

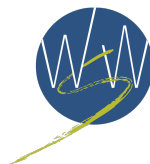
2016 Summit County Workforce Housing Demand Update – EXECUTIVE SUMMARY –

August 2016



Photo by Carl Scofield

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Executive Summary

This executive summary presents the primary findings from the 2016 Summit County Housing Demand Update. The main report can be referenced for more detail.

The 2016 Summit County Housing Demand Update updates the workforce housing needs estimated in the 2013 Summit County Housing Needs Assessment. The study identifies by basin:

- How many ownership and rental housing units are needed to house the Summit County workforce presently and through 2020; and
- Which AMI levels should be targeted by affordable workforce units.

As in the 2013 study, workforce housing need estimates are estimated based on *average annual employment* and do not represent peak season needs for seasonal workers residing in the area for only a few months during the year.

Housing Market Changes

All trends since the 2013 Housing Needs Assessment point to decreased affordability of homes for the workforce and a scarce supply of housing.

Housing has increased in price:

- The average sale price of homes has increased an average of 3.8% per year since 2012. Single family homes sold in 2015 averaged over \$800,000 and condominiums averaged about \$400,000.
- Market homes are now mostly priced for households earning over 150% AMI, compared to 120% AMI in 2012.
- Rents increased at least 10% in 2015 alone. The average rent of homes available at the end of the ski season this year (\$1,898) was affordable for a household earning over 110% AMI. In 2013, market rents were affordable at about 80% AMI.

Housing supply has decreased:

- The inventory of homes currently for sale is 60% lower than in January 2013.
- Inventory is particularly low for homes priced under \$400,000 (150% AMI), comprising just over a 1-month supply based on sales volumes in 2015.
- Rental vacancy rates were below 2% in 2012 and have since decreased.

Some households that could afford market-rate homes in 2012 no longer can:

- A household earning 100% AMI could afford to pay \$317,000 for a home in 2012 compared to \$271,300 today. This is due to:
 - A slight rise in interest rates since 2012. A 0.5% rise in interest rate decreases the affordable purchase price for a household by about 5%.
 - A decline in the HUD-calculated Area Median Income (AMI) for Summit County in 2016 (\$82,300) compared to 2012 (\$89,800).

Economy

Trends in the economy show continued job growth and very low unemployment, making it increasingly difficult to fill jobs with local workers.

Job growth is slower than predicted in 2012, but still significant:

- It was estimated in the 2013 housing study that between 2,140 and 3,600 jobs would be added between 2012 and 2016. Based on revised State Demographer estimates, new jobs added fell near the mid-point of this range (2,755 new jobs).
- Jobs are projected to grow at a more modest pace in the county through 2020 – adding about 1,800 jobs.

Unemployment is very low:

- The unemployment rate fell to 2.25% from 6% in 2012. Because locals are now mostly employed, most new jobs created in 2016 through 2020 will need to be filled by workers from outside of Summit County who move into the area or commute.

Number of Units Needed

About 1,685 units housing about 3,035 employees¹ need to be built or preserved for the local workforce that the market will not provide through 2020. This number represents:

¹These are employees needed to fill new average year-round jobs and not peak seasonal jobs. Housing for these employees need to accommodate a variety of household sizes, types and preferences. The 2013

- The number of housing units needed to catch up to workforce housing needs from 2012 to 2016 (660 units), as updated from the 2013 Housing Needs Assessment. This includes estimates of total housing needs in 2012 through 2016 based on updated job growth estimates and other factors (1,048 units) *minus* the number of workforce housing units priced under 120% AMI that have been constructed or approved since 2012 and that are pending construction by 2020 (389 workforce housing units); plus
- The projected number of units that will be needed by 2020 to keep up with job growth, retiring employees and loss of homes to second homeowners (1,025 units), utilizing the same assumptions from the 2013 study, where applicable.

Workforce Housing Needs Through 2020: Summit County

	Summit County	Lower Blue	Snake River	Ten Mile	Upper Blue
2012-2016 Total Needs*	1,048	180	175	310	380
Units Built/Approved (2012 to 2016+)	389	67	5	61	256
Catch-Up (2016)	660	115	170	250	125
Keep-Up (2016-2020)	1,025	175	170	310	375
Total Workforce Housing Needs (2016 to 2020)	1,685	290	335	560	500
Average # of Employees per Household	1.8	1.8	1.8	1.8	1.8
# of Employees Housed (2016 to 2020)	3,035	520	605	1,010	900

Note: Differences are due to rounding.

*Updated from the 2013 Housing Needs Assessment. Reflects revised job growth estimates and spans a four-year timeframe.

The distribution of workforce housing units needed by ownership and rental, AMI affordability and location used the same assumptions as the 2013 Housing Needs Assessment, with one change. Because market prices of homes and rents have increased since 2012, workforce housing provided through 2020 should now include rentals up to 100% AMI (about \$1,700 for a 2+-person household) and ownership up to 150% AMI (about \$400,000).

Summit County Housing Needs Assessment provides more detail on the types of homes needed by these workers. See in particular Section 4 (What Employees Want – Design and Pricing of Workforce Housing) and Section 8 (Type).

**Workforce Housing Gap by Own/Rent and AMI by Basin:
Summit County, 2016 to 2020**

	Summit County	Lower Blue	Snake River	Ten Mile	Upper Blue
OWNERSHIP					
<=60% AMI	227	51	37	64	75
60.1-80%	99	29	21	23	27
80.1-100%	194	57	41	45	50
100.1-120%	185	50	36	45	53
120.1-150%	76	17	12	21	26
TOTAL	780	205	145	200	230
RENTALS					
<=60% AMI	593	39	128	242	185
60.1-80%	130	25	29	62	14
80.1-100%	182	24	30	57	70
TOTAL	905	85	185	360	270
TOTAL Gap	1,685	290	335	560	500

Note: Differences are due to rounding.

By constructing 1,685 more workforce housing units for employees filling new jobs, this will allow Summit County to address both current housing needs and keep up with annual average job growth through 2020. Just as in the 2013 needs assessment,² this includes:

- Addressing the deficiency in below-market rental and ownership housing for residents. This does not address the need for seasonal worker housing during peak periods;
- Housing the 5% to 10% of in-commuters that would prefer to move to Summit County;
- Housing employees hired to replace retiring workers;
- Replacing the loss of resident-owned homes that have been sold to second homeowners. This does not include making up for the loss of long-term rentals to the short-term rental market due to the current lack of information to estimate this loss;

² Section 7 Workforce Housing Catch Up and 5-Year Keep Up Needs of the 2013 Summit County Workforce Housing Needs Assessment can be referenced for more detail.

- Housing 80% of the employees that are needed to fill new jobs within Summit County – this assumes that 20% of workers will continue to in-commute;³ and
- Distributing housing needs among each basin based on multiple factors including: each area’s share of jobs in the county, where workers prefer to live and maintaining a mix of incomes within each basin.

³ About 20% of workers commuted in from residences located outside of Summit County in 2012. Because some workers will prefer commuting for multiple reasons, this ratio was kept consistent in the 2013 report and in the current update.