COMMON SENSE Policy Roundtable

Economic Impact of Restricting Housing Growth to No More Than 1% in Colorado

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A Closer Look at the Economic and Fiscal Impacts of Initiative 66 and Why Housing Matters For the State's Economic Future

Based upon the projected household growth and recent housing development history, the 10-county front range region covering Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer and Weld, is projected to add an average of around 35,000 and 43,200 new housing units per year over the next ten years. This amounts to an average annual growth rate of 1.8% or 2.3%.

Under the proposed citizen-led Initiative 66, titled "A Limit on Local Housing Growth," the 10-county region described above, would not be able to see new residential housing grow at a rate above 1%. Through rules not specified in the initiative, county governments would be required to develop a way to restrict growth to meet the 1% growth cap across all its local cities, overriding their current local control over housing permitting.

The difference between the number of units that would be allowed to be built under the 1% cap compared to the baseline projections would result in somewhere around 158,000 to 240,000 fewer new housing units over the next 10 years. This amounts to a 45% to 55% reduction in new units. The resulting decline in new residential housing investment would be around $53.7 Billion to $80 Billion and cause the total number of jobs in the state to decline by 35,000 to 55,000 per year over the next 10 years. 58.5% of all job loss would occur outside of the construction sector as other professional and real estate services and retail spending goes away.

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