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Discover how the generational divide shapes Denver mortgage trends



Sara B. Hansen

Nearly 73% of Denver homeowners carry a mortgage. That's the second-highest rate in the country, behind only Washington, D.C., according to Realtor.com research.

Nationally, homeowners own nearly 40% of U.S. homes outright, marking the highest percentage ever recorded.

But Denver's mortgage-free rate rests at a mere 27%, far below the national average.

Several factors explain Denver's high mortgage rates:

- **Rising home values:** Home prices have surged, making cash purchases challenging.
- **In-migration of buyers:** Many newcomers from pricier markets, like California, are relocating to Denver, often outbidding residents and driving prices higher.
- **High competition:** Over the past few years, demand for homes has exceeded supply, driven by both new buyers and existing homeowners looking to move. Although supply has increased this year, prices remain high.
- **First-time buyers:** Denver has a significant number of first-time homebuyers who typically enter the market with little equity and rely on mortgages to finance their purchases, which contributes to high mortgage rates.

Since 2010, the trend towards mortgage independence has increased by 8%, while the percentage of financed homes has decreased by roughly 7%.

In Denver, just as across much of the country, younger buyers are grappling with staggering home prices, mounting student debt, and elevated interest rates, making entry into the housing market increasingly daunting.

At the same time, 78% of older homeowners indicate they plan to "age in place," disrupting traditional homebuying and selling pathways, reducing inventory, and intensifying competition for first-time buyers.

Many older homeowners who leveraged ultra-low mortgage rates during the pandemic

now feel little incentive to sell their properties, fearing that moving to a new home would mean facing significantly higher borrowing costs.

Data from a recent Redfin survey underscores this trend, revealing that only 20% of older homeowners are considering a move to a 55+ community, with just 10% contemplating moving in with adult children or into assisted living.

The overwhelming majority—78%—plan to remain in their homes indefinitely, leading to a growing generational divide in housing.

Looking ahead

Eventually, baby boomers' homes will hit the market. And there may not be enough options to meet demand.

The senior housing sector suffered huge losses during the pandemic.

Demand nosedived due to high infection rates, deaths, and social-distancing restrictions imposed on residents and their families.

Labor shortages sent costs soaring. Many projects defaulted on their mortgages after interest rates spiked.

Occupancy rates returned to pre-pandemic levels last year, and rent growth resumed.

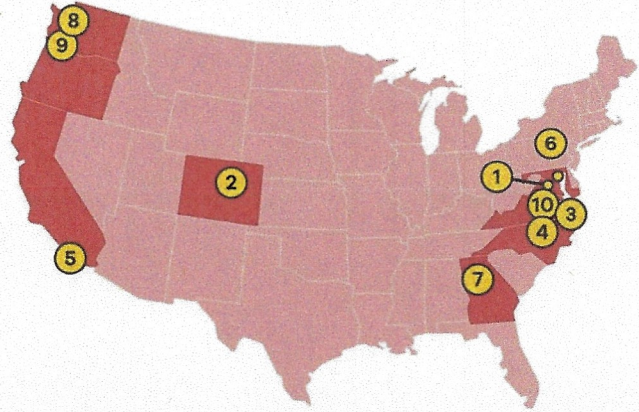
Senior housing occupancy rates in the United States rose by 0.3 percentage points, increasing from 87.1% in the fourth quarter of 2024 to 87.4% in the first quarter of 2025, according to data from NIC MAP.

"Older adults are moving into senior housing at a rapid pace, and that trend will continue given the wave of Baby Boomers and many more 'solo agers' who don't have a caregiver to rely on as a safety net," said Lisa McCracken, NIC's head of research and analytics.

"The industry needs to ramp up development for supply to catch up with demand, but we don't foresee any meaningful movement here in 2025 given current market conditions."

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."

Top 10 Mortgage-Burdened Metros



Metro	% Owner-Occupied Homes With a Mortgage 2024	% Owner-Occupied Homes Without a Mortgage 2024
1 Washington, DC	73.6%	26.4%
2 Denver, CO	72.9%	27.1%
3 Virginia Beach, VA	70.7%	29.3%
4 Raleigh, NC	70.7%	29.3%
5 San Diego, CA	70.0%	30.0%
6 Baltimore, MD	69.4%	30.6%
7 Atlanta, GA	69.2%	30.8%
8 Seattle, WA	69.1%	30.9%
9 Portland, OR	68.5%	31.5%
10 Richmond, VA	68.3%	31.7%

Source: 2024 ACS 1-Year Estimates

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