

Denver's Housing Crisis Deepens

Affordability gap widens even as prices slow

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THE DATA

34.2%

Share of Income Spent on Housing

In Denver, households spend more than one-third of their income on housing costs.

This figure, drawn from the Kansas City Fed's latest regional analysis, reflects a growing affordability crisis. Even as home price appreciation slows, the proportion of income dedicated to housing has risen, indicating mounting financial stress for middle-class families. The burden is especially acute in Denver’s core neighborhoods where demand remains high.



Source: Kansas City Fed · Published August 27, 2026

01

Income Stagnation Drives Affordability Decline

While home prices have begun to stabilize after years of rapid growth, wage growth has remained flat. This mismatch means that even modest price increases push more households into financial strain. The gap between housing costs and income is widening in a way that threatens long-term population stability.



02

Rent Burden Outpaces Price Growth

Denver’s rental market has seen a surge in rent levels, outpacing price appreciation and further straining affordability. This suggests that the supply of affordable housing is not just limited but also increasingly dominated by high-rent units, which may explain why median home prices are no longer rising as rapidly.

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