

Note: The forecast period is from May 1, 2024, to May 1, 2027.
Source: Estimates by the analyst



Rental Market

Market Conditions: Slightly Soft

The apartment vacancy rate in the Boulder HMA has increased since the first quarter of 2022, and rent growth has slowed.

Current Conditions and Recent Trends

Rental market conditions in the HMA are slightly soft compared with slightly tight conditions in 2020 and tight conditions in the early 2010s. The vacancy rate for all rental units—including apartments, renter-occupied single-family homes, townhomes, condominiums, and mobile homes—is estimated at 7.0 percent, up from 5.1 percent in 2020 (Table 6) and 4.6 percent in 2010. In 2022, 56 percent of all renter households in the HMA lived in multifamily structures with five or more units, typically apartments (ACS 1-year data). Approximately 30 percent of all renter households in the HMA lived in single-family homes

Table 6. Rental and Apartment Market Quick Facts in the Boulder HMA

Rental Market Quick Facts		2020 (%)	Current (%)
	Rental Vacancy Rate	5.1	7.0
		2021 (%)	2022 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	33	30
Apartment Market Quick Facts		1Q 2024	YoY Change
	Apartment Vacancy Rate	8.0	2.3
	Average Rent	\$1,941	1%
	Studio	\$1,621	2%
	One-Bedroom	\$1,753	0%
	Two-Bedroom	\$2,074	1%
	Three-Bedroom	\$2,494	2%

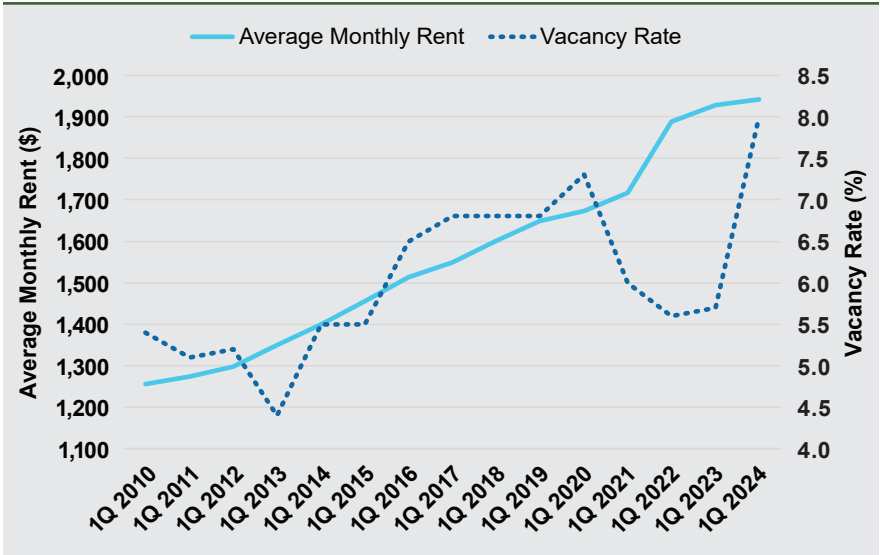
1Q = first quarter. YoY= year-over-year.
Notes: The current date is May 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

in 2022. Apartment market conditions in the HMA are soft, due in part to a significant number of new units that were completed during the past 2 years. As of the first quarter of 2024, the apartment vacancy rate was 8.0 percent, up from 5.7 percent a year earlier and 5.6 percent as of the first quarter of 2022 (CoStar Group). From the first quarter of 2023 to the first quarter of 2024, the average asking rent in the HMA increased less than 1 percent to \$1,941, compared with an increase of 2 percent the previous year. The average asking rents for studio, one-, two-, and three-bedroom apartments as of the first quarter of 2024 were \$1,621, \$1,753, \$2,074, and \$2,494, respectively.

Historical Apartment Rent Growth and Vacancy Rates

Asking rents for apartments increased steadily from 2010 to 2021 before rent growth increased sharply in 2022 when the apartment vacancy rate fell. From the first quarter of 2010 to the first quarter of 2021, rent growth averaged 3 percent annually before sharply increasing to 10 percent from the first quarter of 2021 to the first quarter of 2022 (Figure 11). The apartment vacancy

Figure 11. Apartment Rents and Vacancy Rates in the Boulder HMA



1Q = first quarter.
Source: CoStar Group

rate averaged 5.2 percent from the first quarter of 2010 to the first quarter of 2012 and then decreased to 4.4 percent by the first quarter of 2013, a period of elevated net in-migration. Following an increase in apartment deliveries, the vacancy rate rose from 5.5 percent as of the first quarter of 2014 to 6.8 percent by the first quarter of 2019; the vacancy rate then peaked at 7.3 percent as of the first quarter of 2020. Following the onset of the pandemic, from the first quarter of 2020 to the first quarter of 2022, absorption accelerated, and the average apartment vacancy rate fell to 5.6 percent. The elevated absorption was mostly due to high rates of renter household formation. In addition, many households were priced out of homeownership because of rising home sales prices, which contributed to increased demand for rental units.

Market Conditions by Geography

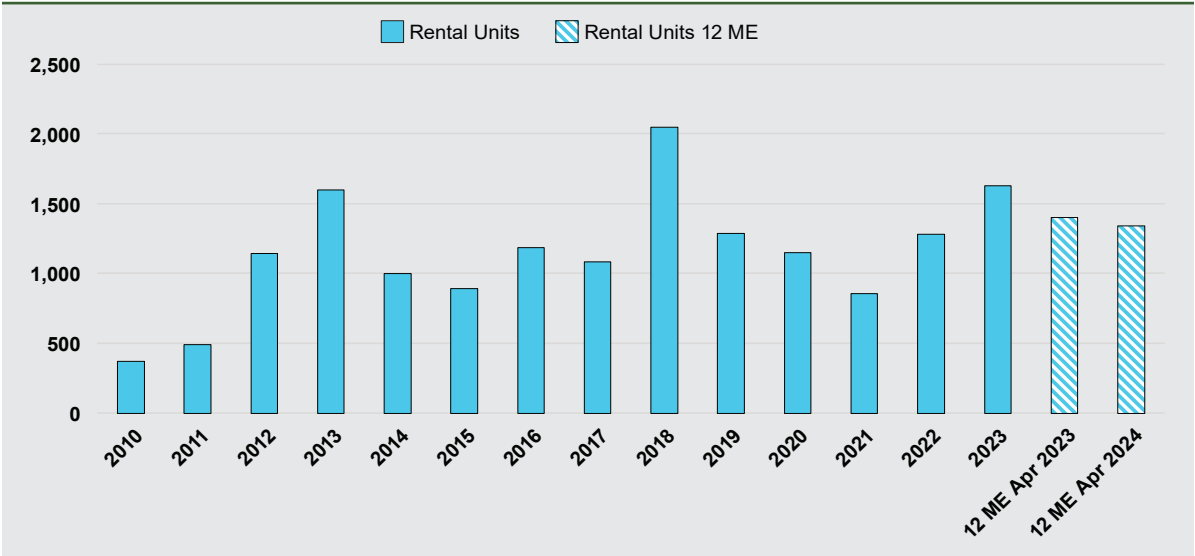
Apartment market conditions vary among the CoStar Group-defined market areas. The two largest market areas are Central Boulder and Longmont/Northwest Boulder. Conditions are balanced In the Central Boulder market area, which includes the city of Boulder. As of the first quarter of 2024, the apartment market vacancy rate was 6.2 percent, up from 5.4 percent the previous year but below the 7.0-percent rate as of the first quarter of 2022. The average asking rent of \$2,186 as of the first quarter of 2024 was 2 percent more than during the previous year and 12 percent above the average asking rent

in the HMA. Apartment deliveries in the market area have fluctuated over the past few years, peaking in 2021 when 600 units were completed, accounting for 62 percent of all units delivered in the HMA that year. Apartment market conditions in the Longmont/Northwest Boulder market area are soft. As of the first quarter of 2024, the apartment market vacancy rate was 9.5 percent, up from 6.5 percent the previous year and above the 4.4-percent rate from the first quarter of 2022. Deliveries were elevated, with 740 units completed during the 12 months ending March 2024, up from 590 units delivered the previous year and 210 units delivered during the 12 months ending March 2022. The average asking rent of \$1,670 as of the first quarter of 2024 was 1 percent less than during the previous year but 14 percent below the average asking rent in the HMA.

Rental Construction

The number of rental units permitted moderated slightly during the past year following a strong increase in 2023. During the 12 months ending April 2024, 1,350 units were permitted, compared with 1,400 rental units during the previous 12 months (preliminary data, with adjustments by the analyst; Figure 12).

Figure 12. Annual Rental Permitting Activity in the Boulder HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



Following the Great Recession, low levels of apartment construction contributed to the rental market tightening as the population increased and the economy expanded. From 2010 through 2011, permitting averaged 430 rental units annually, which rose to an average of 1,375 units permitted annually from 2012 through 2013 (Figure 12). The vacancy rate rose as units were delivered to the market during 2014, and developers slowed production. From 2014 through 2017, an average of 1,050 rental units were permitted annually; that number increased to an average of 1,675 units permitted annually from 2018 through 2019. By the late 2010s, population growth slowed due to an increase in domestic out-migration, leading to decreased demand for rental units. The apartment vacancy rate rose, and developers slowed rental construction. From 2020 through 2022, rental construction averaged 1,100 units permitted annually. The market tightened as units were absorbed, and rental construction increased sharply to 1,625 units during 2023.

Rental Construction by Geography

Recent rental construction activity in the HMA has been strongest along the eastern edge of Boulder County and in the city of Boulder. Residences at Nova West is a 264-unit apartment community under construction in the city of Longmont. The development is expected to open in the first quarter of 2025 and will offer a mix of one-, two-, and three-bedroom units. Rally Flats, an affordable apartment community for residents earning up to 60 percent of the Area Median Income, includes 24 studio, 62 one-bedroom, and 14 two-bedroom units. Located on the corner of 29th and Bluff Streets in the city of Boulder, the apartment community is expected to open in January 2025.

Student Housing

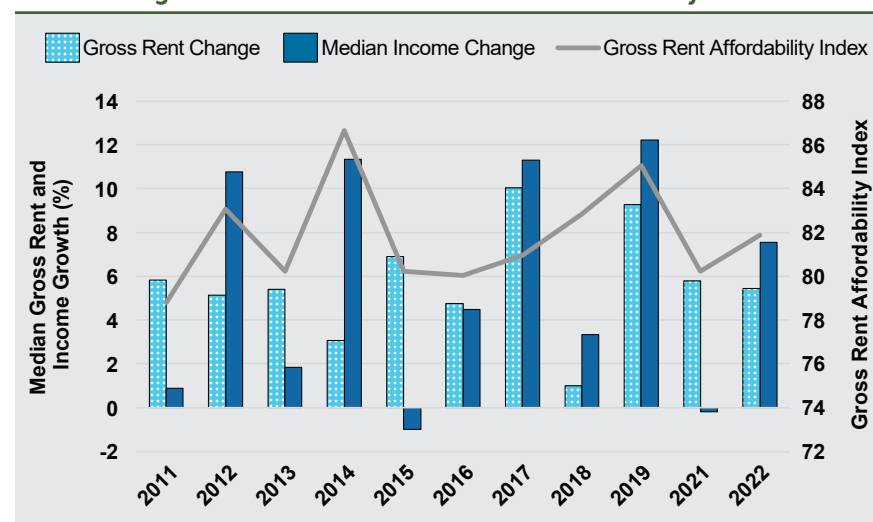
Students attending CU Boulder have a notable effect on the rental housing market in the HMA, particularly near the campus in the city of Boulder. Among the approximately 37,200 students enrolled at CU Boulder during the fall of 2023, an estimated 22,000 lived off campus (CU Boulder). Those students represent approximately 7,325 renter households, or 13 percent of all renter households in the HMA. Student apartments account for an estimated 8 percent of all apartments in the HMA and generally have lower

vacancy rates than the overall apartment market. The vacancy rate among student apartments averaged 3.2 percent as of the first quarter of 2024, up from 1.5 percent a year earlier (CoStar Group). Off-campus student housing units typically lease by the bedroom, which make them more affordable for students. The average asking rent for such units increased less than 1 percent from a year earlier to \$1,326 per bedroom as of the first quarter of 2024.

Housing Affordability: Rental

Despite consistently expensive rental housing in parts of the HMA, rental affordability in the Boulder HMA has usually remained within a relatively narrow range since the early 2010s, with growth in the median household income for renter households exceeding the increase in the median gross rent during 5 of 9 years from 2011 to 2019. The HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for a median-priced rental unit, ranged from a low of 78.8 in 2011 to a high of 86.6 in 2014 (Figure 13). The index declined sharply from 85.1 in 2019

Figure 13. Boulder HMA Gross Rent Affordability Index



MSA = metropolitan statistical area.

Notes: Rental affordability is for the larger Boulder MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available.

Source: American Community Survey 1-year data

to 80.2 in 2021, during the COVID-19 pandemic, when the median gross rent increased 3 percent and the median income decreased less than 1 percent during the 2-year period. In 2022, however, the index rose to 81.9 because the increase of 8 percent in the median income outpaced the 5-percent increase in the median gross rent. By comparison, the Gross Rent Affordability Index for the nation was 94.6 in 2022, signifying that renting in the HMA is less affordable than in the nation as a whole.

Forecast

During the 3-year forecast period, demand is estimated for 2,100 new rental units (Table 7). Demand is expected to be relatively steady throughout the forecast period, with job and population growth supporting demand for rental units. The 1,525 units under construction are expected to satisfy most of the demand during the first 2 years of the forecast period.

Table 7. Demand for New Rental Units in the Boulder HMA During the Forecast Period

Rental Units	
Demand	2,100 Units
Under Construction	1,525 Units

Note: The forecast period is May 1, 2024, to May 1, 2027.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units under construction or units in the development pipeline.
Existing Home Sales	Includes resales, short sales, and REO sales.
Forecast Period	May 1, 2024, to May 1, 2027—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.

Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Student Housing	Housing targeted toward college/university students, typically multi-bedroom units rented by the bedroom and leased per semester, on or near a college campus.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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