

CITY OF BOULDER

MIDDLE INCOME HOUSING STUDY

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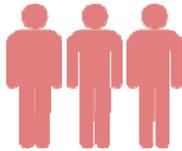
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WHO IS THE MIDDLE MARKET?

80-150% of Boulder Area Median Income (AMI)



1-person households earning \$53,000-\$104,000



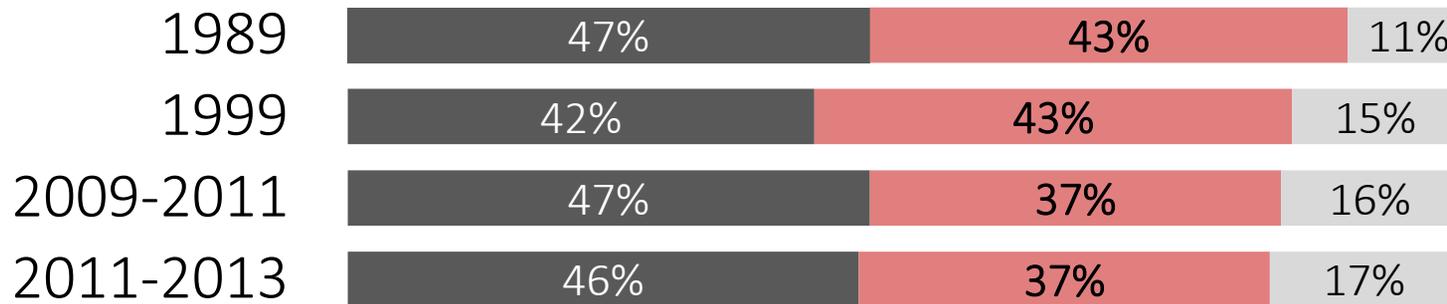
3-person households earning \$68,000-\$134,000

Middle income jobs include:

*accountants, architects, librarians, veterinarians,
and web developers.*

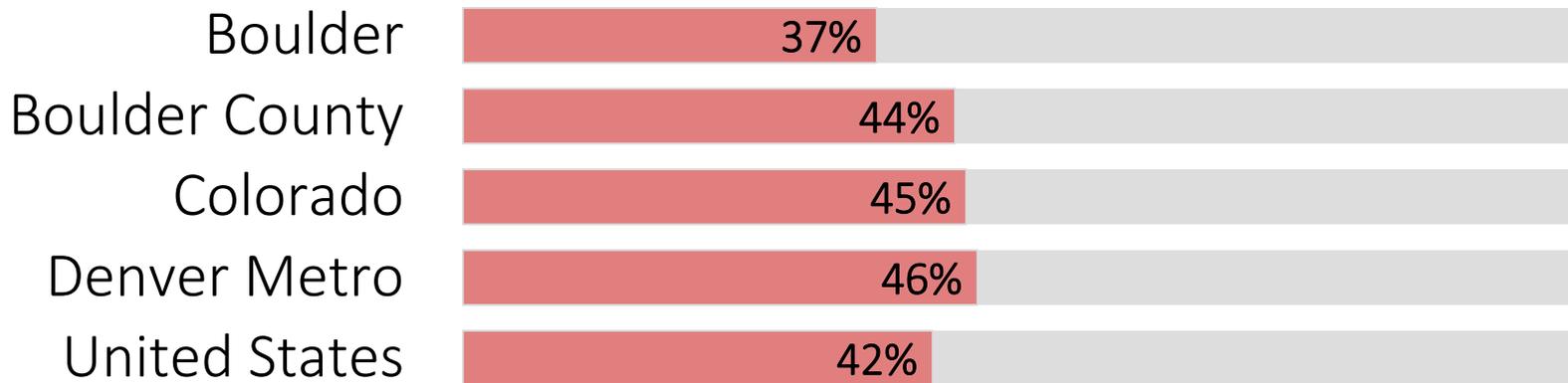
SHARE OF MIDDLE INCOME HOUSEHOLDS IN DECLINE

Income level: ■ Low to Moderate ■ Middle ■ High



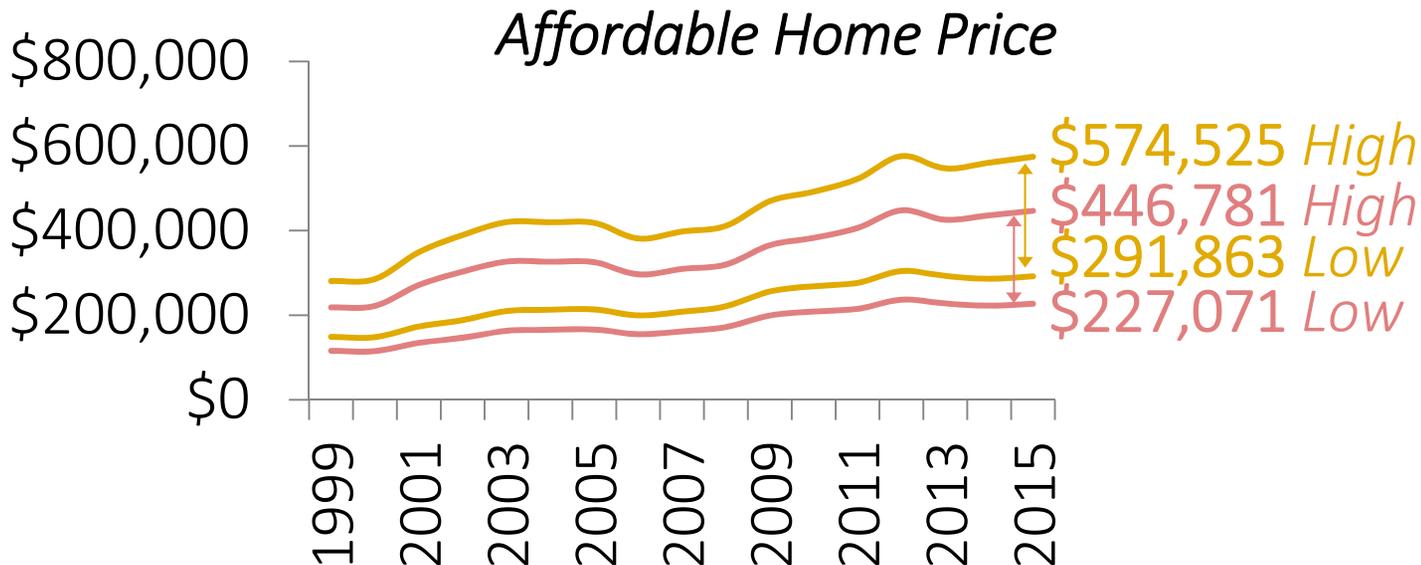
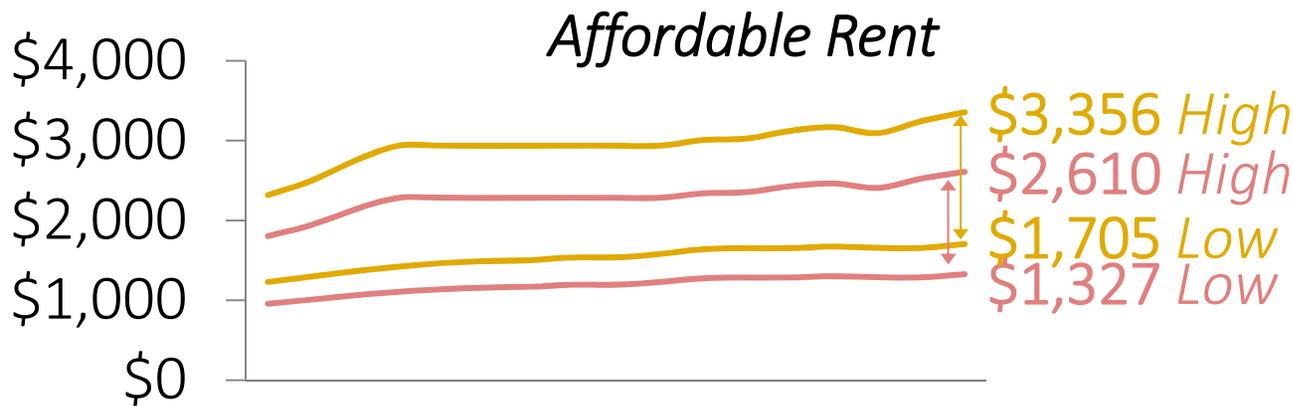
Trend: Steady Down Up

Percent Households that are Middle Market



WHAT CAN THE MIDDLE MARKET AFFORD?

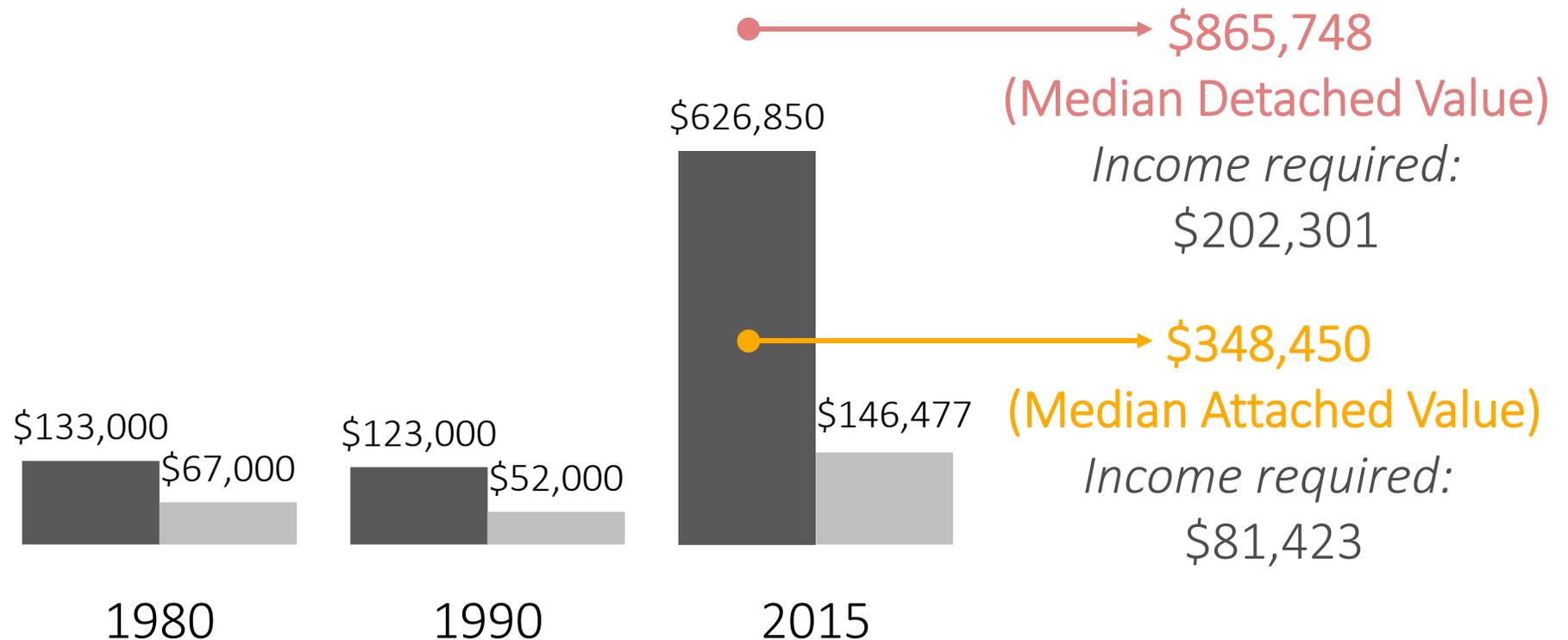
- 1-Person Household (Income range: \$53,060 – \$104,400)
- 3-Person Household (Income range: \$68,200 – \$134,250)



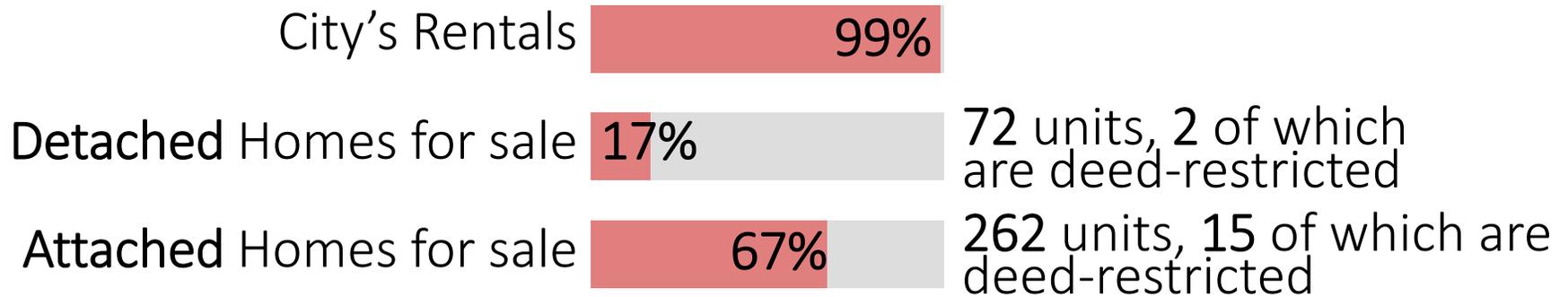
Falling mortgage interest rates from 2010 – 2015 increased affordability

DETACHED HOUSING WAS ONCE AFFORDABLE TO THE MIDDLE MARKET TO THE MIDDLE MARKET

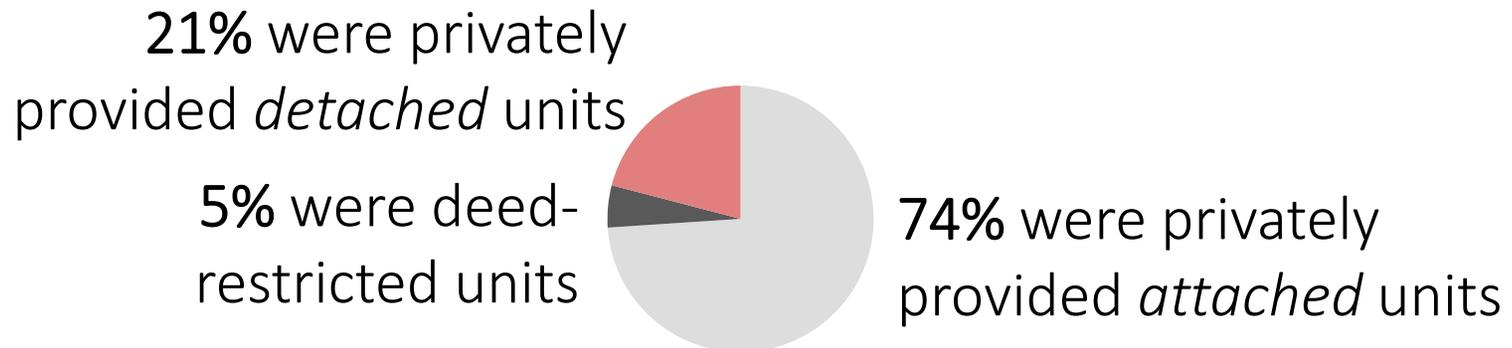
- Median Home Value
- Income Required to Afford



WHAT IS AVAILABLE TO THE MIDDLE MARKET NOW?



Of the 334 homes affordable to the Middle Market in 2015:



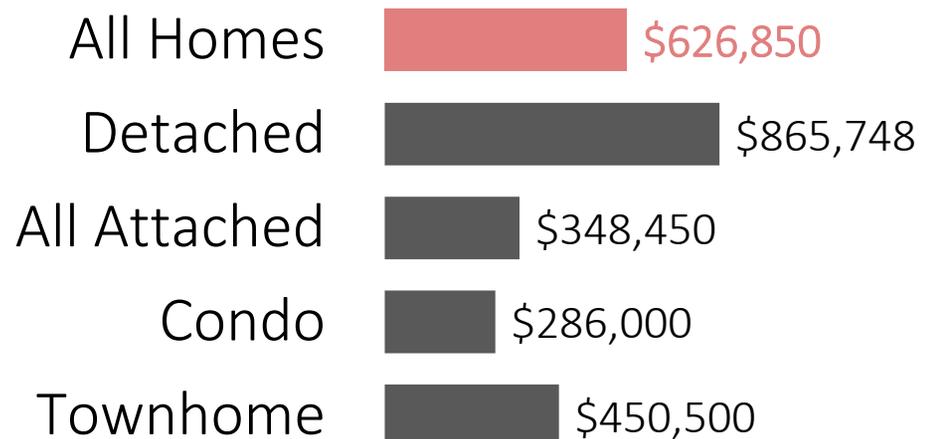
WHAT ARE THE KEY FINDINGS FROM THE MIDDLE MARKET STUDY?

Key Finding No. 1:

Attached homes are less expensive and maintain affordability better than detached homes

- } Short term price appreciation is lower
- } Long term price appreciation is lower
- } This is true even for similarly-sized homes

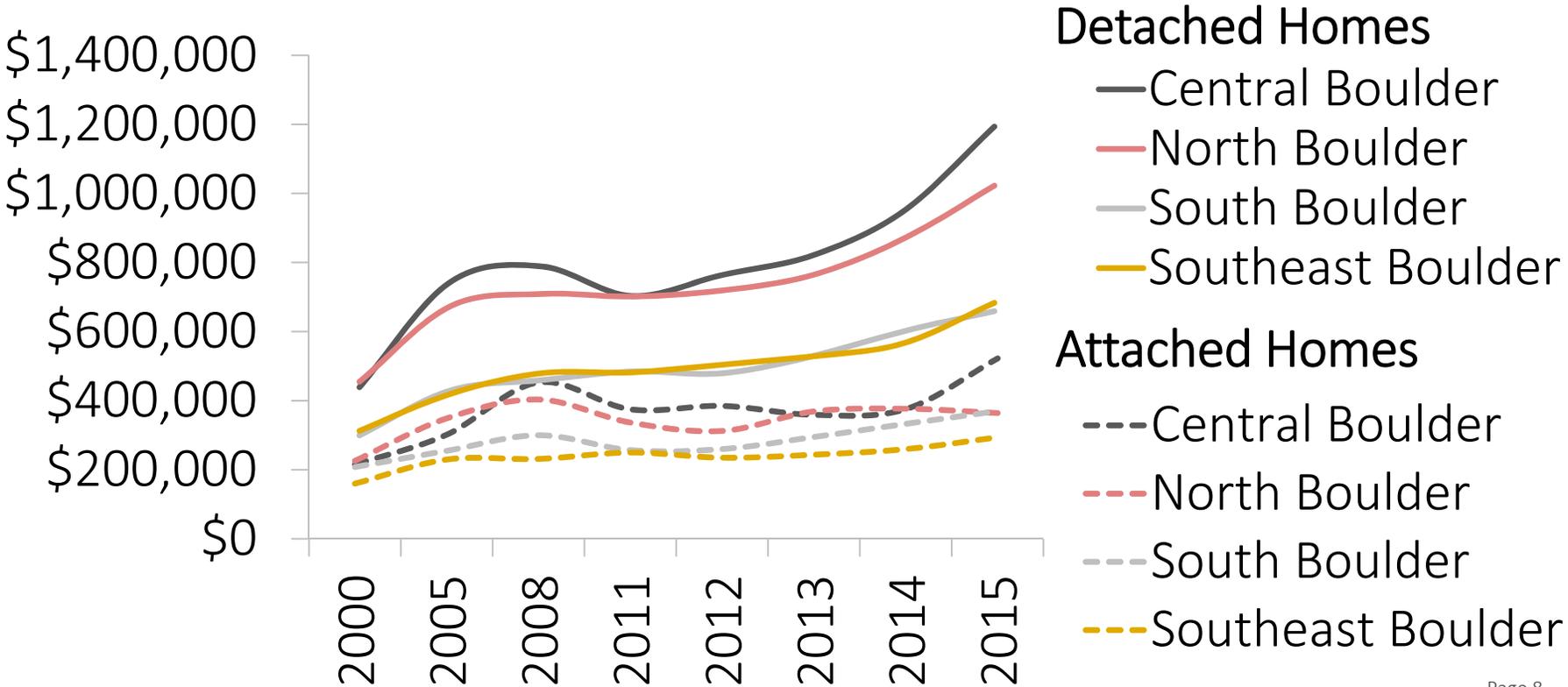
Median price remains lower



Key Finding No. 2:

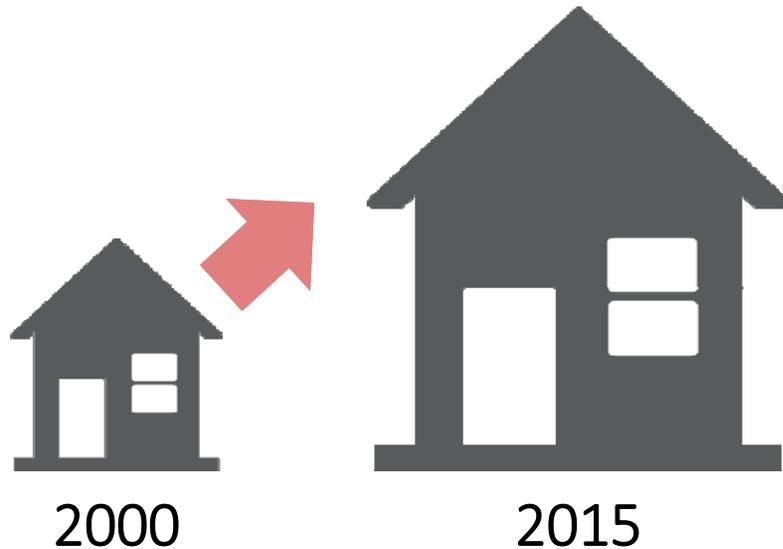
Attached units maintain a lower price even in high-demand areas in Boulder

Central Boulder detached homes sold for a median price of \$1.2 million in 2015 v. \$522,000 for attached homes.

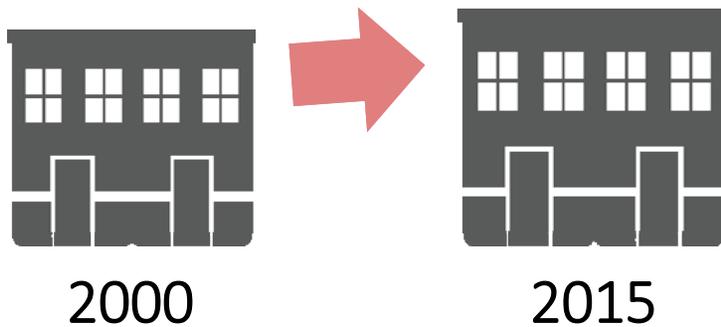


Key Finding No. 3:

Attached products are less likely to expand in size



The average size of detached homes rose by 700 square feet between 2000 and 2015, contributing to price increases.

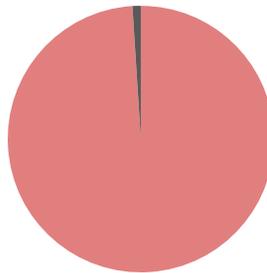


Average attached home size rose by just 150 square feet.

Key Finding No. 4:

Rentals remain very affordable to the Middle Market and may be the only way to live in Boulder

Although rent levels are at record highs —
\$1,861/ month near the University,
\$1,505/ month in the balance of the city —



99% of Middle Market households can afford to rent at market prices.

Key Finding No. 5:

Purchasing an attached unit is cheaper than renting at market rates and in-commuters prefer attached products in small structures integrated into neighborhoods to large multifamily complexes

KEY TAKE-AWAYS FROM MIDDLE INCOME HOUSING STUDY

- } The Boulder market once offered middle income families an opportunity to own a single family detached home. This is no longer the case. Today, the median single family detached home requires an income of > \$200,000.
- } In 2015, there were 4X more affordable attached products than detached products for sale. Analysis of price trends shows that attached products offer deeper affordability and maintain their affordability longer.

KEY TAKE-AWAYS FROM MIDDLE INCOME HOUSING STUDY

- } Demand exists for attached housing products: Middle income commuters are willing to make the trade-off and buy attached housing to live in Boulder. Yet product type and surrounding community are important—especially for families.
- } If price increases continue and no new affordable attached products are built, only low-end condos will be affordable to middle income households in 10 years. In their current state, these products may not be attractive to middle income workers and families. Redevelopment will be important, in addition to creation and preservation of attached products.

QUESTIONS?