

Introduction

In this Market Snapshot, **FORVIS** outlines independent living (IL) trends in Colorado (CO), including a summary of demographics, occupancy, inventory, and demand across three CO core-based statistical areas.

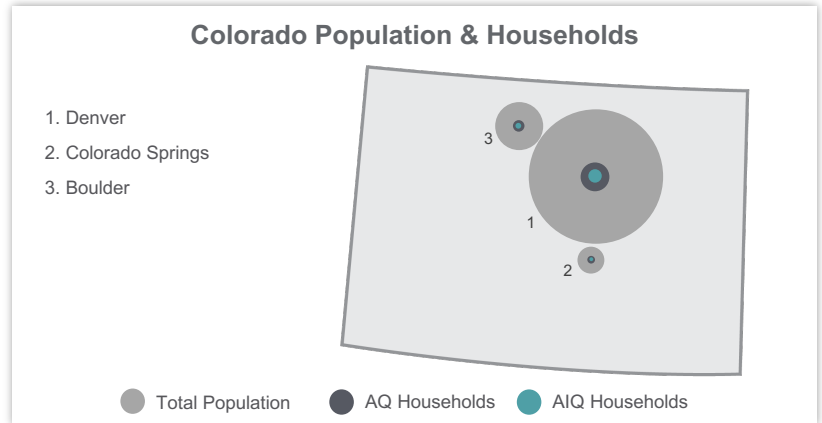


A core-based statistical area (CBSA) is a geographic area comprised of metropolitan and micropolitan areas. The three profiled CBSAs in CO include approximately 70% of the total state population.⁽¹⁾

Demographics

Two indicators of a strong market for senior living are overall population and senior population growth. CO's total population in 2023 is approximately 6,000,000 and is expected to grow approximately 5% by 2028.⁽¹⁾ In the last decade, Denver, CO was the 11th fastest growing city in the U.S. by population, increasing more than 127,000 people.⁽²⁾

The map (right) shows total population, age-qualified (AQ), and age- and income-qualified (AIQ) households in the three profiled CO CBSAs. The table below compares these populations to CO and the U.S.



2023	Denver	Colorado Springs	Boulder	CO	U.S.
Total Population	3,026,138	777,314	333,836	5,908,384	334,500,069
Age 75+ Population ^(a)	170,650 5.6%	44,414 5.7%	21,654 6.5%	364,175 6.2%	24,379,591 7.3%
AQ Households ^(b)	105,700	27,906	13,546	229,424	15,552,426
AIQ Households ^(b, c)	53,889 51.0%	13,995 50.2%	7,184 53.0%	110,615 48.2%	6,534,035 42.0%

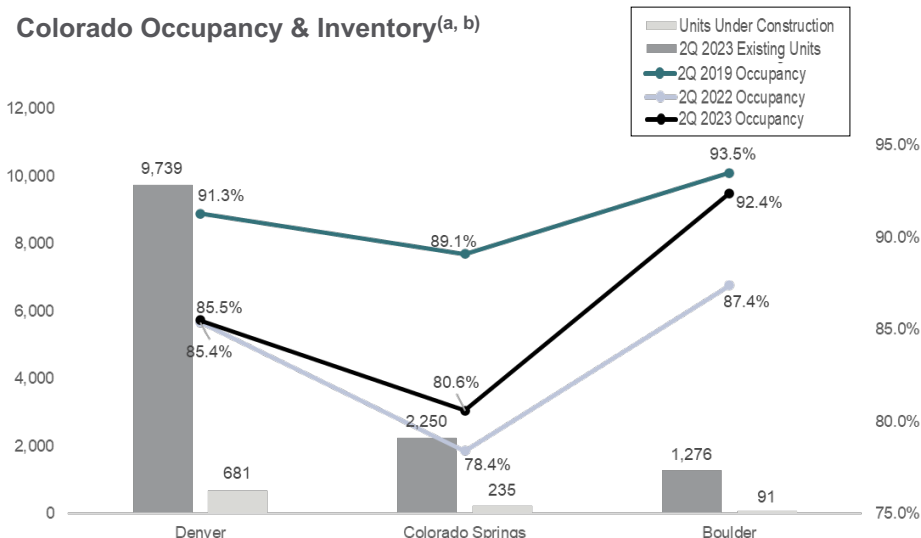
(a) – Age 75+ population is shown as a percentage of total population in 2023.

(b) – For purposes of this Market Snapshot, FORVIS defines AQ households as those 75 years of age or older and AIQ households as AQ households with an annual income \$50,000 and above.

(c) – AIQ Households are shown as a percentage of AQ Households in 2023.

Of the CBSAs profiled, the Boulder market has the highest percentage of 75+ population (6.5%) and AIQ Households (53.0%). By 2028, the Denver market has the highest projected growth in AIQ households at 30.9%.⁽¹⁾

Colorado Occupancy & Inventory^(a, b)



(a) Data includes properties at least two years old, or, if less, then have achieved stabilized occupancy (95%) since opening.⁽³⁾

(b) 1Q 2020 and 1Q 2021 occupancy is excluded due to anomalies associated with the COVID-19 Pandemic.

Occupancy & Inventory Growth

Occupancy is a key indicator of an organization's success and long-term viability. Occupancy varies market-to-market or community-to-community based on the market's population size, market demographics, acceptability of the product, community size, and staffing levels.

The graph to the left shows the total number of existing IL units and IL units under construction for each CBSA in 1Q 2023 and compares IL occupancy in 1Q 2023 to 1Q 2022 and 1Q 2019.

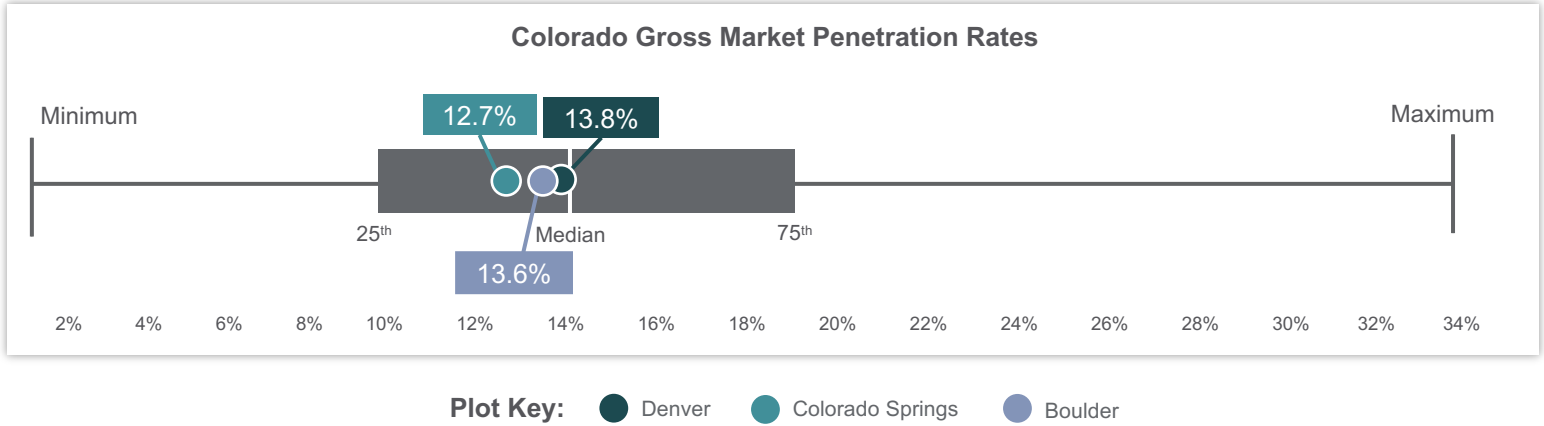
While all occupancies in markets profiled are still in recovery from pre-COVID levels, compared to 1Q 2022, occupancy increased in all markets. Occupancy in the Boulder market increased the most at approximately 5%.

As a percentage of all units, the Colorado Springs market (9.5%) has the most IL units under construction.

Demand

Penetration rates demonstrate the degree to which a market is underserved or oversaturated. The Gross Market Penetration Rate (GMPR) is the percentage of AIQ households the total market area must absorb for the entire market to achieve stabilized occupancy.

The box and whisker plot below illustrates the GMPR for the \$50,000 income qualification according to the FORVIS proprietary IL database, which includes over 200 senior housing projects across 35 states.⁽⁴⁾ Each dot plotted on the graph represents the 2023 GMPR for the three specified CBSAs.



In the plot above, the minimum and maximum GMPRs are denoted by the lines on the far left and far right, respectively. The 25th and 75th quartiles are denoted by the left side and right side, respectively, of the inner gray box. The white bar in the middle indicates the median.

The Colorado Gross Market Penetration Rates for the three specified CBSAs are all at or below the median benchmark, an indication of potential senior housing growth opportunity in each of these markets. Penetration rates are an indicator of market demand and should be supplemented with consideration of occupancy levels, proposed projects, unit designs, community spaces, contracts, marketing plans, demographic trends, local economic conditions, awareness and acceptability of the product, and velocity of pre-sales at projects.

Conclusion

While the senior living industry still faces challenges post-pandemic, many of the markets in CO are experiencing growing demand, improving occupancy levels, and positive GMPRs. These trends may indicate opportunities for providers to explore additional service offerings across markets in CO.

About FORVIS

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Sources

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- (2). U.S. Census. Southern and Western Regions Experienced Rapid Growth This Decade. (2020, May 21).
- (3). NIC MAP Vision Q1 2019, 2022 and 2023
- (4). FORVIS. (2023, May). Independent Living Penetration Rate Database.