



# Colorado: Challenges and Opportunities

COMMON SENSE INSTITUTE COLORADO



# MISSION STATEMENT

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

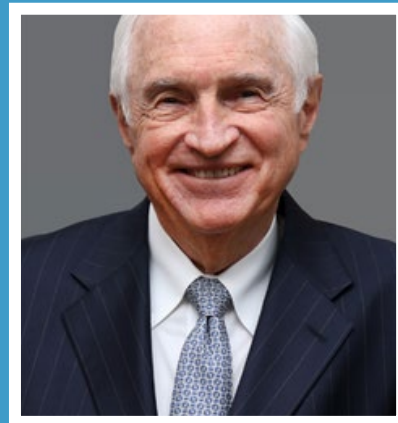
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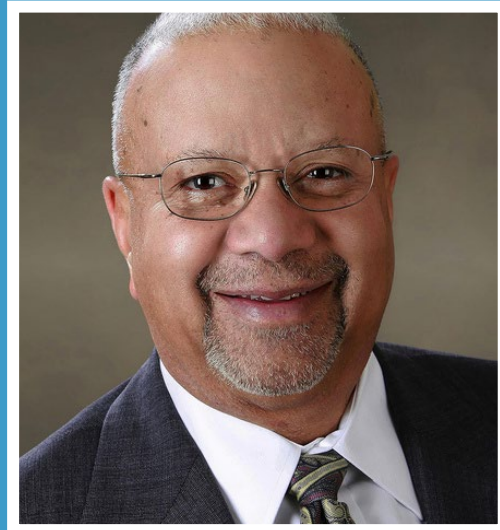
# FELLOWS



Kelly Jean Brough  
Urban Development Fellow



John Farnam  
Morgridge Child Welfare  
Fellow



Dr. Reggie Washington  
Health & Wellness Fellow



Lang Sias  
Mike A. Leprino Fellow 2023  
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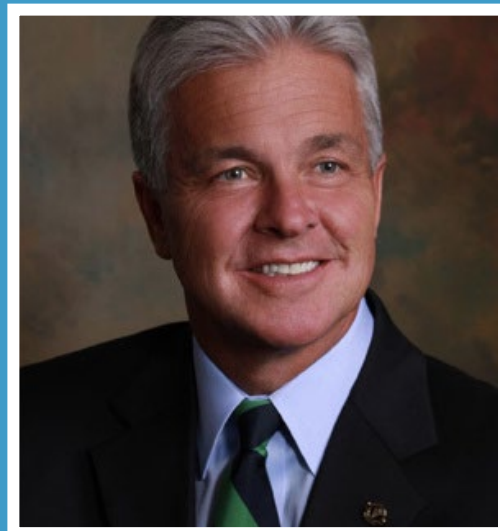
Tamra Ryan  
Coors Economic Mobility  
Fellow



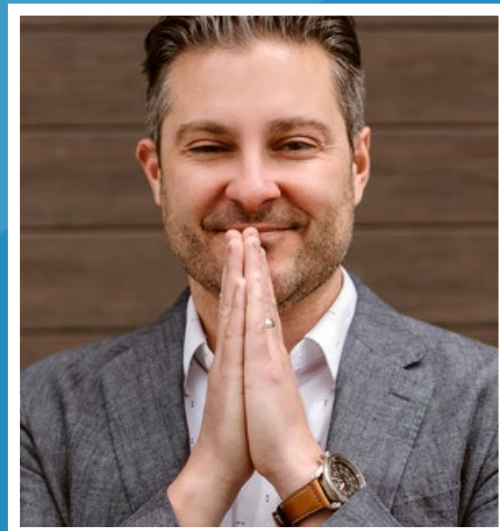
Deb Mahan  
Mental Health Fellow



Chief Paul Pazen  
Public Safety Fellow



Mitch Morrissey  
Owens-Early Criminal  
Justice Fellow



Peter LiFari  
Housing Fellow & Mike A.  
Leprino Fellow 2021



Jason Gauden  
Education Fellow



Trisha Curtis  
Energy Fellow

# Colorado: Then and Now

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Colorado's  
narrative has  
shifted.

Then: High growth,  
low crime,  
population boom,  
economic boom,  
cultural popularity

Now: Dwindling  
growth, high crime,  
reputation for  
homelessness,  
reputation for  
unaffordability,  
economic issues in  
capital city

# Inflation and Jobs

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Although year-over-year inflation in Colorado was outpaced by national inflation, Colorado families spent an average of \$1,335 per month more in August and September of this year since 2020.

Of the 23 metropolitan area CPI series tracked by BLS, Denver's total price growth since the end of 2020 ranks 13<sup>th</sup>.

Colorado's private sector growth lags behind that of the U.S. Despite strong private sector growth, Colorado's total private sector employment has only increased 1.14% since September of 2023.

# Crime

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Even though Colorado's violent crime rate came down in 2023 from a peak in 2022, it is still at an elevated rate equivalent to the average rate of violent crime during the mid-nineteen nineties (1994 and 1995)

It again has the 8<sup>th</sup>-highest violent crime rate among U.S. states and the District of Columbia, the same ranking as in 2022.

While Colorado's property crime rate came down in 2023 from a peak in 2022, it is still a top ten state with the nation's 4<sup>th</sup>-highest property crime rate.



# Colorado Migration Trends

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Colorado is  
not top  
destination  
for migration

The state gained  
more people from  
international  
migration in 2022  
and 2023

Locations are  
more highly  
concentrated in  
the south

# Housing Costs and Condo Litigation Reform

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The number of hours necessary to pay a mortgage rose from 44 in 2011 to 96 in 2023. It also rose in many other states, but the increase was especially severe in Colorado

Condominium development between 2018 and 2022, across 11 front range counties which collectively house over 80% of Colorado's population, was 76% lower than between 2002 and 2008.

This amounted to 14 new apartments for every 1 new condo in recent years, while there was 1 new condo for every 1.25 apartments in the 6 years prior to 2009.

Over the 15-year span from 2007 to 2022, the number of unique condominium developers engaged in condominium development plummeted by 84%, dropping from 146 to 23.

# Downtown Denver Recovery

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24% -  
Office and  
retail  
vacancy

Foot Traffic  
– Recovery  
Rate is 16th  
lowest  
among 55  
cities

\$37.60 -  
Gross rent  
per square  
foot  
downtown  
Denver

# Denver Costs and Delinquencies

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According to real estate database CoStar, the average gross rent paid by office renters was \$37.60 per square foot in 2023, the highest on record. Gross rent has climbed every year but two since 2011.

In the first quarter of 2023, the national delinquency rate for commercial real estate for all banks was 0.85%. By the second quarter of 2024, that had risen to 1.42%.

Regulation 28 and Energize Denver – also threaten downtown area businesses. Both mandate building owners invest heavily into retrofitting their buildings or face fees and fines for failing to meet specific energy goals.

# Minimum Wage in Boulder County and Denver

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Denver's minimum wage is among the highest in the nation, second only to a handful of California and Washington cities

By 2030 Boulder County's minimum wage of \$25 would be 53% or \$8.70 higher than the statewide rate of \$16.30

By 2030, Denver's projected minimum wage of \$20.68 would be 27% or \$4.32 higher than the statewide rate of \$16.30.

By 2030, for every one person estimated to be drawn out of poverty from this policy, between 4 and 12 people would lose a job.

Restaurants face a 21% increase in labor costs and a 7% increase in operating costs, larger than the total average profit margin for a typical business.

Grocery stores face a 13% increase in labor costs and a 1.6% increase in operating costs.

Retail stores face a 7.6% increase in labor costs.

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# THANK YOU

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FOR MORE INFORMATION

