

Support SB17-1279: Promoting Housing Options for All

An affordable housing perspective

Since 2005, the development of multi-family, owner-occupied housing (condos and townhomes) has dropped from approximately 20% of the market share to only 2%. The affordable market has been hit even harder, with the majority of new multi-family ownership opportunities consisting of upscale, unattainable product, leaving little to no affordable purchasing options.

Multi-family development provides significant opportunities for affordability – the economies of scale and efficiencies of this housing product enable developers to offer affordable, entry-level housing to first-time homebuyers, seniors and many other segments of the community.

Due to the high costs of insurance and the tremendous risk of litigation, developers otherwise interested in building affordable condos and townhomes have left the market, leaving little to no options for buyers looking for an attainably-priced home.

The median listing price for a single-family home in the Denver metro area is nearly \$400,000, with home values increasing by 10% in the past year. But this is not only a metro-area issue; statewide median prices for single family homes increased by 9% or more in seven of the top ten largest counties in Colorado over the last year, a trend that is predicted to continue and pushing more and more households out of homeownership.

Why is SB17-1279 needed?

Condos and townhomes are often purchased by first-time home buyers as an entry point to homeownership. However, more affordably-priced options are essential for large segments of our workforce. Teachers, firefighters, police dispatchers, chemists, writers, property managers, nurses and many college-educated professionals are not in the position to assume a \$400,000 mortgage and are forced to stay in the rental market longer because there is simply no other option available.

With more and more households forced to stay in the rental market, vacancy rates are at historic lows, further driving demand and skyrocketing increases in rent throughout the state. The impacts of the construction defect issue in Colorado cast a wide net and are now impacting our most vulnerable low-income households.

Protecting consumers through a balanced legal environment

Homeownership is a major financial investment for low to moderate income families. Because of this, affordable housing mortgage programs require education and counseling to ensure buyers are informed and able to assume the responsibilities of homeownership. However, the current legal environment puts homeowners at risk by unknowingly entering into expensive and lengthy lawsuits. SB17-1279 would provide homeowners with a voice in legal decisions and a transparent process assuring informed consent.