



# Steamboat Springs Workforce Housing Demand Analysis Final Report: Integrated Findings from the Market Analysis and Consumer Research

YAMPA VALLEY HOUSING AUTHORITY | SEPTEMBER 2008

# BACKGROUND

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## Report Preparation

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## Critical Assumptions and General Limiting Conditions

- Current trends continue:
  - Economy and demographic trends, including real estate market and employment and household growth follow current patterns of stable to moderate rate
  - Competitive and public works projects move forward as planned
  - Real estate supply offerings continues to meet demand
- Does not account for possible contingencies:
  - Major economic “shocks”
  - Cyclical nature of real estate markets
  - Major shifts in consumer confidence
  - Cost of development and construction
  - Changes in tax laws
  - Availability/cost of capital and mortgage financing
- Conclusions/recommendations should be reviewed should any major changes in the above occur

# BACKGROUND AND OBJECTIVES

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## Background

RCLCO was retained to study the demand for workforce housing in Steamboat Springs. There are two phases to the study: a market analysis to characterize the current supply and demand dynamics and a survey- and focus group-based analysis to further inform the demand for workforce housing. This presentation summarizes the integrated findings from both phases of analysis.

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## Objectives for Integrated Analysis

- Provide definition around the housing affordability problem in Steamboat Springs and Routt County;
- Identify, quantify, and describe the components of the city's workforce
- Quantify and characterize the current supply of housing by affordability level in Steamboat Springs and Routt County and evaluate the supply in the context of housing demand;
- Perform a gap analysis which identifies which age, income, industry sectors and household composition groups are most heavily impacted by the lack of housing choice/availability.
- Determine what trade-offs the workforce would be willing to make if affordable homes were made available to them.

# CONSUMER RESEARCH RESULTS

## Survey Research

- Conducted an internet and paper based survey in both English and Spanish (per request by HR) with those working within the city limits
- With assistance, approval, and guidance from working group, RCLCO disseminated survey to employers throughout Steamboat Springs
- Survey Respondents were entered in to a raffle for one of ten \$100 American Express Gift Cards
- N= 741
- The error range is +/- 3.7%, assuming confidence level of 95%
- Although 74 surveys were completed by this group, those with household incomes under \$30,000, or 60% AMI, are under-represented in the employee survey.

## Focus Group Research

- Conducted six focus groups
  - 2 Groups with real estate professionals
  - 2 Groups with those who currently rent and work within the City of Steamboat Springs
  - 2 Groups with those who currently own homes and work within the City of Steamboat Springs
    - Both market rate and deed restricted
- Gathered focus group participants from opt-in option on survey as well as deed restricted lists provided by the working group
  - Each received a \$100 American Express Gift Card

Note: Households with incomes under \$30,000 are not represented in the same volume as other income groups.

# METHODOLOGY

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## **Interviews/Issue Identification**

Gather input from local stakeholders via surveys and interviews

Kick-off Meeting with working sessions by industry group

Kick-Off surveys of employers

Follow-up surveys with stakeholders not present at kick-off meeting

Phone interviews

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## **Market Depth**

Understand workforce make-up and supportable units based on demonstrated demand and future growth

Depth of overall market demand for both for-rent and for-sale residential products based on workforce characteristics, market preferences, and demonstrated demand

Increased demand from workforce growth expectations

Support for future “affordable” development based on existing unmet need in the market, projected growth, and other macro and micro level trends in the region

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## **Competitive Market Analysis**

Understand what product is currently available in Steamboat Springs and Routt County

Detailed breakdown of all for-sale product offered in the local market including single-family, townhomes, and multifamily units

Estimation of rental product offered in the local market

Evaluation of available existing deed-restricted units

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## **Consumer Research**

Complete in-depth surveys of employees and focus groups in Routt County/Steamboat Springs to obtain detailed data on economic and demographic makeup of the workforce as well as their attitudes towards housing

# PRESENTATION ORGANIZED AROUND CENTRAL QUESTIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
- ▶ Question 2: Who makes up the workforce in Routt County and Steamboat Springs and how does that impact the need for housing at various affordability levels?
- ▶ Question 3: What is the character of the housing stock in Steamboat Springs and Routt County? What is missing?
- ▶ Question 4: When it comes to housing what does the local workforce really want? What trade-offs are they willing to make and what qualitative aspects are driving demand? What are their attitudes toward deed-restricted units?
- ▶ Question 5: How does supply match up with the statistical demand for housing? What conclusions can we draw about the workforce housing situation in Steamboat Springs and Routt County?

# SUMMARY OF ISSUES AND CONCLUSIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
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- ▶ Question 5: How does supply match up with the statistical demand for housing? What conclusions can we draw about the workforce housing situation in Steamboat Springs and Routt County?

# PROBLEM SUMMARY: HOW DOES ROUTT COUNTY AND STEAMBOAT SPRINGS QUANTIFY AND CATEGORIZE THE PERCEIVED LACK OF AFFORDABLE HOUSING?

The prevailing perception of community members is that a lack of affordable housing is a chief reason for the problems that Routt County and Steamboat Springs currently face.

There are clearly several economic and demographic shifts occurring in Routt County that are having an impact on the County's attractiveness, competitiveness, and quality of life.

However, what empirical evidence from the County's housing stock demonstrates that there is in fact an affordable housing problem?



# MACRO NATIONAL TRENDS CREATE A CHALLENGING CONTEXT FOR STEAMBOAT SPRINGS

## ▶ Growth of high net worth second-home owners, pre-retirees and retirees in resort communities

- Steamboat Springs is a prime location for these groups, leading to continued second home construction, investor activity, and rising home prices



## ▶ Rising gas prices

- Routt workers used to be able to “drive for value” outside of Steamboat Springs, however increased transportation costs are making that less attractive
- Creating competition for jobs outside of Steamboat Springs where workers can earn \$50-60k at a mining/gas company instead of a \$30k service job



## ▶ Work Visa policy changes

- The capping of H2B visas reduces the number of international workers choosing to work in Steamboat Springs, augmenting labor shortage

## ▶ Devaluation of the dollar

- Results in more competition for attracting seasonal workers

## ▶ Emergence of Generation Y in the workplace

- Demand high quality of life and healthy work-life balance
- Not very appealing to be in an area with high cost of living and labor shortages



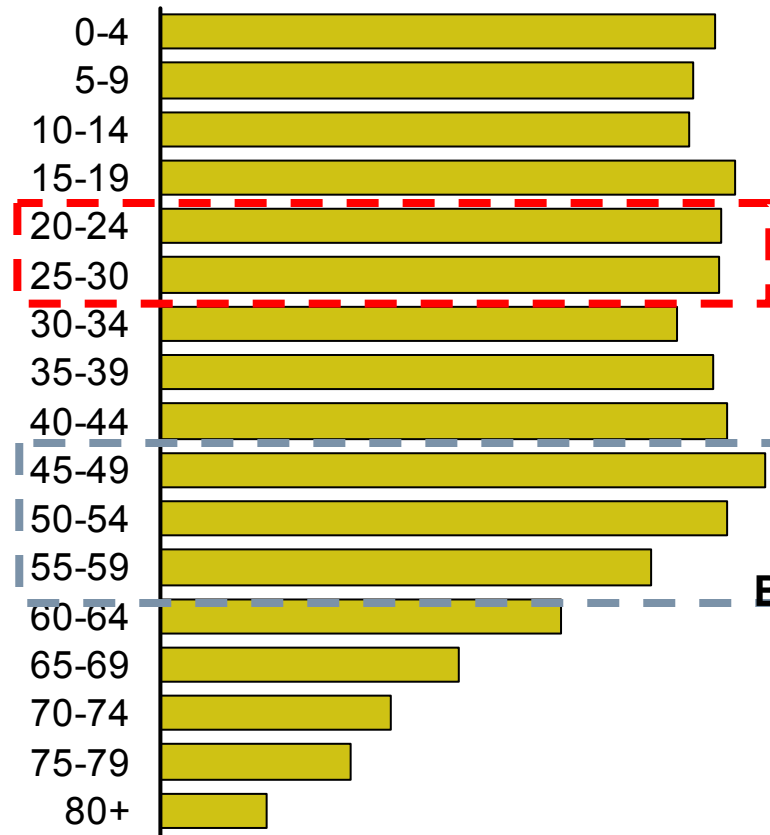
## ▶ Competition for workers

- Due to demographic cycles, demand for workers is expected to increase

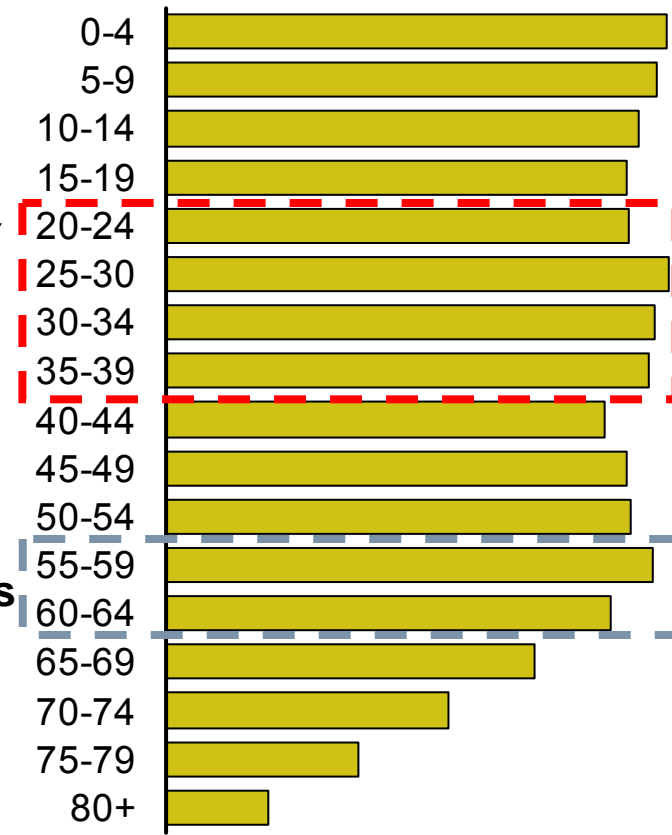
# NATIONALLY, WE ARE EXPERIENCING A SHORTAGE OF "MIDDLE MANAGEMENT" WORKFORCE

## CHALLENGE IN 10 YEARS WILL BE UPPER MANAGEMENT

**US Population by Age**  
2008



**US Population by Age**  
2018



**Gen Y**

**Boomers**

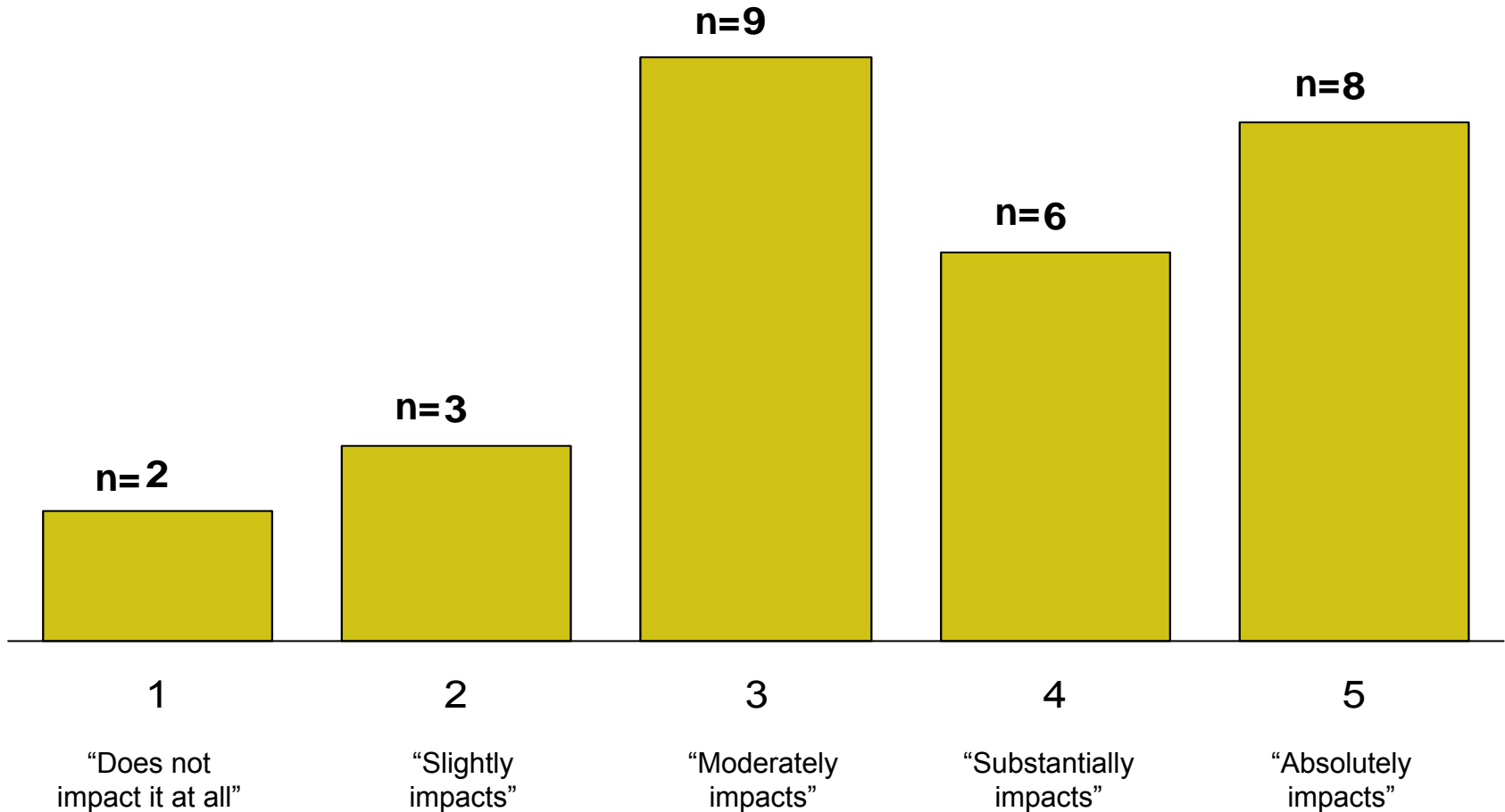
SOURCE: US Census Bureau

# EMPLOYERS BELIEVE THAT THE LACK OF AFFORDABLE HOUSING IS EXACERBATING THE PROBLEM IN SBS

- ▶ **Employers have stressed through interviews and working sessions that housing affordability has created recruiting and/or retention issues**
  - Many industries find it hard to recruit mid-level skilled workers from outside Routt County due to high cost of housing
  - Virtually all employers reported retaining workers due to high cost of housing is becoming increasingly difficult
  - Concern about community's ability to attract and retain "location neutral" businesses
  - Widespread concern over the ability to replace retiring senior level workers with middle-managers
  - Challenge in retaining non-skilled workers
- ▶ **Several employers, especially those concentrated in healthcare, transportation, and utility sectors, are reporting shortages of employees due to high turnover rates of new employees**
  - Shortages create longer shifts for employees, reducing employee morale and quality of life
  - Believe that high turnover is partly due to the difficulty in obtaining high-quality housing (rental or for-sale) within the first 18 months of employment
- ▶ **Inability to recruit and retain is resulting in an overall reduction in the quality of the workforce as the most desirable workers go elsewhere**
  - As a result many employers in Steamboat Springs have begun to offer employee housing programs
- ▶ **Employers are reporting higher costs to recruit and train new hires due to higher turnover rates and necessity to "level the playing field" with competing areas by offering higher salaries, down payment assistance, and more benefits**

# BASED ON THE KICK-OFF SURVEY, EMPLOYERS BELIEVE THAT THE SUPPLY OF WORKFORCE HOUSING AFFECTS BUSINESS

Question: On a scale of 1-5, how does the current supply of workforce housing impact your business?



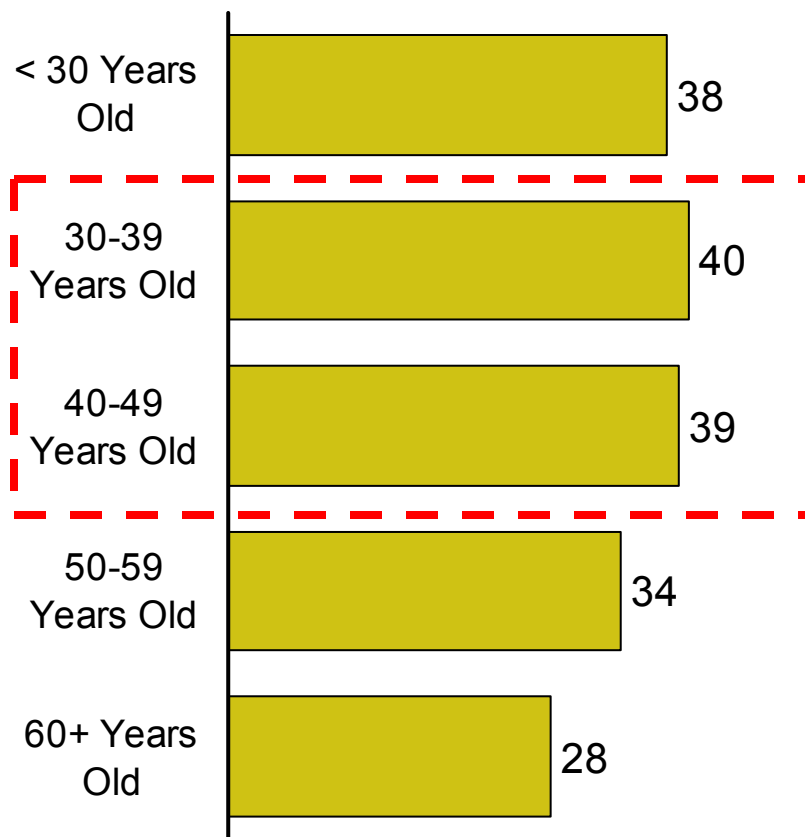
# KICK-OFF MEETING WITH INDUSTRY GROUPS RESULTED IN OTHER COMMON THEMES

- ▶ Overwhelming consensus on the need for additional rental units. Available units are typically expensive, overcrowded (especially with seasonal renters), and not necessarily well maintained;
- ▶ Low level of developable land coupled with regulation against certain types of small-lot product is contributing to affordable housing shortage;
- ▶ Observation that many employees (especially younger ones) no longer want to be defined by their job. They want a healthy work-life balance;
- ▶ Experiencing a shortage of Generation X (30-45 years old) workers;
- ▶ Housing problems translating into higher business costs (recruitment, benefits, etc.) which often translate to higher prices for consumers;
- ▶ In many cases there is a gap between the product people desire and the realities of the housing market and affordability; and
- ▶ Speculation that appreciation caps will deter potential buyers from deed-restricted properties.

# THE STEAMBOAT SPRINGS WORKFORCE WILL LOSE “MIDDLE MANAGEMENT” WORKFORCE DUE TO THE QUALITY OF HOUSING IN STEAMBOAT SPRINGS

## Respondents Who Indicate the Quality of Housing Negatively Impacts Their Ability to Stay In Steamboat Springs

%



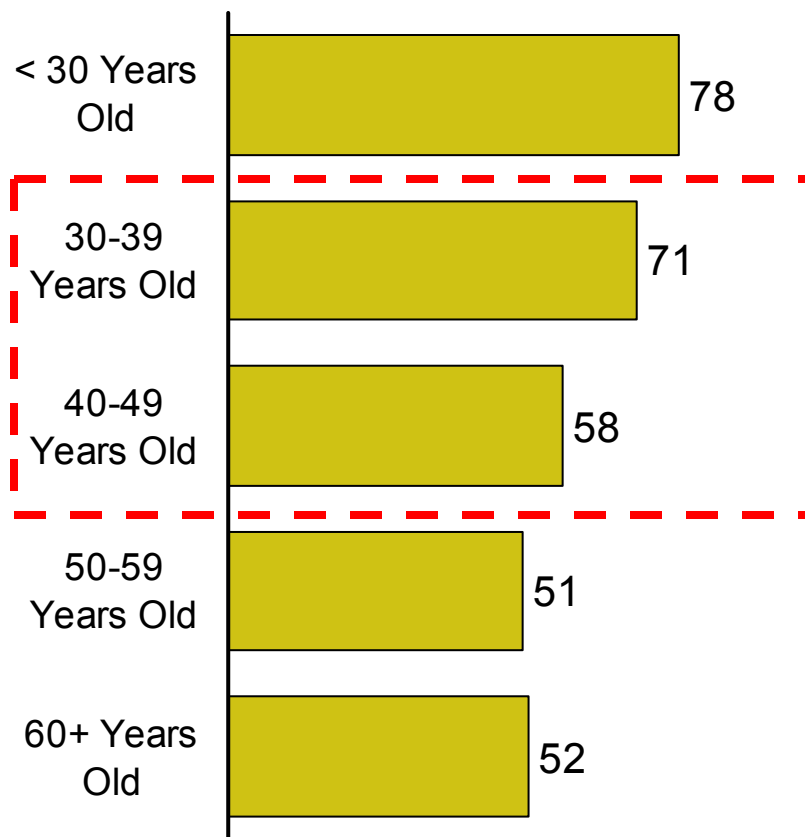
Those who are 30-49 years old indicate that they are under the most pressure by the cost of housing and agree with the statement, “The quality of housing in Steamboat Springs negatively affects my ability to remain in Steamboat Springs”. This is the same cohort of employees that were pointed out in HR interviews as the least willing to remain in Steamboat Springs and the hardest to recruit.

SOURCE: RCLCO Consumer Research

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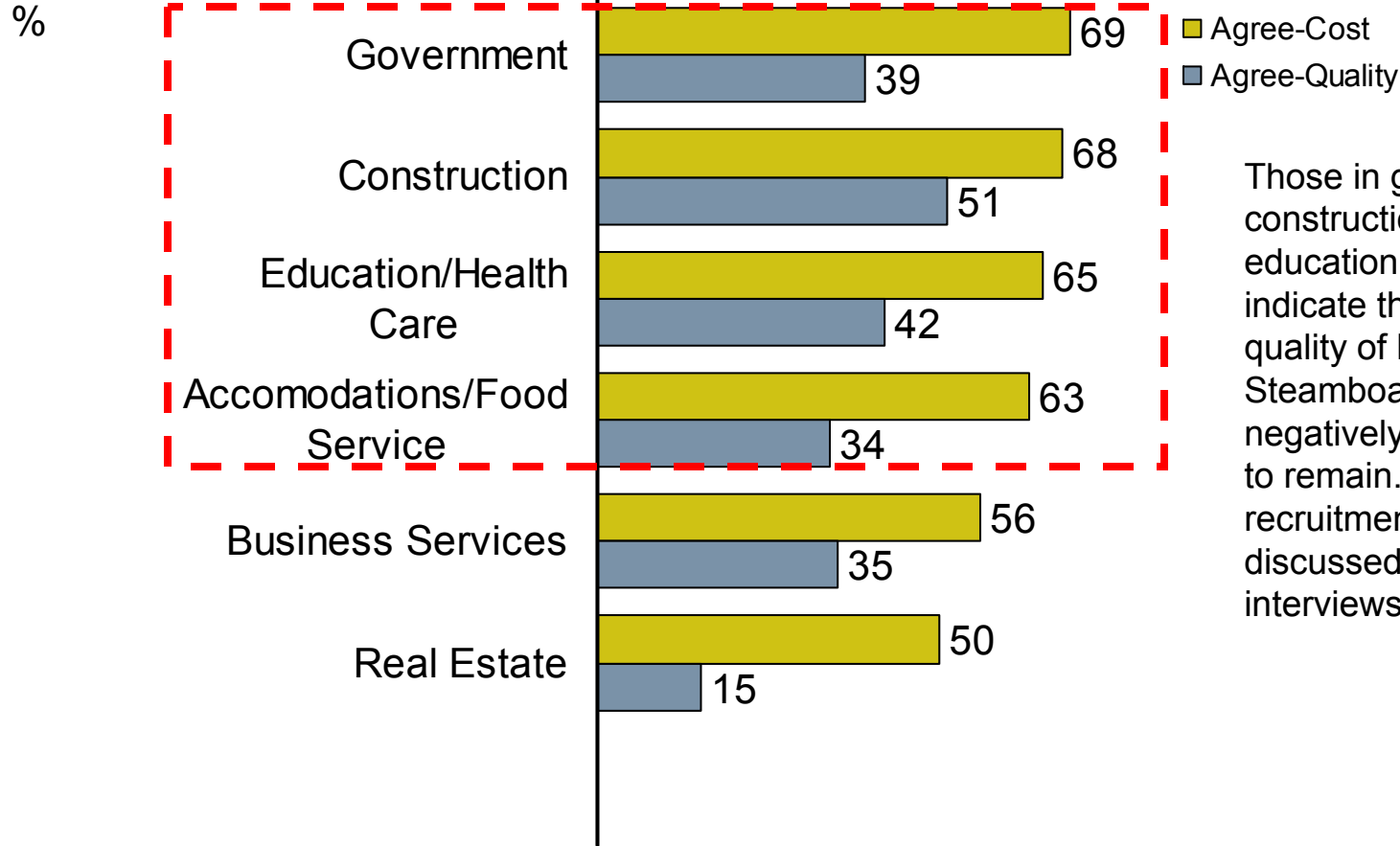


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SOURCE: RCLCO Consumer Research

# GOVERNMENT, CONSTRUCTION, HOSPITALITY, EDUCATION, AND HEALTH CARE ARE MOST NEGATIVELY IMPACTED

## Respondents Who Agree that Cost or Quality Negatively Affects Ability to Remain in Steamboat Springs By Industry



Those in government, construction, hospitality, education and health care indicate that the cost and quality of housing available in Steamboat Springs negatively affects their ability to remain. This mirrors the recruitment difficulties discussed in the HR interviews.

SOURCE: RCLCO Consumer Research

# PROBLEM DEFINITION FURTHER REFINED: GAP IN HOUSING FOR THOSE 30-49 YEARS OLD WITH HOUSEHOLD INCOMES UNDER \$100,000

- ▶ Survey data, focus group research and other interviews point to a more defined 'gap'
- ▶ The gap is defined as those who are 30-49 years old, most likely have families or plan to in the near future and make under \$100,000
  - This gap can be further defined as those households who make \$50,000 - \$99,999 as this segment indicates the most burden on quality of life due to cost and quality of homes
- ▶ We can tell from data that this group is struggling the most with the cost and quality of housing in Steamboat Springs to the point where they may have to leave
- ▶ Additionally, from focus group research we understand that once couples reach the age to consider children (30-49 years old), they typically leave due to the high cost of living/housing
- ▶ Further, HR interviews suggest that the largest gap in the workforce, and the hardest workforce to attract and keep are in the 30-49 year old range for jobs under \$100,000 (under 160% AMI)

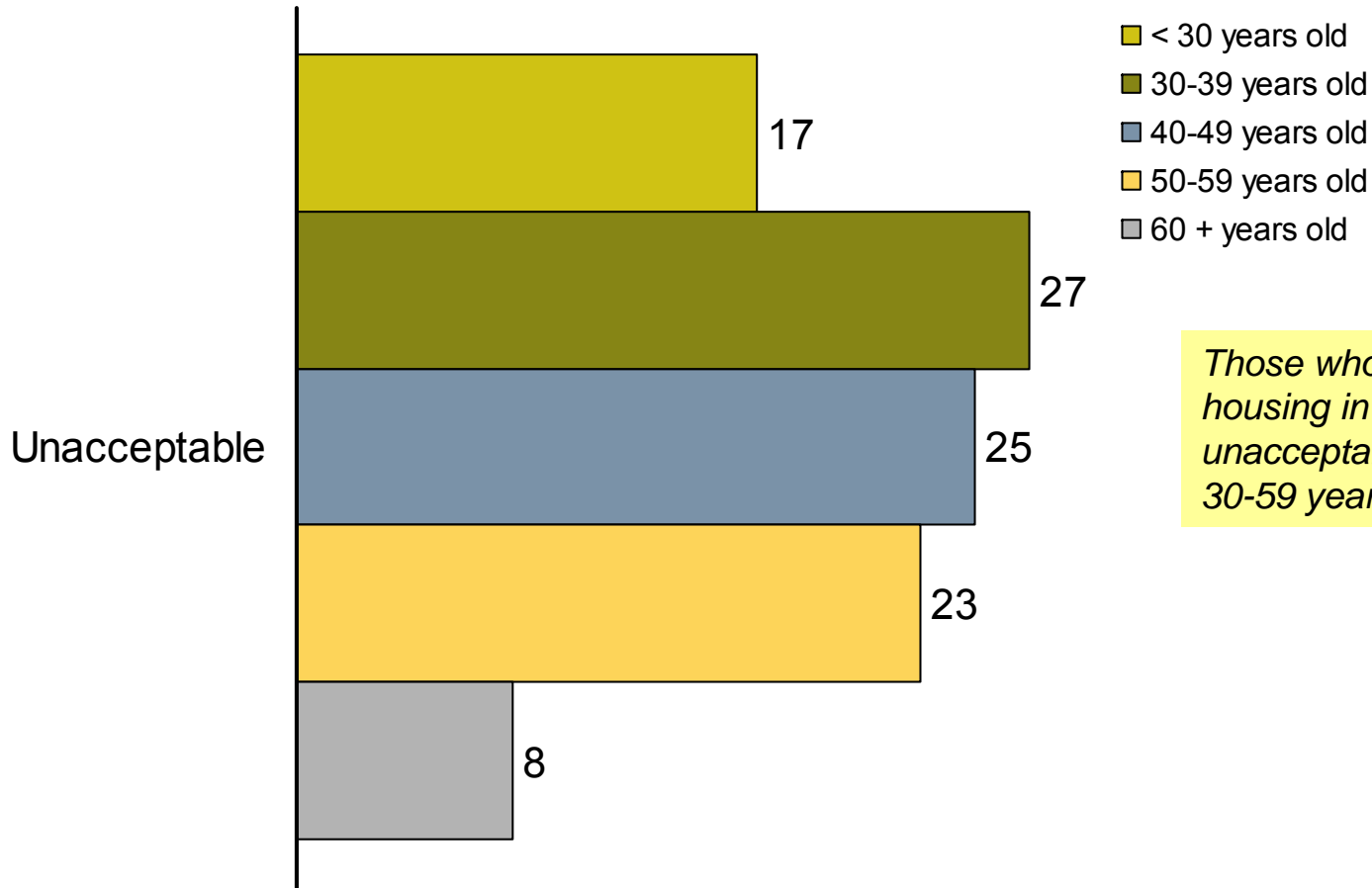
# FOCUS GROUP RESPONDENTS AGREE THAT COST OF HOUSING IS A BURDEN

- ▶ Focus group respondents echoed this sentiment. They felt that housing (both for-sale and for-rent) put a strain on those living in Steamboat Springs
- ▶ Specifically they felt it was difficult to find entry-level housing for either a single renter or a first-time homebuyer
- ▶ They also indicated that many of them, specifically renters, had numerous jobs in order to afford living in Steamboat Springs
- ▶ It is important to note that although focus group respondents felt the cost of housing had negative effects on their quality of life, many said that this was an expected challenge and that the benefits of living in Steamboat Springs in some ways are worth the added cost
  - Although the majority of them were not planning to leave, they pointed to a large percentage of co-workers and friends who have left due to cost

# THOSE 30-59 YEARS OLD FEEL THE COST OF HOUSING IS UNACCEPTABLE

## Acceptability of Cost of Housing by Age

%



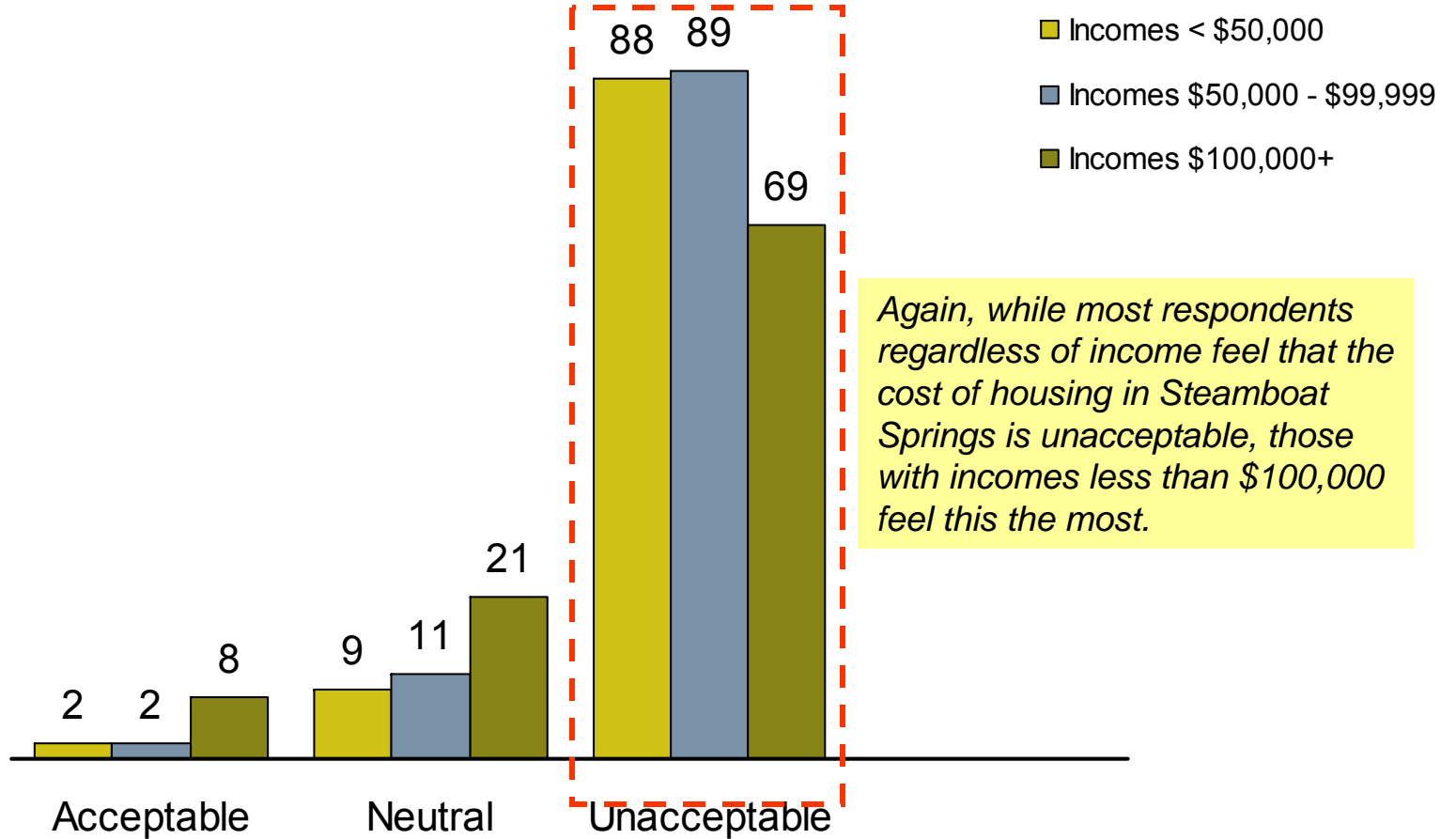
*Those who feel that the cost of housing in Steamboat Springs is unacceptable are clustered from 30-59 years old.*

SOURCE: RCLCO Consumer Research

# THOSE WITH HH INCOMES LESS THAN \$100,000 FEEL THE PINCH OF HOUSING COST THE MOST

## Acceptability of Cost of Housing by HH Income

%



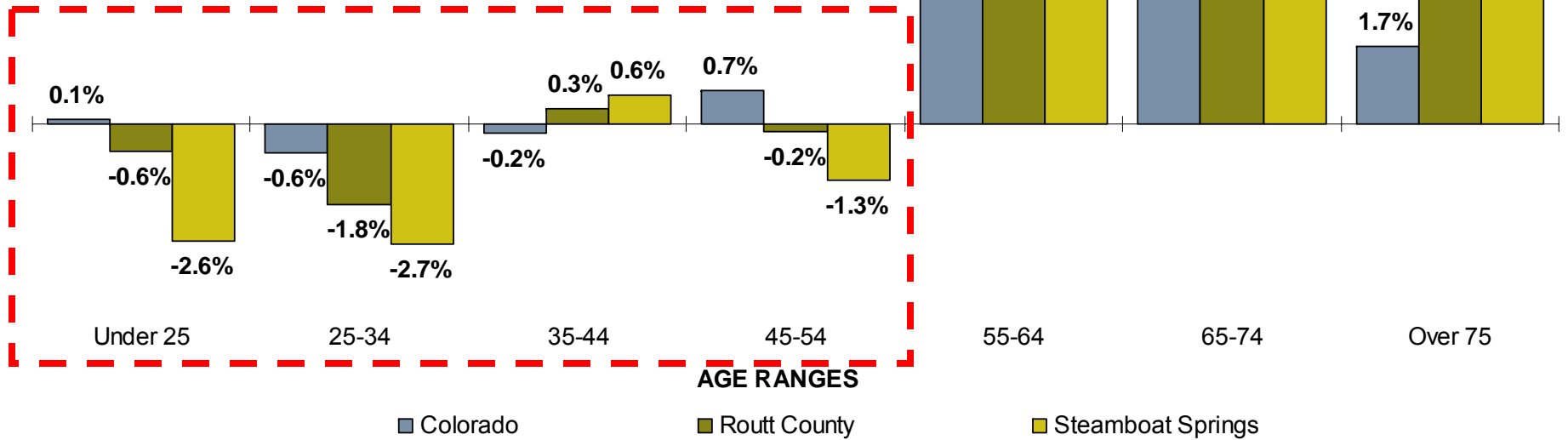
*Again, while most respondents regardless of income feel that the cost of housing in Steamboat Springs is unacceptable, those with incomes less than \$100,000 feel this the most.*

SOURCE: RCLCO Consumer Research

# TRENDS SHOW AREA LOSING YOUNG HOUSEHOLDS AT A FASTER RATE THAN STATE AND COUNTY

PROJECTED ANNUAL HOUSEHOLD GROWTH BY AGE (2007 - 2012)

*Growth forecasts are similar to what has occurred 2000-2007 in Steamboat Springs and Routt County*

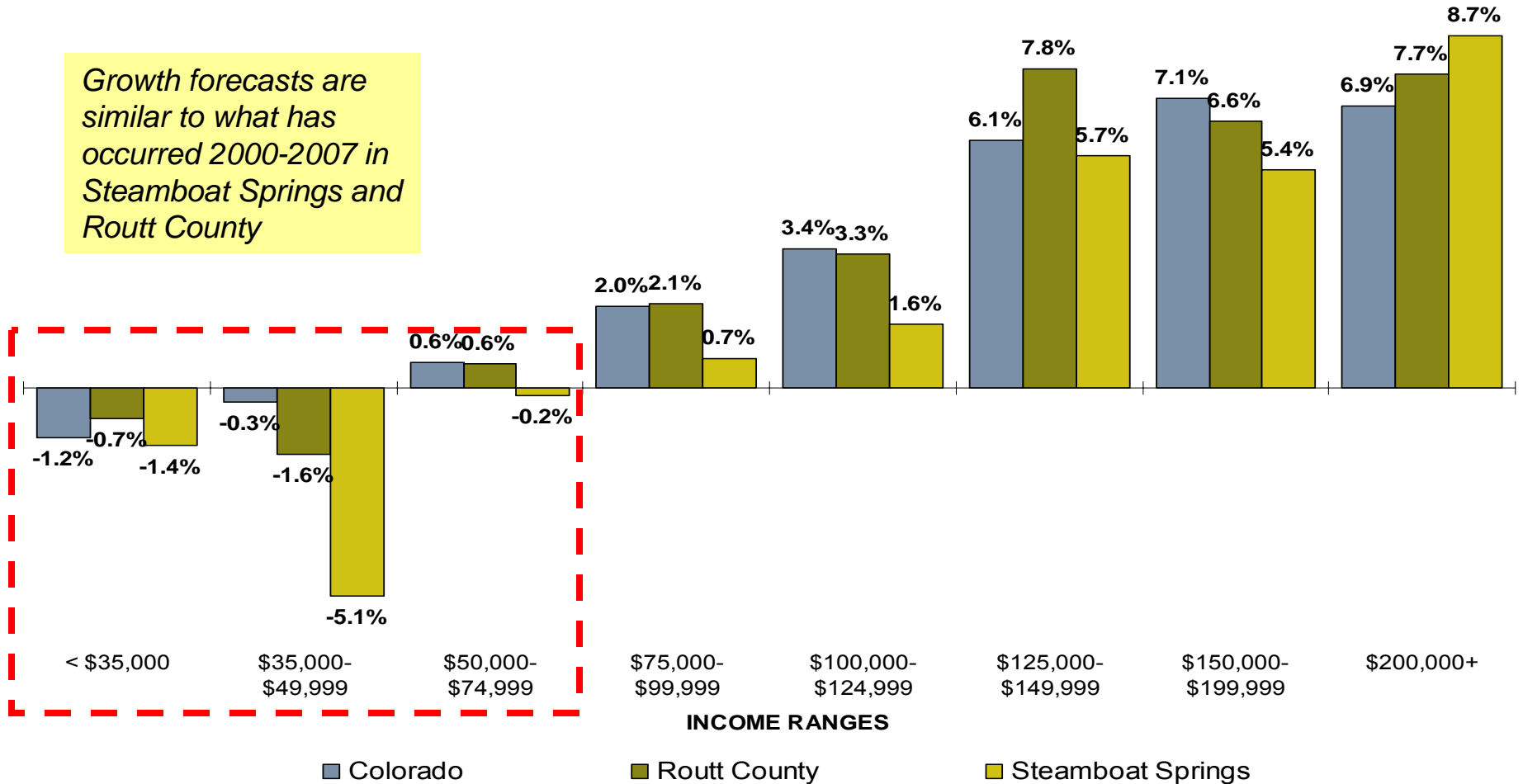


SOURCE: Claritas

# TRENDS SHOW AREA LOSING LOWER INCOME HOUSEHOLDS ALSO AT FASTER RATE THAN STATE AND COUNTY

PROJECTED ANNUAL HOUSEHOLD GROWTH BY INCOME BAND (2007 - 2012)

Growth forecasts are similar to what has occurred 2000-2007 in Steamboat Springs and Routt County

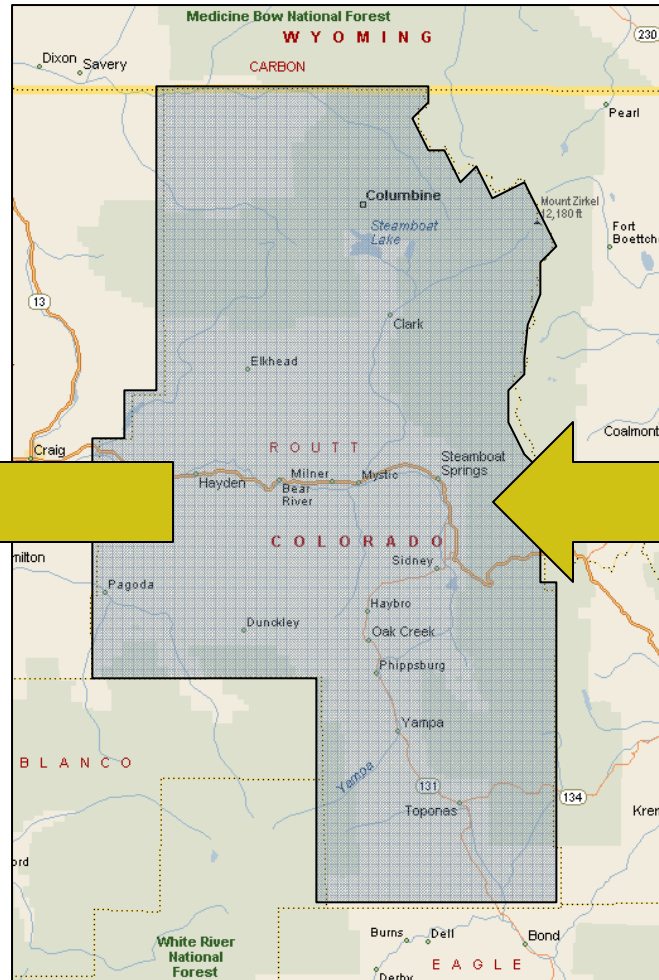


SOURCE: Claritas

# DATA SUGGESTS OUT-MIGRATION OF MORE MODERATE INCOME HOUSEHOLDS TO MOFFAT AND FRONT RANGE

## OUT-MIGRATION

- ▶ Top Counties of Destination
  - Moffat
  - Denver
  - Larimer
  - Boulder
  - Mesa
- ▶ Avg. Income <sup>1</sup>
  - \$40,000



## IN-MIGRATION

- ▶ Top Counties of Origin
  - Larimer
  - Jefferson
  - Moffat
  - Denver
  - Boulder
- ▶ Avg. Income <sup>1</sup>
  - \$53,000

<sup>1</sup> 2005-2006 Average income calculated by dividing aggregate income of tax returns by total number of tax returns.

Source: IRS

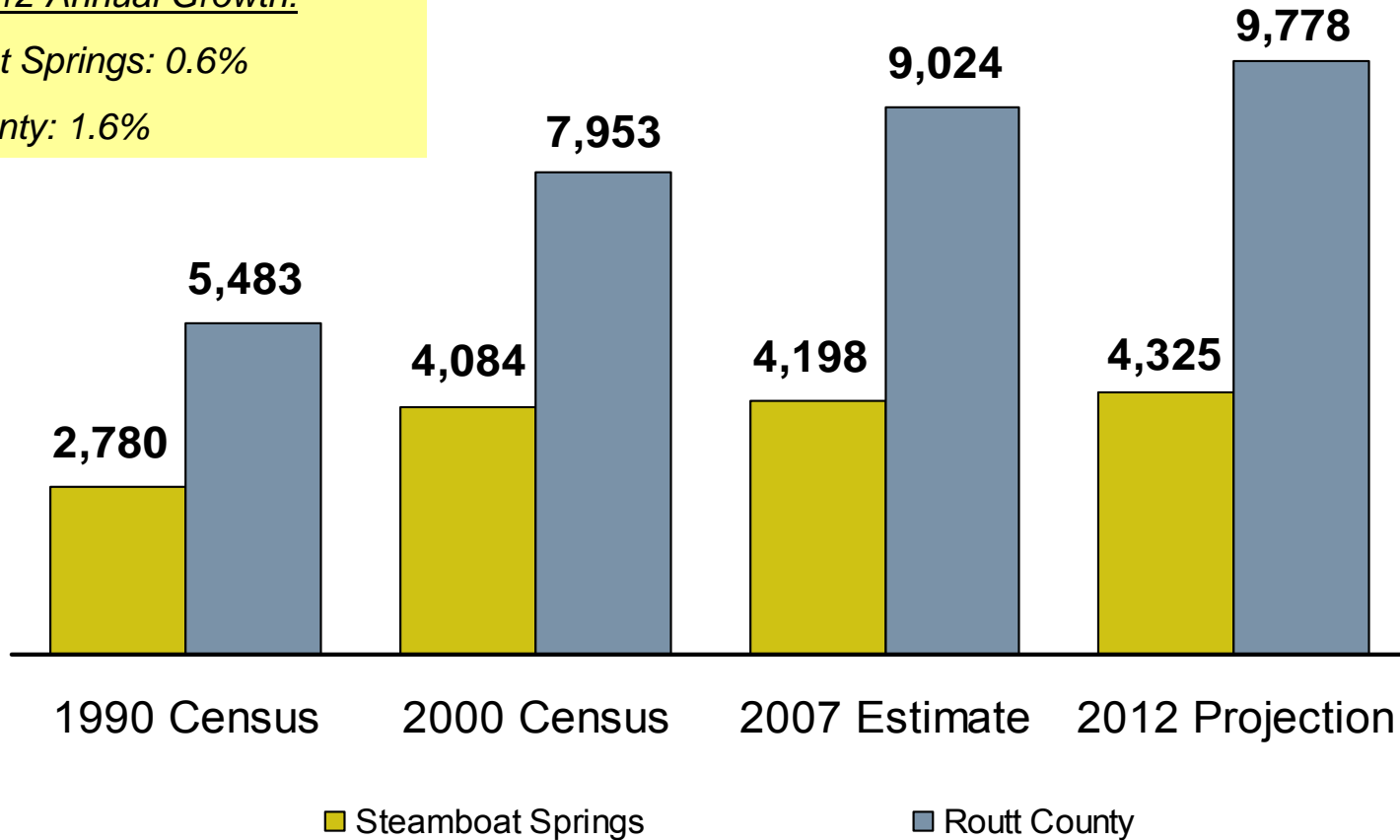
# STEAMBOAT SPRINGS IS PROJECTED TO GROW SLOWER THAN ROUTT COUNTY: LIKELY INFLUENCED BY PROHIBITIVE COST OF HOUSING WITHIN STEAMBOAT SPRINGS

## Historical and Projected Household Growth (Total Households)

2007 – 2012 Annual Growth:

Steamboat Springs: 0.6%

Routt County: 1.6%

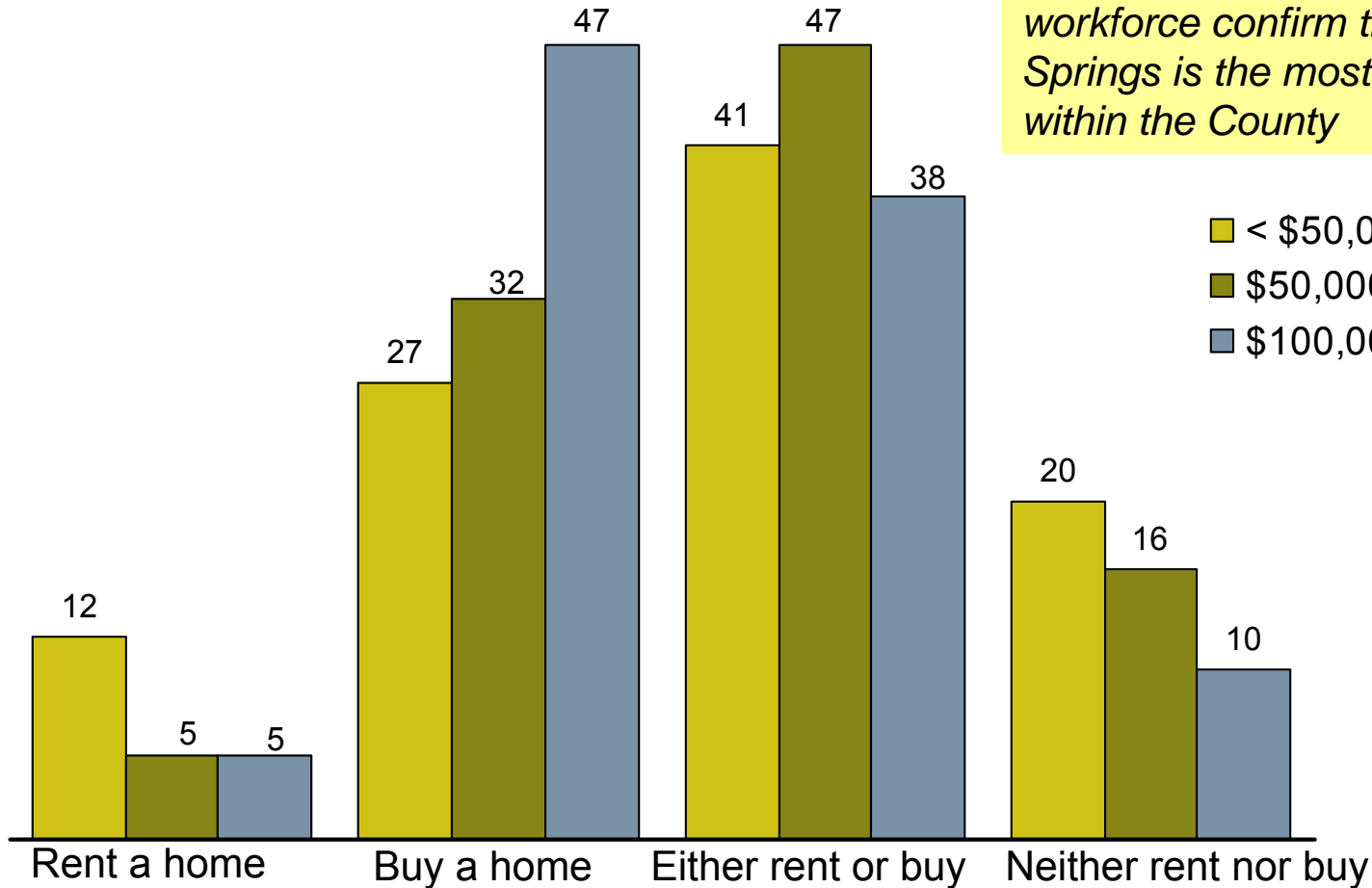


SOURCE: Claritas

# 80% OF RESPONDENTS INDICATE THAT THEY ARE INTERESTED IN LIVING WITHIN STEAMBOAT SPRINGS

## Desire to Move within Steamboat Springs

%



*Focus groups of Steamboat Springs workforce confirm that Steamboat Springs is the most desired location within the County*

SOURCE: RCLCO Consumer Research

# SUMMARY OF ISSUES AND CONCLUSIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
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# TOP 10 EMPLOYERS IN STEAMBOAT SPRINGS MAKE UP 26% OF THE TOTAL WORKFORCE

TOP AREA EMPLOYERS		
EMPLOYER	INDUSTRY	AVERAGE ANNUAL EMPLOYMENT
1) Steamboat Ski & Resort Corp.	Recreation	830 <sup>1</sup>
2) Yampa Valley Medical Center	Health Services	514
3) Steamboat Springs School Dist.	Education	342
4) TIC	Engineering Services	300
5) City of Steamboat Springs	Local Government	300
6) Routt County	Local Government	250
7) Resort Company	Property Management	205
8) Colorado Mountain College	Education	150
9) Sheraton Hotel	Accommodations	148
10) Mountain Resorts LLC	Property Management	135
	Subtotal	3,174
	<b>STEAMBOAT SPRINGS TOTAL</b>	<b>12,436</b>

SOURCE: EPS Economic Development Report 2008

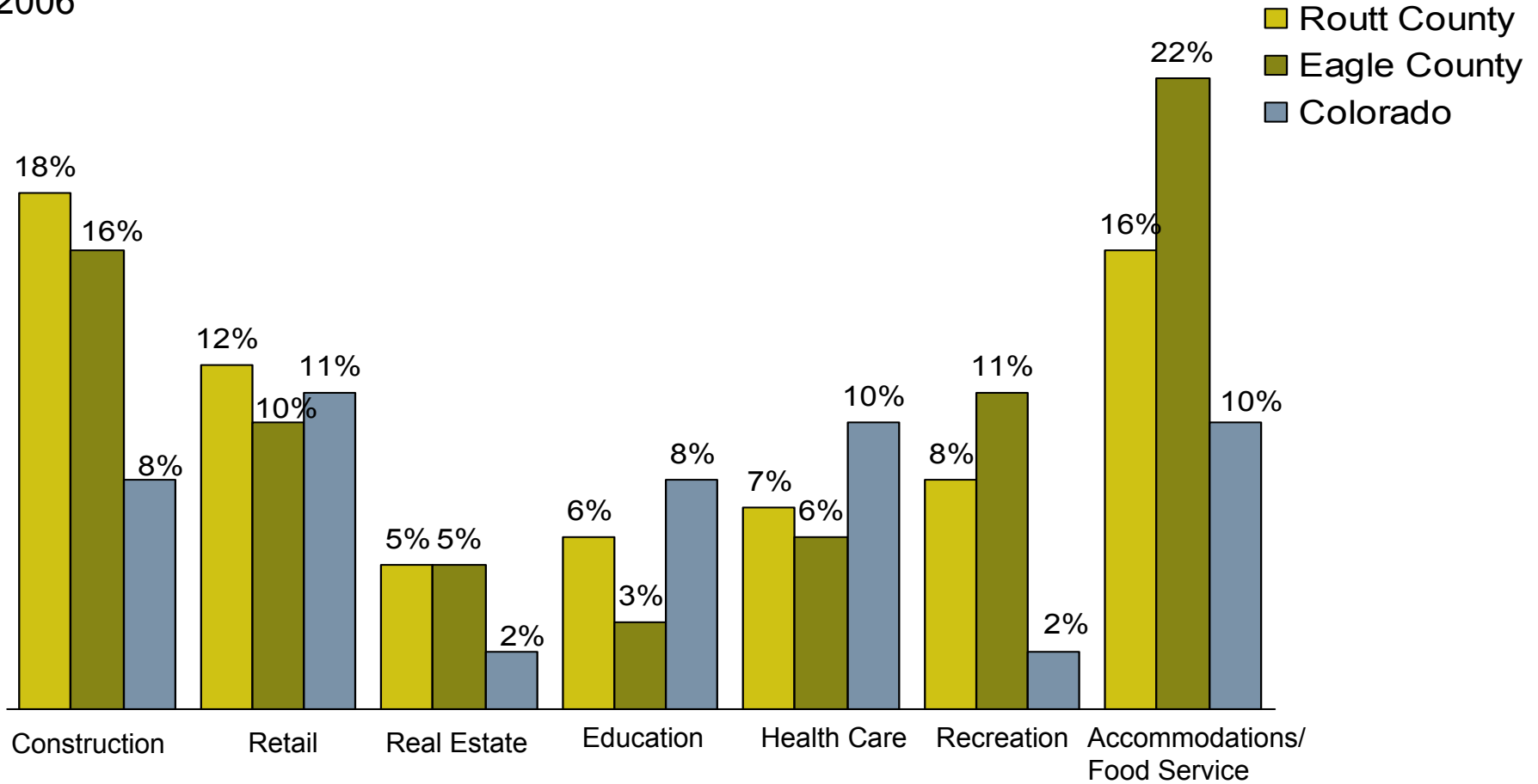
<sup>1</sup> SkiCorp has approximately 2,000 seasonal employees and 250 year round.

# SUMMARY OF THE ROUTT COUNTY / STEAMBOAT SPRINGS WORKFORCE

- ▶ The majority of people that are employed in Steamboat Springs cannot afford to live there.
- ▶ The Routt County economy has undergone some significant changes over the last several years with the addition of business service firms and location neutral businesses; but the largest three employment sectors continue to be leisure/hospitality, trade/transportation/utilities, and construction by number of employees.
- ▶ Year-round employment has been growing at a strong rate of 4% over the last several years and is projected to continue growing at a healthy clip of 3% going forward.
- ▶ Seasonal employment represents approximately 16% of all jobs.
- ▶ Survey data reveal that most workers plan to stay in Steamboat Springs for more than five years. HR interviews and focus groups reveal that many residents end up moving before they intended to due to the strain of housing costs.
- ▶ Market data and focus group interviews reveal that many ‘young professionals’ are left “in no man’s land” in terms of housing. These households (often performing jobs that are critical to the local economy) make too much to qualify for deed restricted home ownership but do not make enough to purchase market rate homes.
  - Focus group respondents define ‘young professionals’ as singles and couples under the age of 35 without children and who hold professional jobs.

COMPARED TO EAGLE COUNTY AND COLORADO OVERALL, ROUTT HAS A HIGHER CONCENTRATION OF CONSTRUCTION AND RETAIL JOBS;  
**CONSTRUCTION SECTOR MAY DIMINISH OVER TIME**

**Percentage Employed By Select Top Industries**  
 2006

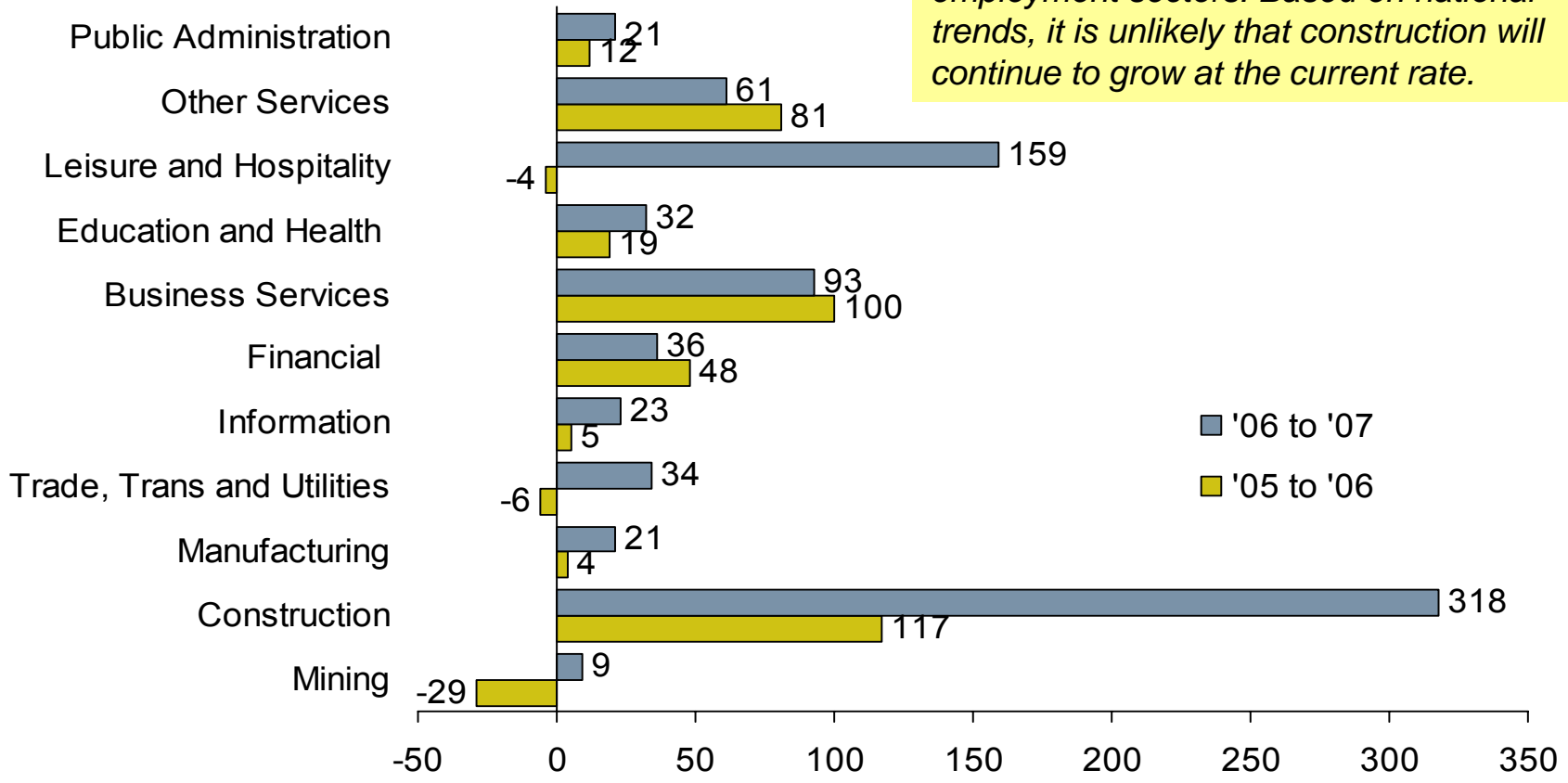


SOURCE: Colorado Department of Labor at the 2 digit NAICS code level

# THE BOOMING SECOND HOME MARKET HAS CAUSED CONSTRUCTION EMPLOYMENT TO BALLOON OVER THE PAST SEVERAL YEARS

## Annual Change of Employment By Industry in Routt County 2005-2007

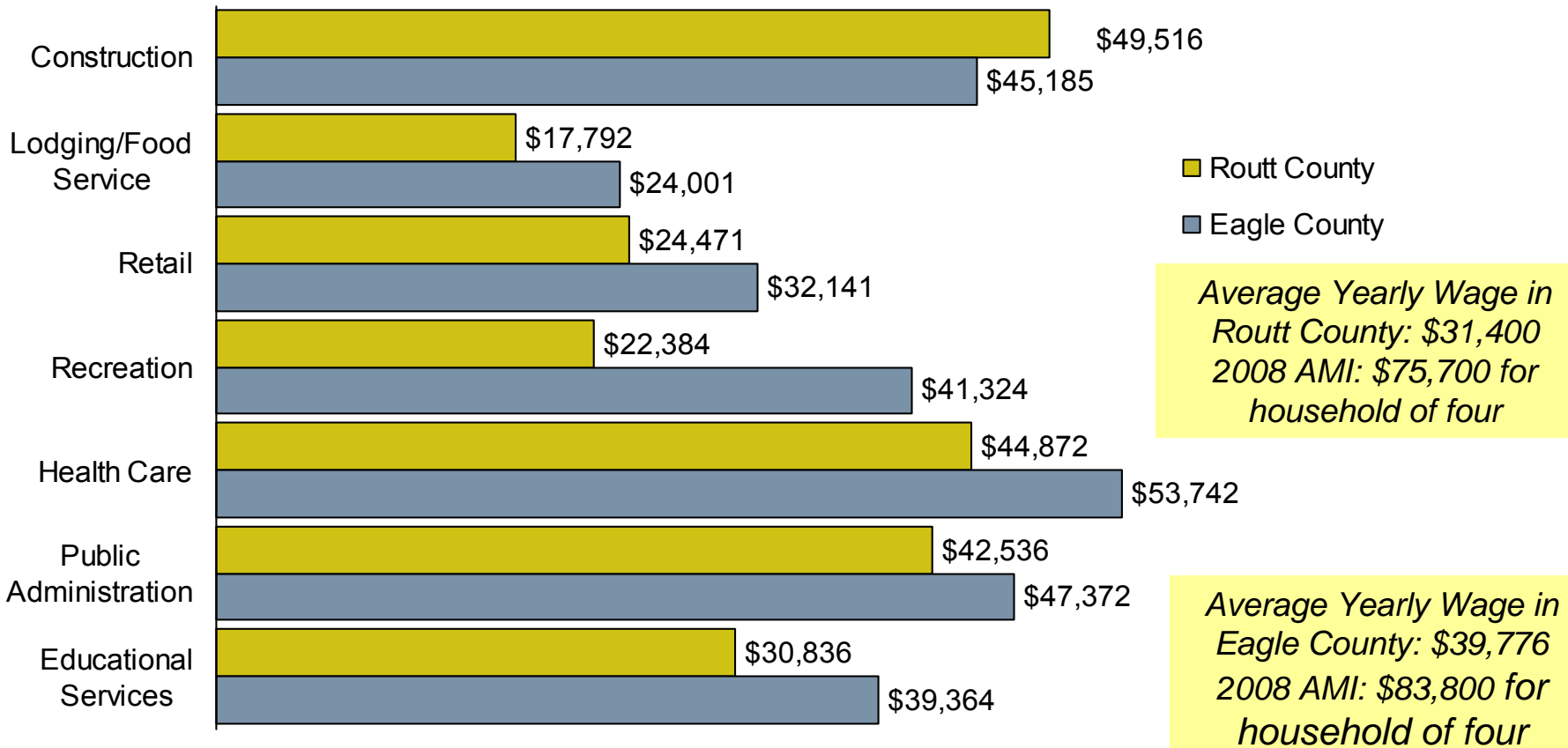
*At approximately \$49,000 average annual income, construction jobs are some of the higher paying positions within top employment sectors. Based on national trends, it is unlikely that construction will continue to grow at the current rate.*



SOURCE: Colorado Department of Labor by Supersector

# WORKERS FOR TOP INDUSTRIES IN ROUTT COUNTY MAKE LESS THAN IN NEIGHBORING EAGLE COUNTY, MAKING HOMEOWNERSHIP FURTHER OUT OF REACH<sup>1</sup>

## Routt and Eagle County Top Industries and Wages 2006



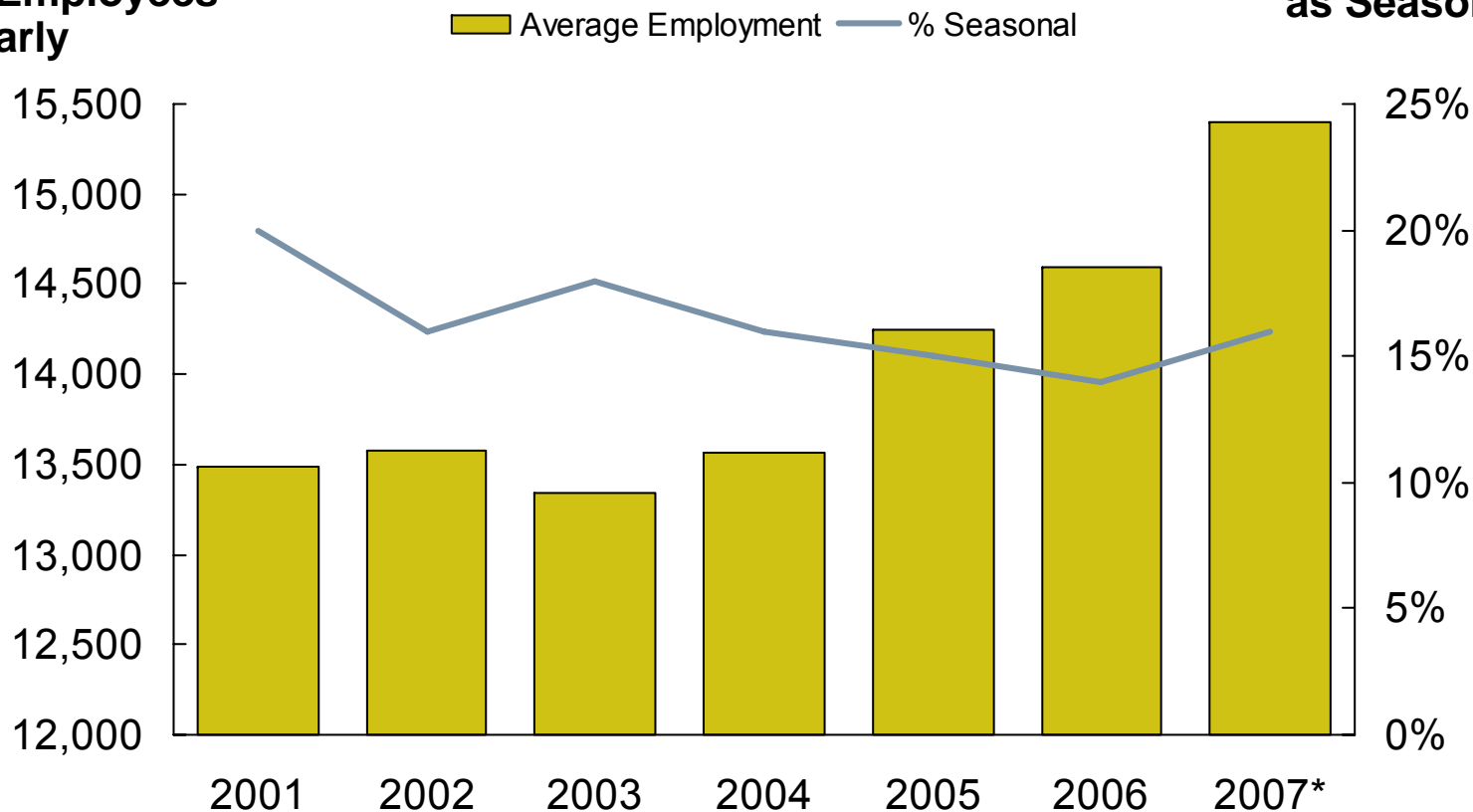
<sup>1</sup> Even when accounting for the difference in home prices. Home prices are 16% higher in Eagle compared to Steamboat Springs but wages in top industries are 25% higher.

SOURCE: Colorado Department of Labor by 2 digit NAICS code

# FULL TIME EMPLOYMENT IN ROUTT COUNTY IS INCREASING WHILE SEASONAL REMAINS STEADY: MORE HOUSEHOLDS LOOKING FOR OWNERSHIP AND YEAR-ROUND RENTAL OPPORTUNITIES

**Average Number of Employees Yearly**

**% Employees as Seasonal**



*Employment has shown an annual 4% increase since 2004 and is projected to increase by 3% yearly through 2015.*

\* 2007 yearly averages calculated from 1<sup>st</sup>-3<sup>rd</sup> quarter data

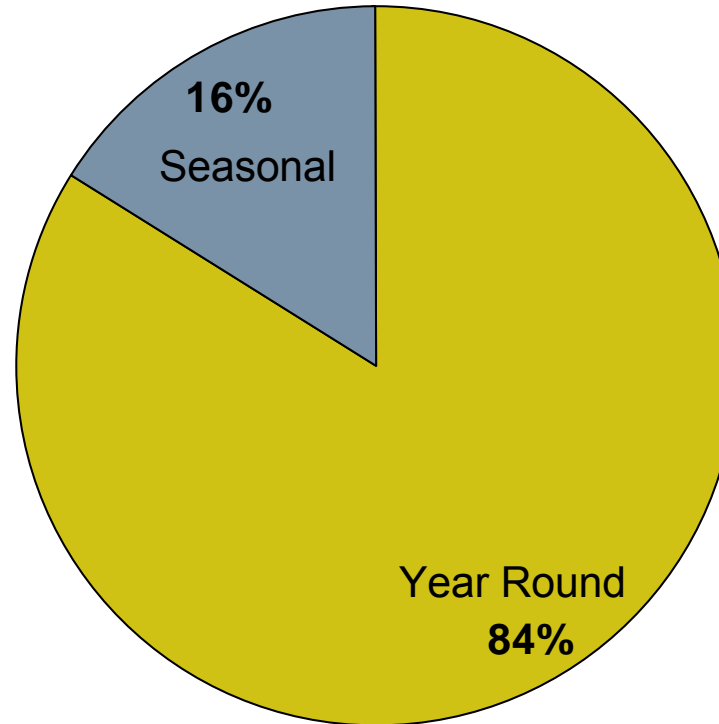
SOURCE: Colorado Department of Labor and Employment, ES202 employment

# SEASONAL EMPLOYEES MADE UP 16% OF TOTAL EMPLOYEES IN 2007, DRIVING DEMAND FOR TEMPORARY RENTAL HOUSING

## Yearly Employment by Type 2007

*Average Total Employment:  
15,397*

*Seasonal Employment : 2,463*



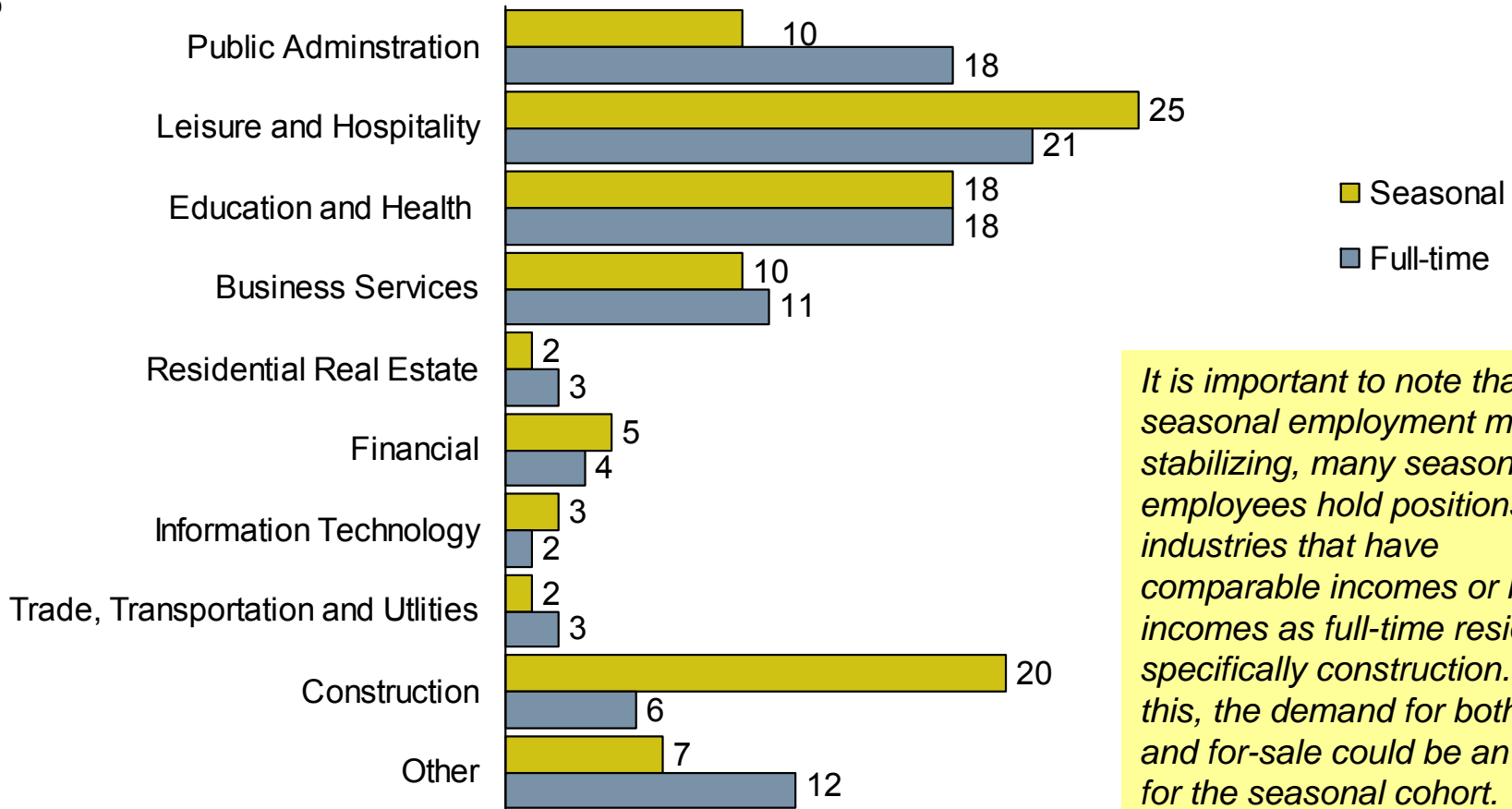
1 Yearly Employment data is an average of monthly employment data

SOURCE: Colorado Department of Labor 2008

# SEASONAL EMPLOYEES HOLD POSITIONS IN SIMILAR INDUSTRIES AS MOST FULL-TIME BUT WITH A LARGER PERCENTAGE IN THE CONSTRUCTION FIELD

## Industries by Seasonality

%



*It is important to note that while seasonal employment may be stabilizing, many seasonal employees hold positions in industries that have comparable incomes or higher incomes as full-time residents, specifically construction. Given this, the demand for both rental and for-sale could be an option for the seasonal cohort.*

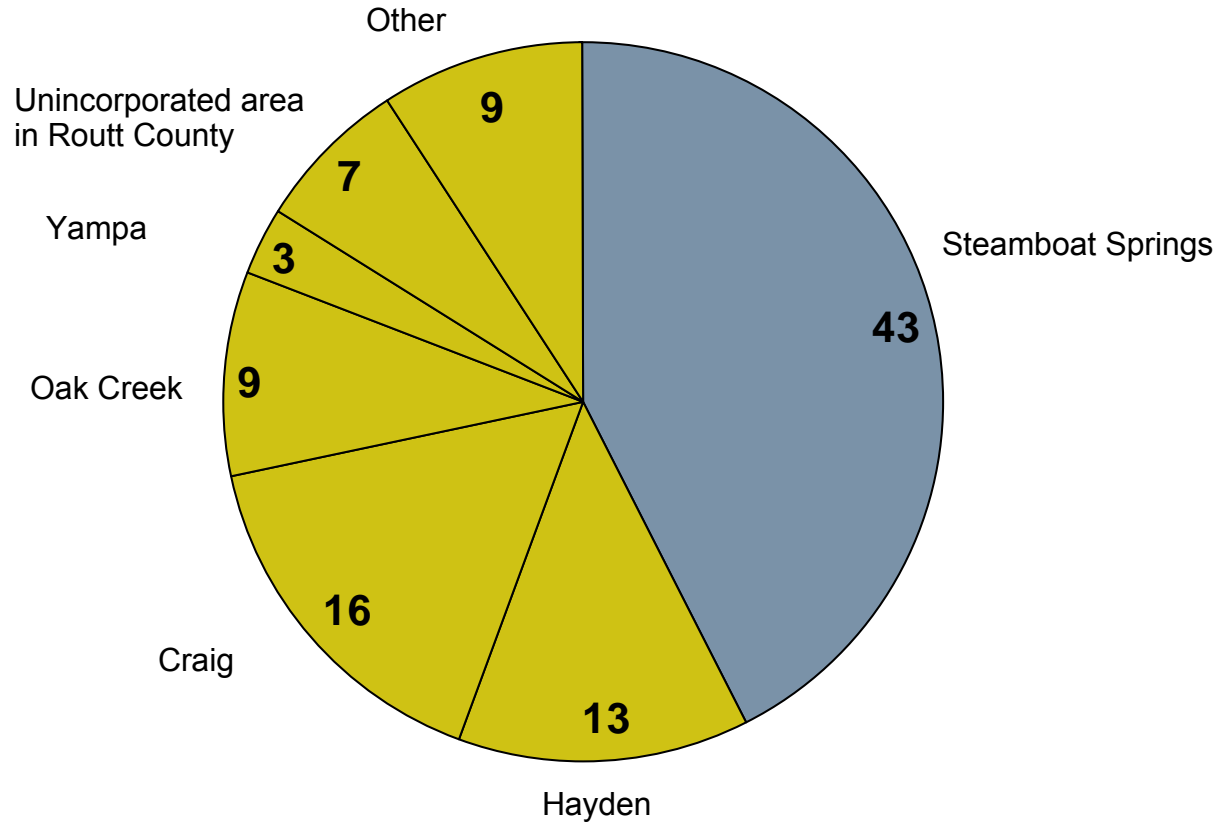
1 Only industries with statistically significant results are shown

SOURCE: RCLCO Consumer Research. Research was conducted during the summer when construction jobs are in peak season

# THE MAJORITY OF SEASONAL WORKERS INDICATE THEY ARE LIVING OUTSIDE STEAMBOAT SPRINGS CITY LIMITS

## Seasonal Employees by Location of Home

%

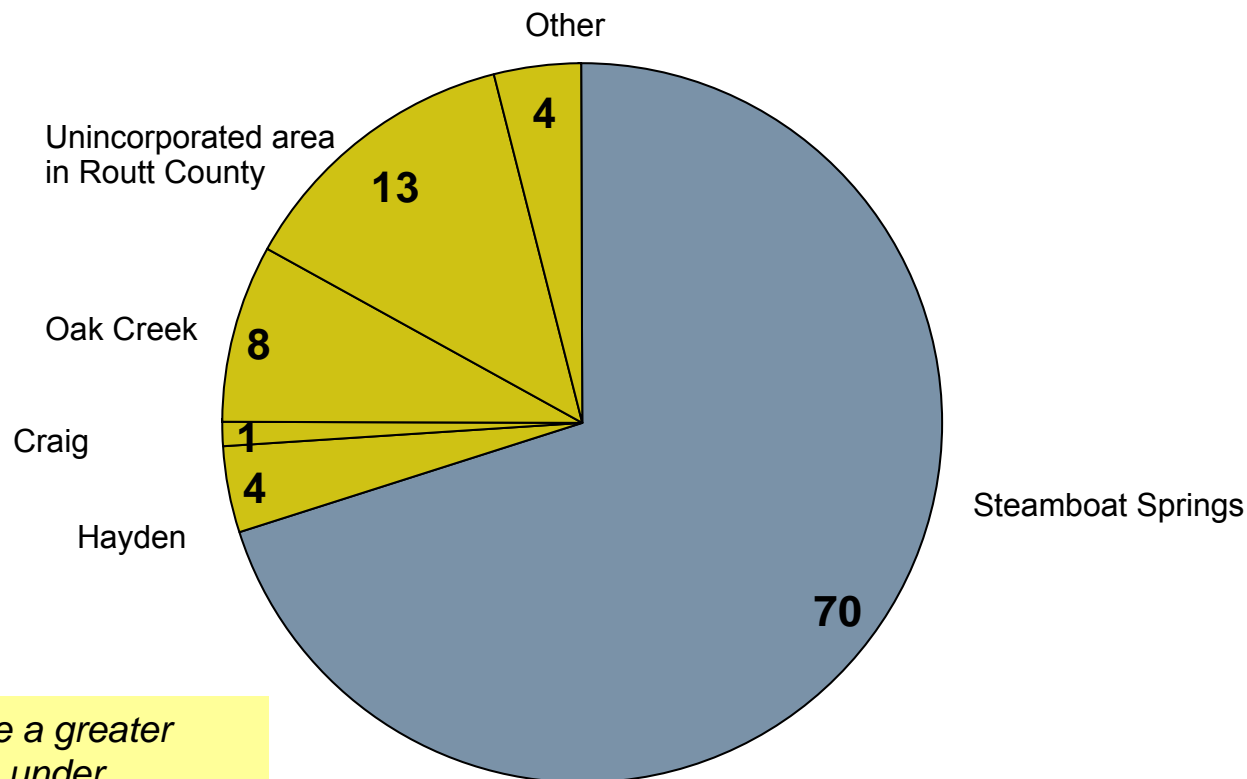


SOURCE: RCLCO Consumer Research

# THE MAJORITY OF FULL-TIME EMPLOYEES LIVE WITHIN STEAMBOAT SPRINGS CITY LIMITS

## Full-Time Employees by Location of Home

%



*Had we been able to capture a greater share of those with incomes under \$30,000, the percentage of those living in Steamboat Springs may be lower.*

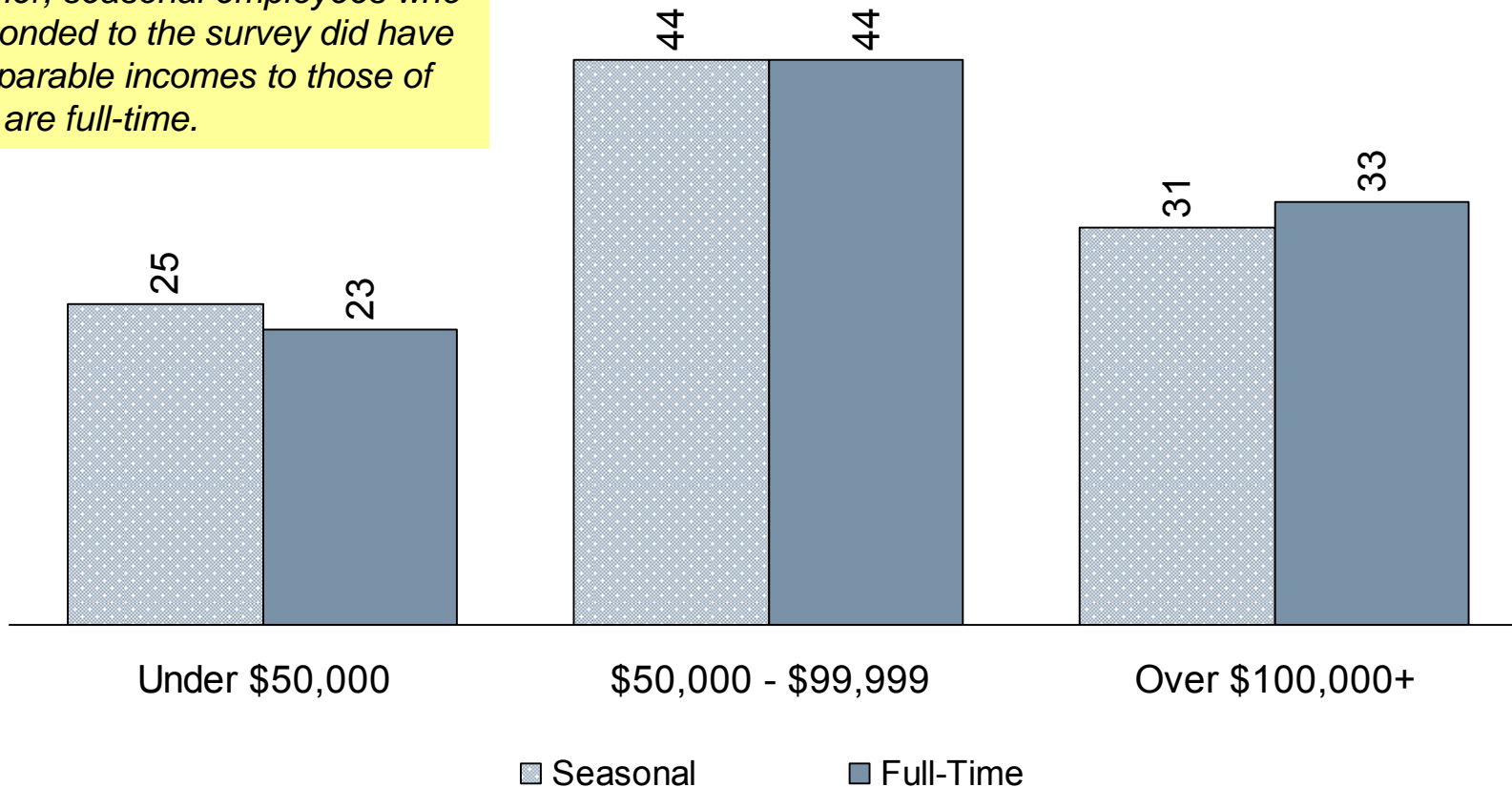
SOURCE: RCLCO Consumer Research

# SUMMER SEASONAL EMPLOYEES HAVE SIMILAR INCOMES AS FULL-TIME EMPLOYEES

## Household Income Ranges by Seasonality

%

*Further, seasonal employees who responded to the survey did have comparable incomes to those of who are full-time.*

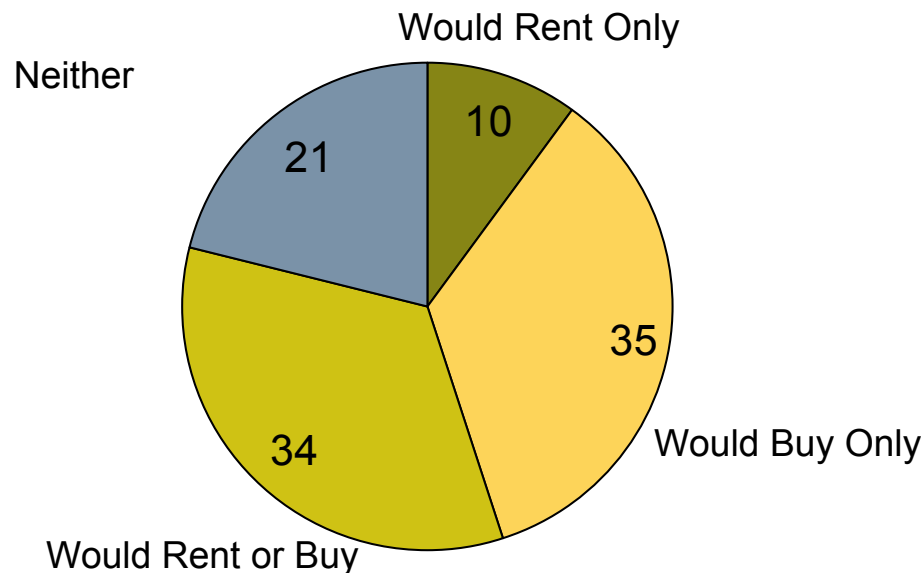


SOURCE: RCLCO Consumer Research

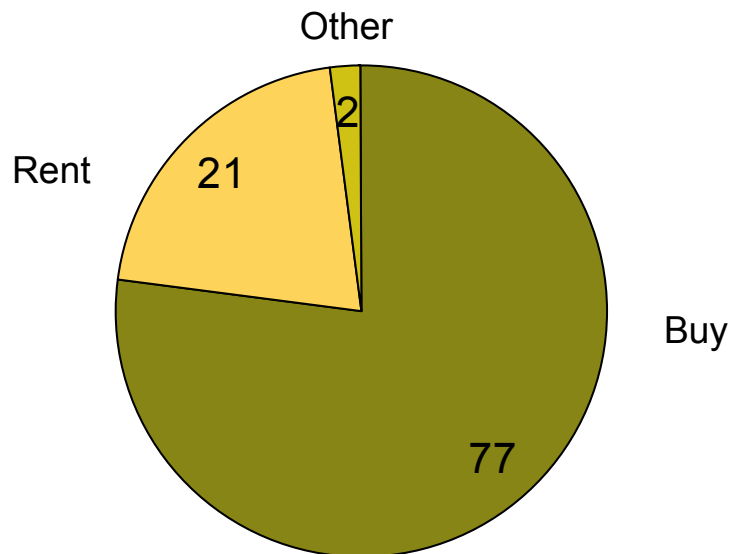
Research was conducted during the summer when construction jobs (among the highest paying seasonal jobs) are in peak season

# MOST SEASONAL EMPLOYEES PLAN TO BUY IN STEAMBOAT SPRINGS

**Willingness to Buy or Rent in Steamboat Springs, Seasonal Only**  
%



**Purchase or Rent Decision for Next Home, Seasonal Only**  
%



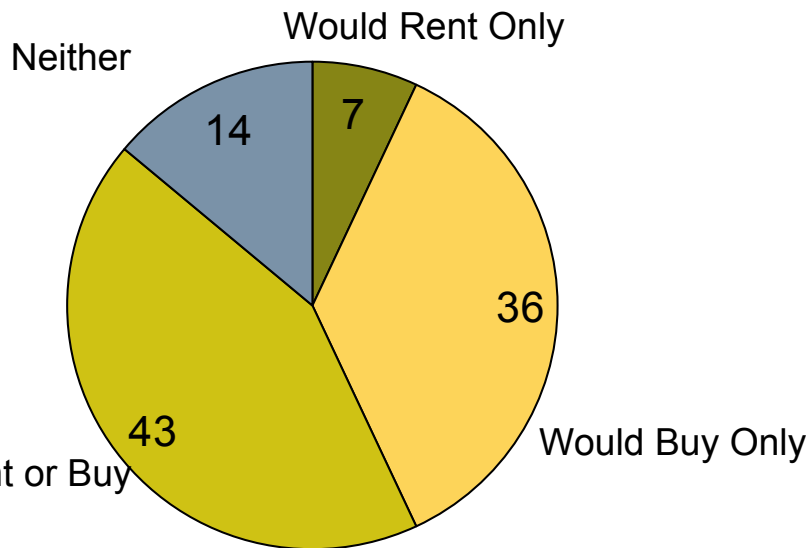
*Most likely due to incomes and convenience, most seasonal employees would choose to buy in Steamboat Springs. Focus groups indicate there is difficulty obtaining quality for-rent homes and with employees that routinely come back to Steamboat Springs, purchasing may be their best option. However, there is still a large percentage that would rent in Steamboat Springs, adding to the need for for-rent as well as for-sale product. Further, it is reasonable to believe that if quality year-round rentals were available more seasonal employees would choose this as an option.*

SOURCE: RCLCO Consumer Research. Research was conducted during the summer when construction jobs are in peak season

# MOST FULL-TIME EMPLOYEES PLAN TO BUY IN STEAMBOAT SPRINGS BUT MORE ARE RENTING

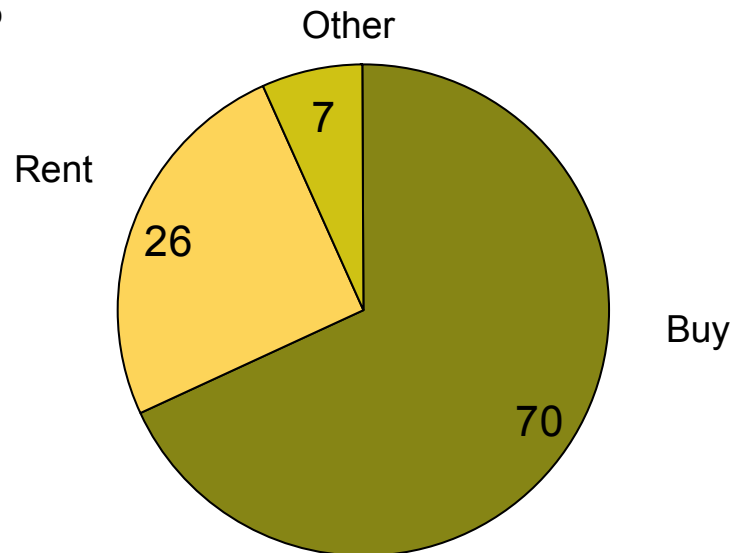
**Willingness to Buy or Rent in Steamboat Spring, Full-Time Only**

%



**Purchase or Rent Decision for Next Home, Full-Time Only**

%

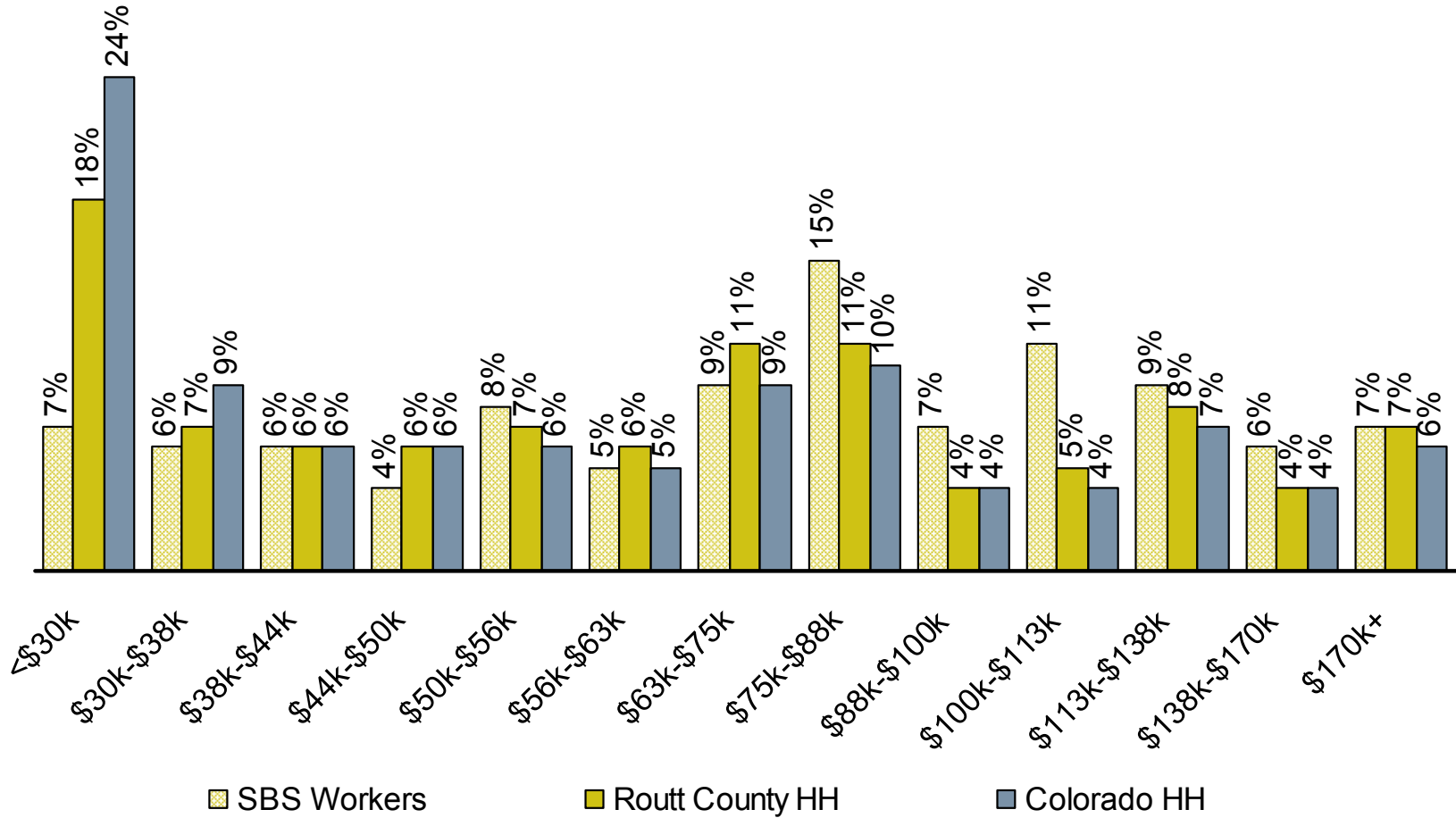


*Most full-time employees also want to buy, however, more of them are willing to rent than seasonal employees. This is also evidenced in the 'Willingness to Buy or Rent in Steamboat Springs' pie chart as more full-time employees are willing to look at both the option to buy or rent within Steamboat Springs.*

SOURCE: RCLCO Consumer Research. Research was conducted during the summer when construction jobs are in peak season

# SURVEY MAKEUP

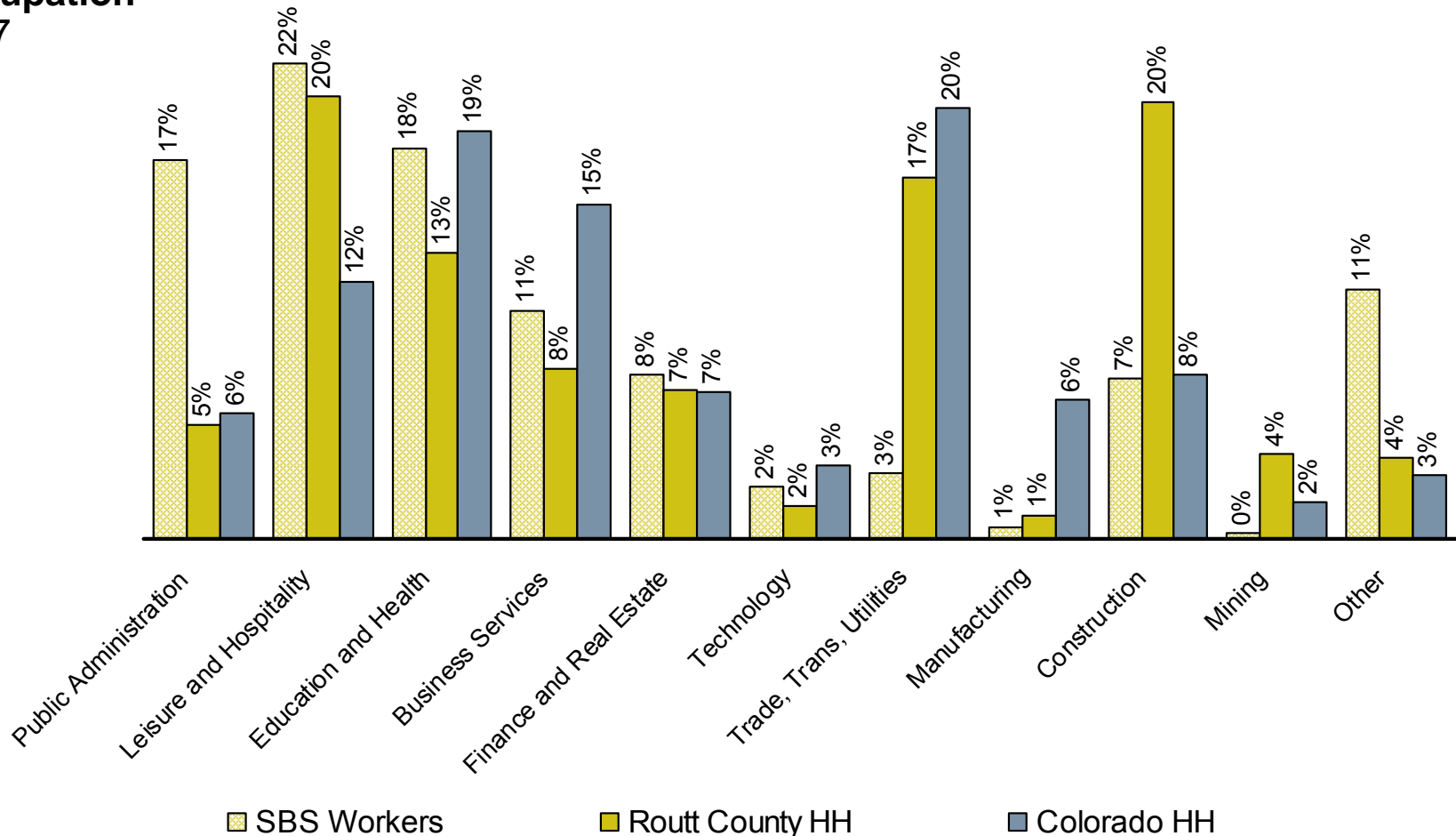
## Household Income by AMI Ranges 2007



SOURCE: RCLCO Consumer Research

# SURVEY MAKEUP

## Occupation 2007

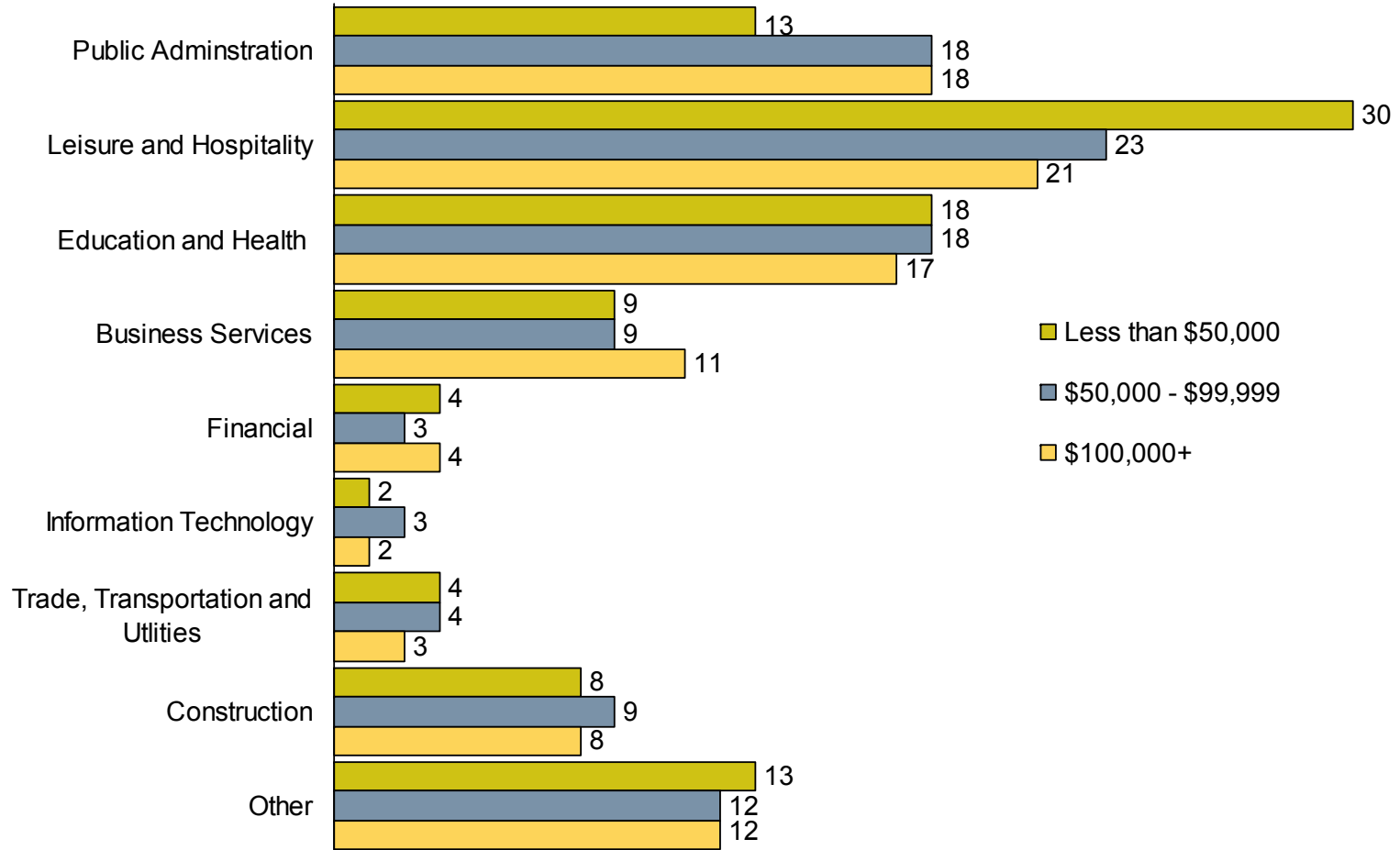


SOURCE: RCLCO, Colorado Department of Labor by Supersector; The "other" category is a catch-all category for survey respondents who did not think they fit in one of the categories offered. It is likely that retail workers selected "other" based on comparison to secondary data. The number of public administration respondents was disproportionately high due to the high "buy-in" from public employers.

# SURVEY MAKEUP

## Industries by Household Income

%

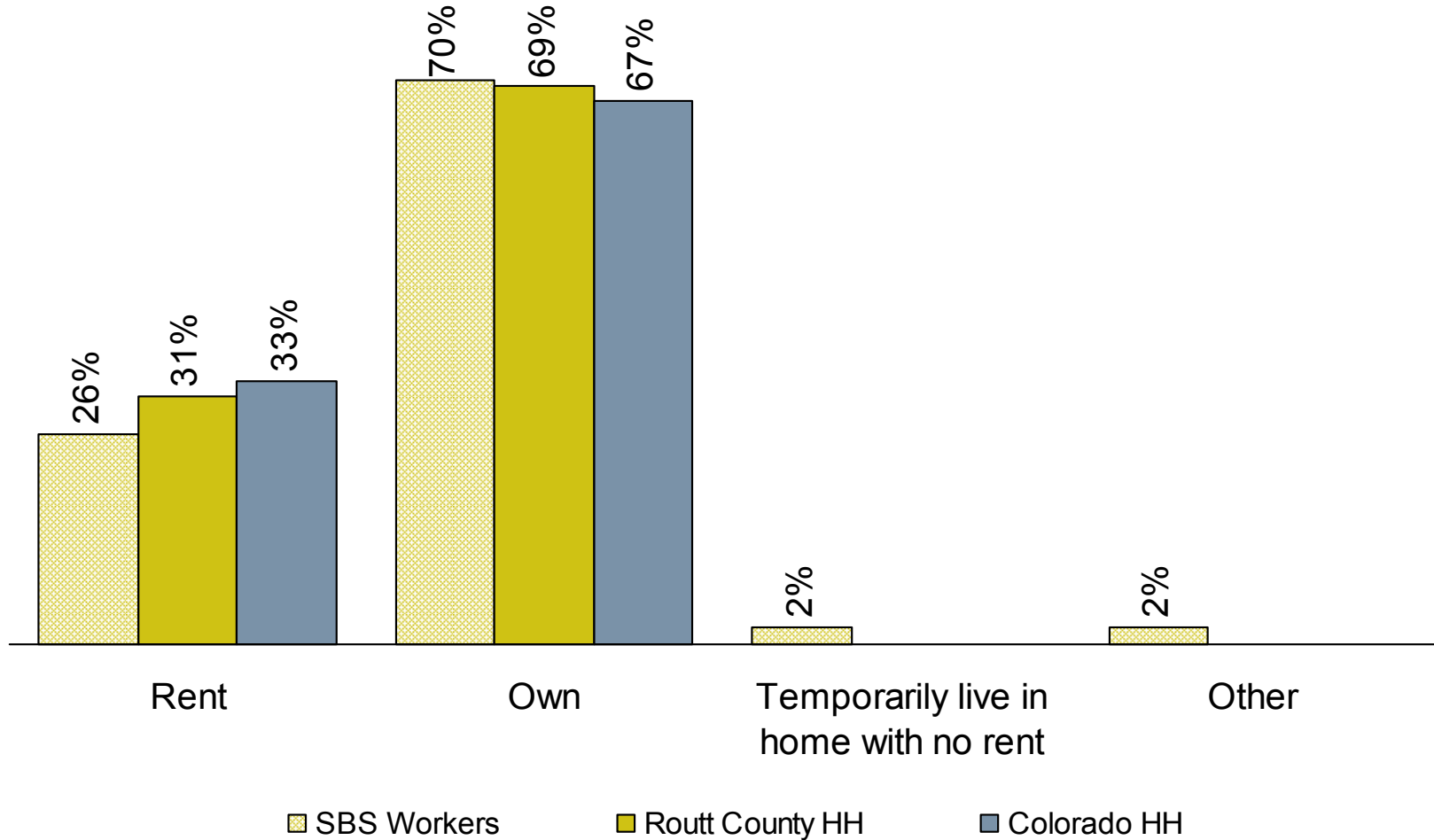


1 Only industries with statistically significant results are shown. Household income is irrespective of household size.

SOURCE: RCLCO Consumer Research

# SURVEY MAKEUP

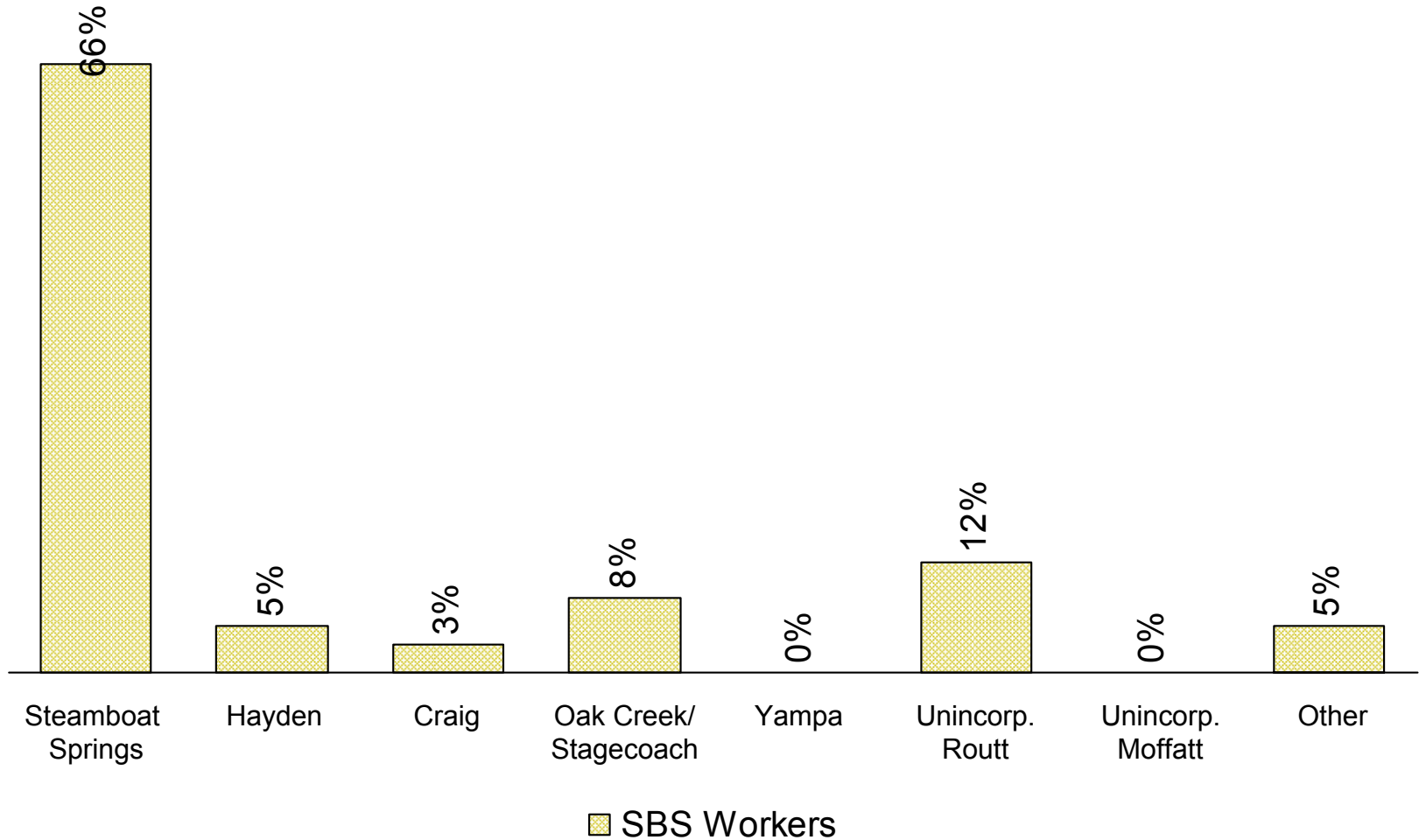
## Housing Tenure 2007



SOURCE: RCLCO Consumer research for SBS Workers, Claritas for Routt County HH and Colorado HH

# SURVEY MAKEUP

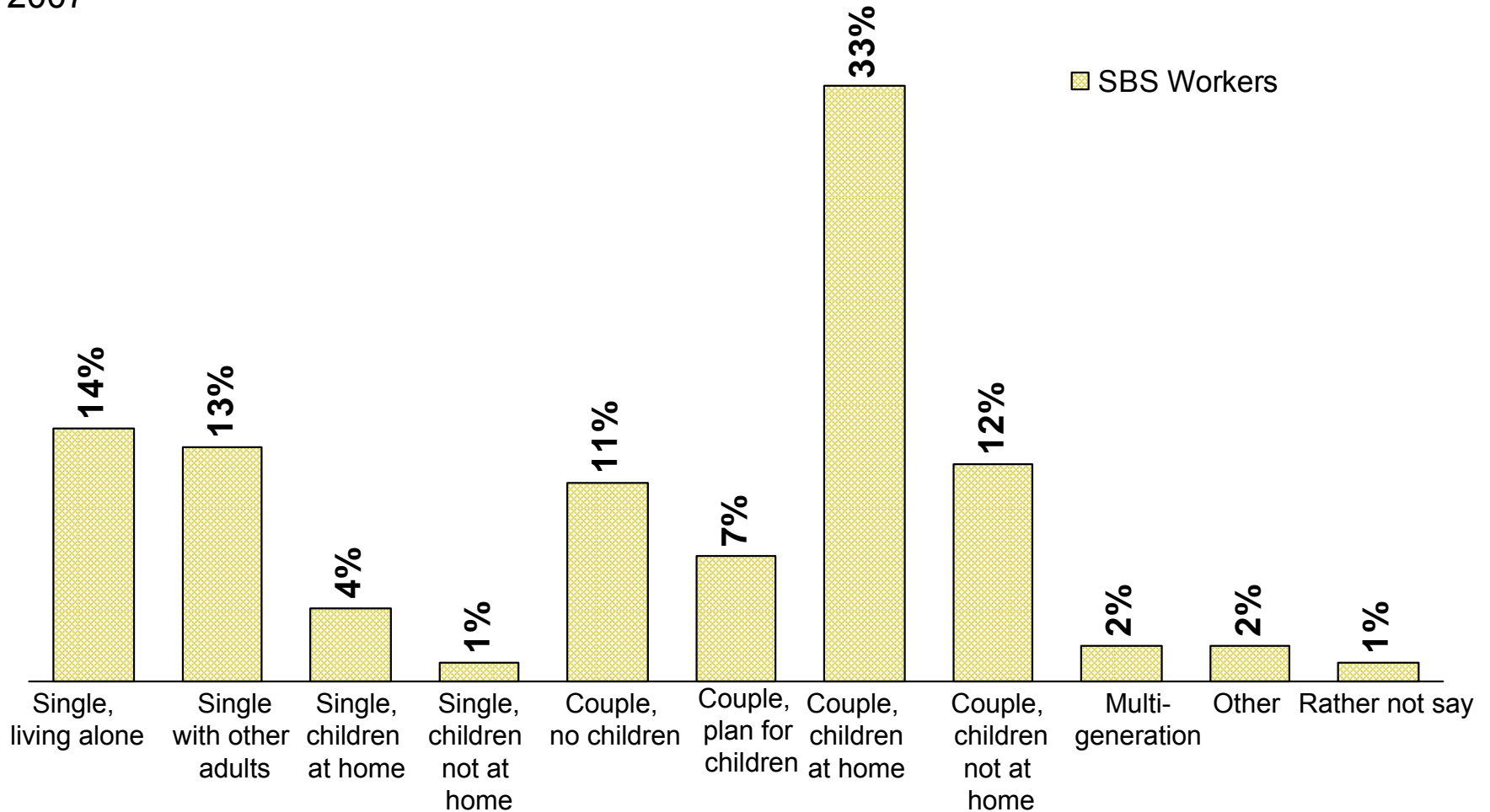
## Where Survey Participants Live 2007



SOURCE: RCLCO Consumer Research

# SURVEY MAKEUP

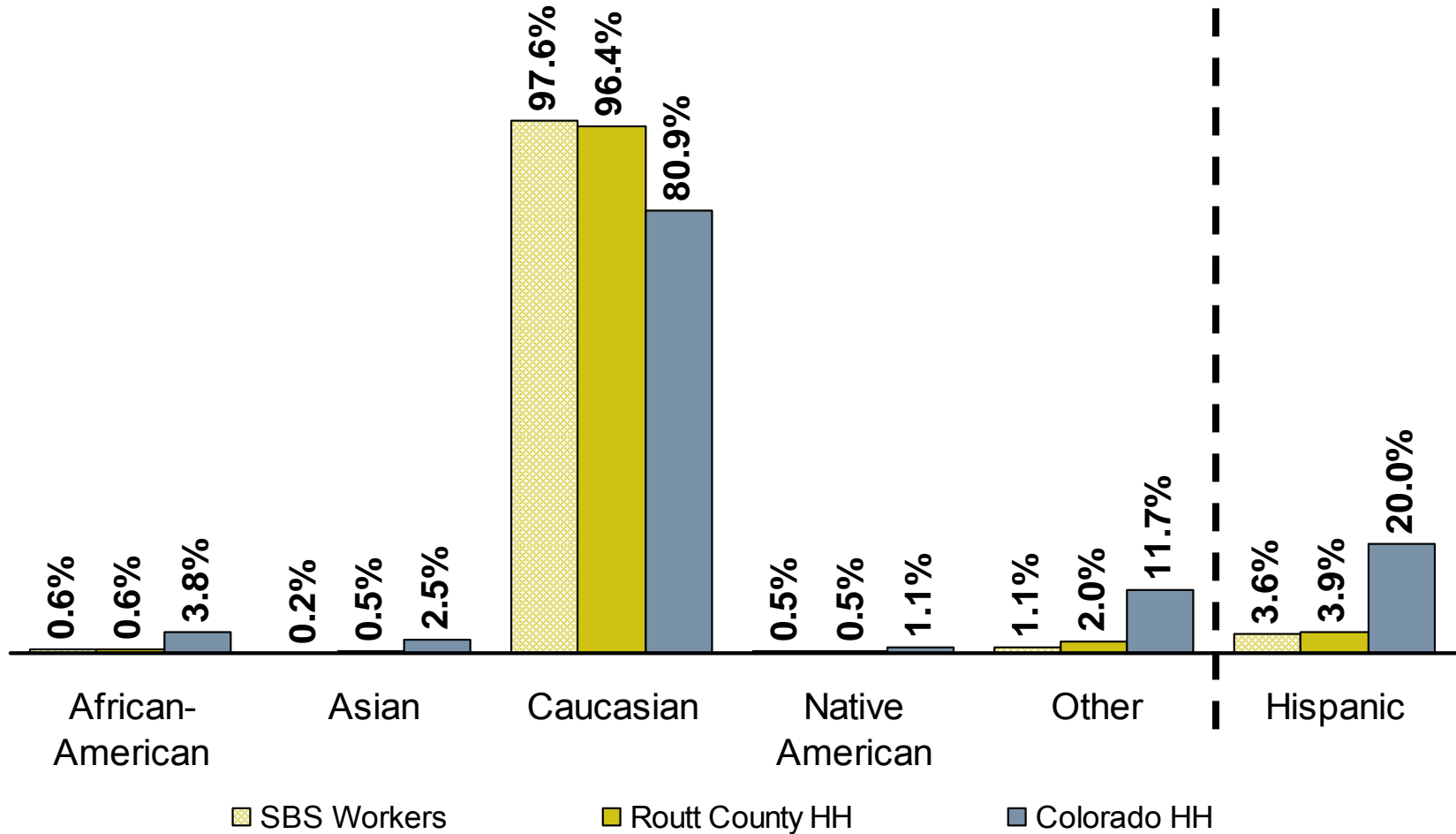
## Household Composition 2007



SOURCE: RCLCO Consumer Research

# SURVEY MAKEUP

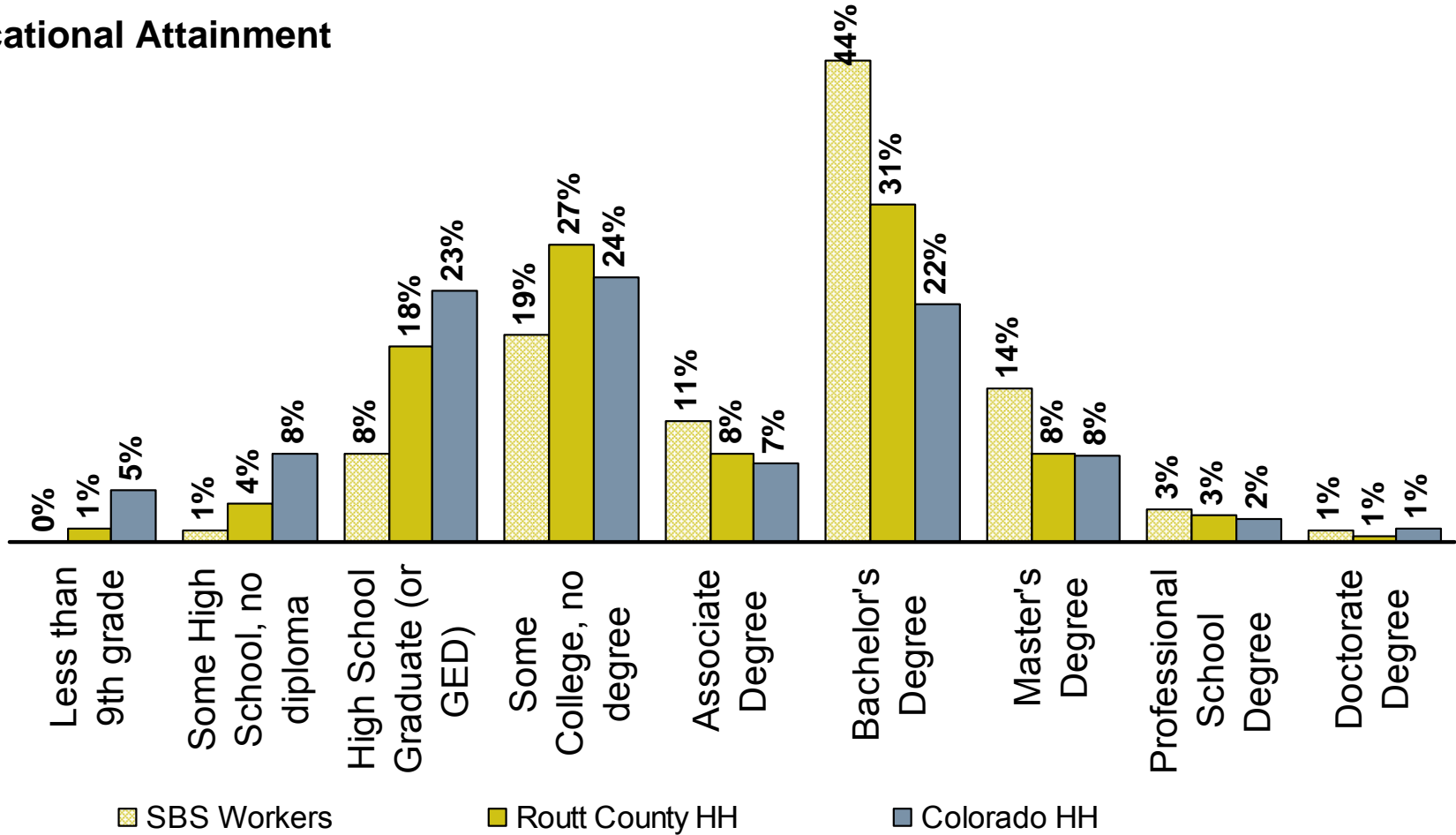
Race/Ethnicity  
2007



SOURCE: RCLCO Consumer research for SBS Workers, Claritas for Routt County HH and Colorado HH

# SURVEY MAKEUP

## Educational Attainment 2007

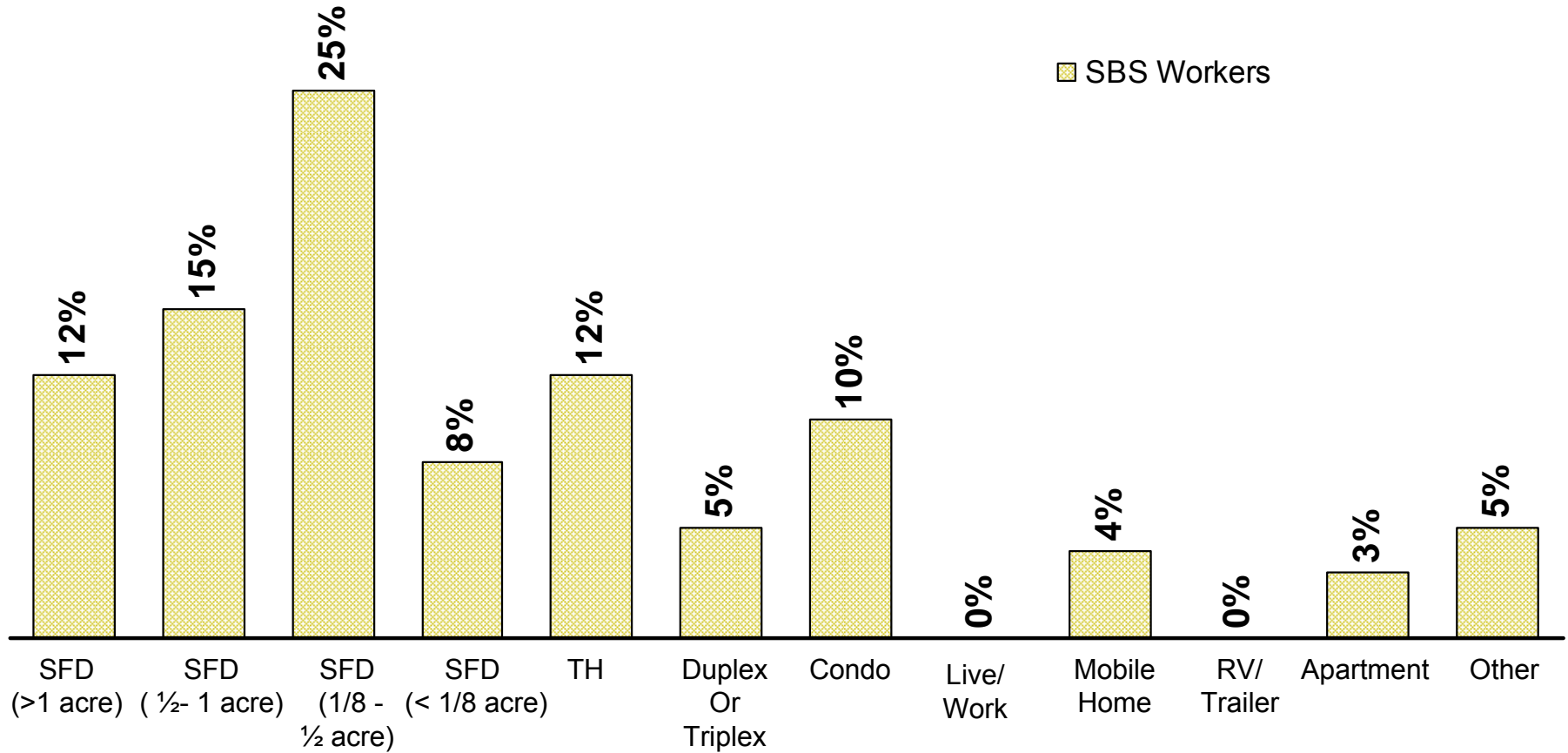


NOTE: Due to the fact that households making less than \$30k annually were underrepresented in the sample, the educational attainment graph is skewed away from high school graduates and towards the college educated.

SOURCE: RCLCO Consumer research for SBS Workers, Claritas for Routt County HH and Colorado HH

# SURVEY MAKEUP

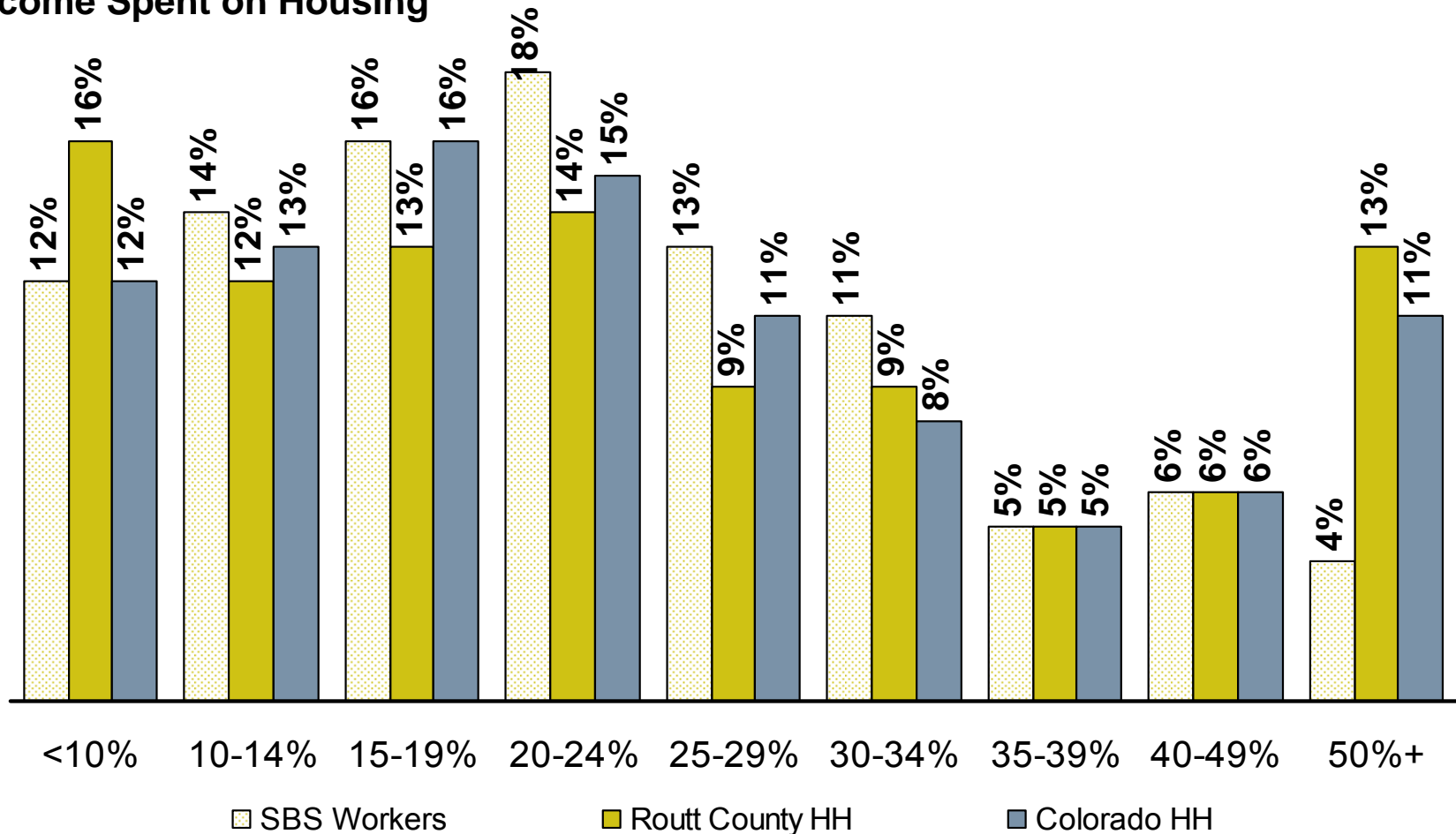
## Current Home Type 2007



SOURCE: RCLCO Consumer Research, SFD=Single-Family Detached Housing Unit

# SURVEY MAKEUP

**% of Income Spent on Housing**  
2007-8

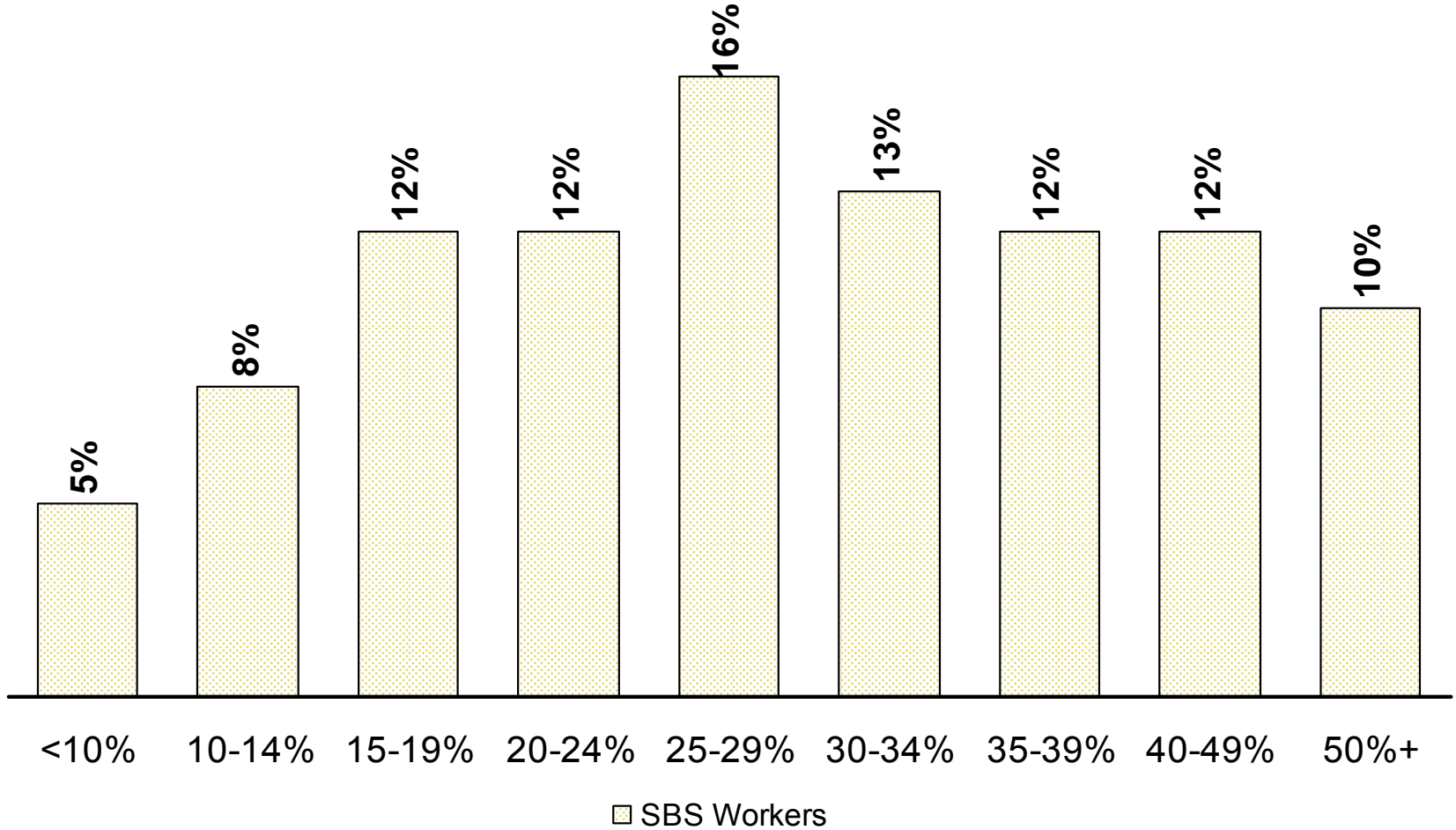


NOTE: Due to the fact that households making less than \$30k annually were underrepresented in the sample, the number of households spending over 50% on housing is underrepresented in the graph above.

SOURCE: RCLCO Consumer research for SBS Workers, Claritas for Routt County HH and Colorado HH

# SURVEY MAKEUP

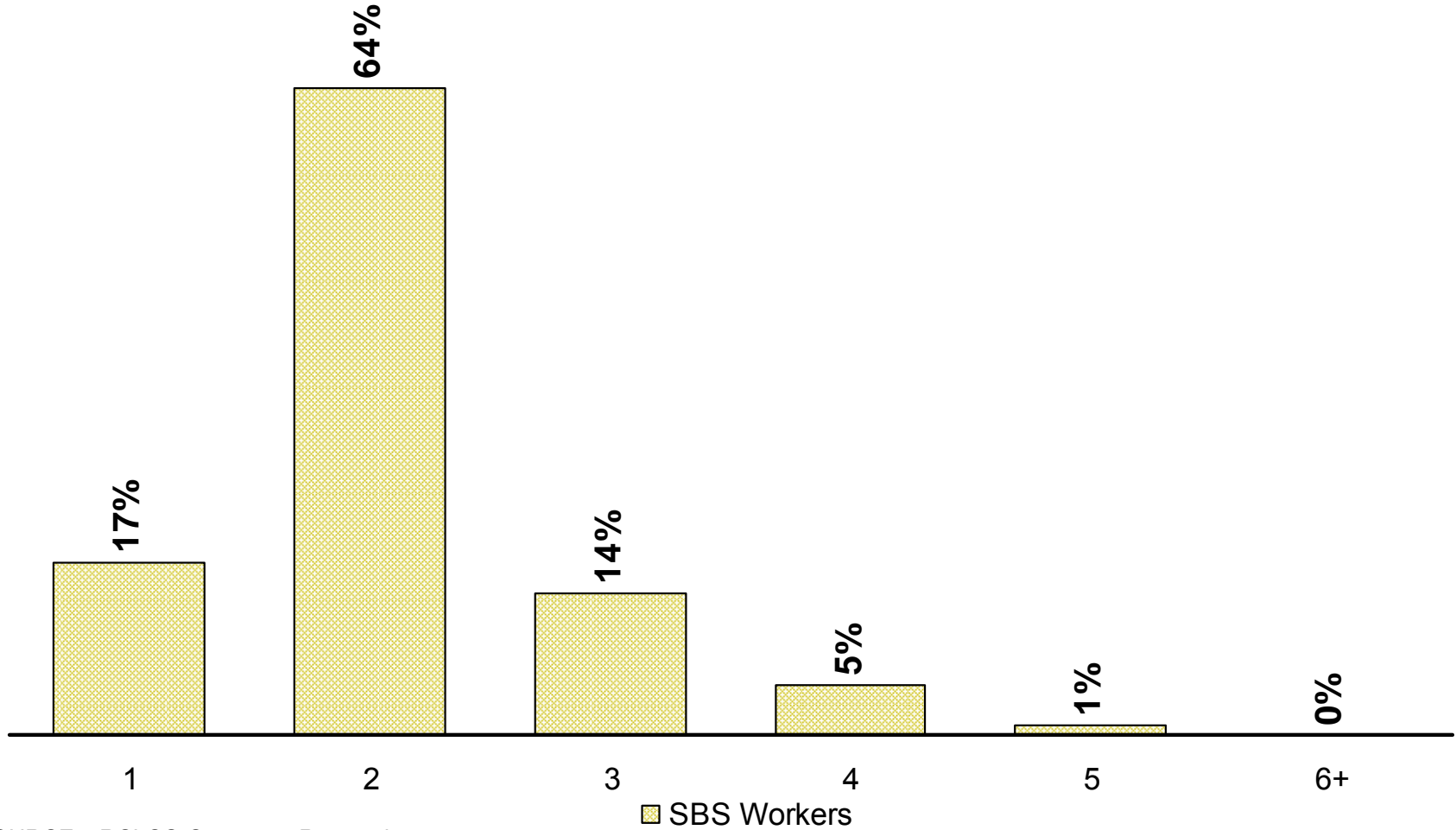
**% of Income Spent on Housing & Transportation  
2007-8**



SOURCE: RCLCO Consumer Research

# SURVEY MAKEUP

Number of Adults per Household  
2007



SOURCE: RCLCO Consumer Research

■ SBS Workers

# SUMMARY OF ISSUES AND CONCLUSIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
- ▶ Question 2: Who makes up the workforce in Routt County and Steamboat Springs and how does that impact the need for housing at various affordability levels?
- ▶ Question 3: What is the character of the housing stock in Steamboat Springs and Routt County? What is missing?
- ▶ Question 4: When it comes to housing what does the local workforce really want? What trade-offs are they willing to make and what qualitative aspects are driving demand? What are their attitudes toward deed-restricted units?
- ▶ Question 5: How does supply match up with the statistical demand for housing? What conclusions can we draw about the workforce housing situation in Steamboat Springs and Routt County?



## For-Sale Supply

NOTE: All for-sale supply graphs are from Assessor's data that has been compiled and scrubbed of non-conforming entries including fractionals. Unless otherwise referenced all AMI levels assume a household size of 2.3 people.

Note: Data reflects homesales through May 15, 2008, does not include new projects that are actively-selling or planned projects that may help address this gap.

# SUMMARY OF THE HOUSING SUPPLY ANALYSIS

- ▶ Home price appreciation has been off the charts for Steamboat Springs over the last decade (234% increase). The appreciation has been experienced by virtually all product types.
- ▶ Prices in Steamboat Springs have appreciated at a much faster rate than other areas of Routt County including Hayden, Oak Creek, and Yampa.
- ▶ Currently the only for-sale option in Steamboat Springs (including free market and deed restricted units) for an average household (2.3 people) earning between \$44k and \$75k (80%-120% AMI) is a studio or one-bedroom condominium. There are zero single-family homes available for them in Steamboat Springs and very few options in other areas of Routt County.
- ▶ The vast majority of single-family homes available outside of Steamboat Springs start at 180% AMI which corresponds to a home price of \$400,000 and an income of \$100,000+.
- ▶ The majority of available deed restricted units under construction within Steamboat Springs are condominiums at the base of the mountain with average size of 933 square feet.\*
- ▶ The vast majority of available apartments within Steamboat Springs are in “deferred maintenance,” rent by-owner homes that rent for \$700-\$800 per bedroom. Rents have increased dramatically in Steamboat Springs over the past several years.

\*Required average for IZ units is 900 square feet

# CURRENT AFFORDABLE HOUSING PROGRAM TARGETS HOMES FROM \$180K - \$269K FOR AVERAGE ROUTT COUNTY HOUSEHOLD

## AMI AFFORDABILITY TABLE FOR AVERAGE ROUTT COUNTY HOUSEHOLD

AMI Level	50%	60%	70%	80%	90%	100%	120%	140%	160%	180%	220%	270%
Max Home Price	\$112k	\$135k	\$157k	\$180k	\$202k	\$225k	\$269k	\$314k	\$359k	\$404k	\$494k	\$606k
Income	<\$30k	\$30k- \$38k	\$38k- \$44k	\$44k- \$50k	\$50k- \$56k	\$56k- \$63k	\$63k- \$75k	\$75k- \$88k	\$88k- \$100k	\$100k- \$113k	\$113k- \$138k	\$138k- \$170k

### KEY ASSUMPTIONS

- ▶ Household size of 2.3 (average for Routt County)
- ▶ Buyers putting 10% down
- ▶ Interest rate of 6.25%, 30 year mortgage, 20% of maximum payment goes to taxes, insurance, HOA, etc.

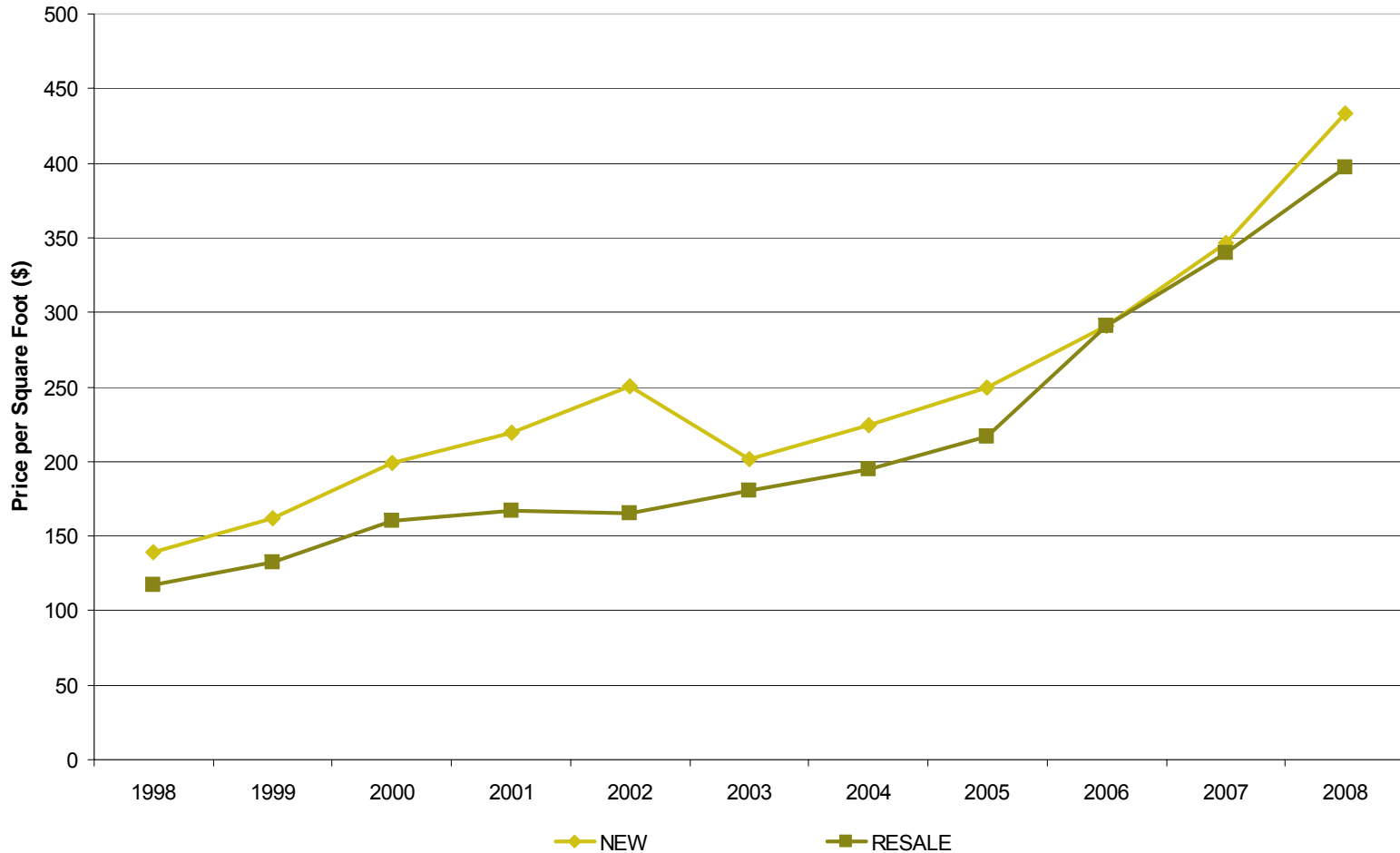
SOURCE: City of Steamboat Springs based on HUD Guidelines

# DRAMATIC INCREASE IN FOR-SALE HOME PRICES

## 234% INCREASE IN PRICES PER FOOT IN LAST 10 YEARS

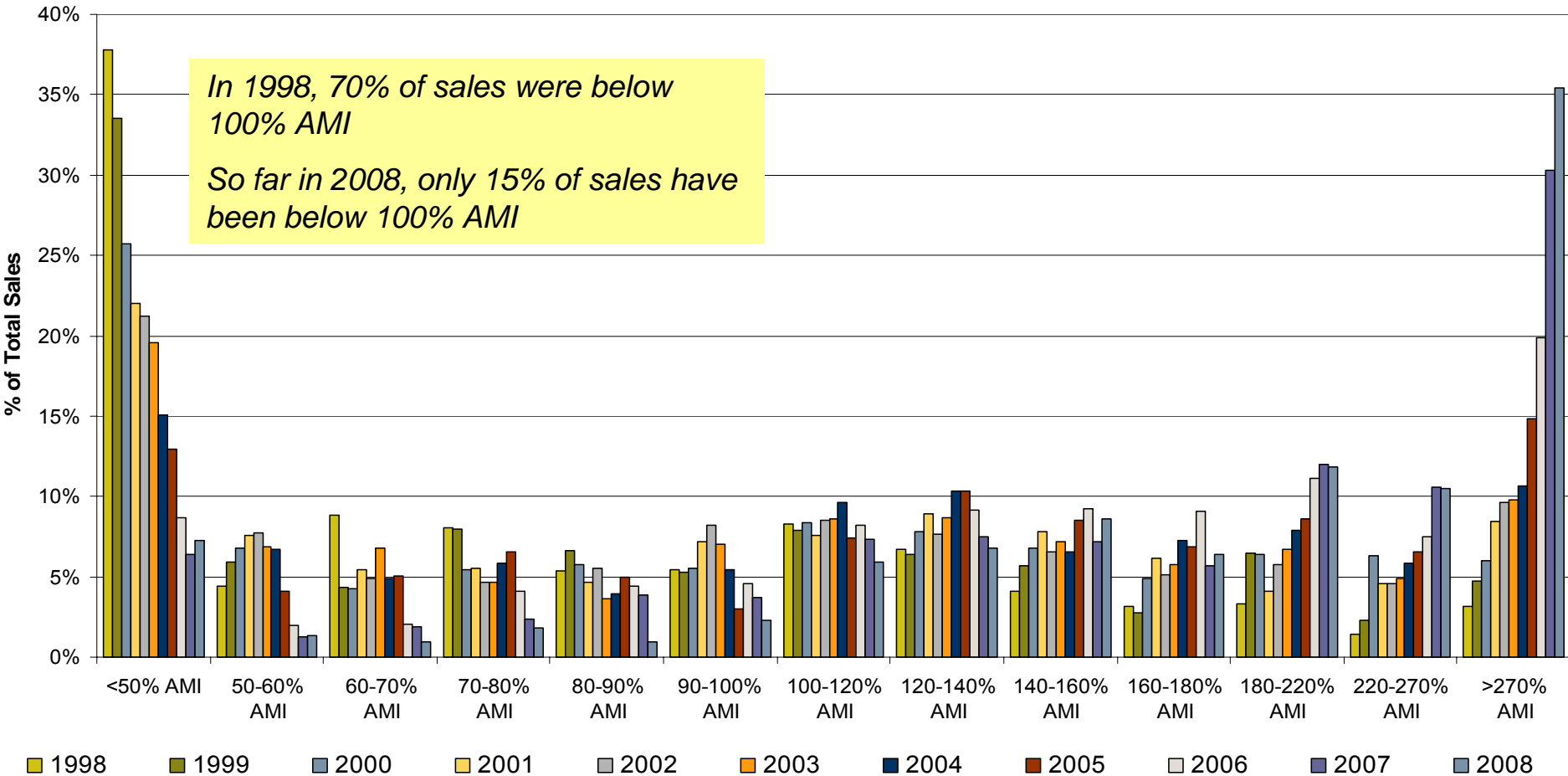
### AVERAGE \$/SF SALES

Routt County  
2007-2008



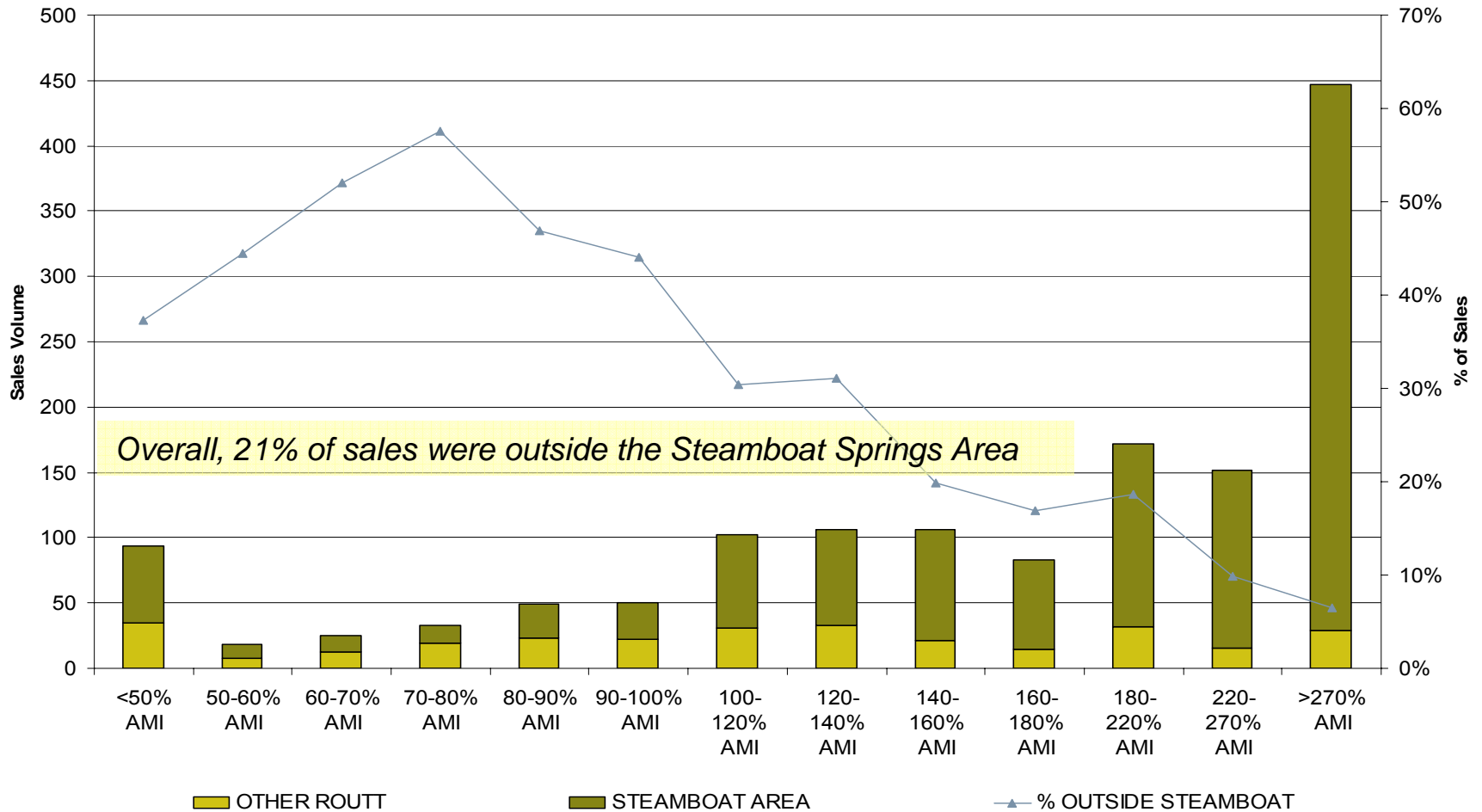
# THERE HAS BEEN A DRAMATIC SHIFT IN HOUSING PRICES IN ROUTT COUNTY SINCE 1998

**% OF TOTAL SALES BY AMI RANGE**  
 Routt County, 1998-2008



# OUTLYING AREAS IN ROUTT SERVE THE UNDER 140% AMI MARKET ACCOUNT FOR MORE THAN THEIR FAIR-SHARE OF SALES UNDER 140% OF AMI

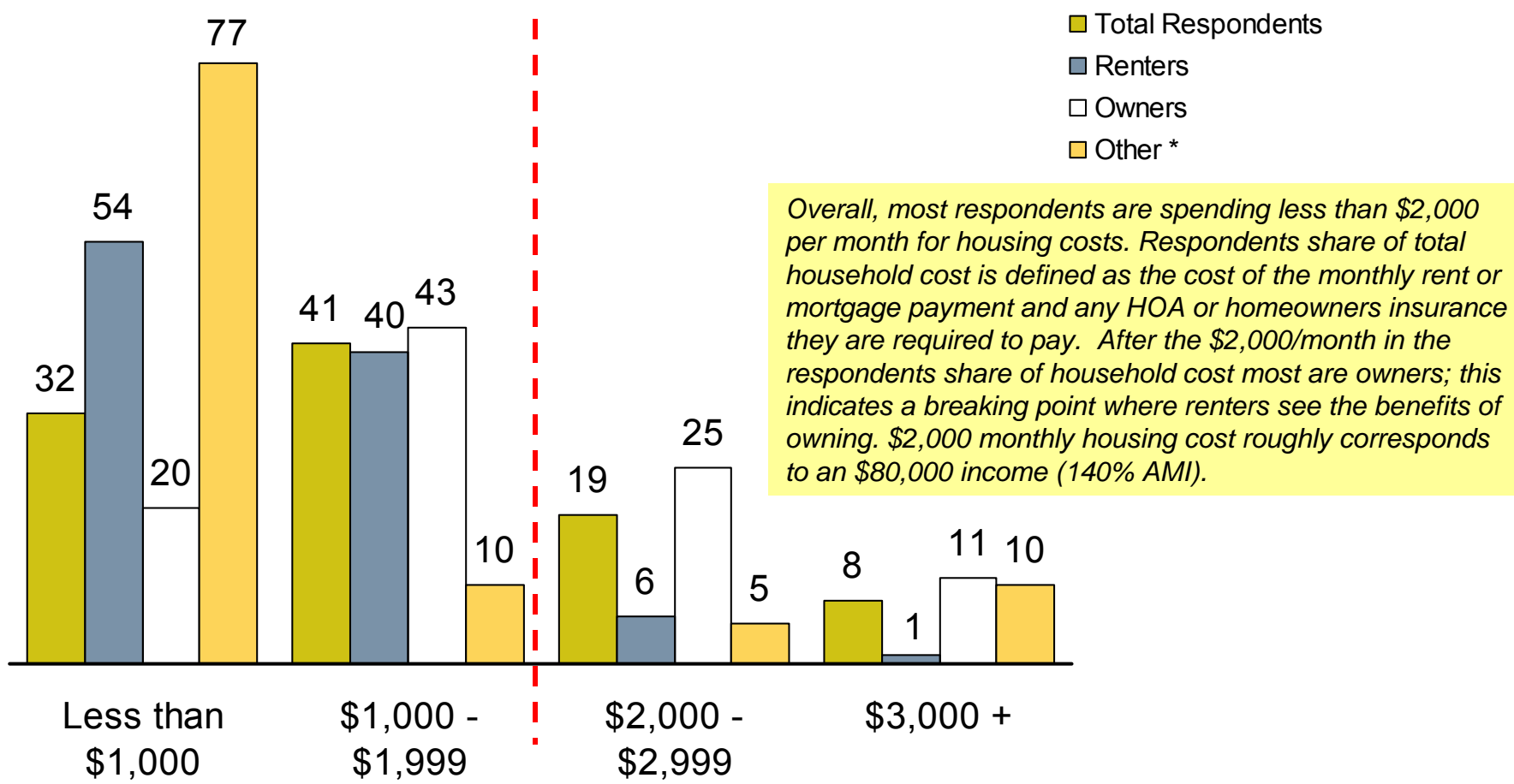
## SHARE OF SALES VOLUMES BY AMI RANGE Steamboat Springs Area and Other Areas, 2007-2008



# MOST RESPONDENTS PAY LESS THAN \$2,000 PER MONTH IN HOUSING COSTS AND MOST SHIFT TO OWNERSHIP AFTER THIS AMOUNT

## Share of Total Household Cost By Ownership Status

%



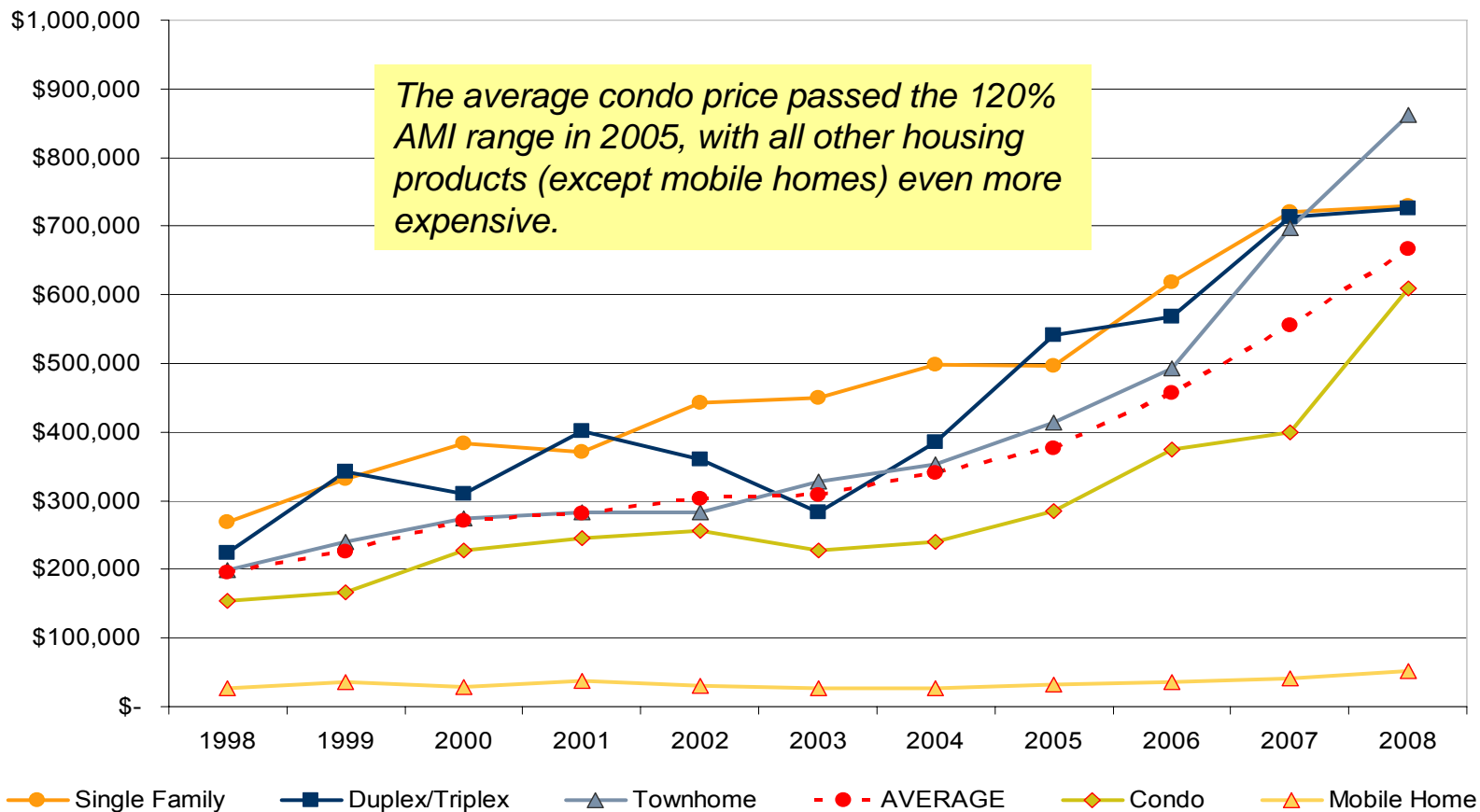
Overall, most respondents are spending less than \$2,000 per month for housing costs. Respondents share of total household cost is defined as the cost of the monthly rent or mortgage payment and any HOA or homeowners insurance they are required to pay. After the \$2,000/month in the respondents share of household cost most are owners; this indicates a breaking point where renters see the benefits of owning. \$2,000 monthly housing cost roughly corresponds to an \$80,000 income (140% AMI).

\* 'Other' are those who do not currently rent or own and have some other arrangement such as, living with parents, etc.  
 SOURCE: RCLCO Consumer Research

# AVERAGE SALES PRICES HAVE INCREASED ACROSS NEARLY ALL PRODUCT TYPES

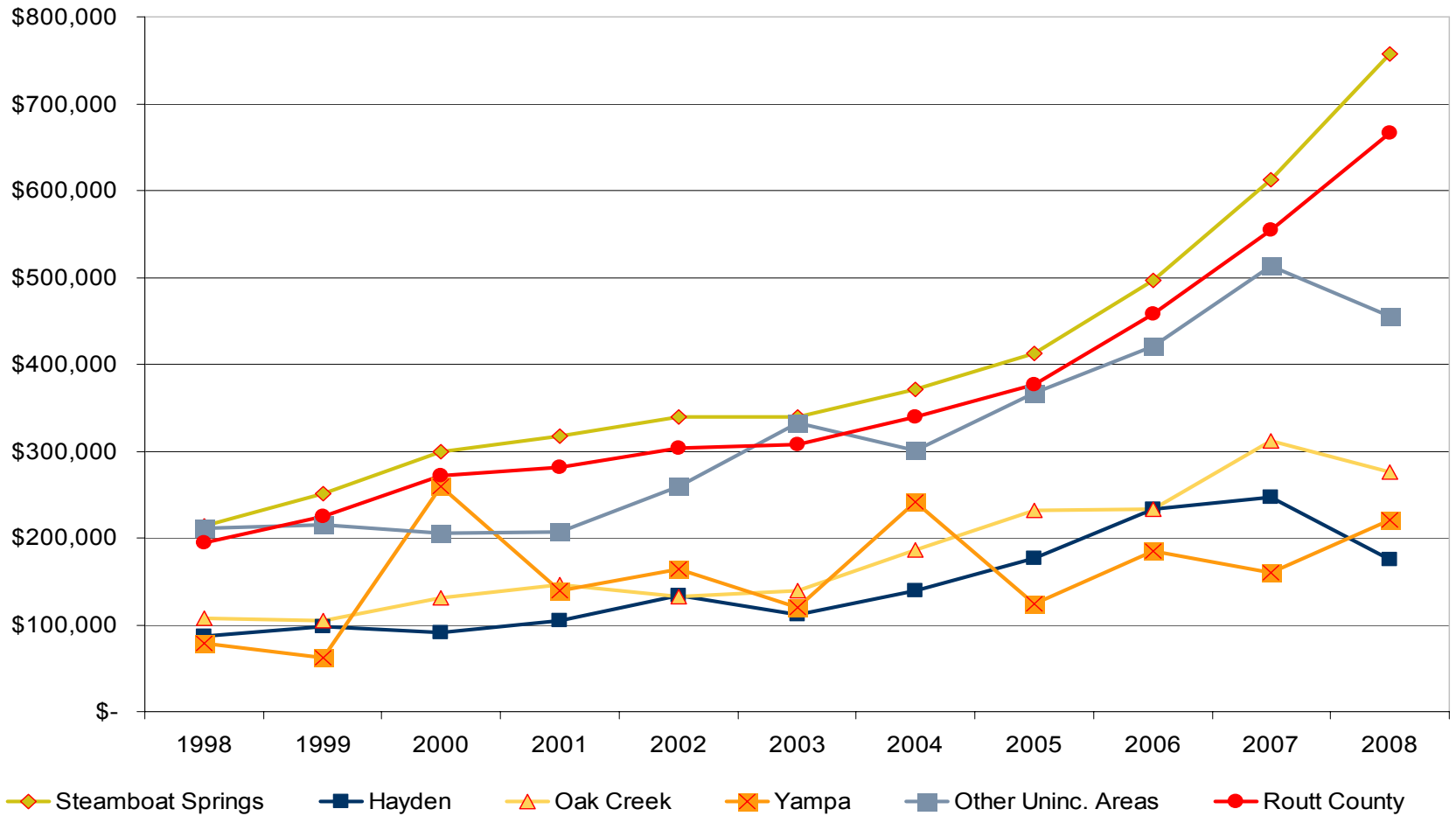
## AVERAGE SALES PRICE BY PRODUCT TYPE

Routt County  
2007-2008



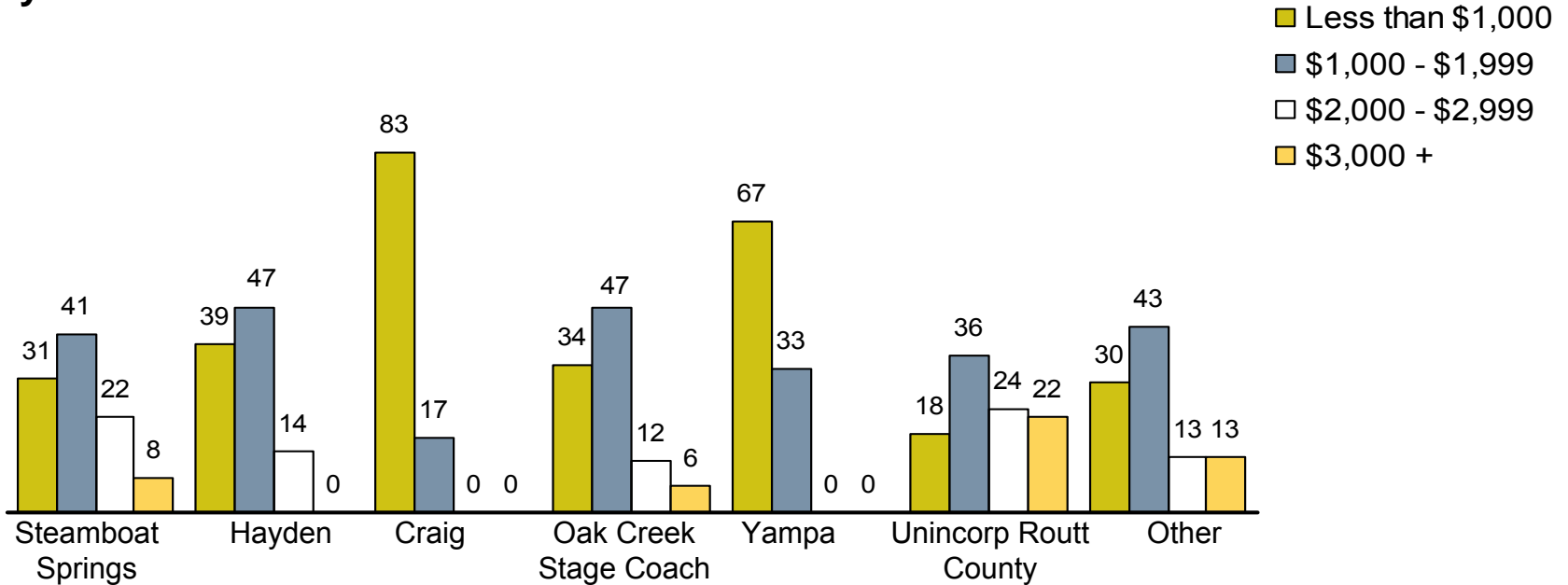
# STEAMBOAT SPRINGS HAS INCREASED IN PRICES MUCH FASTER THAN THE REST OF ROUTT

**AVERAGE SALES PRICE BY AREA (ALL UNIT TYPES)**  
2007-2008



# LOWER COST OPTIONS ARE MORE READILY AVAILABLE IN OTHER AREAS OUTSIDE OF STEAMBOAT SPRINGS

**Share of Total Household Cost By Location in Which They Live**  
%

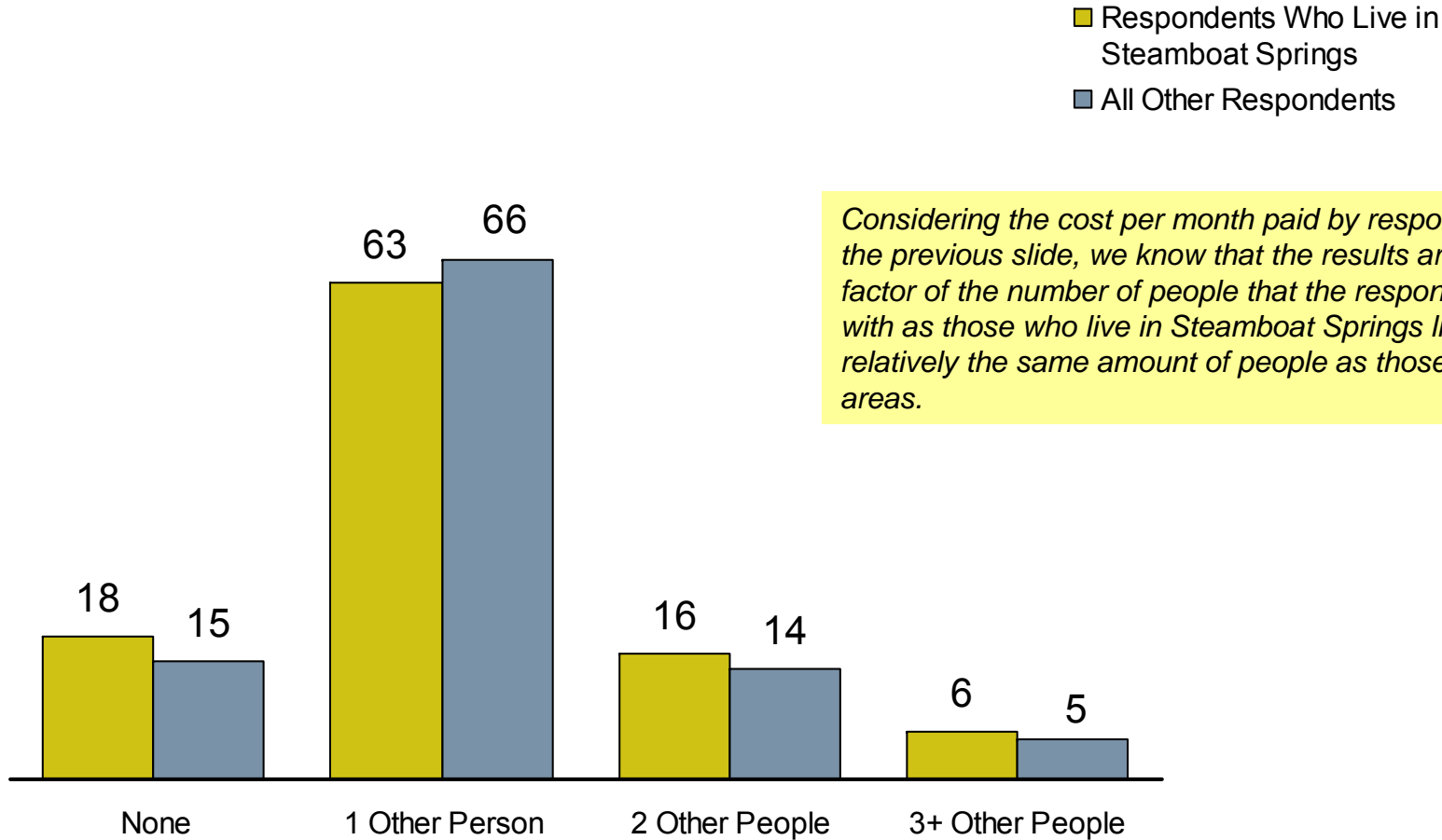


*While housing data suggests that Steamboat Springs has the highest cost of housing, it appears that other areas around Steamboat Springs do as well. However, there are areas in which lower cost housing is more readily available as most other areas have many more respondents who pay less than \$1,000 per month.*

SOURCE: RCLCO Consumer Research

# RESPONDENTS IN STEAMBOAT SPRINGS ARE NOT MORE LIKELY TO LIVE WITH MANY MORE PEOPLE THAN OTHER AREAS

## Number of Other People Respondents Live With By Area



*Considering the cost per month paid by respondents in the previous slide, we know that the results are not a factor of the number of people that the respondents live with as those who live in Steamboat Springs live with relatively the same amount of people as those in other areas.*

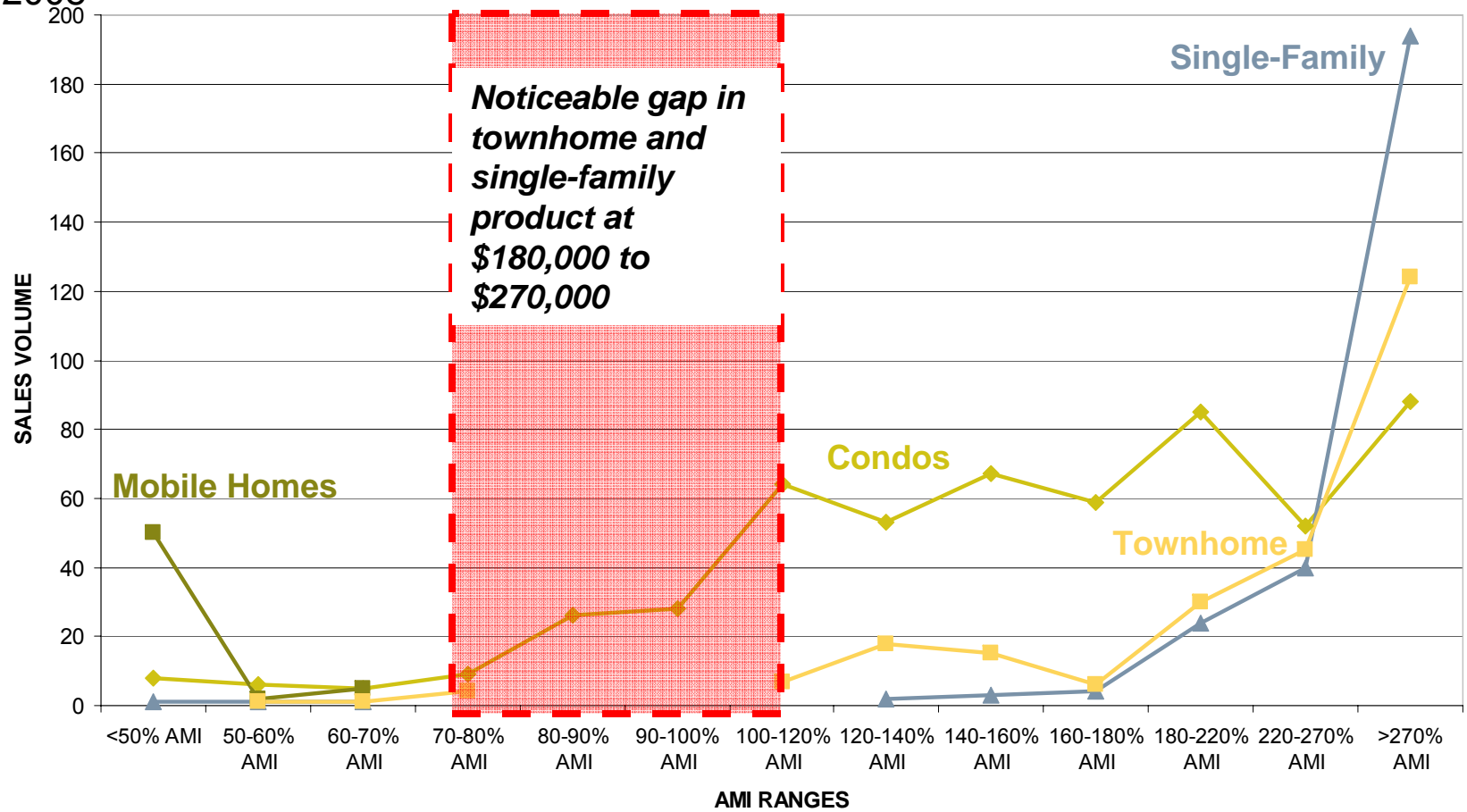
SOURCE: RCLCO Consumer Research

# IN STEAMBOAT SPRINGS, CONDOMINIUM IS ONLY OPTION BETWEEN 80% AND 120% AMI

## SALES VOLUME, CITY OF STEAMBOAT SPRINGS

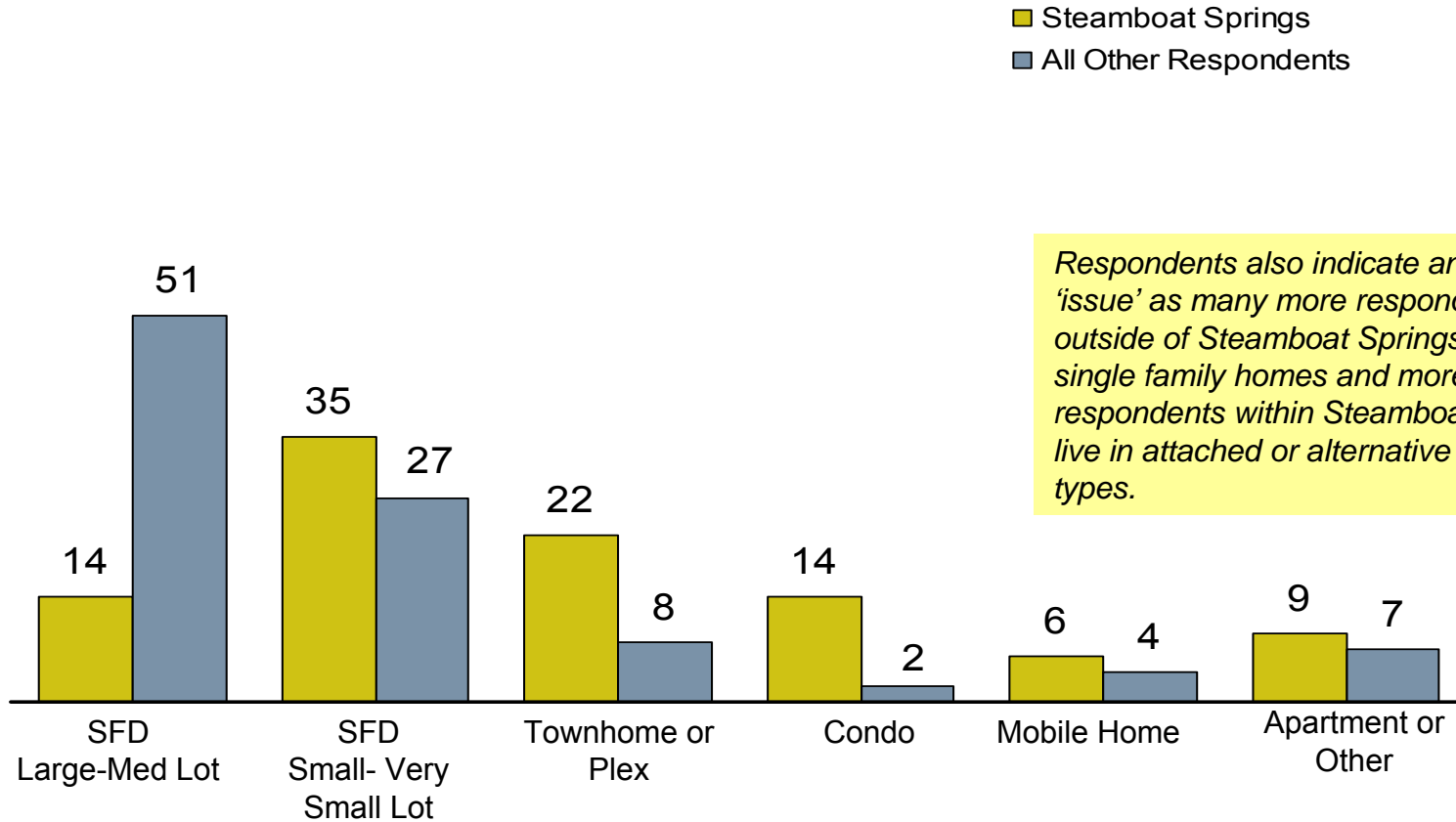
By Product Type

2007-2008



# RESPONDENTS IN STEAMBOAT SPRINGS ARE MORE LIKELY TO LIVE IN ATTACHED OR ALTERNATIVE PRODUCT TYPES

## Type of Home Currently Live in By Area %



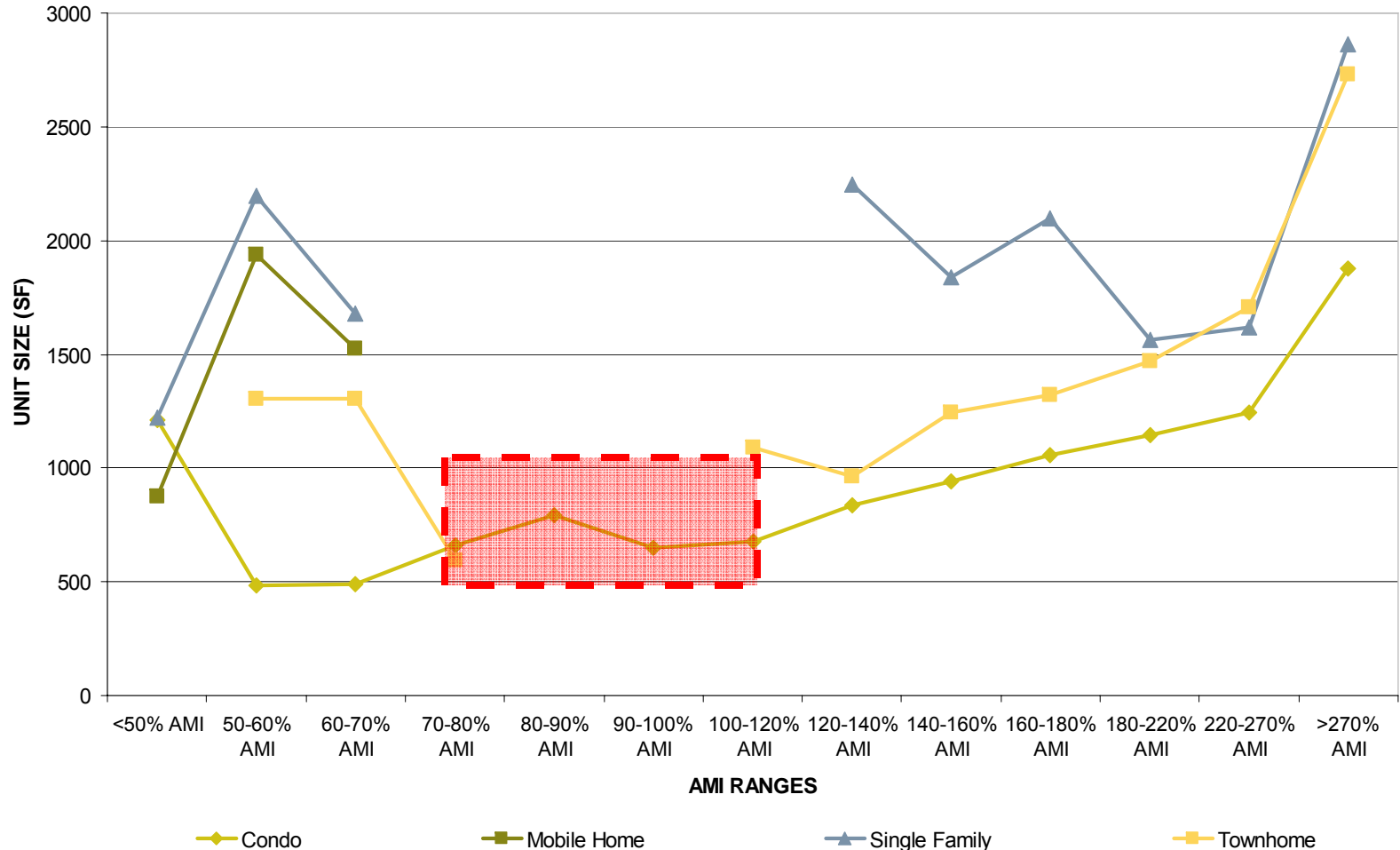
*Respondents also indicate an option 'issue' as many more respondents outside of Steamboat Springs live in single family homes and more respondents within Steamboat Springs live in attached or alternative product types.*

SOURCE: RCLCO Consumer Research

# BETWEEN 80% AND 120% AMI, CONDO OPTIONS ARE LIMITED TO STUDIO AND 1BR UNITS

## AVERAGE UNIT SIZES, CITY OF STEAMBOAT SPRINGS

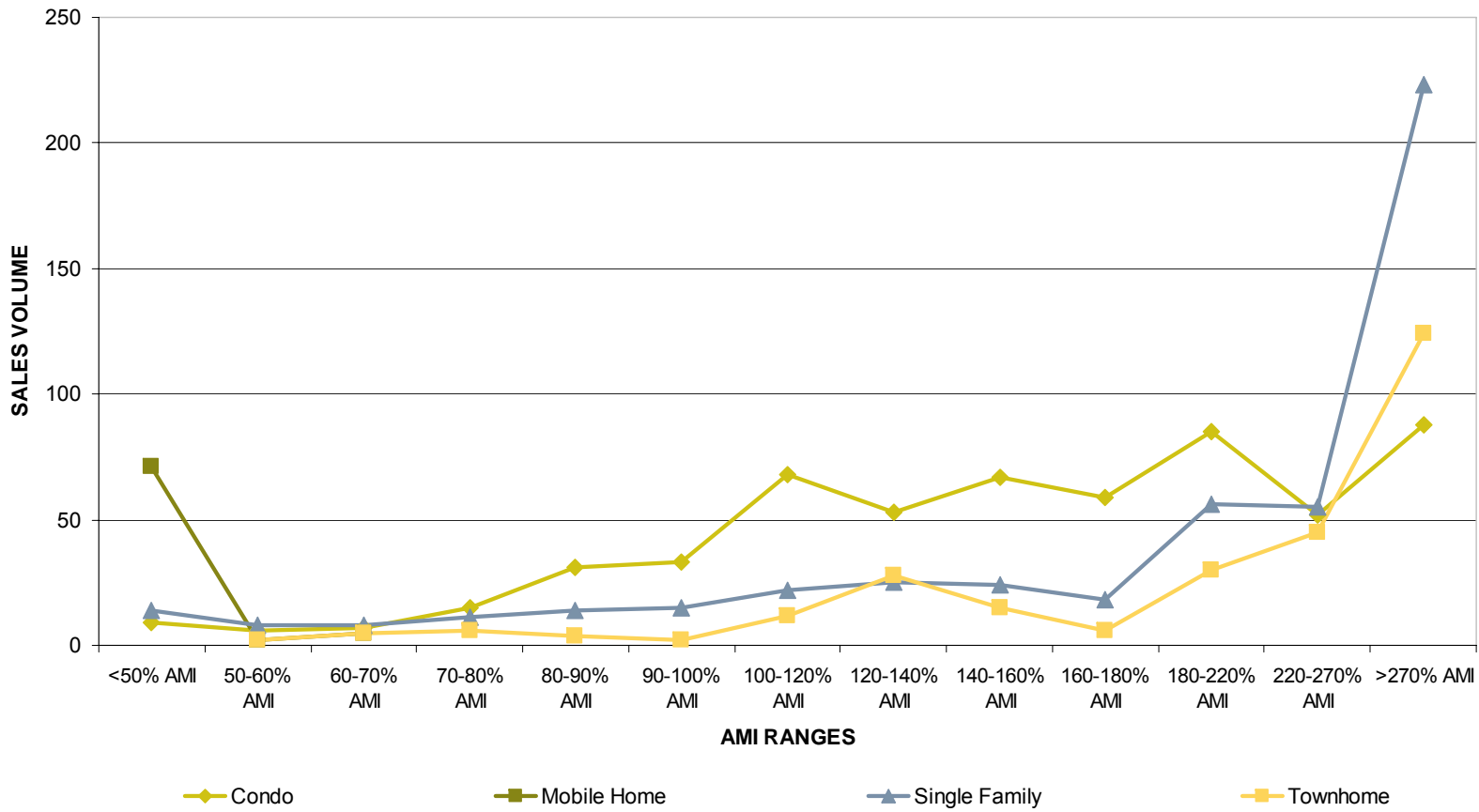
By Product Type  
2007-2008



# IN ROUTT COUNTY, OPTIONS ARE BROADER, BUT MAJORITY OF SINGLE-FAMILY IS ABOVE 180 AMI

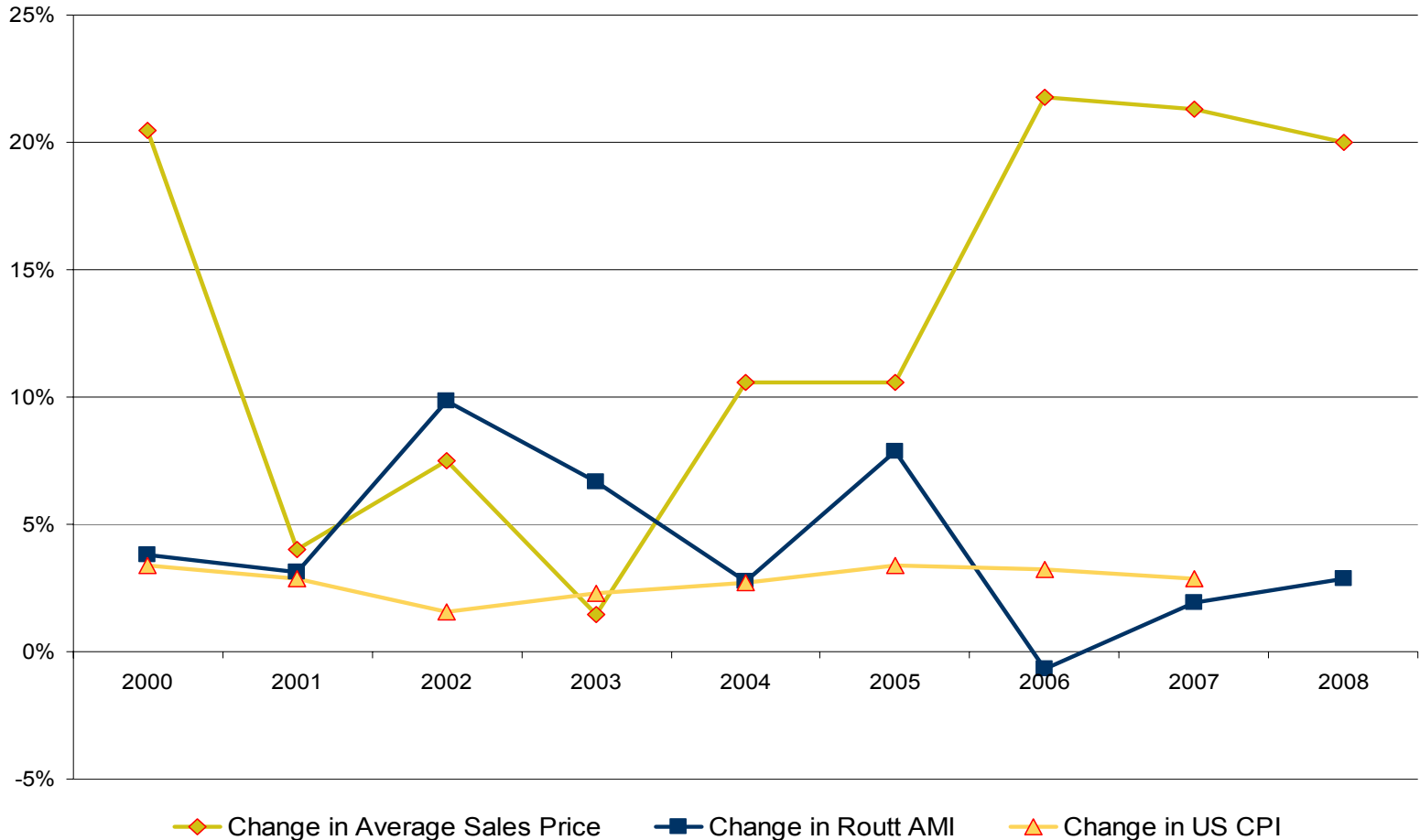
## SALES VOLUME, ROUTT COUNTY (NOT INCLUDING STEAMBOAT SPRINGS)

By Product Type  
2007-2008



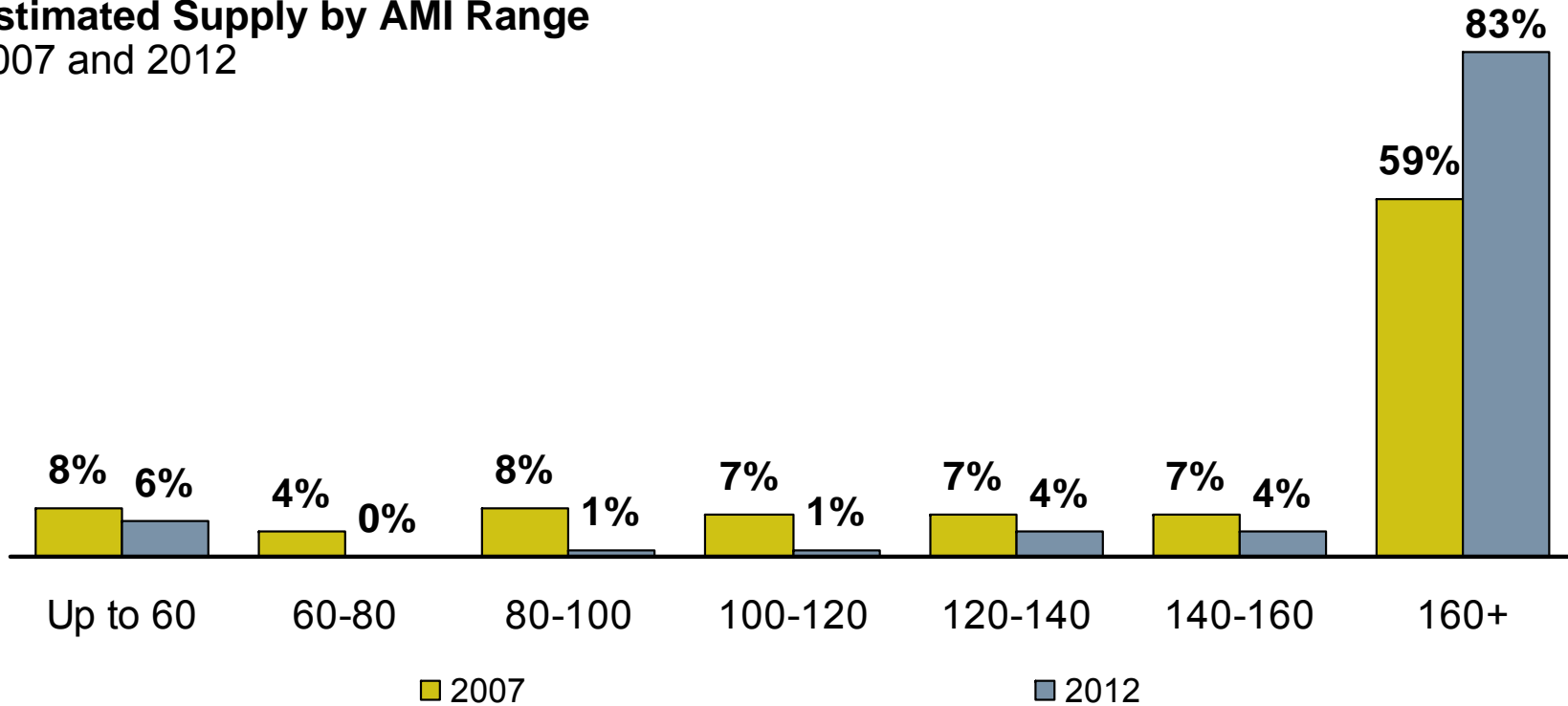
# THE GROWTH IN ROUTT COUNTY INCOMES HAS TRAILED SIGNIFICANTLY BEHIND HOME APPRECIATION

## COMPARISON OF AVERAGE HOME PRICES GROWTH TO AMI AND CPI GROWTH 2000-2008



# CURRENT APPRECIATION RATES<sup>1</sup> YIELD TO NEAR ELIMINATION OF 60-120% AMI FOR-SALE SUPPLY BY 2012

## Estimated Supply by AMI Range 2007 and 2012



	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Supply 2007	8%	4%	8%	7%	7%	7%	59%
Supply 2012	6%	0%	1%	1%	4%	4%	83%
<b>CHANGE</b>	-1%	-4%	-6%	-6%	-4%	-3%	24%

<sup>1</sup> Assumes the average appreciation rate for each product type over the past five years holds true for the next five years.

# VIRTUALLY NO NEW PRODUCT AVAILABLE UNDER 160 AMI

AMI RANGE	WHERE?	AVAILABLE PRODUCT (AVERAGE SIZE), AVG. AGE
<b>Up to 60% AMI</b>	Steamboat	Mobile Homes (850 SF), Few very small condos (500 SF); late 1970s, no new
	Outlying	Mobile Homes (850 SF), Old SFD (1000 SF); 1960s, no new
<b>60-80% AMI</b>	Steamboat	Few very small condos (500 SF); mid 1980s, no new
	Outlying	Few small condos (800 SF), Few TH (1000 SF), Small SFD (1000SF); 1950s, no new
<b>80-100% AMI</b>	Steamboat	Small condos (750 SF); mid 1980s, very few new
	Outlying	Few condos (1000 SF), Few TH (1200 SF), SFD (1300 SF); late 1950s, no new
<b>100-120% AMI</b>	Steamboat	Small condos (750 SF), Few TH (1000 SF); early 1980s, few new TH available
	Outlying	Few condos (1000 SF), Few TH (1400 SF), SFD (1400 SF); mid 1970s, no new
<b>120-140% AMI</b>	Steamboat	Small condos (750 SF), TH (1000 SF); early 1980s, virtually no new
	Outlying	Few TH (1400 SF), SFD (1500 SF); early 1970s, no new
<b>140-160% AMI</b>	Steamboat	Condos (1000 SF), TH (1200 SF); mid 1980s, few new condos
	Outlying	SFD (1700 SF); late 1970s, no new

Note: Data reflects homesales through May 15, 2008, does not include new projects that are actively-selling or planned projects that may help address this gap.



## Deed-Restricted Supply

# APPROVED DEED RESTRICTED STOCK IS LIMITED TO SMALL SIZED UNITS ON AVERAGE: MARKET RATE UNITS ARE NEARLY DOUBLE THE SIZE

## MARKET DEVELOPMENTS WITH APPROVED ON-SITE DEED RESTRICTED UNITS UNDER THE 2006 IZ PROGRAM OR THE HYBRID 2006/2007 COMMUNITY HOUSING PLANS

COMMUNITY NAME	DATE APPROVED	ESTIMATED COMPLETION	# OF DR UNITS	DR UNIT TYPES AVAIL.	AVG. SIZE DR UNIT (SQ FT)	MARKET UNIT TYPES AVAIL.	AVG. SIZE MARKET UNIT (SQ FT)
Fulton Ridge	October 2006	2009	4	2 Bed	926	3-4 Bed	1,923
Olympian	December 2006	Fall 2008	3	1 Bed	887	2-3 Bed	1,618
Sundance North	January 2007	Fall 2009	3 (2 ADA units)	2 Bed	950	2-3 Bed	1,228
Trappeur's Crossing	March 2007	Fall 2008	6	1-2 Bed	837	3-5 Bed	1,935
Wild Horse Meadows	February 2008	2009/ 2010	47 in first phase/ 47 in second phase	Studio/ 1-2 Bed	747	Studio/ 1-3 Bed	1,142
Steamboat Barn Village	August 2008	Fall 2009	11	2 Bed <sup>1</sup>	984	Lots	N/A
Elk River (YVHA)	May 2008	Fall 2009	33	2-3 Bed	1,000	2-3 Beds	1,025
SunRay Meadows (Edgemont)	December 2007	Completed	7	1-3 Bed	1,138	1-3+ Bed	1,825
<b>Totals/Averages</b>			<b>161</b>		<b>933</b>		<b>1,570</b>

1 Optional 1 Bed and 3 Bed units  
SOURCE: City of Steamboat Springs, RCLCO



# YVHA AND HABITAT FOR HUMANITY FOR-SALE HOUSING PROGRAMS HAVE CREATED AFFORDABLE UNITS

- ▶ **West End Village**
  - Total of 36 Units
  - 25 single-family, 2 duplexes
  - 1 single-family, 3 duplexes created under the USDA/RD Self Help Grant
  
- ▶ **Fox Creek Village**
  - Completed Spring of 2007
  - 30 units (all two-bedroom, two-bath condos)
    - 20 deed restricted <80% AMI
    - 10 deed restricted at 120% AMI
  - Created with help from the Colorado Division of Housing Grant to provide subsidy for purchase price and down payment assistance
  
- ▶ **Fish Creek Mobile Home Park**
  - Purchased in August 2007
  - 68 Mobile Home Lots
  
- ▶ **Routt County Habitat for Humanity**
  - 3 units (one single-family home, two duplexes, one duplex under construction)
  - Sweat equity project and RCHFH provided down payment assistance and low interest loans
  
- ▶ **Elk River Village**
  - **Approved** in May 2008
  - Will consist of 67 units (54 two-three bedroom, two bath condos; 13 single family modular homes)
  - Created with grant from CARHOF for pre-development and Down Payment Assistance Grants to qualifying buyers

# SHORTCOMINGS OF DEED RESTRICTED UNITS: AMI RESTRICTIONS, DIFFICULT FINANCING, AND SMALL UNITS

- ▶ Workforce is often unaware of affordable options available
  - Qualifying criteria and deed restrictions are not readily available to those who could benefit from the program.
- ▶ Often those that are aware of deed restrictions are finding difficulty qualifying
  - Many residents are below the 80% AMI threshold and cannot qualify
  - Developers oftentimes target buyers at 100% AMI rather than have a mix of product that is accessible to buyers at both 80% AMI and 120% AMI.
- ▶ Credit problems and high debt to income ratios are preventing many potential buyers from qualifying for financing
  - Lenders are more stringent with applicants and moderate income individuals looking to purchase homes often cannot meet requirements
- ▶ The affordable units offered do not reach all segments of the workforce.
  - Few couples and families are taking advantage of the deed restricted units due to small size (averaging 933 square feet) and attached design.
  - Households above 100% AMI feel they can afford a larger single family unit outside of the city
  - The majority of interest has been from households near the 80% AMI level

# SIGNIFICANT SUPPLY OF DEED RESTRICTED UNITS POSSIBLE OVER NEXT 10 YEARS

## Planned and Proposed Developments 2008-2019

PLANNED PROJECT	TOTAL	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19
<b>TOTAL PLANNED UNITS</b>	<b>2,148</b>	<b>149</b>	<b>215</b>	<b>268</b>	<b>222</b>	<b>172</b>	<b>172</b>	<b>160</b>	<b>158</b>	<b>158</b>	<b>158</b>	<b>158</b>	<b>158</b>
<b>Est. Built Units<sup>1</sup></b>	<b>1,074</b>	<b>75</b>	<b>108</b>	<b>134</b>	<b>111</b>	<b>86</b>	<b>86</b>	<b>80</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>
<b>Est. Planned Deed Restricted<sup>2</sup></b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Approved Deed Restricted<sup>3</sup></b>	<b>195</b>	<b>16</b>	<b>119</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Potential Deed Restricted Units</b>	<b>347</b>	<b>16</b>	<b>119</b>	<b>60</b>	<b>22</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>

1 Assumes 50% success rate of proposed units are built

2 Assumes 20% of all new units become deed restricted units

3 Approved Units from the City of Steamboat Springs mentioned in slide 71 including units 67 from Elk River Village

SOURCE: City of Steamboat Springs, 2008 Steamboat School District Student Enrollment Projections, Western Demographics, Inc.



## Year-Round Rental Supply

# YVHA AND OTHER HOUSING PROGRAMS HAVE CREATED AFFORDABLE RENTAL UNITS

## ▶ Hillside Village Apartments

- 55 Apartment Units (19 one-bedroom and 26 two-bedroom units) in five buildings
- Created through the USDA-Rural Development Subsidized Rental Program
- Rental rates determined by tenant income. Targeted low to very low incomes (defined as \$30,300 and \$48,450 for 2-person household in Routt County)
- Waiting list

## ▶ Mountain Village Apartments

- 103 Apartment Units- Combination of 26 tax credit (targeting 50% AMI) and 77 market-rate units



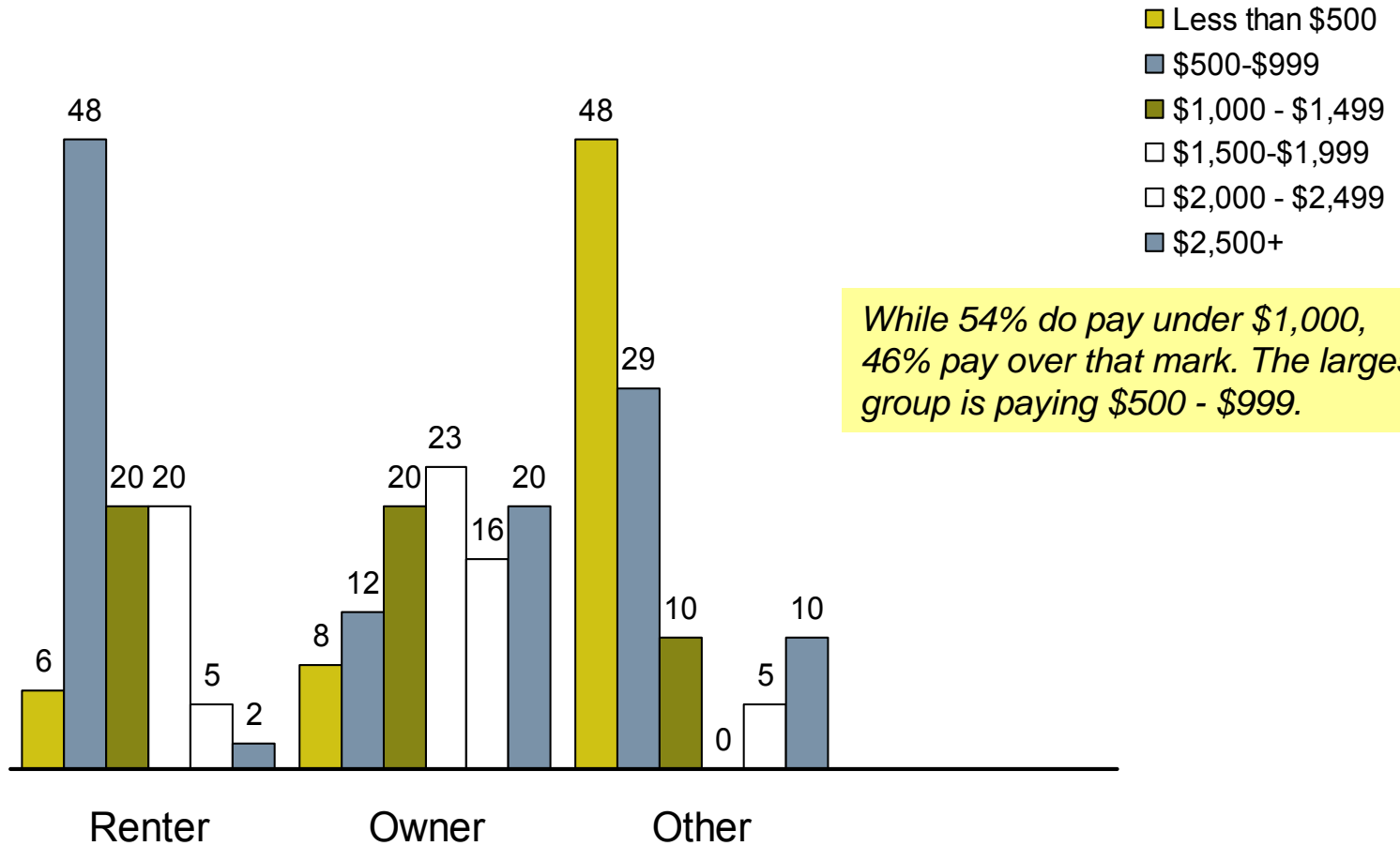
# FOR MANY HOUSEHOLDS – OWNERSHIP IS NOT AN OPTION

- ▶ Roughly 4,200 renter households are created by Routt County jobs.
- ▶ An estimated 95% of year-round renters are housed in owner-rented homes and condos. Many of these are lower-quality buildings and are not attractive to employees looking for short-term options (12-18 months) before transitioning into home ownership. Data on these units is extremely limited.
- ▶ Leasing requirements make it difficult for seasonal employees to rent in Steamboat Springs.
- ▶ The limited supply of “locals” apartment communities in the county have very little turnover, with those who end their leases leaving Routt County.
- ▶ Permanently affordable rental housing is limited to Hillside Village and Mountain Village. These income restricted apartments have 158 units and are the only year-round apartment buildings in Steamboat Springs. These buildings consistently have waiting list and are extremely difficult to get into.
- ▶ The apartment market in Steamboat Springs has tightened considerably over the past years with rents up and vacancy rates down dramatically.

# ABOUT HALF OF ALL RENTERS PAY OVER \$1,000 BUT WITH MOST PAYING \$500 - \$999

## Monthly Housing Cost by Ownership Status

%

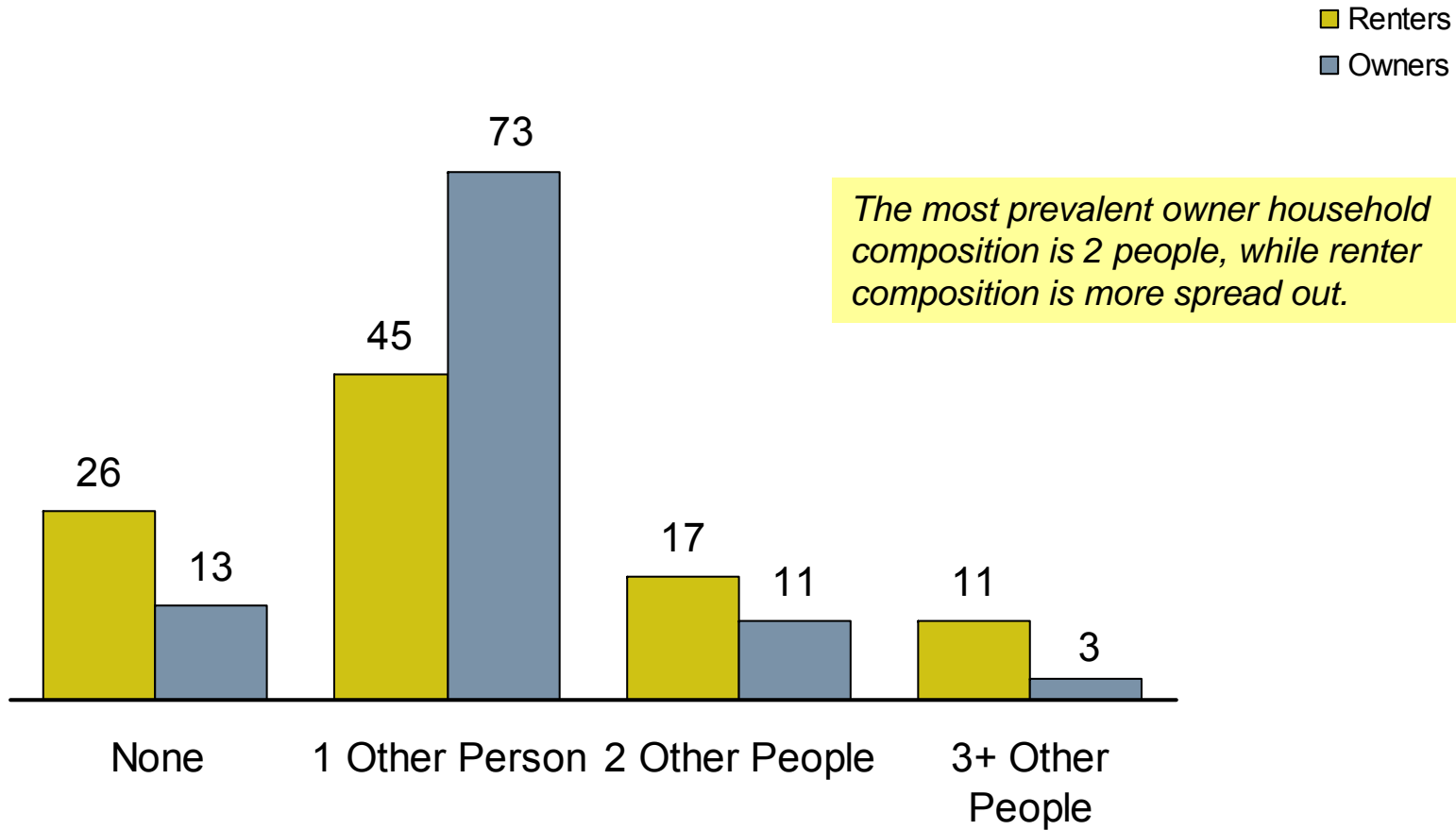


While 54% do pay under \$1,000, 46% pay over that mark. The largest group is paying \$500 - \$999.

SOURCE: RCLCO Consumer Research

# RENTERS ARE MORE LIKELY TO LIVE WITH 2 OR MORE PEOPLE THAN OWNERS

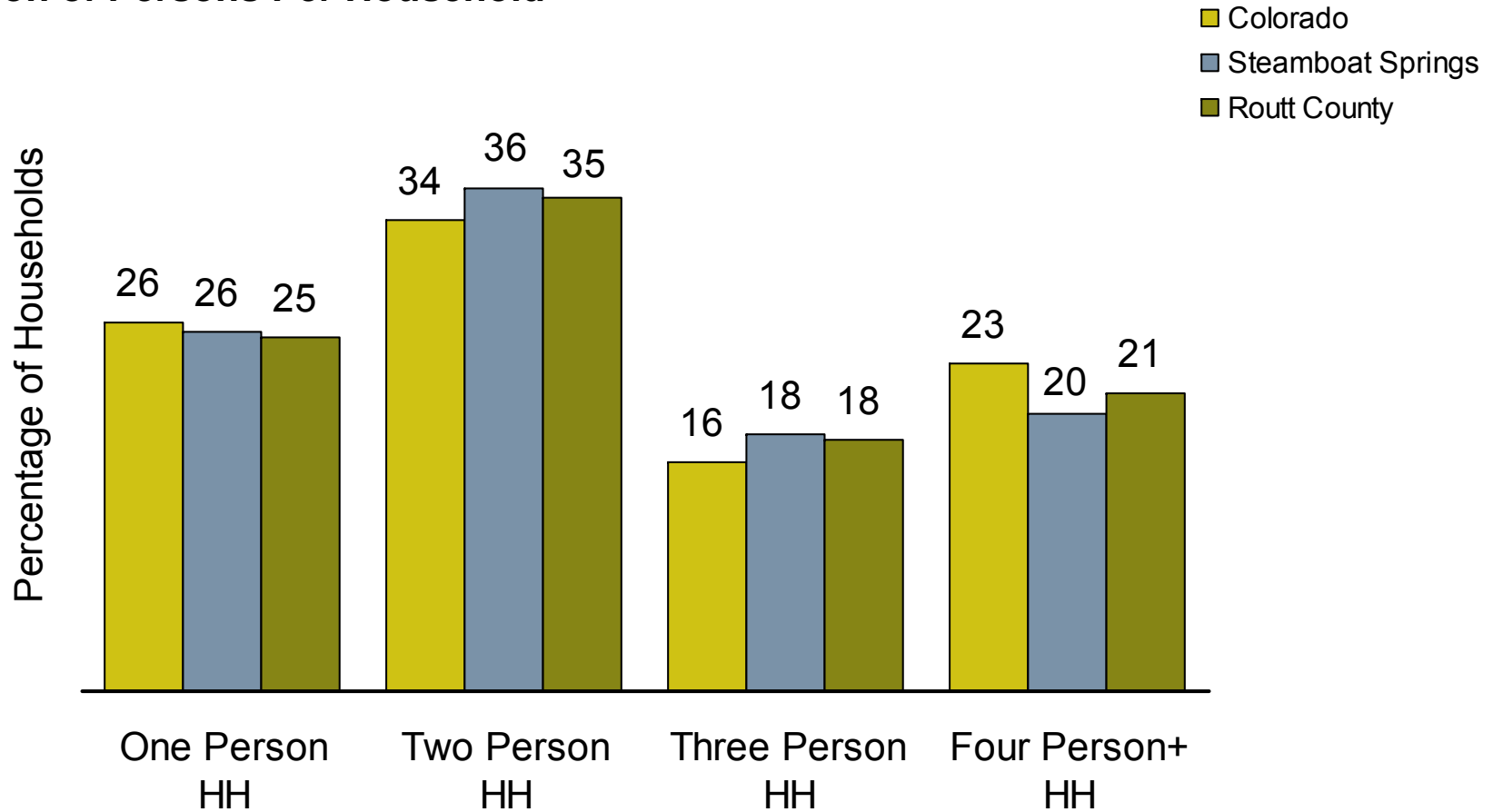
Number of Other People Respondents Live With By Tenure %



SOURCE: RCLCO Consumer Research

# NEARLY 40% OF ROUTT COUNTY HOUSEHOLDS HAVE 3 PERSONS OR MORE: THESE HOUSEHOLDS TYPICALLY DESIRE HOMES WITH TWO BEDROOMS OR MORE

## Distribution of Persons Per Household

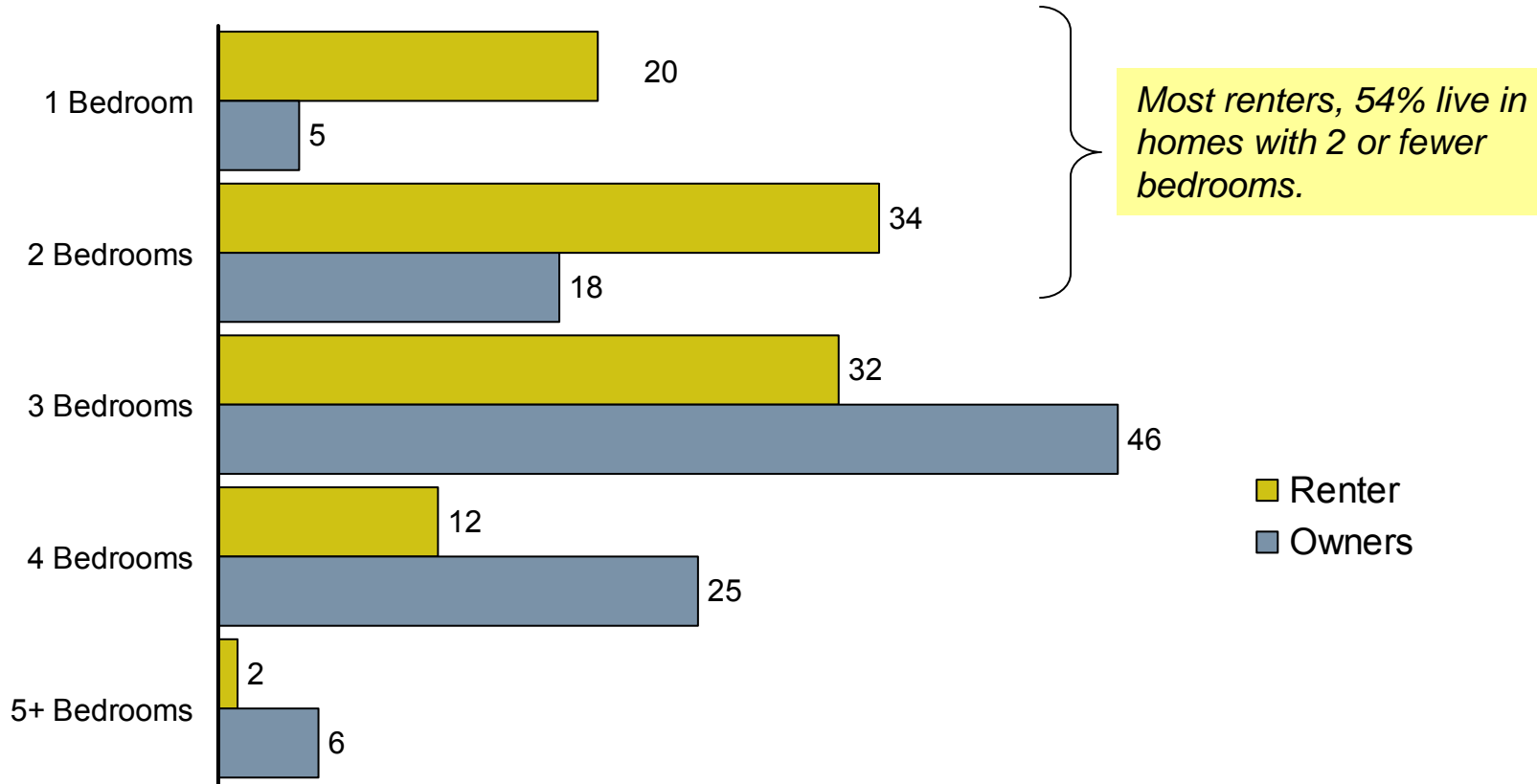


SOURCE: Claritas, Inc.

# 54% OF RENTERS LIVE IN HOMES WITH 2 OR FEWER BEDROOMS

## Number of Bedrooms by Ownership Status

%

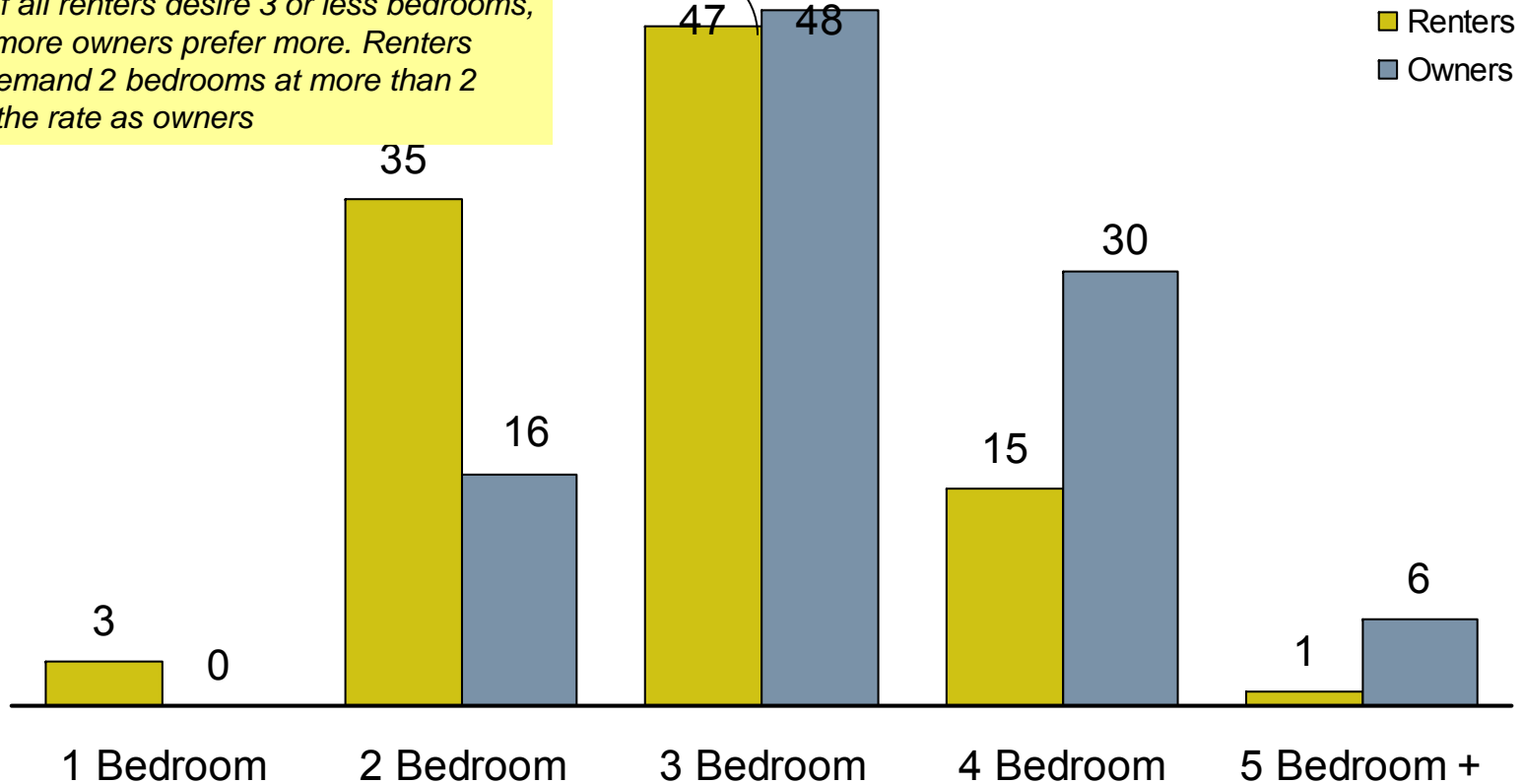


SOURCE: RCLCO Consumer Research

# MOST RESPONDENTS PREFER 2 TO 3 BEDROOMS BUT WITH MORE RENTERS DESIRING FEWER BEDROOMS

## Demand for Bedrooms by Ownership Status

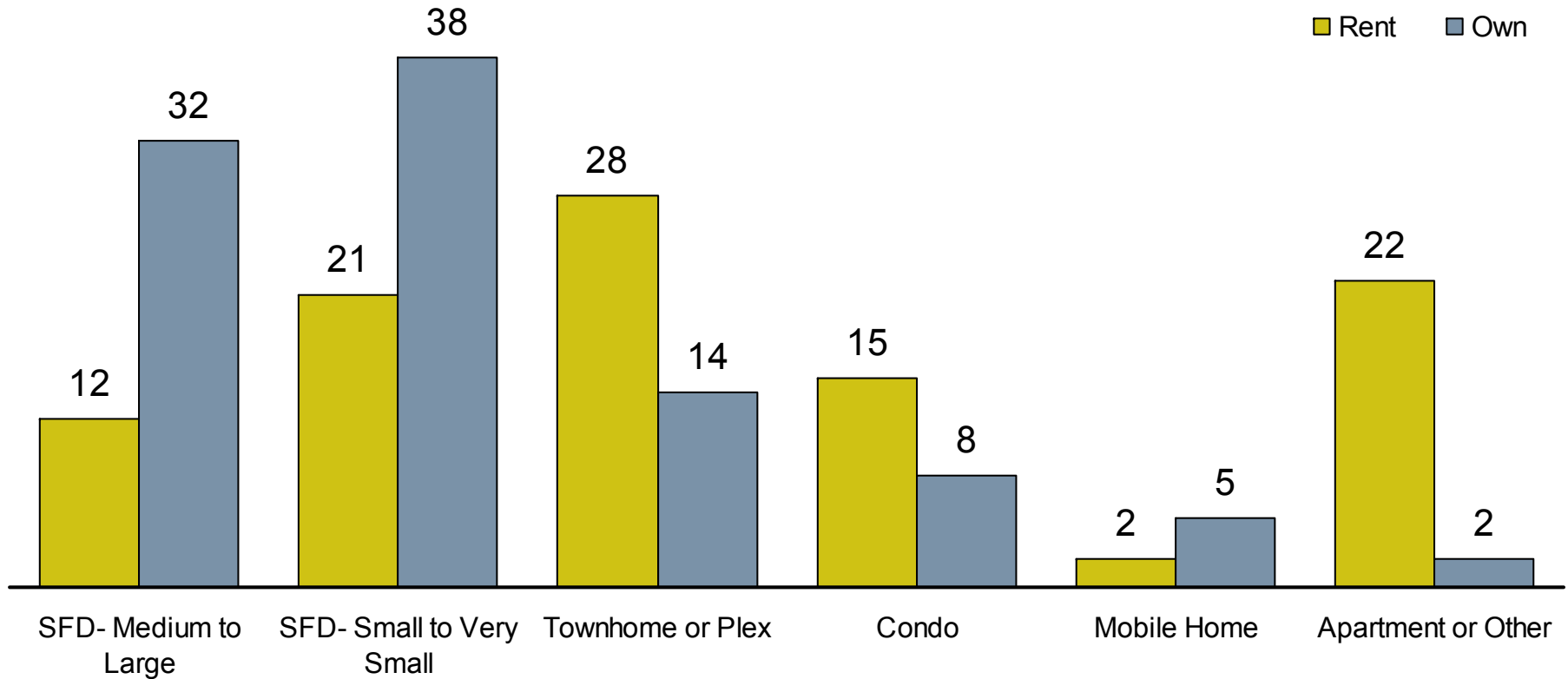
85% of all renters desire 3 or less bedrooms, while more owners prefer more. Renters also demand 2 bedrooms at more than 2 times the rate as owners



SOURCE: RCLCO Consumer Research

# THE MAJORITY OF RENTERS LIVE IN ATTACHED OR ALTERNATIVE PRODUCT

**Current Product Type by Ownership Status**  
%

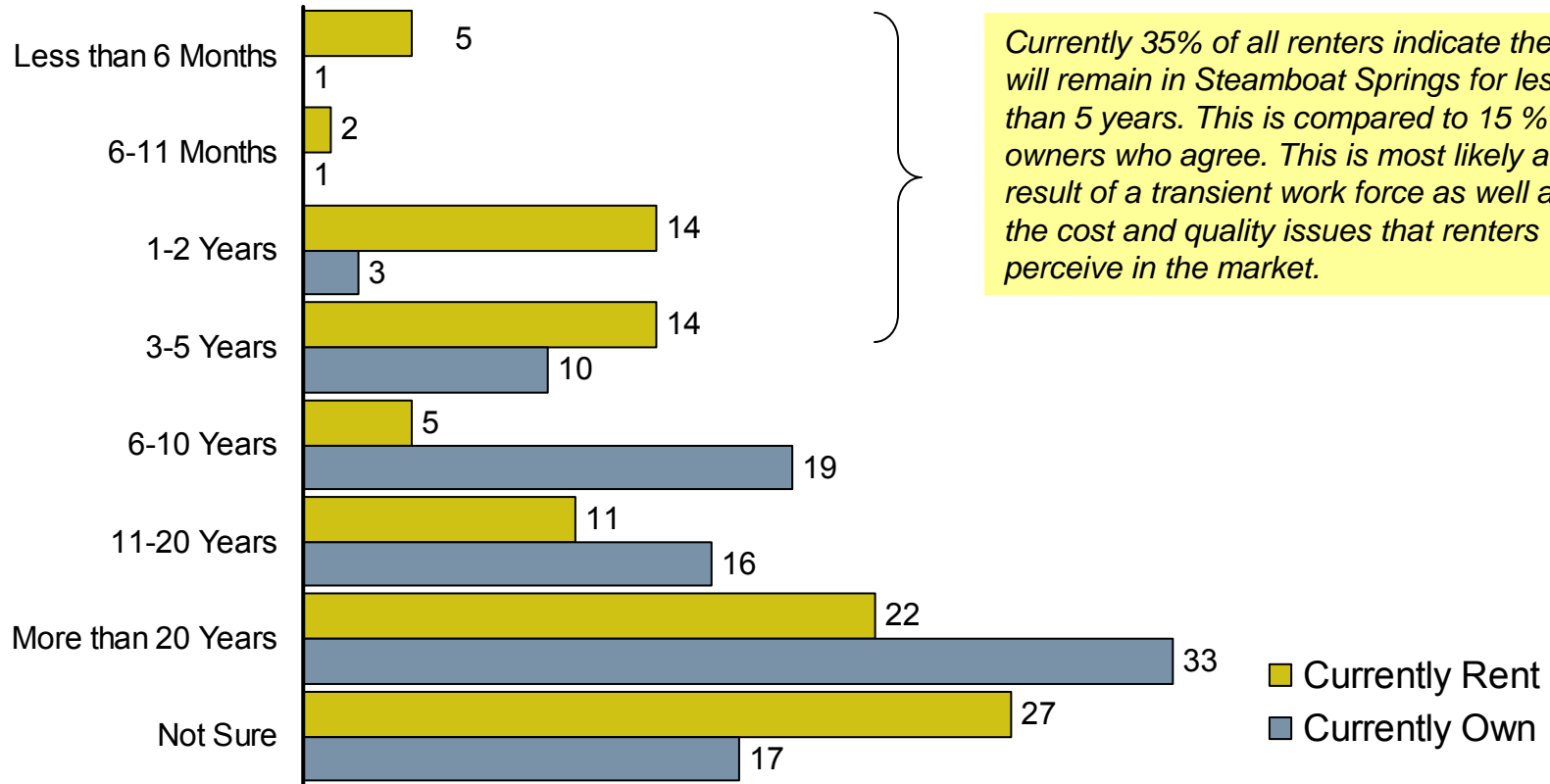


SOURCE: RCLCO Consumer Research

# 35% OF ALL RENTERS INDICATE THEY WILL STAY IN STEAMBOAT SPRINGS LESS THAN 5 MORE YEARS

## Anticipated Years Remaining in Steamboat Springs by Tenure

%



*Currently 35% of all renters indicate they will remain in Steamboat Springs for less than 5 years. This is compared to 15 % of owners who agree. This is most likely a result of a transient work force as well as the cost and quality issues that renters perceive in the market.*

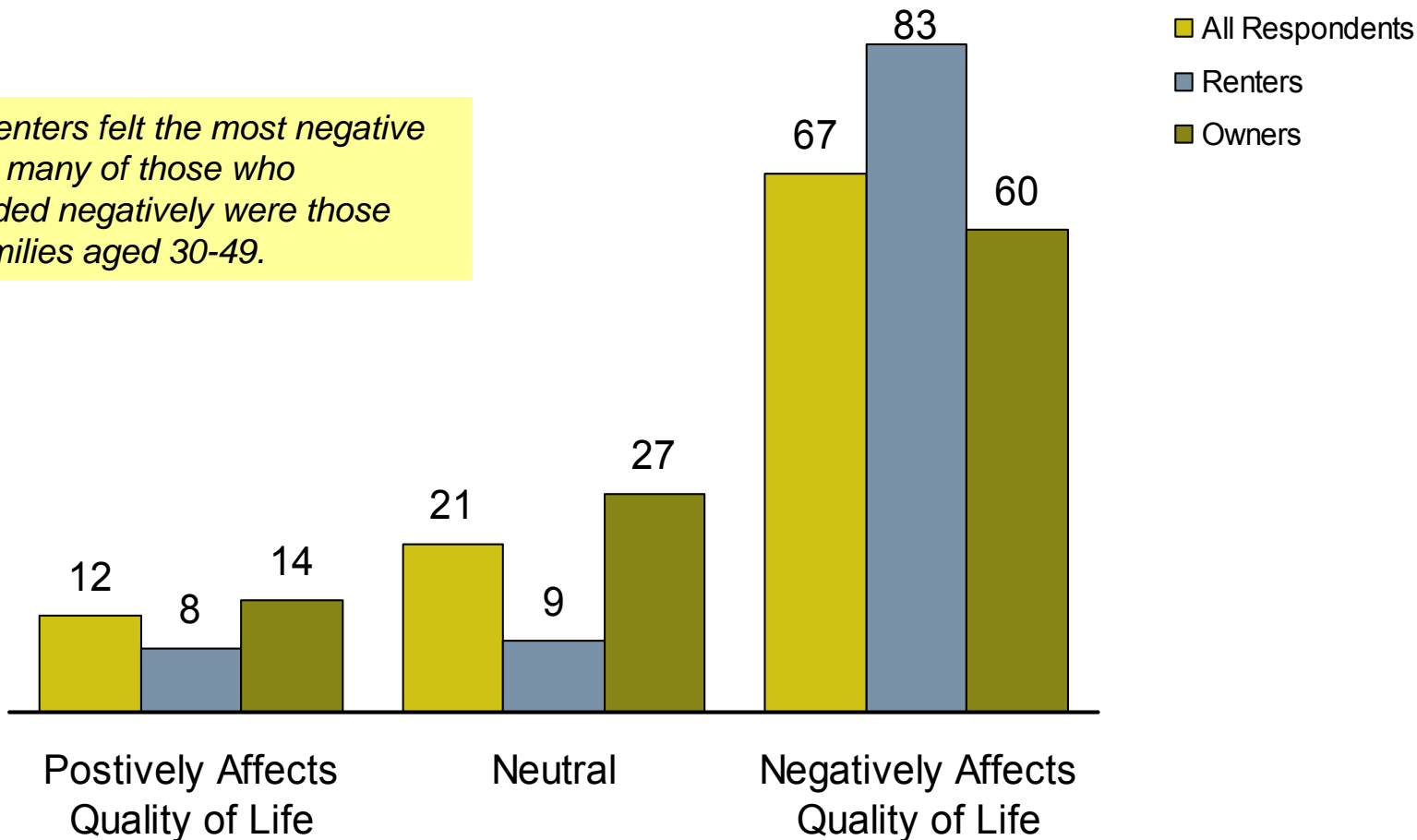
SOURCE: RCLCO Consumer Research

# RENTERS FEEL A GREATER NEGATIVE IMPACT ON QUALITY OF LIFE DUE TO COST OF HOUSING

## Effect of Cost of Housing on Quality of Life

%

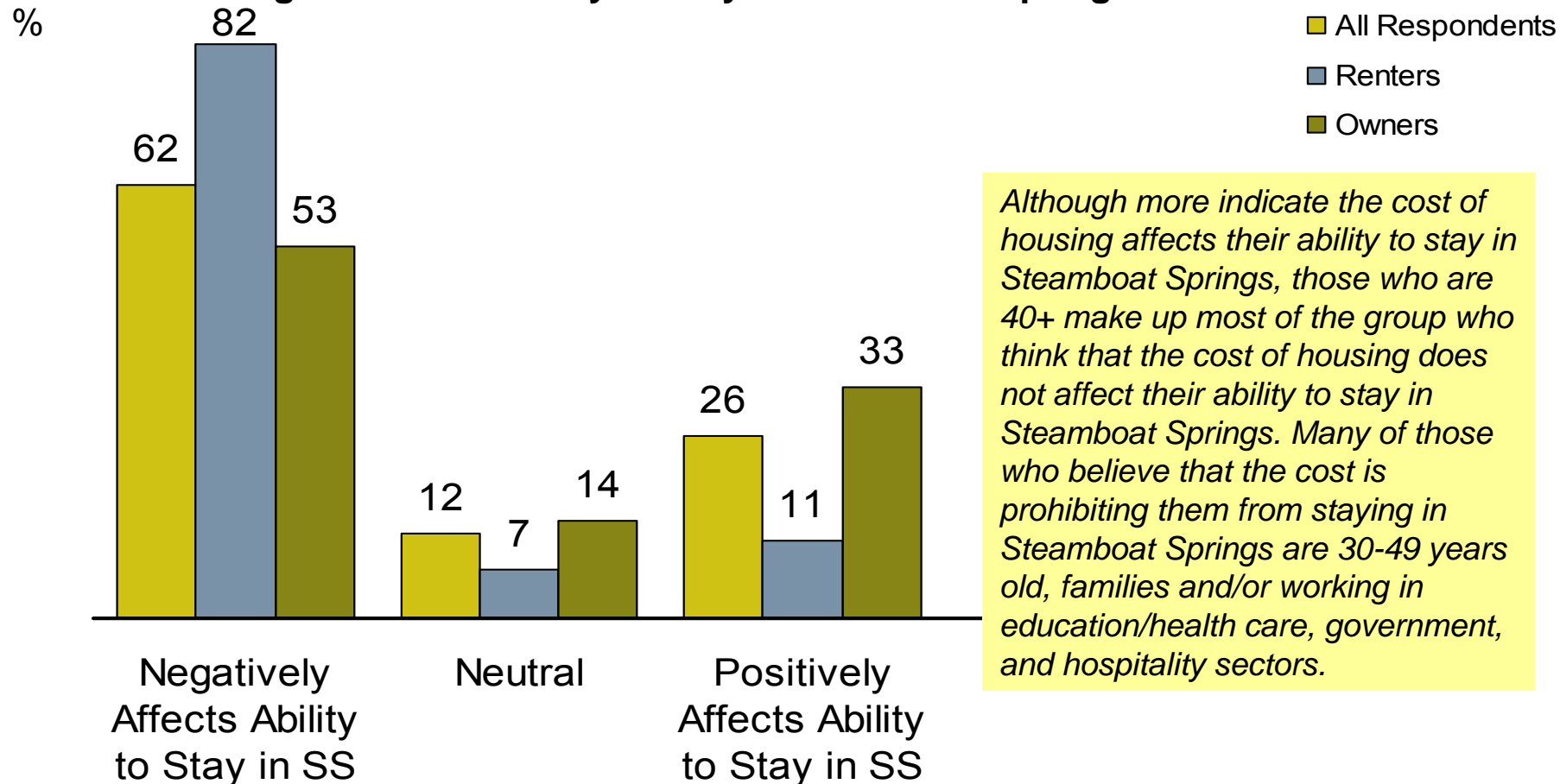
*While renters felt the most negative effects, many of those who responded negatively were those with families aged 30-49.*



SOURCE: RCLCO Consumer Research

# RENTERS FEEL THAT THE COST NEGATIVELY AFFECTS ABILITY TO STAY IN STEAMBOAT SPRINGS

## Cost of Housing Affects on Ability to Stay in Steamboat Springs

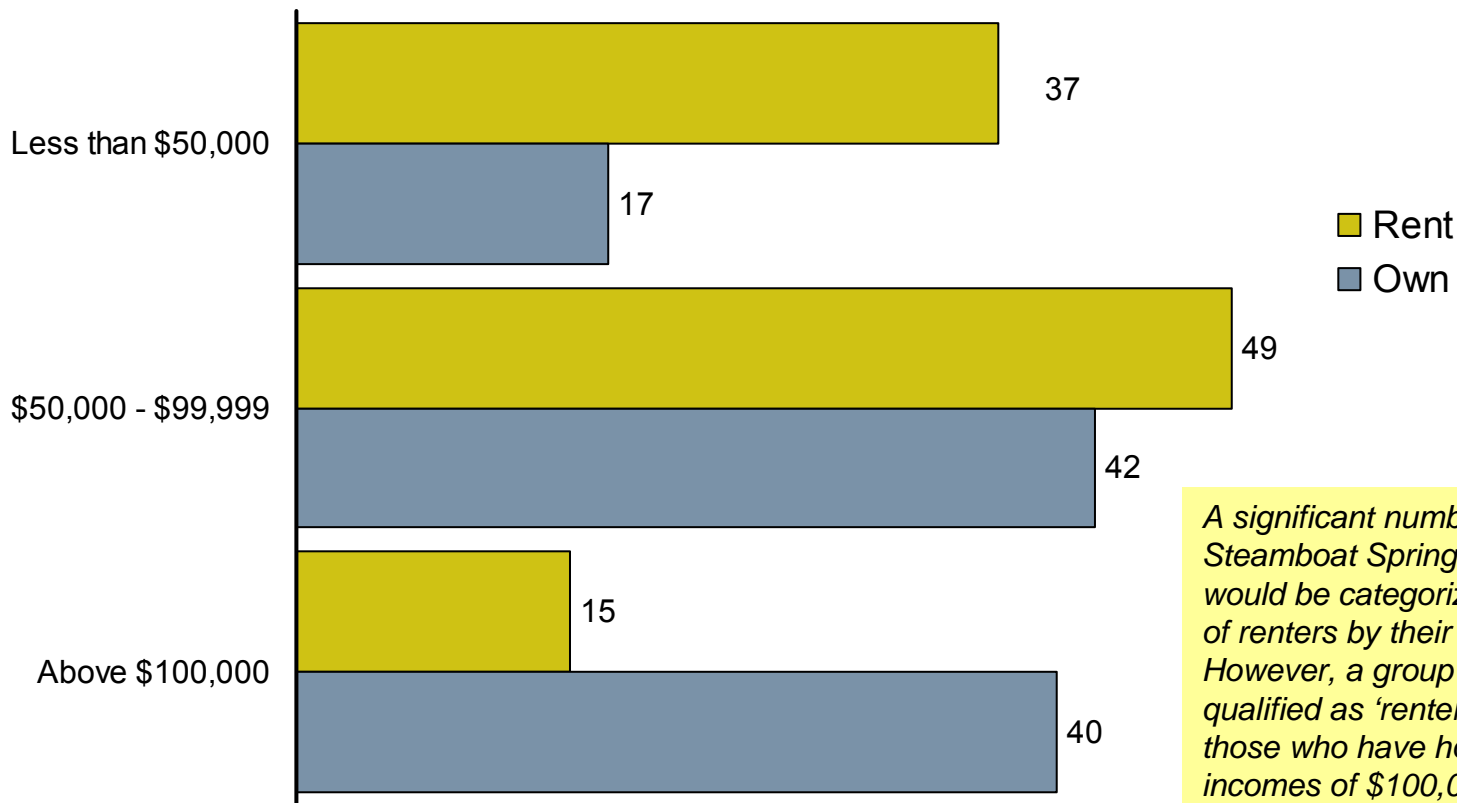


SOURCE: RCLCO Consumer Research

# ALTHOUGH THE MAJORITY OF RENTERS HAVE TYPICAL RENTER INCOMES, THERE IS A COHORT OF 'RENTERS BY-CHOICE'

## Total Household Income by Ownership Status

%



*A significant number of Steamboat Springs employees would be categorized as a pool of renters by their incomes. However, a group who could be qualified as 'renters by choice' or those who have household incomes of \$100,000+ seems to exist.*

SOURCE: RCLCO Consumer Research



## Seasonal Rental Supply

# CITY CREATED EMPLOYER-ASSISTED RENTAL UNITS FOR WORKERS AND OTHER EMPLOYEES IN ROUTT COUNTY

## ▶ Iron Horse

- Partnership with City and Local Employers
- 52 units available in mix of affordable units and motel style units.
  - New Building: (25) motel units plus (1) two-bedroom
  - Old Building: (23) efficiencies plus (2) one-bedrooms
- Serves Employees of:
  - The City of Steamboat Springs
  - Sheraton
  - City Market
  - Christy Sports
  - School District
  - Employers who contract for units or long-term leases
- Currently the building is fully leased.
  - 38 seasonal units leased in the summer of 2007 (12 city employees, 8 employers)
  - 52 seasonal units leased in the winter of 2008 (20 city employees, 32 resort group master lease)



# SEASONAL RENTERS HAVE STAYED RELATIVELY STEADY

- ▶ Seasonal renters are defined as workers renting units for approximately one to six months. Rental terms less than one month are considered resort-oriented and are not factored into this analysis.
- ▶ Annual seasonal employment has stayed relatively steady in absolute numbers over the past five years averaging between 2,100 and 2,500 employees. There are approximately 25-45% more seasonal employees in the Winter season.
- ▶ The vast majority of seasonal renters are housed in owner-rented homes and condos. The seasons tend to run November through April for the Winter, and May through October for Summer.
- ▶ The majority of these renters are employed by Ski Corp and other ski resort related companies in the Winter, and by construction companies and tourism related employers in the summer.
- ▶ There are only 120 seasonal units at Walton Pond. These units are fully leased in Winter season by employees of Ski Corp, with a waiting list.
- ▶ Difficult to estimate the number of seasonal units available as supply is dictated by demand from visitors opposed to employees.

# SUPPLY SUMMARY: ROUTT COUNTY'S HOUSING UNITS ARE DYNAMIC AND HIGHLY SOUGHT AFTER

## Routt County Housing Unit Overview 2008

	Single-Family	Multifamily	Mobile Homes	Total
2008 Total Units <sup>1</sup>	7,338	6,794	976	15,108
Percent Occupied <sup>2</sup>	84%	47%	91%	68%
2008 Occupied (Owner and Year-Round Renter)	6,142	3,180	809	10,212
Calculated Vacant/Recreational (per US Census)	1,196	3,614	86	4,896
Less Average Annual Seasonal Units <sup>3</sup>				1,000
Calculated Vacant/Recreational				3,896
Less Occupied Recreational Units at 58% <sup>4</sup>				2,260
Actual Vacant/Recreational				1,636
Total Occupied Units 2008				13,472
<b>Average Annual Occupancy</b>				<b>89%</b>

1 Projected off Census 2000 data using annual building permits


2 2000 Census for year-round occupants

3 RCLCO estimate using Colorado Division of Labor Quarterly Census of Employment and Wages

4 Central Reservations 2006 data

# SUMMARY OF ISSUES AND CONCLUSIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
- ▶ Question 2: Who makes up the workforce in Routt County and Steamboat Springs and how does that impact the need for housing at various affordability levels?
- ▶ Question 3: What is the character of the housing stock in Steamboat Springs and Routt County? What is missing?
- ▶ Question 4: When it comes to housing what does the local workforce really want? What trade-offs are they willing to make and what qualitative aspects are driving demand? What are their attitudes toward deed-restricted units?
- ▶ Question 5: How does supply match up with the statistical demand for housing? What conclusions can we draw about the workforce housing situation in Steamboat Springs and Routt County?



## Product and Community by Household Composition and Income

# HOME TYPE PREFERENCES: REGARDLESS OF HH COMPOSITION, THERE IS HIGHEST PREFERENCE FOR SINGLE-FAMILY DETACHED HOMES

*Regardless of household composition, there is an overall preference for single-family homes. However, this may not be economically realistic for most groups. Further, singles and empty-nesters do have some of the highest acceptance of attached product and singles indicate some demand for apartment style living.*

	SINGLES	COUPLES	EMPTY NESTERS	FAMILIES
<b>SFD Medium-Large Lots</b>	41%	43%	52%	63%
<b>SFD Small-Very Small Lots</b>	19%	37%	24%	25%
<b>Townhome or Plex</b>	17%	10%	8%	5%
<b>Condo or Live/Work</b>	15%	6%	12%	4%
<b>Mobile Home, RV, Camper</b>	1%	2%	1%	1%
<b>Apartment or Other</b>	7%	3%	2%	2%

# REGARDLESS OF INCOME, THERE IS HIGHEST PREFERENCE FOR SINGLE-FAMILY DETACHED

*Regardless of income, the #1 choice for all respondents is a single-family home on a medium-large lot. Interestingly, those with income above \$50,000 have the strongest preference for small/very-small lot single family homes. Those with incomes \$50,000-\$99,999 have the highest acceptance of townhomes or a plex-product. Despite their first choice being homes on medium-large lots, those with incomes less than \$50,000 do have some of the highest interest in condo, live/work, or apartment homes.*

	UNDER \$50,000	\$50,000 - \$99,999	\$100,000+
<b>SFD Medium-Large Lots</b>	45%	45%	57%
<b>SFD Small-Very Small Lots</b>	21%	30%	27%
<b>Townhome or Plex</b>	9%	13%	6%
<b>Condo or Live/Work</b>	15%	7%	7%
<b>Mobile Home, RV, Camper</b>	3%	1%	1%
<b>Apartment or Other</b>	6%	4%	2%

# THERE IS LIMITED PREFERENCE FOR LESS THAN TWO BEDROOMS REGARDLESS OF HOUSEHOLD COMPOSITION

*There is limited preference, regardless of household composition, for less than 2 bedrooms. As with housing product type this may not be economically feasible for most. Further, as household composition size increases, so does the preference for more bedrooms - couples and empty-nesters prefer 3 bedrooms and families prefer 4+ bedrooms.*

	SINGLES	COUPLES	EMPTY NESTERS	FAMILIES
<b>1 Bedroom</b>	4%	1%	0%	0%
<b>2 Bedrooms</b>	38%	19%	25%	10%
<b>3 Bedrooms</b>	48%	55%	61%	38%
<b>4 + Bedrooms</b>	10%	26%	14%	53%

Note: Households in resort communities typically exhibit a preference for a high bedroom count due to the increased need to accommodate visitors

# AS INCOME INCREASES SO DOES THE PREFERENCE FOR A LARGER HOME

*Like household composition data, there is a strong preference for more than 2 bedrooms when looking at the data by income. As incomes increase so does the preference for more bedrooms. Although the preferences above \$100,000 could be met in the market, those under \$100,000 and particularly under \$50,000 generally cannot be served.*

	UNDER \$50,000	\$50,000 - \$99,999	\$100,000+
<b>1 Bedroom</b>	4%	1%	0%
<b>2 Bedrooms</b>	36%	19%	14%
<b>3 Bedrooms</b>	42%	51%	45%
<b>4 + Bedrooms</b>	18%	29%	42%

# MOST DESIRE MORE THAN 1.5 BATHROOMS REGARDLESS OF HOUSEHOLD COMPOSITION

*Most respondents, regardless of household composition desire more than 1.5 bathrooms. In fact, even singles prefer to have 2 bathrooms.*

	SINGLES	COUPLES	EMPTY NESTERS	FAMILIES
<b>1 Bathroom</b>	7%	4%	1%	1%
<b>1.5 Bathrooms</b>	10%	6%	2%	2%
<b>2 Bathrooms</b>	52%	38%	48%	28%
<b>2.5 Bathrooms</b>	15%	19%	20%	26%
<b>3+ Bathrooms</b>	16%	34%	29%	43%

# AS INCOME INCREASES SO DOES THE PREFERENCE FOR MORE BATHROOMS

*Like household composition data, there is a strong preference for more than 1.5 bathrooms. Also as income increases so does the preference for more bathrooms.*

	UNDER \$50,000	\$50,000 - \$99,999	\$100,000+
<b>1 Bathroom</b>	8%	3%	1%
<b>1.5 Bathrooms</b>	11%	3%	3%
<b>2 Bathrooms</b>	49%	41%	27%
<b>2.5 Bathrooms</b>	21%	24%	17%
<b>3+ Bathrooms</b>	11%	28%	52%

# SINGLES DESIRE GARAGE, CAM, TRAILS AND BUS ACCESS

A garage, common area maintenance, trails, and bus access are of the more important amenities for singles. Daycare, a community center or clubhouse, and pool are not vital and do not have to be present to appeal to this group.

SINGLES				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	26%	62%	7%	5%
<b>Fitness Center</b>	7%	71%	16%	6%
<b>Pool</b>	5%	68%	24%	3%
<b>Walking or biking trails</b>	32%	59%	6%	3%
<b>Community Clubhouse or Community Center</b>	5%	56%	34%	5%
<b>Close proximity to daycare facilities</b>	4%	23%	56%	17%
<b>Walking access to retail, dining, cultural activities or recreation</b>	18%	71%	8%	3%
<b>CAM</b>	33%	57%	8%	2%
<b>Garage</b>	41%	51%	6%	2%

SOURCE: RCLCO Consumer Research. CAM = Common area maintenance

# COUPLE AGREE WITH SINGLES IN TERMS OF WHAT THEY WANT BUT ADD WALKING ACCESS

*Like singles, couples find a garage, common area maintenance, trails, and bus access necessary . They also include walking access to retail, dining, cultural activities, or recreation as very important as well. Further, they add a fitness center to the list of unnecessary amenities.*

COUPLES				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	20%	71%	6%	3%
<b>Fitness Center</b>	6%	65%	25%	4%
<b>Pool</b>	3%	60%	33%	4%
<b>Walking or biking trails</b>	42%	52%	3%	3%
<b>Community Clubhouse or Community Center</b>	2%	58%	37%	3%
<b>Close proximity to daycare facilities</b>	6%	40%	38%	16%
<b>Walking access to retail, dining, cultural activities or recreation</b>	20%	72%	4%	4%
<b>Common area maintenance (includes snow plowing)</b>	24%	56%	14%	5%
<b>Garage</b>	68%	31%	0%	1%

SOURCE: RCLCO Consumer Research

# EMPTY NESTERS AGREE WITH COUPLES BUT ARE MUCH MORE INTERESTED IN GARAGES

*Empty nesters agree with couples but are more adamant about the inclusion of a garage and less adamant about the need for walking or biking trails.*

EMPTY NESTERS				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	21%	66%	9%	4%
<b>Fitness Center</b>	14%	59%	23%	4%
<b>Pool</b>	14%	59%	23%	4%
<b>Walking or biking trails</b>	29%	63%	7%	1%
<b>Community Clubhouse or Community Center</b>	5%	57%	30%	7%
<b>Close proximity to daycare facilities</b>	4%	20%	63%	13%
<b>Walking access to retail, dining, cultural activities or recreation</b>	20%	63%	11%	6%
<b>Common area maintenance (includes snow plowing)</b>	25%	55%	14%	6%
<b>Garage</b>	76%	17%	4%	4%

SOURCE: RCLCO Consumer Research

# FAMILIES RANK FEWER AMENITIES AS CRITICAL, JUST GARAGE AND TRAILS

*Families desire fewer 'critical' amenities. They have much less interest in bus access and common area maintenance. However, they wish not to have similar items to the other household composition cohorts.*

FAMILIES				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	18%	69%	9%	4%
<b>Fitness Center</b>	6%	63%	28%	3%
<b>Pool</b>	7%	62%	26%	4%
<b>Walking or biking trails</b>	34%	61%	3%	2%
<b>Community Clubhouse or Community Center</b>	3%	61%	31%	5%
<b>Close proximity to daycare facilities</b>	2%	49%	45%	4%
<b>Walking access to retail, dining, cultural activities or recreation</b>	16%	73%	9%	2%
<b>Common area maintenance (includes snow plowing)</b>	17%	58%	23%	3%
<b>Garage</b>	76%	21%	2%	1%

SOURCE: RCLCO Consumer Research

# UNDER \$50,000 HOUSEHOLDS DESIRE BUS ACCESS, TRAILS, CAM, AND GARAGES

*For households who have incomes under \$50,000, amenities such as bus access, walking or biking trails, common area maintenance, and garage are critical.*

UNDER \$50,000				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	29%	60%	6%	4%
<b>Fitness Center</b>	6%	68%	22%	4%
<b>Pool</b>	3%	70%	24%	3%
<b>Walking or biking trails</b>	36%	59%	5%	1%
<b>Community Clubhouse or Community Center</b>	2%	54%	37%	7%
<b>Close proximity to daycare facilities</b>	5%	33%	50%	12%
<b>Walking access to retail, dining, cultural activities or recreation</b>	19%	70%	9%	2%
<b>Common area maintenance (includes snow plowing)</b>	26%	60%	12%	2%
<b>Garage</b>	39%	51%	6%	5%

SOURCE: RCLCO Consumer Research. CAM = Common area maintenance

# \$50,000 - \$100,000 HOUSEHOLDS ARE MOST INTERESTED IN GARAGES & TRAILS

*These households would like the same amenities as the less than \$50,000 cohort, however, they are much more interested in garages and less interested in trails.*

\$50,000 - \$99,999				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	22%	68%	6%	4%
<b>Fitness Center</b>	6%	66%	22%	6%
<b>Pool</b>	6%	61%	29%	5%
<b>Walking or biking trails</b>	29%	63%	4%	4%
<b>Community Clubhouse or Community Center</b>	4%	59%	29%	8%
<b>Close proximity to daycare facilities</b>	7%	36%	41%	16%
<b>Walking access to retail, dining, cultural activities or recreation</b>	14%	75%	7%	3%
<b>Common area maintenance (includes snow plowing)</b>	26%	56%	15%	4%
<b>Garage</b>	64%	33%	1%	2%

SOURCE: RCLCO Consumer Research

# \$100,000+ HOUSEHOLDS DO NOT NEED BUS ACCESS BUT VERY MUCH NEED GARAGES

*These households desire almost the same amenities as others, however, they do not need bus access and very much desire garages.*

\$100,000+				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<i>Bus Access</i>	16%	72%	9%	3%
<i>Fitness Center</i>	10%	64%	12%	2%
<i>Pool</i>	4%	65%	30%	2%
<i>Walking or biking trails</i>	37%	60%	2%	1%
<i>Community Clubhouse or Community Center</i>	5%	62%	30%	3%
<i>Close proximity to daycare facilities</i>	6%	35%	51%	8%
<i>Walking access to retail, dining, cultural activities or recreation</i>	19%	73%	6%	2%
<i>Common area maintenance (includes snow plowing)</i>	26%	55%	17%	2%
<i>Garage</i>	80%	17%	2%	2%

SOURCE: RCLCO Consumer Research



# Trade-Offs

# OVERALL, SINGLES ARE WILLING TO MAKE MANY TRADE-OFFS TO LIVE IN STEAMBOAT SPRINGS

Although singles are not overwhelmingly interested in renting as a trade-off, nearly half would accept renting in order to live in Steamboat Springs and the majority will accept a smaller lot or attached home. The majority would not accept a smaller home (this could be due to the fact they feel they could not go any smaller than their current home) but there is a significant group that would. Further, like most of the groups, singles are very much driven by the cost of transportation to a more 'in-town' location. Overall, singles are willing to make many trade-offs to live in Steamboat Springs.

**If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...**

SINGLES			
	I would make this trade-off	I would not make this trade-off	I don't know
<i>Rent</i>	49%	39%	12%
<i>SFD on Smaller Lot</i>	76%	18%	6%
<i>Attached home</i>	61%	32%	7%
<i>Smaller Home</i>	42%	53%	5%
<i>Lower cost of transportation</i>	70%	18%	13%

SOURCE: RCLCO Consumer Research

# 2 IN 3 COUPLES WILL COMPROMISE ON THE SIZE OF THE LOT; 1 IN 3 WILL COMPROMISE ON THE SIZE OF HOME OR ACCEPT ATTACHED PRODUCT

*Like singles, this groups is not overwhelmingly interested in renting and many more say renting is not an option. Also, most do not want to make the trade-off to smaller home or an attached home. This is most likely because most already live in single-family homes and do not want to give that up. However, they will choose a home on a smaller lot and, like singles, they are very driven by the cost of transportation to move in to Steamboat Springs.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

COUPLES			
	I would make this trade-off	I would not make this trade-off	I don't know
<b>Rent</b>	23%	69%	8%
<b>SFD on Smaller Lot</b>	67%	27%	6%
<b>Attached home</b>	38%	54%	8%
<b>Smaller Home</b>	32%	59%	9%
<b>Lower cost of transportation</b>	70%	20%	10%

SOURCE: RCLCO Consumer Research

# EMPTY-NESTERS WILL CHOOSE A SMALLER HOME TO LIVE IN STEAMBOAT SPRINGS

**~30% WILL ACCEPT A SMALLER LOT AND/OR ATTACHED PRODUCT**

*Empty nesters are less willing to make trade-offs compared to other household composition cohorts. However, they will choose a smaller home. This correlates to national trends as many empty nesters downsize their homes while upgrading in terms of finishes and features. Further, Empty-Nesters are the only group not driven by the cost of transportation.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

EMPTY NESTERS			
	I would make this trade-off	I would not make this trade-off	I don't know
<b>Rent</b>	8%	77%	14%
<b>SFD on Smaller Lot</b>	31%	32%	7%
<b>Attached home</b>	30%	61%	8%
<b>Smaller Home</b>	46%	45%	9%
<b>Lower cost of transportation</b>	31%	58%	11%

SOURCE: RCLCO Consumer Research

# FAMILIES WILL MAKE A VARIETY OF TRADE-OFFS AND ARE WILLING TO DOWNSIZE

Families will also choose a smaller home as well as smaller lot and will move to lower cost of transportation. While most indicate they are not willing to rent or choose an attached house, there is still a significant niche who will consider these options. Given the household composition this is surprising compared to other areas of the nation.

**If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...**

FAMILIES			
	I would make this trade-off	I would not make this trade-off	I don't know
<i>Rent</i>	26%	63%	11%
<i>SFD on Smaller Lot</i>	65%	28%	7%
<i>Attached home</i>	25%	62%	13%
<i>Smaller Home</i>	52%	36%	12%
<i>Lower cost of transportation</i>	68%	21%	11%

SOURCE: RCLCO Consumer Research

# UNDER \$50,000 HH HAVE SIMILAR COMPROMISES AS SINGLES AND WILL CHOOSE ATTACHED HOMES

Of those making under \$50,000, a majority indicate that they will not make the trade-off of renting in order to be in Steamboat Springs. Unlike singles, this group is willing to choose an attached home. Further, they will make all other trade-offs except choosing a smaller home. Also, similar to singles, they may currently live in a home they deem too small.

**If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...**

Under \$50,000			
	I would make this trade-off	I would not make this trade-off	I don't know
<b>Rent</b>	44%	45%	11%
<b>SFD on Smaller Lot</b>	76%	18%	6%
<b>Attached home</b>	52%	45%	4%
<b>Smaller Home</b>	42%	51%	7%
<b>Lower cost of transportation</b>	76%	15%	9%

SOURCE: RCLCO Consumer Research

# THE TARGET BRACKET \$50,000 - \$99,999 HH WILL ACCEPT SMALLER LOTS AND MAY ACCEPT ATTACHED HOMES

*While household with incomes of \$50,000 - \$99,999 are willing to make trade-offs in regards to lot size and decisions to lower transportation costs, they are relatively split on the trade-off for attached homes. This indicates there could be a sizeable portion of this cohort who choose attached.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

\$50,000 - \$99,999			
	I would make this trade-off	I would not make this trade-off	I don't know
<b>Rent</b>	33%	57%	9%
<b>SFD on Smaller Lot</b>	72%	22%	7%
<b>Attached home</b>	38%	49%	13%
<b>Smaller Home</b>	32%	58%	11%
<b>Lower cost of transportation</b>	68%	20%	12%

SOURCE: RCLCO Consumer Research

# \$100,000+ HH'S WILL CHOOSE A SMALLER LOT BUT LESS LIKELY TO MAKE OTHER TRADEOFFS

*This cohort is similar to those who have household incomes of \$50,000 - \$99,999 but are much more adamant about not renting as well as choosing an attached home.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

\$100,000+			
	I would make this trade-off	I would not make this trade-off	I don't know
<b>Rent</b>	17%	72%	11%
<b>SFD on Smaller Lot</b>	63%	31%	6%
<b>Attached home</b>	32%	57%	10%
<b>Smaller Home</b>	39%	53%	8%
<b>Lower cost of transportation</b>	65%	24%	11%

SOURCE: RCLCO Consumer Research

# THE MAJORITY OF RENTERS WILL CHOOSE TO RENT AGAIN TO BE IN STEAMBOAT SPRINGS

*Renters are willing to make all of the trade-offs except one, choosing a smaller home. It is important to note that most renters will continue to rent for a location within Steamboat Springs even though many initially indicated they would purchase their next home.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

RENTER			
	I would make this trade-off	I would not make this trade-off	I don't know
<b><i>Rent</i></b>	68%	23%	9%
<b><i>SFD on Smaller Lot</i></b>	75%	20%	5%
<b><i>Attached home</i></b>	61%	29%	10%
<b><i>Smaller Home</i></b>	40%	56%	4%
<b><i>Lower cost of transportation</i></b>	71%	17%	12%

SOURCE: RCLCO Consumer Research

# RENTERS WILL CHOOSE A SMALLER LOT AND COULD BE DRIVEN BY TRANSPORTATION COST

*Unlike renters, owners will not make the trade-off to rent. They will also not choose an attached or smaller home. However, they could be driven by transportation cost and a smaller lot.*

***If a home were available in my price range and met all my needs in Steamboat Springs (within the city limits), I would choose ...***

OWNER			
	I would make this trade-off	I would not make this trade-off	I don't know
<b><i>Rent</i></b>	15%	74%	11%
<b><i>SFD on Smaller Lot</i></b>	66%	28%	6%
<b><i>Attached home</i></b>	31%	60%	9%
<b><i>Smaller Home</i></b>	36%	54%	10%
<b><i>Lower cost of transportation</i></b>	65%	24%	11%

SOURCE: RCLCO Consumer Research



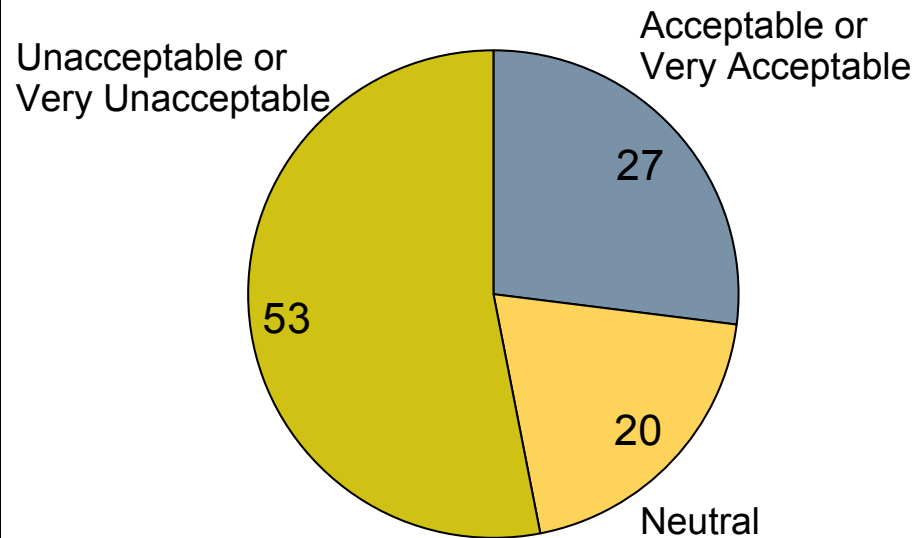
Deed Restricted

# THERE IS A CORE GROUP OF RESPONDENTS WHO FEEL DEED RESTRICTION IS ACCEPTABLE

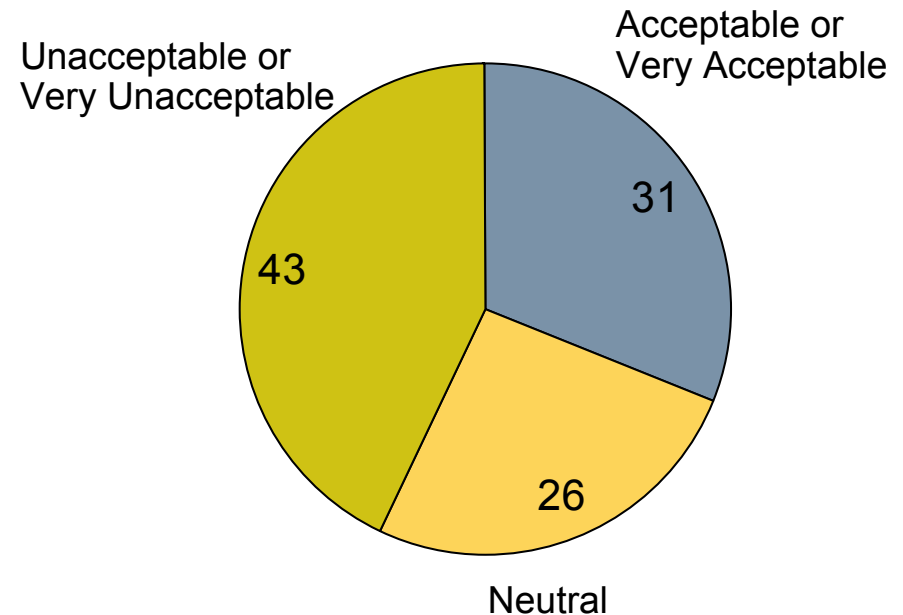
- ▶ Attitudes in regards to deed or appreciation restriction were tested in both the focus groups and survey research
  - Both methods produced results that were complementary
    - Focus group participants indicated a ‘gap’ in the market where residents did not qualify for deed restricted programs but did not necessarily have the income to support a market rate home in Steamboat Springs. They also indicated this group of people were those who were leaving Steamboat Springs for more affordable locations in the greatest number.
      - ❖ Participants felt that individuals who fell into this category would be most willing to participate in a deed restricted program
      - ❖ Participants defined this group as mostly families making above the current AMI level to qualify or single working professionals who did not want roommates but could not necessarily afford a market rate home on their own
    - Survey respondents who were most interested in a deed restricted program are very similar
      - ❖ Singles or Families
      - ❖ Renters <39 years old
      - ❖ Owners 30-49 years old
      - ❖ Household with incomes of \$50,000 - \$99,9999

# OVERALL OWNERS ARE LESS ACCEPTING OF APPRECIATION CAPS THAN RENTERS

**Acceptance of Appreciation Caps, Owners**  
%



**Acceptance of Appreciation Caps, Renters**  
%

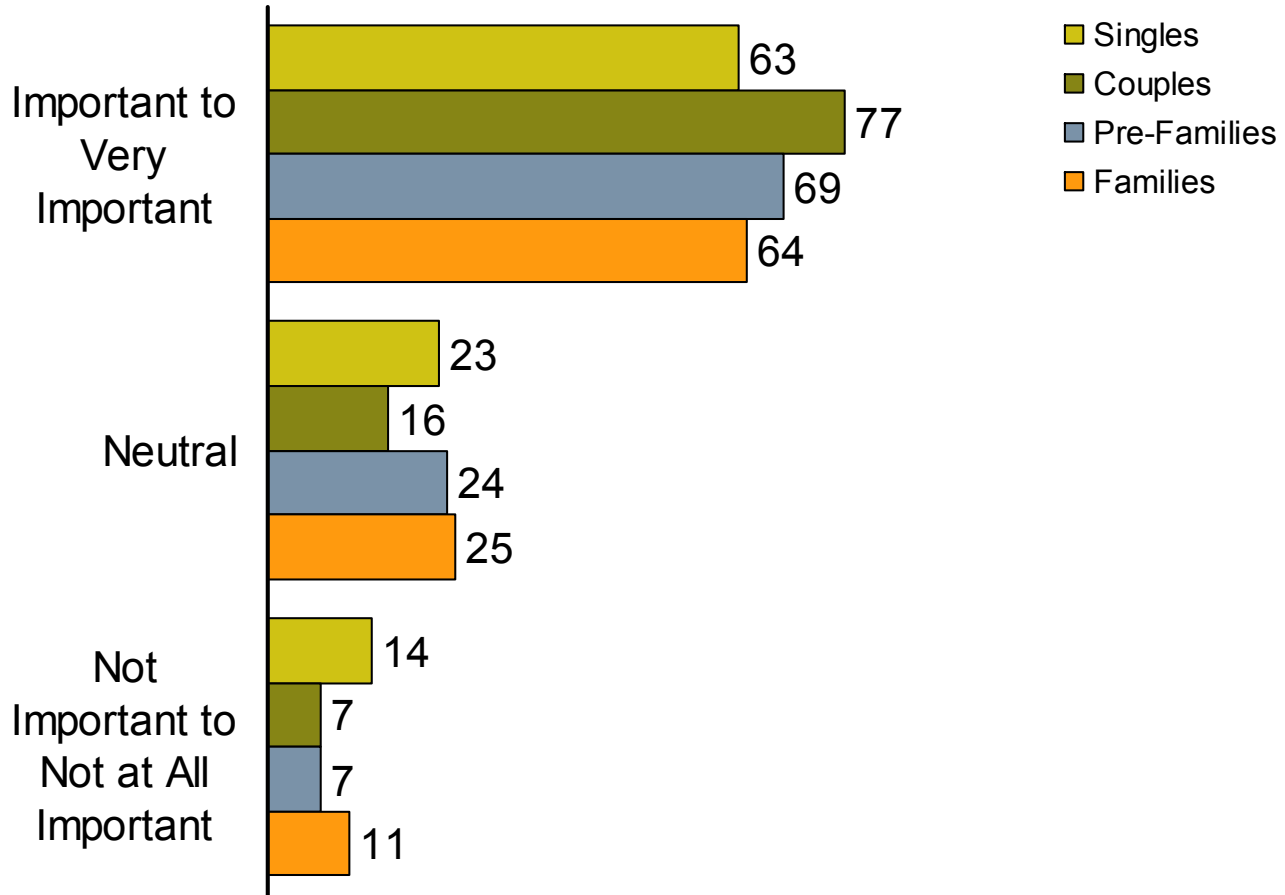


SOURCE: RCLCO Consumer Research

# SINGLES AND FAMILIES DO NOT PLACE AS MUCH IMPORTANCE ON HOME APPRECIATION

## Importance of Expected Home Appreciation by Household Composition

%



SOURCE: RCLCO Consumer Research

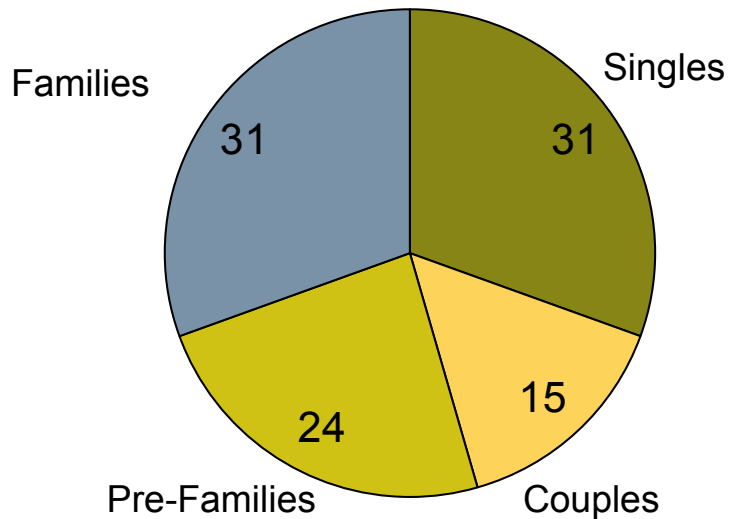
# TOP 5 REASONS FOR CHOOSING A HOME: SINGLES AND FAMILIES WILL BE MORE ACCEPTING OF APPRECIATION CAPS

*Only couples and pre-families respondents include expected appreciation as one of their top five reasons to choose a home. This indicates that singles and families would be more accepting of caps on appreciation*

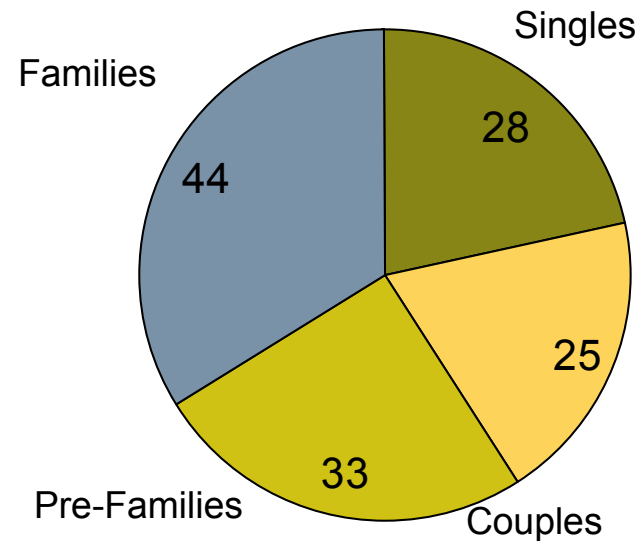
SINGLES	COUPLES	PRE-FAMILY	FAMILIES
1) Availability of Transportation	1) Expected Appreciation	1) Expected Appreciation	1) School District
2) Cost of Transportation	2) Proximity to Recreation	2) Types of Homes Available	2) Size of Home
3) Cost of Housing	3) Proximity to Work	3) Cost of Housing	3) Age of Home
4) Proximity to Work	4) Proximity to Shopping and Services	4) Proximity to Recreation	4) Proximity to Shopping and Services
5) Proximity to Shopping and Services	5) Home Types Available	5) Proximity to Work	5) Cost of Housing

# FAMILIES ARE MOST INTERESTED IN APPRECIATION CAPS

**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Owners**  
%



**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Renters**  
%



*Families are the most interested in appreciation caps, regardless of current home ownership status*

SOURCE: RCLCO Consumer Research

# TOP 5 REASONS FOR CHOOSING A HOME: ONLY THOSE 60+ INDICATE THAT EXPECTED APPRECIATION IS A MAIN DRIVER

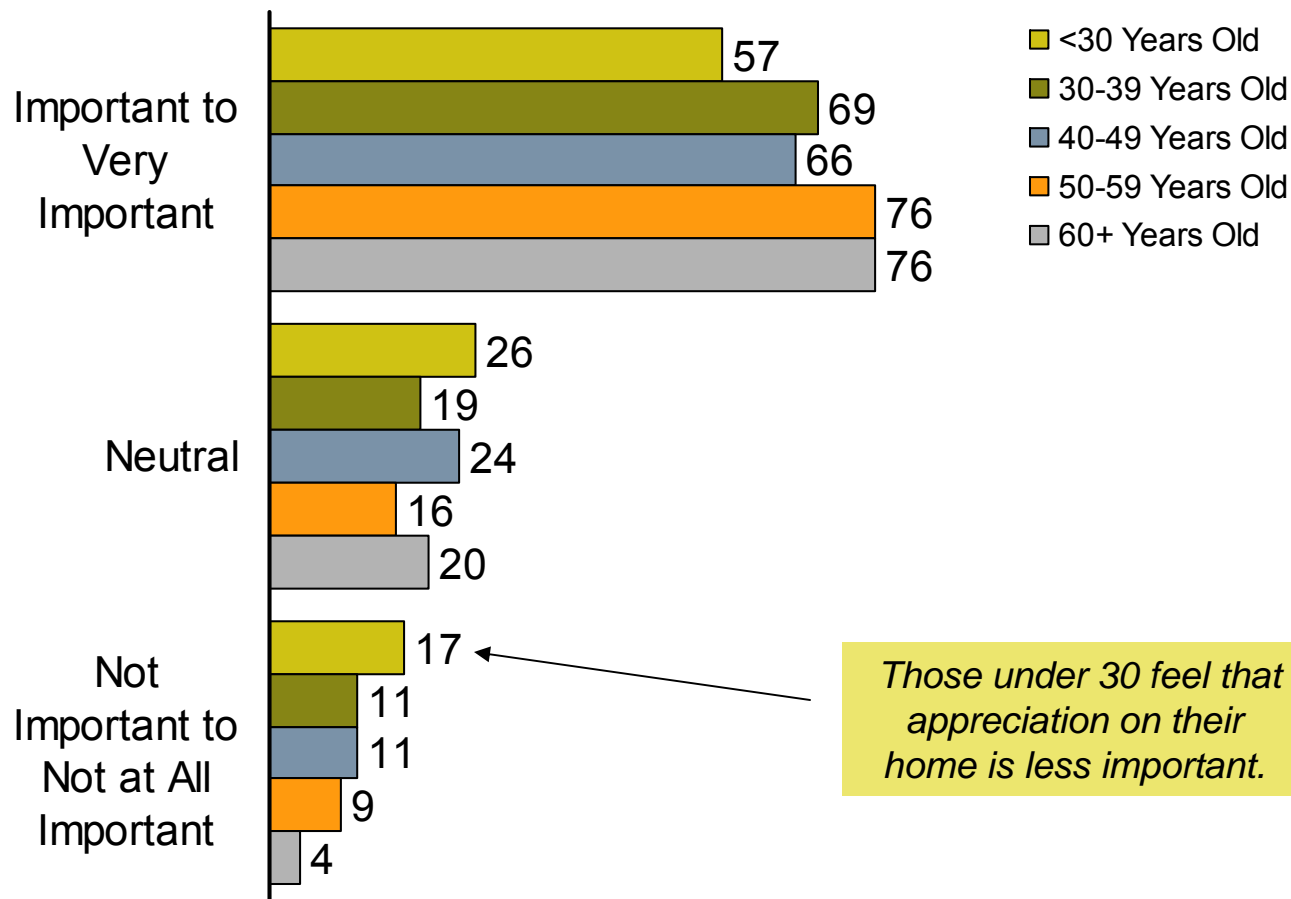
*Only those who are 60+ indicate that expected appreciation is one of their five drivers to choose a home. Many in focus groups indicated that several residents in Steamboat Springs plan on using the appreciation experienced on their home as money for retirement*

<30 YEARS OLD	30-39 YEARS OLD	40-49 YEARS OLD	50-59 YEARS OLD	60+ YEARS OLD
1) Availability of Transportation	1) School District	1) School District	1) Age of Home	1) Expected Appreciation
2) Cost of Transportation	2) Proximity to Recreation	2) Proximity to Shopping and Services	2) Proximity to Shopping and Services	2) Proximity to Shopping and Services
3) Age of Home	3) Home Types Available	3) Cost of Housing	3) Proximity to Work	3) Size of Home
4) Proximity to Recreation	4) Size of Home	4) Proximity to Recreation	4) Availability of Transportation	4) Age of Home
5) Cost of Housing	5) Cost of Home	5) Size of Home	5) Cost of Transportation	5) Cost of Housing

# THOSE UNDER 30 YEARS OLD BELIEVE HOME APPRECIATION IS LESS IMPORTANT

## Importance of Expected Home Appreciation by Age

%

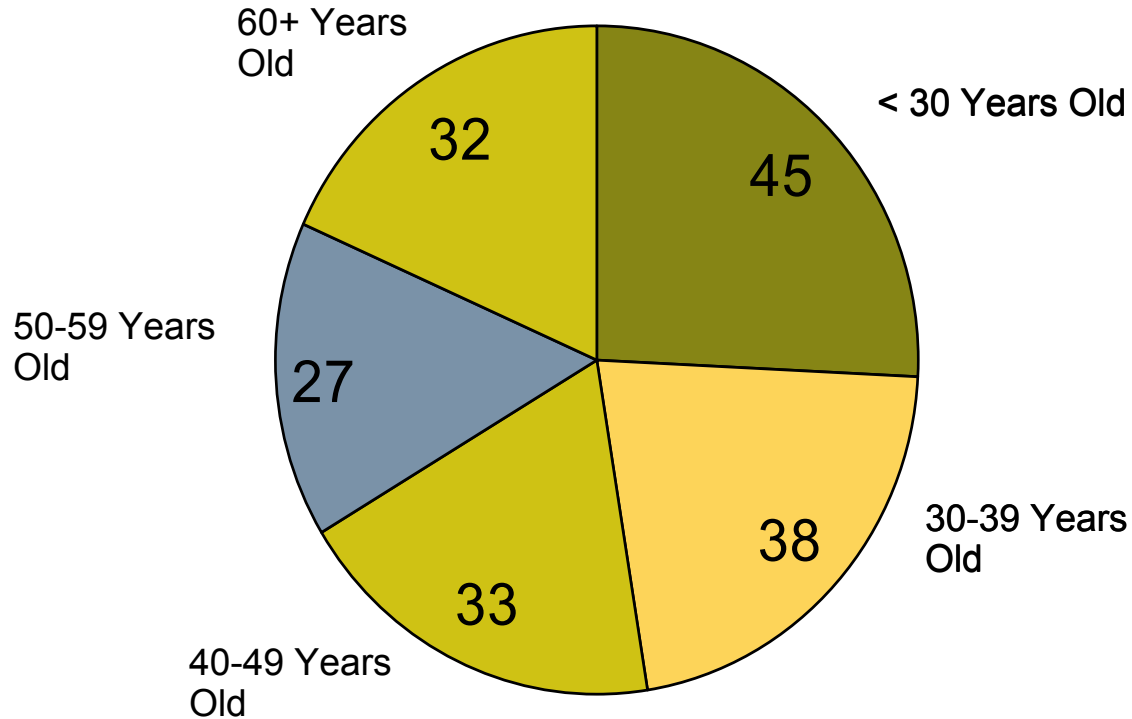


SOURCE: RCLCO Consumer Research

# A DIVERSE RANGE OF AGE GROUPS ARE INTERESTED IN HOMES W/ APPRECIATION CAPS

Respondents who would choose a home that met all of their needs but had appreciation caps

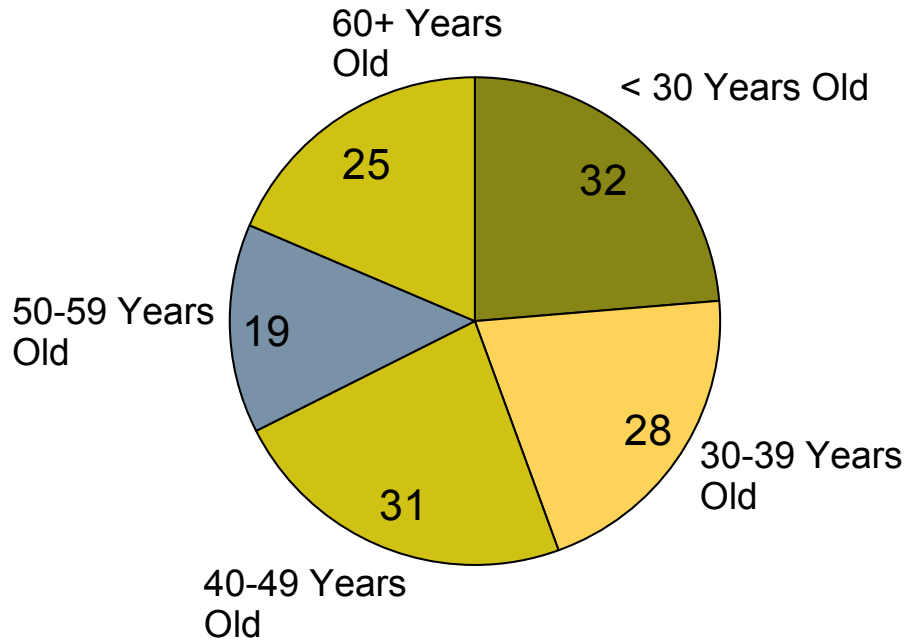
%



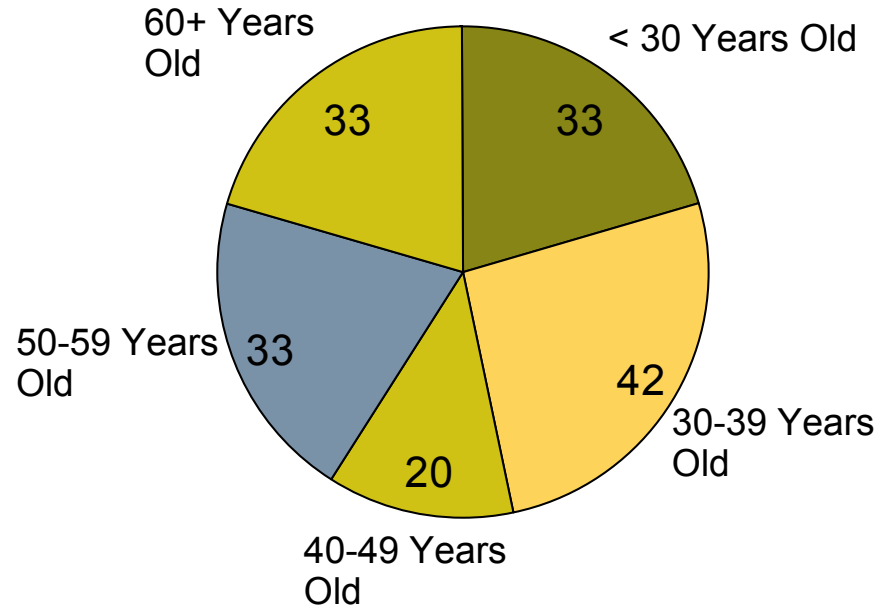
SOURCE: RCLCO Consumer Research

# A WIDE RANGE OF BOTH OWNERS AND RENTERS WOULD BE INTERESTED IN HOMES WITH APPRECIATION CAPS

**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Owners**  
%



**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Renters**  
%



SOURCE: RCLCO Consumer Research

# ONLY THOSE W/ HH INCOMES OF \$100K+ INDICATE APPRECIATION IS A MAIN DRIVER

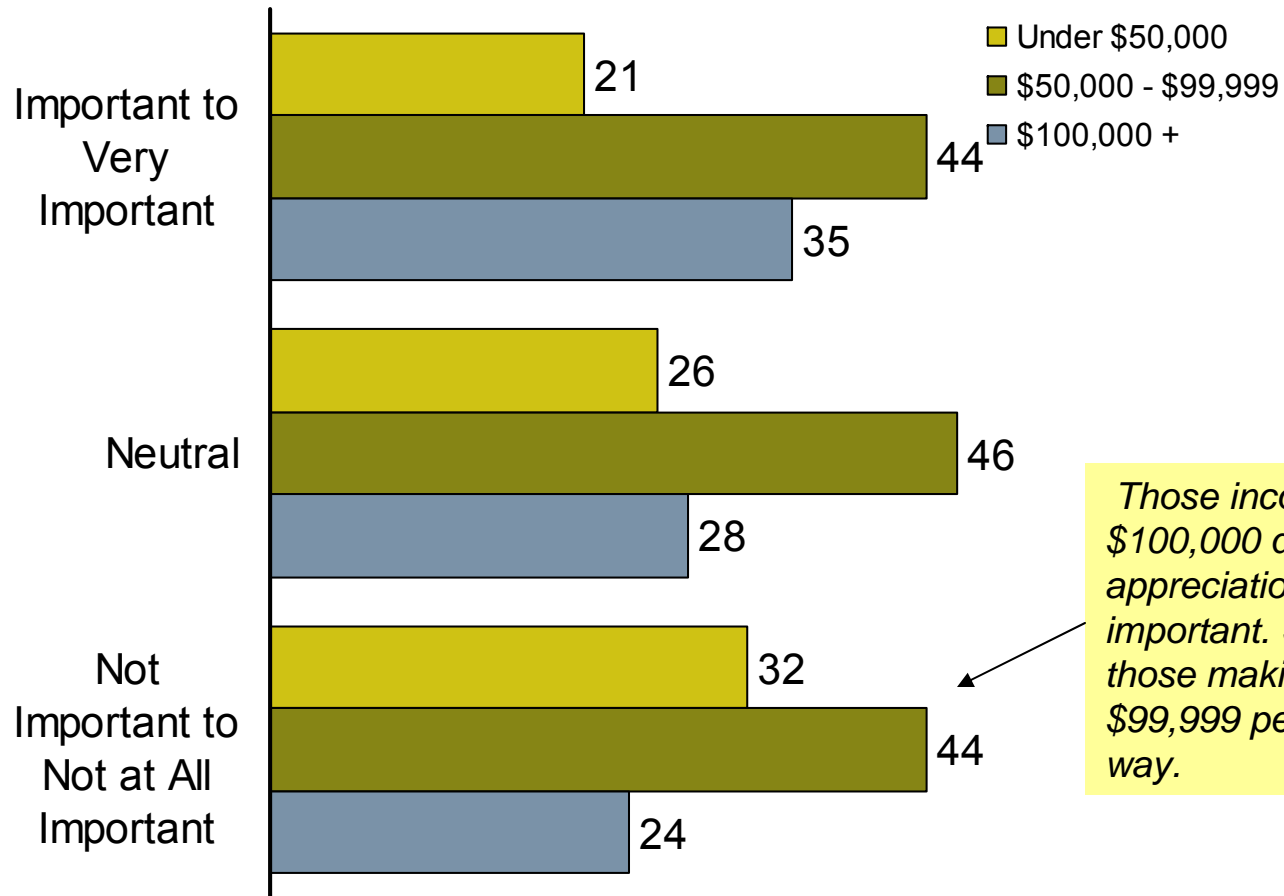
*Only those who have HH Incomes of \$100,000+ indicate that expected appreciation is one of their five drivers Those making under \$100,000 may feel that the ability to purchase a home is more important than the appreciation*

LESS THAN \$50,000	\$50,000 - \$99,999	\$100,000+
1) Cost of Transportation	1) Availability of Transportation	1) School District
2) Availability of Transportation	2) Size of Home	2) Expected Appreciation
3) Proximity to Recreation	3) Home Types Available	3) Proximity to Recreation
4) Proximity to Work	4) Cost of Home	4) Proximity to Shopping and Services
5) Cost of Housing	5) Cost of Transportation	5) Age of Home

# THOSE MAKING UNDER \$100,000 BELIEVE HOME APPRECIATION IS LESS IMPORTANT

## Importance of Expected Home Appreciation by Incomes

%

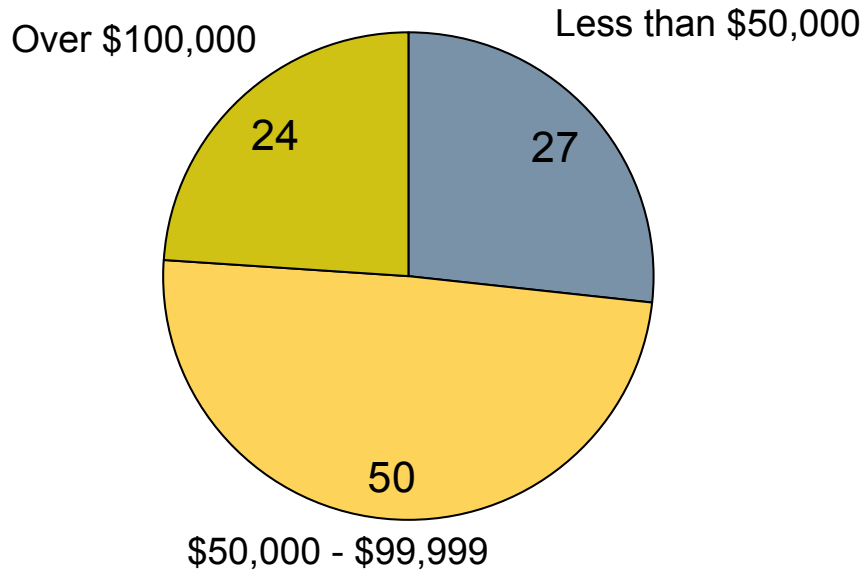


*Those incomes under \$100,000 don't feel appreciation is as important. Specifically, those making \$50,000 - \$99,999 per year feel this way.*

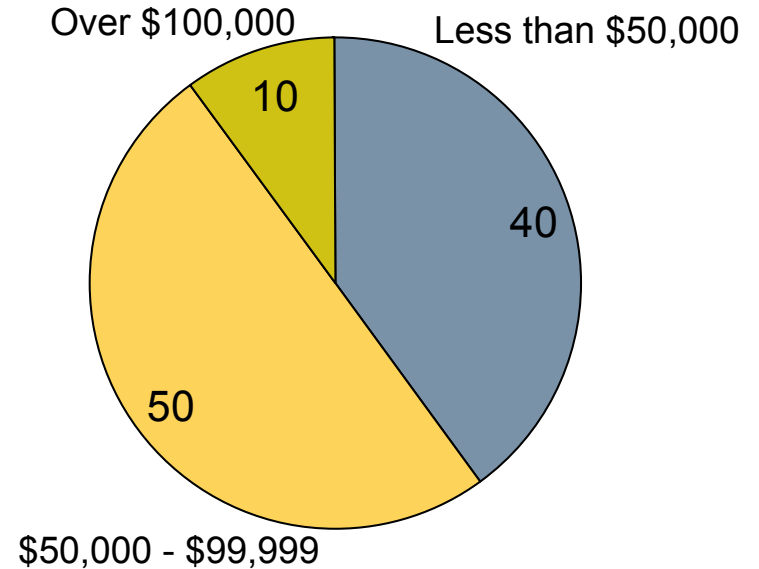
SOURCE: RCLCO Consumer Research

# REGARDLESS OF OWNERSHIP STATUS THOSE WITH HH INCOMES \$50,000 - \$99,999 INTERESTED

**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Owners**  
%



**Respondents who would be Interested to Very Interested in a Home with Appreciation Caps, Renters**  
%



SOURCE: RCLCO Consumer Research



## Product and Community by Ownership Status

# MOST RESPONDENTS PREFER TO OWN, CURRENT RENTERS, SINGLES AND THOSE MAKING <\$50K DO HAVE INTEREST IN RENTING

*All respondents would prefer to buy their next home. The cohort with the least interest to own are those already renting. Renters are followed by singles and those who make less than \$50,000.*

OWNERSHIP			HOUSEHOLD INCOME			
	Current Renter	Current Owner		<\$50,000	\$50,000 - \$100,000	\$100,000+
<b>Will Own</b>	64%	97%	<b>Will Own</b>	73%	88%	94%
<b>Will Rent</b>	35%	2%	<b>Will Rent</b>	24%	11%	5%
<b>Don't Know</b>	1%	1%	<b>Don't Know</b>	2%	0%	1%

HOUSEHOLD COMPOSITION				
	Singles	Couples	Empty-Nesters	Families
<b>Will Own</b>	72%	95%	99%	93%
<b>Will Rent</b>	27%	4%	1%	6%
<b>Don't Know</b>	1%	1%	0%	1%

# ALL PREFER SFD BUT RENTERS DO HAVE A SIGNIFICANT PREFERENCE FOR ATTACHED

*Current renters and owners both would like a single-family home once they decide to move. However, those who currently rent do have a higher interest in attached product as well as some interest in apartment complexes.*

	RENTERS	OWNERS
<i>SFD Medium-Large Lots</i>	37%	56%
<i>SFD Small-Very Small Lots</i>	25%	26%
<i>Townhome or Plex</i>	18%	8%
<i>Condo or Live/Work</i>	13%	6%
<i>Mobile Home, RV, Camper</i>	1%	2%
<i>Apartment or Other</i>	6%	2%

# AS STATUS CHANGES TO OWNERSHIP, RESPONDENTS DESIRE MORE BEDROOMS

*Overall, respondents regardless of current ownership status prefer 2 or more bedrooms. Once respondents become owners they desire more bedrooms.*

	RENTERS	OWNERS
<b>1 Bedroom</b>	3%	0%
<b>2 Bedrooms</b>	35%	16%
<b>3 Bedrooms</b>	47%	48%
<b>4 + Bedrooms</b>	15%	30%

# RENTERS AND OWNERS PREFER 2 OR MORE BATHROOMS

*Both renters and owners prefer at least 2 bathrooms. The number preferred does increase as the respondents' status changes to ownership.*

	RENTERS	OWNERS
<b>1 Bathroom</b>	6%	2%
<b>1.5 Bathrooms</b>	9%	3%
<b>2 Bathrooms</b>	56%	34%
<b>2.5 Bathrooms</b>	15%	22%
<b>3+ Bathrooms</b>	14%	38%

# RENTERS PREFER SIMILAR AMENITIES TO OWNERS BUT NOT AS STRONGLY

*Renters and owners find the same amenities critical but in varying degrees. Renters do not have as many respondents who find a garage or trails critical and renters do not necessarily rule out the inclusion of a pool and fitness center.*

	RENTERS			
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	22%	69%	8%	1%
<b>Fitness Center</b>	7%	71%	17%	5%
<b>Pool</b>	7%	71%	19%	4%
<b>Walking or biking trails</b>	29%	64%	5%	2%
<b>Community Clubhouse or Community Center</b>	5%	59%	26%	10%
<b>Close proximity to daycare facilities</b>	4%	34%	48%	14%
<b>Walking access to retail, dining, cultural activities or recreation</b>	16%	76%	7%	1%
<b>CAM</b>	30%	58%	10%	2%
<b>Garage</b>	49%	45%	5%	1%

SOURCE: RCLCO Consumer Research. CAM = Common area maintenance

# OWNERS DESIRE A GARAGE AND WILL PAY FOR IT

*Owners do have similar preference as renters but it is much more critical that their home include a garage.*

OWNERS				
	Critical, must have will pay extra	Nice to have but not vital	Would not wish to have	I don't know
<b>Bus Access</b>	22%	67%	7%	4%
<b>Fitness Center</b>	8%	64%	25%	4%
<b>Pool</b>	5%	59%	33%	4%
<b>Walking or biking trails</b>	36%	58%	4%	2%
<b>Community Clubhouse or Community Center</b>	3%	59%	34%	5%
<b>Close proximity to daycare facilities</b>	7%	34%	48%	11%
<b>Walking access to retail, dining, cultural activities or recreation</b>	18%	72%	7%	3%
<b>CAM</b>	22%	56%	18%	4%
<b>Garage</b>	70%	24%	3%	3%

SOURCE: RCLCO Consumer Research. CAM = Common area maintenance

# SUMMARY OF ISSUES AND CONCLUSIONS

- ▶ Question 1: In what ways are Routt County and Steamboat Springs changing demographically and economically, and how are these changes related to housing affordability?
- ▶ Question 2: Who makes up the workforce in Routt County and Steamboat Springs and how does that impact the need for housing at various affordability levels?
- ▶ Question 3: What is the character of the housing stock in Steamboat Springs and Routt County? What is missing?
- ▶ Question 4: When it comes to housing what does the local workforce really want? What trade-offs are they willing to make and what qualitative aspects are driving demand? What are their attitudes toward deed-restricted units?
- ▶ Question 5: How does supply match up with the statistical demand for housing? What conclusions can we draw about the workforce housing situation in Steamboat Springs and Routt County?

# RCLCO PERFORMED A PRELIMINARY GAP ANALYSIS BY MATCHING SUPPLY AND DEMAND DATA

## SUPPLY

- ▶ *For-Sale Product*
  - Scrubbed and compiled assessors data to create a comprehensive database of Routt County sales transactions from 1998 through March 2008.
- ▶ *Rental*
  - Used detailed 2000 Census statistics as a baseline and projected forward the number of units using building permit data from 2000 through 2007. Rental price data from employee survey conducted in July 2008.

VS

## DEMAND

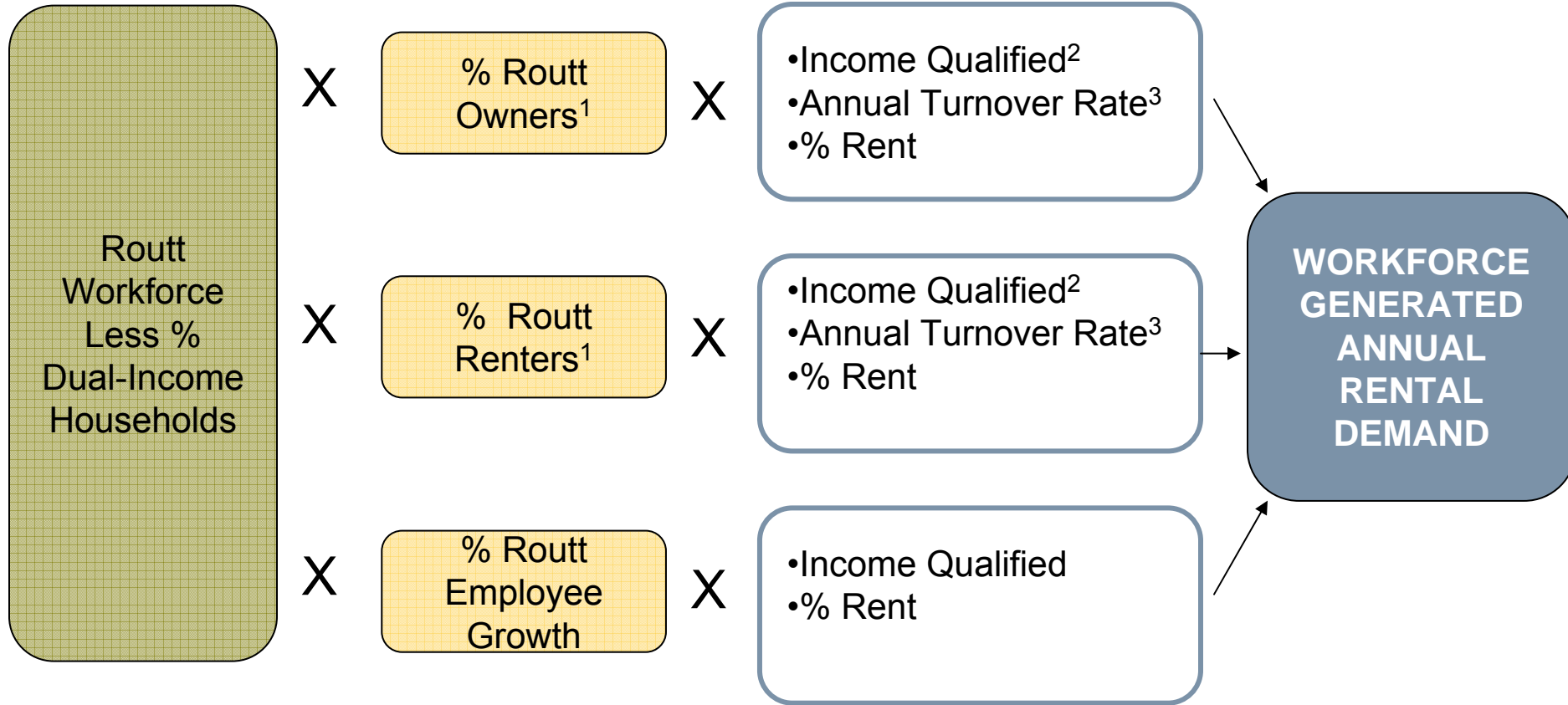
- ▶ *For-Sale Product & For-Rent*
  - Created statistical demand model using detailed employment, tenure, turnover, and growth statistics



## Year-Round Rental Demand

# SUMMARY OF RCLCO STATISTICAL DEMAND METHODOLOGY FOR YEAR-ROUND RENTAL UNITS

## RENTAL DEMAND FROM ROUTT COUNTY WORKFORCE 2008-2013



1 Owner and renter propensities are based on Census 2000 for households in Routt County

2 Income distribution by AMI level is based on Claritas data for households in Routt County

3 Turnover rates are based on Census 2000 for households in Routt County

# SUMMARY OF THE SUPPLY DEMAND BALANCE

- ▶ Interviews with mortgage and income qualification specialists reveal the difficulty of qualifying households below 80% AMI for ownership. Therefore the concentration of qualified buyers lies above 80% AMI.
- ▶ Statistical demand analysis reveals that there is a significant lack of available for-sale supply at the price points that correspond to 80% AMI to 140% AMI. This gap is further reinforced through the employee survey and focus group interviews.
- ▶ Analysis reveals that the 140% to 160% AMI bracket is also insufficiently served in Steamboat Springs. While the statistical model reveals a numerical balance of supply and demand at this price point, the consumer research and home sales data reveal that the choice is limited to small condos or a smattering of townhome options. Projections show that this affordability band is in danger of experiencing a supply shortfall within five years.
- ▶ Analysis shows that the greatest gap for year-round rental units is below 80% AMI for Routt County. The vast majority of the gap is at the lowest income bracket (50% AMI).

# SUPPLY/DEMAND ANALYSIS SHOWS GREATEST GAP BELOW 80% AMI

## ROUTT COUNTY – DEMAND FOR RENTAL PRODUCT FROM WORKFORCE

	Below 80% AMI	Above 80% AMI
Income	Below \$50,000	Above \$50,000
Rent Range	Less than \$1,047	Greater than \$1,047
Supply	1,055	2,110
Demand	2,341	1,869
<b>Gap/Surplus</b>	<b>-1285</b>	<b>241</b>

- ▶ Analysis shows the greatest gap for rental units is below 80% AMI for Routt County. The vast majority of the gap is at the lowest income bracket (50% AMI).
- ▶ This analysis relies on rental data from the consumer research survey due to the lack of robust secondary apartment data available.
- ▶ This analysis does not account for quality/livability of rental units. Focus groups and interviews suggest that there is demand for more high quality rental product above 80% AMI to accommodate those who cannot afford to buy a home or decide to remain a “lifestyle renter.”



## Seasonal Rental Demand

# RCLCO ESTIMATES DEMAND FOR APPROXIMATELY 1,250 SEASONAL RENTAL UNITS IN THE WINTER SEASON (BASED ON ASSUMPTION OF TWO EMPLOYEES PER HOUSEHOLD)

## ROUTT COUNTY – JOBS BY INDUSTRY

	March 2007	May 2007	Difference
<b>Total Jobs</b>	<b>16,224</b>	<b>13,663</b>	<b>2,561</b>
Natural Resources and Mining	601	618	-17
Construction	2,468	2,838	-370
Manufacturing	140	147	-7
Trade, Transportation and Utilities	2,669	2,213	456 Seasonal
Information	216	226	-10
Financial Activities	1,208	891	317
Professional and Business Services	1,051	1,266	-215
Education and Health Services	1,974	1,911	63
Leisure and Hospitality	4,303	2,241	2,062 Seasonal
Other Services	777	546	231
Public Administration	818	766	52 Seasonal

- ▶ Walton Pond and Iron Horse are the only seasonal rental buildings in Steamboat. The past couple of years SkiCorp has had a waiting list for units at Walton Pond.
- ▶ **The remaining 1,130 seasonal renters find units within the pool of approximately 1,200 single-family homes and 3,600 multifamily units which are not occupied year-round.**

# RCLCO ESTIMATES DEMAND FOR APPROXIMATELY 1,000 SEASONAL RENTAL UNITS IN THE SUMMER SEASON (BASED ON ASSUMPTION OF TWO EMPLOYEES PER HOUSEHOLD)

## ROUTT COUNTY – JOBS BY INDUSTRY

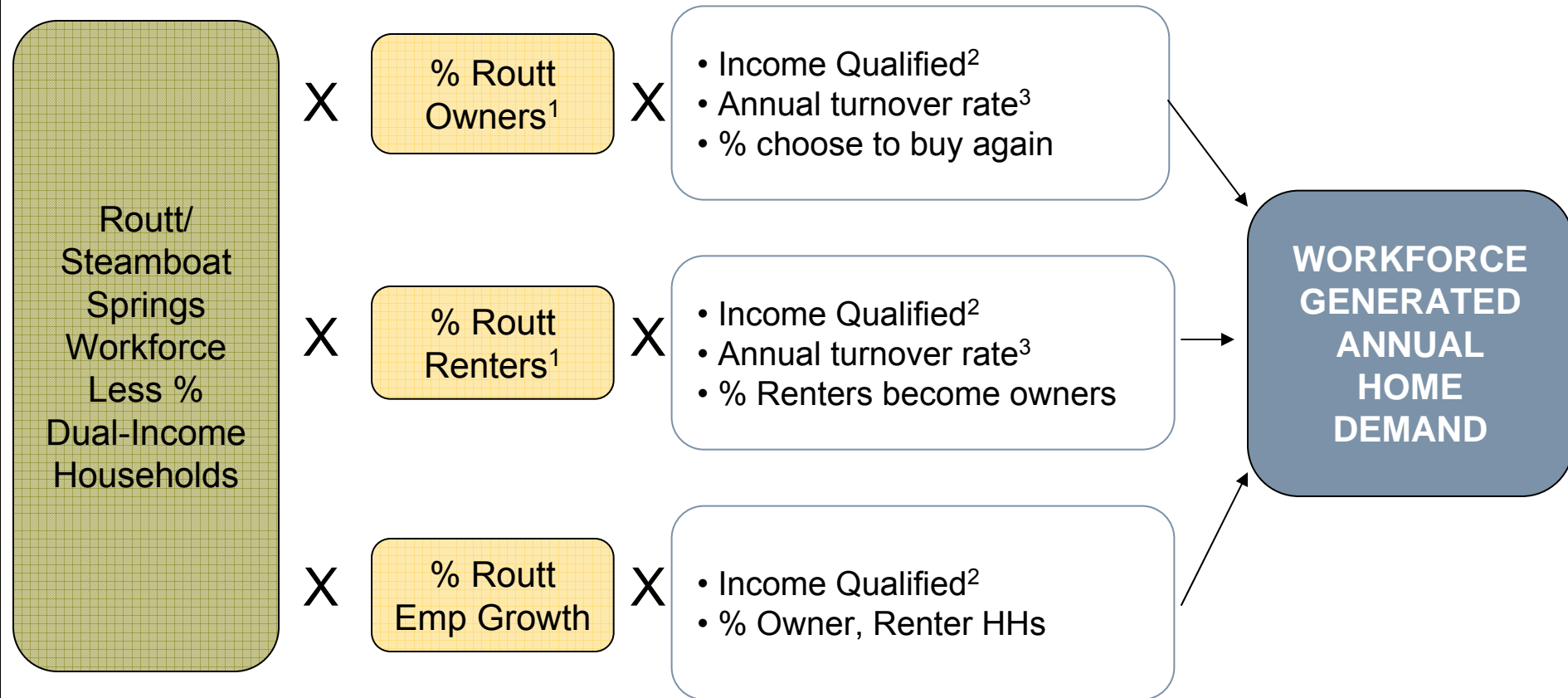
	May 2007	August 2007	Difference	
<b>Total Jobs</b>	<b>13,663</b>	<b>15,660</b>	<b>1,997</b>	
Natural Resources and Mining	618	650	32	
Construction	2,838	3,230	<b>392</b>	<b>Seasonal</b>
Manufacturing	147	160	13	
Trade, Transportation and Utilities	2,213	2,425	<b>212</b>	<b>Seasonal</b>
Information	226	229	3	
Financial Activities	891	958	67	
Professional and Business Services	1,266	1,354	88	
Education and Health Services	1,911	1,872	-39	
Leisure and Hospitality	2,241	3,279	<b>1,038</b>	<b>Seasonal</b>
Other Services	546	617	71	
Public Administration	766	886	<b>120</b>	<b>Seasonal</b>



# For-Sale Demand

# MULTIPLE MARKET SEGMENTS DETERMINE LEVEL OF DEMAND FOR FOR-SALE RESIDENTIAL PRODUCTS

## FOR-SALE DEMAND FROM ROUTT COUNTY/SS WORKFORCE 2008-2013



1 Owner and renter propensities are based on Census 2000 for households in Routt County or Steamboat Springs

2 Income distribution by AMI level is based on Claritas data for households in Routt County or Steamboat Springs

3 Turnover rates are based on Census 2000 for households in Routt County or Steamboat Springs

# REFINED SUPPLY/DEMAND ANALYSIS SHOWS GAP IN 80%-140% AMI RANGE (ALL PRODUCT TYPES)

## STEAMBOAT SPRINGS ANNUAL DEMAND FOR FOR-SALE PRODUCT FROM WORKFORCE

	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Supply <sup>1</sup>	74	36	70	74	81	82	602
Demand	90	76	120	90	161	68	338
<b>Gap</b>	<b>-16</b>	<b>-40</b>	<b>-50</b>	<b>-16</b>	<b>-80</b>	<b>14</b>	<b>264</b>

**Deficit: Target most for Rental**

**Deficit: Target for Ownership**

**Future Danger of Imbalance**

**Surplus: Countered by 2<sup>nd</sup> Homebuyers**

- ▶ The statistical demand analysis shows a significant gap in available for-sale supply at price levels that correspond to a range of 80% AMI to 140%.
- ▶ Based on historic appreciation rates it is likely the a gap will develop over the next five years at the 140%-160% AMI level.

# THE DEMAND FOR SMALL LOT HOMES IS GREATER THAN THE ANNUAL GAP IN THE MARKET

## STEAMBOAT SPRINGS ANNUAL FOR-SALE SUPPLY DEFICIT VERSUS DEMAND FOR SMALL LOT SINGLE-FAMILY PRODUCT

AMI Level	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Income	Up to \$37,000	\$37,000-\$50,000	\$50,000-\$63,000	\$63,000 - \$75,000	\$75,000-\$88,000	\$88,000 - \$100,000	\$100,000 and up
Home Price	Up to \$135,000	\$135,000-\$180,000	\$180,000-\$225,000	\$225,000 - \$270,000	\$270,000-\$314,000	\$314,000 - \$360,000	\$360,000 and up
Defined Gap	16	40	50	16	80	-	-
Demand for Small Lot	53	46	73	48	93	-	-
<b>Remainder</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

- ▶ Overall 74% of respondents said they would accept a home on a smaller lot<sup>1</sup> as trade-off for being closer to their job in Steamboat Springs.
- ▶ 75% of respondents between 80% and 140% AMI would accept this trade-off
- ▶ The market will likely be unable to build this product without some subsidies.

<sup>1</sup> For the employee survey 73% of respondents said they were living in a home on 1/2 acre to 1/8 acre or less. Of this group 74% said they would accept a smaller lot in order to live in Steamboat Springs.

# THE DEMAND FOR ATTACHED HOMES IS GREATER THAN THE ANNUAL GAP IN THE MARKET (EXCEPT AT 120-140% AMI)

## STEAMBOAT SPRINGS ANNUAL FOR-SALE SUPPLY DEFICIT VERSUS DEMAND FOR ATTACHED PRODUCT

AMI Level	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Income	Up to \$37,000	\$37,000-\$50,000	\$50,000-\$63,000	\$63,000 - \$75,000	\$75,000-\$88,000	\$88,000 - \$100,000	\$100,000 and up
Home Price	Up to \$135,000	\$135,000-\$180,000	\$180,000-\$225,000	\$225,000 - \$270,000	\$270,000-\$314,000	\$314,000 - \$360,000	\$360,000 and up
Defined Gap	16	40	50	16	80	-	-
Demand for Attached	49	41	62	34	58	-	-
<b>Remainder</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>-</b>	<b>-</b>

- ▶ Overall 44% of respondents said they would accept an attached home as trade-off for being closer to their job in Steamboat Springs. This figure is well above the national average.
- ▶ 44% of respondents between 80% and 140% AMI would accept this trade-off
- ▶ For the most part, the market can only deliver 1 bedroom units below \$315,000. The vast majority of respondents desire a minimum of two bedrooms, and so subsidies are required to deliver 2-3 bedroom units at this price point.

Note: Currently 30% of respondents indicate that they are living in attached housing

# THE DEMAND FOR APPRECIATION CAPPED HOMES IS GREATER THAN THE ANNUAL GAP IN THE MARKET (EXCEPT AT 120-140% AMI)

## STEAMBOAT SPRINGS ANNUAL FOR-SALE SUPPLY DEFICIT VERSUS DEMAND FOR APPRECIATION CAPPED HOMES

AMI Level	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Income	Up to \$37,000	\$37,000-\$50,000	\$50,000-\$63,000	\$63,000 - \$75,000	\$75,000-\$88,000	\$88,000 - \$100,000	\$100,000 and up
Home Price	Up to \$135,000	\$135,000-\$180,000	\$180,000-\$225,000	\$225,000 - \$270,000	\$270,000-\$314,000	\$314,000 - \$360,000	\$360,000 and up
Defined Gap	16	40	50	16	80	-	-
Dem for Apprec. Cap	47	33	62	42	69	-	-
<b>Remainder</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>-</b>	<b>-</b>

- ▶ Overall, 42% of respondents said they would accept an appreciation capped home as trade-off for being closer to their job in Steamboat Springs.
- ▶ 48% of respondents between 80% and 140% AMI would accept this trade-off.
- ▶ Steamboat Springs is expected to deliver approximately 65 units of deed restricted housing annually over the next several years. Assuming the units are acceptable to buyers this would satisfy 98% of the gap between 80 and 120% AMI.
- ▶ Most deed restricted units currently being delivered are too small and, therefore, although they “technically” satisfy demand, they do not meet the needs of much of the market. The majority of respondents desire 2 to 3 bedroom units.

# NEW, HIGHER QUALITY RENTAL PRODUCT COULD SATISFY A LARGE PORTION OF THE DEMAND GAP

## STEAMBOAT SPRINGS ANNUAL FOR-SALE SUPPLY DEFICIT VERSUS NUMBER OF “TRADE-OFF RENTERS”

AMI Level	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Income	Up to \$37,000	\$37,000-\$50,000	\$50,000-\$63,000	\$63,000 - \$75,000	\$75,000-\$88,000	\$88,000 - \$100,000	\$100,000 and up
Rent	Up to \$786	\$786-\$1,047	\$1,047-\$1,309	\$1,309-\$1,571	\$1,571-\$1,833	\$1,833-\$2,083	\$2,083 and up
Defined Gap	16	40	50	16	80	-	-
Demand for “Trade-off” Rental	47	35	56	38	40	-	-
<b>Remainder</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>-</b>	<b>-</b>

- ▶ Overall 34% of respondents said they would accept a rental home as trade-off for being closer to their job in Steamboat Springs
- ▶ 44% of respondents between 80% and 140% AMI would accept this trade-off
- ▶ The market should be able to serve many of these price points (barring prohibitive land costs)

Note: Currently 27% of respondents indicate that they are renting.



# RECOMMENDATIONS

# OPTION 1: BUILD MORE SMALL-LOT SINGLE-FAMILY HOMES

- ▶ This was a consistent message throughout the survey and consumer research. There is an overwhelming preference for **single-family units** across all income brackets, household compositions, ownership status, et cetera.
- ▶ The vast majority of Steamboat Springs workers are **willing to accept a smaller-lot home** in order to be closer to their job.
- ▶ Regulatory changes are needed to make it easier to develop homes on **lots smaller than 6,000 square feet** (approximately 1/7 of an acre).
- ▶ Small lot single-family product satisfies **market preferences** and can accommodate a broad spectrum of the market in terms of income and age.



# OPTION 2: BUILD PERMANENTLY AFFORDABLE HOMES THAT TARGET BUYER PREFERENCES

- ▶ Approximately **half of the market** between 80%-140% AMI will accept an attached, appreciation capped property within Steamboat Springs. These figures are very strong and reveal a strong preference toward both home ownership and a Steamboat Springs location.
- ▶ Most potential deed restricted buyers prefer an “off-mountain” location (defined as being away from the base area and other areas with significant amounts of nightly/weekend rentals) due to the perception that it will engender a community that is more appealing to full-time residents
- ▶ The disconnect with the current deed-restricted program is that the majority of the workers mentioned above **will not accept a small, attached, deed-restricted unit**. The overwhelming preference is for a minimum of 2 bedrooms. Many people are wary of purchasing a one-bedroom DR unit because they are afraid that they won't be able to resell the unit and/or will be unable to “trade-up” into a larger unit.
- ▶ Focus group interviews revealed that there is greater appetite for deed-restricted units when **larger units (2-4 BD units)** are an option. Buyers are more likely to invest the time, energy, and money in the deed-restricted process for a larger unit as it alleviates fears of becoming “trapped”, particularly as their space/family needs evolve over time.



# OPTION 3: BUILD MORE MARKET RATE AND/OR SUBSIDIZED APARTMENT COMPLEXES

- ▶ There is significant unmet **demand for both market-rate and subsidized apartment units** in Steamboat Springs.
- ▶ The majority of unmet apartment demand is **below 50% AMI** (\$30,000 annual income), where need is greatest and workers simply cannot afford free-market prices.
- ▶ There is also a significant demand for “market-rate” apartments from workers that have significant incomes but are not ready to commit to homeownership, are in transition, do not like the quality of the current rental market, or are saving for a home that is currently out of reach.
- ▶ Apartments units help to satisfy housing needs for seasonal employees, year-round workers who are not yet prepared for home ownership, and new residents transitioning into the community.
- ▶ The current supply of true apartment product is **severely limited**.
- ▶ Market-rate apartment **development should be feasible** considering rent levels in Steamboat Springs and despite the paucity of affordable land.



# A SUITE OF WORKFORCE HOUSING SOLUTIONS MAY BE NEEDED TO EFFECTIVELY TARGET ALL AMI LEVELS THAT FACE A DEFICIT

## MOST USEFUL DEVELOPMENT TOOLS BY APPROPRIATE AMI LEVEL

AMI Level	Up to 60%	60-80%	80-100%	100-120%	120-140%	140-160%	160%+
Income	Up to \$37,000	\$37,000-\$50,000	\$50,000-\$63,000	\$63,000 - \$75,000	\$75,000-\$88,000	\$88,000 - \$100,000	\$100,000 and up
Rent	Up to \$786	\$786-\$1,047	\$1,047-\$1,309	\$1,309-\$1,571	\$1,571-\$1,833	\$1,833-\$2,083	\$2,083 and up
Home Price	Up to \$135,000	\$135,000-\$180,000	\$180,000-\$225,000	\$225,000 - \$270,000	\$270,000-\$314,000	\$314,000 - \$360,000	\$360,000 and up
Gap	16	40	50	16	80	-	-
Small Lot SFD				√	√	√ √	√
Attached Multifamily			√	√	√ √	√ √	√
Apartment (Rental)	√	√	√ √	√	√		
Remainder	0	0	0	0	11	-	-

√=affordable/subsidized    √=market-rate



# Steamboat Springs Workforce Housing Demand Analysis Final Report: Integrated Findings from the Market Analysis and Consumer Research

YAMPA VALLEY HOUSING AUTHORITY | SEPTEMBER 2008

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# RCLCO QUICK FACTS

- ▶ Founded by Robert Charles Lesser in 1967 in Beverly Hills, CA
- ▶ Pioneer in bridging feasibility, consumer research, and design
- ▶ 4 Offices—Washington, DC, Los Angeles, Orlando, Atlanta
- ▶ Best Minds in Real Estate—Developers, Analysts, Capital Market Experts, Transaction Specialists (90+ Consultants)
- ▶ 600+ Projects Per Year—US, Caribbean, Latin America, Middle East, Europe, and New Zealand
- ▶ Adaptability – Hands-on research methodology & innovative analysis allows for consultants to quickly adapt to new markets and challenging situations



# CRITICAL ASSUMPTIONS

The conclusions and recommendations presented in this report are based on our analysis of the information available to us from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

Our conclusions and recommendations are based on certain assumptions about the future performance of the global, national, and/or local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing conclusions and making the appropriate recommendations. However, given the fluid and dynamic nature of the economy and real estate markets, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions and recommendations periodically to ensure that they stand the test of time.

We assume that, in the future, the economy and real estate markets will grow at a stable and moderate rate. However, history tells us that stable and moderate growth patterns are not sustainable over extended periods of time. Indeed, we find that the economy is cyclical and that the real estate markets are typically highly sensitive to business cycles. Our analysis does not necessarily take into account the potential impact of major economic "shocks" on the national and/or local economy and does not necessarily account for the potential benefits from a major "boom." Similarly, the analysis does not necessarily reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. The future is always difficult to predict, particularly given changing consumer and market psychology. Therefore, we recommend the close monitoring of the economy and the marketplace. The project and investment economics should be "stress tested" to ensure that potential fluctuations in the economy and real estate market conditions will not cause failure.

In addition, we assume that economic, employment, and household growth will occur more or less in accordance with current expectations, along with other forecasts of trends and demographic and economic patterns. Along these lines, we are not taking into account any major shifts in the level of consumer confidence; in the cost of development and construction; in tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth); or in the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should any of the above change, this analysis should probably be updated, with the conclusions and recommendations summarized herein reviewed accordingly (and possibly revised).

We also assume that competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand. Finally, we assume that major public works projects occur and are completed as planned.

# GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

**Further, it is important to understand that survey research completed was intended to take a sample of the population and as a result individuals, companies and other entities were able to opt-in or opt-out of taking the survey. As a result of this and the difficulty reaching individuals in lower incomes regardless of area or study, our survey does not have a large percentage of those with incomes less than \$50,000. Specifically those with incomes under \$30,000 are not represented in the same volume as other income groups.**

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.