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R1 REAL ESTATE

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Denver ranks as third most desirable city for homebuyers despite high costs

Sara B. Hansen

Denver remains a popular destination for homebuyers but rising prices and high interest rates make homeownership increasingly difficult.

While 55% of Americans are willing to relocate for affordable housing, many Denver residents struggle with significant mortgage debt.

Denver's ongoing popularity

A JW Surety Bonds report shows Denver ranks as the third most desired city to buy a home. For millennials, Denver ranks No. 1.

According to the report:

- 55% of Americans say they'd move to another city to afford a home
- 54% complain that home prices are too high
- 44% think mortgage rates make monthly payments unaffordable
- 43% would move out of state, while nearly 1 in 5 would buy internationally
- 42% would choose a smaller home
- 23% would consider co-buying with friends or family to make ownership possible
- 39% would get a second job or a side hustle

Denver ranks as an unaffordable market

A WalletHub analysis of home prices in 300 markets from the first quarter of 2019 to the first quarter of 2025 shows Denver ranks 124th for affordability.

Another WalletHub study analyzing mortgage debt trends for the third and fourth quarters of 2024 shows Colorado ranking 10th for states that have added the most mortgage debt.

A report by Clever shows that only Detroit and Pittsburgh pay residents median salaries high enough to afford a median-priced home.

The report also reveals that the West is home to seven of the 10 most unaffordable cities, based on median income and home prices. Colorado ranks 10th on that list.

While Colorado's median income is $92,911, higher than the U.S. median of $77,719, the state's median home price of $623,000 significantly exceeds the U.S. median of $438,000. !

To afford a median-priced home in Colorado with a 20% down payment, home buyers need an annual income of $174,149, creating a gap of $81,238 from the actual median income.

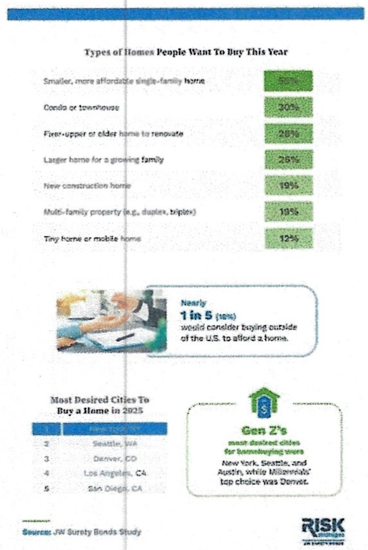
Using the current median income, Colorado homebuyers could only afford a home costing $332,379.

Mortgage debt burden

A Highland Cabinetry study ranked the 10 U.S. states most burdened by mortgages in 2025, based on factors such as homeownership rates, median home prices, mortgage rates, average debt, and salaries, to calculate the debt-to-salary ratio for the rankings.

California is the most mortgage-burdened state, with a debt-to-salary ratio of 0.91, meaning residents' mortgage debt nearly equals their entire annual salary.

Colorado isn't much better, ranking second with a mortgage-to-income ratio of 0.90. The study shows Colorado homeowners have an average mortgage debt of $69,750.



Graphics courtesy of JW Surety Bonds

Although Colorado's home prices are 26% lower than those in California, they are still substantial at a median price of $640,000.

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."