

# Indicators of Displacement: Globeville Elyria Swansea

Prepared for Globeville Elyria Swansea Neighborhood Coalition  
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# EXECUTIVE SUMMARY

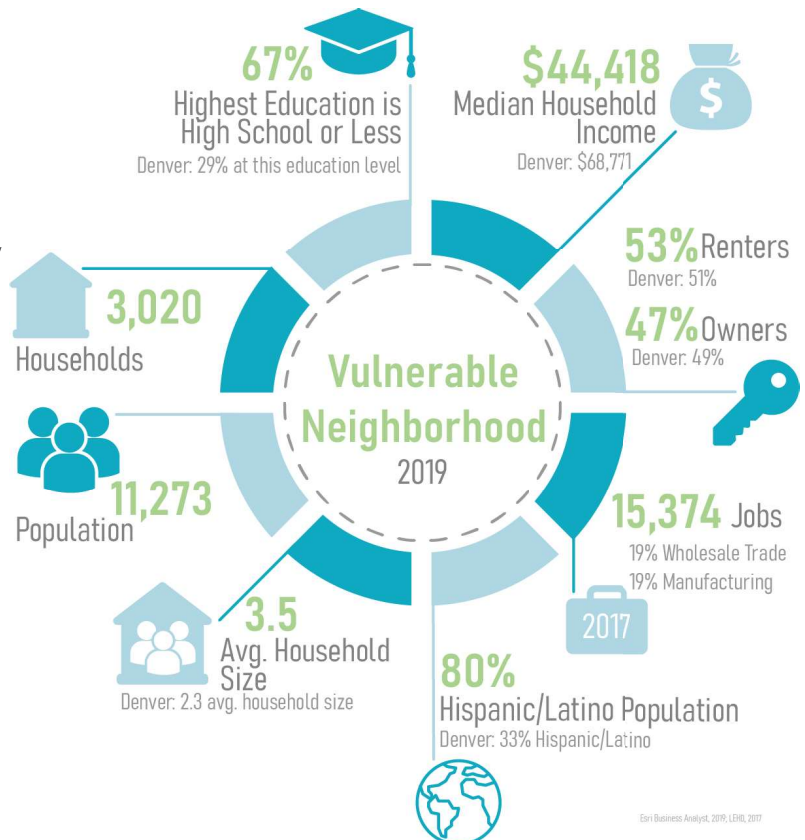
Globeville and Elyria Swansea (GES) are historically isolated and marginalized neighborhoods in northern Denver due to various issues of industrial development, environmental contamination and pollution, highways, and railroads. Recently, there has been new and planned development in the neighborhoods and large increases in property values. The GES community is beginning to experience displacement due to increased financial pressure making housing unaffordable in the area. Residents are unable to afford property taxes, mortgages, and rental rates and forced to move else where in Denver or outside of the city.

The GES Neighborhood Coalition is a community-driven organization comprised of neighborhood residents advocating for economic, racial, and environmental justice. The Coalition is in the process of writing and implementing an Equitable Development Plan (EDP) to provide strategies and policies to mitigate displacement in promote equitable development. This capstone report provides an in-depth analysis of GES to identify causes and factors that can influence or already are influencing displacement in the neighborhoods.

Displacement in GES is defined as the involuntary movement from one's home due to indirect, economic pressure from reinvestment in the neighborhood. This pressure increases the market value of land and property throughout the neighborhood resulting in higher taxes and rental rates that the vulnerable, lower income households cannot afford. These households are forced to move out of the community to an area that is affordable, often farther away from the city center, place of employment, and existing personal and support services.

Demographic, economic, housing, and employment characteristics are summarized to show existing conditions of the neighborhoods as well as trends and changes over time. Overall, GES residents and families have low household incomes, large household and family sizes, and low educational attainment. These characteristics indicate vulnerability due to their impacts on financial stability. Low household incomes and larger households/families to support, translates to more people to provide for, which can further strain finances. A summary of these characteristic is illustrated in Figure 1.

Figure 1. GES Demographic & Economic Characteristics



Additional indicators of displacement were identified including cost burdens for housing and necessities, increases in housing costs throughout the neighborhoods, a need for more of affordable/public housing, new and planned development, and extremely large percentage increases in property values of all property types.

**Many GES households and families are already cost burden and feeling additional economic pressure to move and/or sell their home due to the increasing cost of housing throughout the neighborhoods.**

Households struggling to make rent or mortgage payments each month are largely impacted by even a slight increase in housing costs. Homeowners feel the effect of increased property values through their property tax bill each year. Owner occupants are at risk of not being able to pay, and renters of these properties often experience rent increases when the landlord/property owner passes the increase in taxes to their renters. Additionally, there are renters without leases and therefore do not have protections from rent increases and they can be forced to move out if the owner decides to sell the property.

**There is a need for additional affordable and public housing in GES to mitigate displacement.**

There is a need for additional affordable and public units in GES to allow residents to continue living in the neighborhoods at affordable mortgage and rental rates. As residential property values have increased since 2015, rent and property taxes have increased as well. These increases throughout the neighborhoods does not allow for households to move to another unit within GES when rent becomes unaffordable. Instead, the only attainable housing is commonly outside of GES and possibly outside of Denver. This causes displacement and residents are removed from their longtime home, community, and friends.

**The old homes and buildings are located on increasingly high land values, which creates opportunity for redevelopment and encourages or forces homeowners and businesses to sell.**

The demolition of old housing stock and industrial buildings to make room for new construction is already happening. When a parcel of land is valued higher than the improvements (buildings) on it, it indicates the property is not being used at its highest and best use creating an opportunity for redevelopment. The old single family homes in GES are located on increasingly high land values. With increases to property taxes to cost burden households, there have been families forced to sell their home or foreclose to the bank and move. These residential properties are then converted from single family homes into multiple renter occupied units. This conversion and redevelopment process is increasing the amount of renters in GES and decreasing homeownership.

**Industrial jobs and businesses, such as manufacturing, are at risk of displacement and being replaced by higher wage, office jobs.**

The majority of the commercial development in GES is low-density, old, industrial property. As land values continue to increase to catch up to the rest of the city, it will be more difficult for industrial uses to continue to afford leases and property taxes, unless businesses have high profitability. From 2010 to 2017, GES lost approximately 250 manufacturing jobs and gained over 550 professional and technological service jobs. This is concerning, GES is losing jobs that require lower levels of education and were probably held by residents while gaining jobs that are unattainable for many residents. This increase of office jobs will displace current business that may have been in GES for many years.

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**Residential and commercial property have increased significantly over the past two assessment periods with the majority doubling or more in value.**

Residential properties in GES and the rest of Denver have increased on average by \$155,000 and \$184,000, respectively. These differences in actual average increases in residential property are not statistically significant, though they are still large increases to occur during a short 4-year timeframe, especially relative to the residents' incomes in GES. The average percentage change in residential properties in GES is 124 percent. The residential percent change between GES and the rest of Denver are statistically significantly higher. This is in part due to the lower base of property values in GES in 2015. Since 2015, about 73 percent of residential properties in GES have increased over 100 percent. These extremely large percent changes directly result in larger property tax bills.

Industrial properties in GES increased a similar amount compared to Denver, although the percentage change is much greater in GES averaging nearly 200 percent. Since 2015, about 53 percent of GES industrial property increased over 100 percent. These industrial properties are likely to be converted to other uses because high industrial land values are hard to maintain as low density industrial uses unless the industry has high profitability. Industrial and warehousing jobs could be at risk over time due to loss of industrial property and businesses moving to areas with lower rental rates. Owners may decide or feel forced to sell, or the City could rezone industrial properties to another commercial use or possibly mixed use.

Overall, the increases in GES property values are catching up to average property valuations citywide, and it has happened rapidly, within less than 10 years, with most of the large increases between the 2017 and 2019 assessments. There were slight increases from 2015 to 2017, but not nearly of the same magnitude. From 2015 to 2019, about 2,370 residential and commercial properties in GES increased in total value by 100 percent or more, shown in Figure 2. These are properties and areas to be aware of, for they have a higher potential to sell and redevelop or to displace the current renters.

**Figure 2. GES Property with Percent Change Over 100 Percent, 2015-2019**

