WEST MOUNTAIN REGIONAL

HOUSING

COALITION

Housing Data Supplement

August 2022

Prepared by:

RPI consulting

In association with:

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DHM DESIGN

Acknowledgements

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Eagle County Housing Authority	Garfield County	Carbondale Chamber of Commerce
City of Aspen	Town of Snowmass Village	Town of Basalt
Town of Carbondale	City of Glenwood Springs	NWCCOG
Aspen Chamber Resort Association	Basalt Chamber of Commerce	Glenwood Springs Chamber Resort Association
Alpine Legal Services	Colorado Department of Labor and Employment	Aspen Institute – Hurst Community Initiative
Colorado Mountain College		

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Summary

The regional housing problem was studied and documented well before COVID in studies such as Greater Roaring Fork Regional Housing Study, 2019. COVID and related events have rapidly exacerbated housing problems throughout the region. Using the EPS report as a foundation for describing the fundamentals of the housing problem, this analysis taps more recent real estate and demographics data to show how COVID has affected the regional housing situation.

Prior to COVID, the Roaring Fork region had an affordability gap between household ability to pay and the cost of housing amounting to a shortfall of 4,000 units in the greater Roaring Fork region. At this point, about 40% of households in Garfield and Pitkin County were "cost-burdened" by housing, meaning they were paying more than 30% of their income for housing costs.

Figure 1 – Affordability gap in 2019

Affordable housing unit shortfall for 60% AMI or lower, greater Roaring Fork region, 2019	2,100 units
Attainable unit shortfall between 100% AMI and 160% AMI, greater Roaring Fork region, 2019	1,900 units
% households paying more than 30% income for housing, Garfield County, 2020	40%
% households paying more than 30% income for housing, Pitkin County, 2020	41%

COVID started a chain of events that have contributed to a rapid widening of the gap between housing costs and ability to pay. Real estate sales volumes escalated dramatically during 2020 and 2021 sending prices up sharply. The number of out-of-area buyers increased in both Pitkin and Garfield County, adding extra competition to the market. In Glenwood Springs, where rental prices have been tracked over several years, rents for apartments increased by 42% in just two years. Average wages have increased as well, but not nearly at the rate of housing costs. Before COVID, 40% of households were cost burdened by housing. COVID has rapidly accelerated the trends that have made it more difficult for working households to afford to live in the valley.

Figure 2 –Housing market indicators during COVID

Δ median single-family sale price in 2019 to 2021, Garfield County	↑ 42% to $686,419
Δ average rent for apartments 2019-2021, Glenwood Springs	↑ 42% to $1,346
Δ average weekly wages, Q4-2019 to Q4- 2021, Garfield County	↑ 16% to $1,197
Δ median single-family sale price in 2019-2021, Pitkin County	↑ 71% to 7,905,394
Δ average weekly wages, Q4-2019 to Q4- 2021, Pitkin County	↑ 34% to $1,545
Δ real estate sales to out of area buyers 2019 to 2021 Garfield County	↑ 79% to 418
Δ real estate sales to out of area buyers 2019 to 2021 Pitkin County	↑ 83% to 689

The Affordability Problem

The "Greater Roaring Fork regional housing study" by EPS, 2019 calculated housing affordability gaps for the entire greater Roaring Fork region and also by local area (Aspen-Snowmass Village, Basalt area, Carbondale area, Glenwood Springs area, New Castle to Parachute, Eagle to Gypsum). Housing gaps/surpluses were derived from "demand" compared with price of local inventory and do not account for the commuting dynamics between each. "Demand" in the study was based on jobs/wages/salaries, proprietor earnings, as well as incomes of non-working population. Prior to COVID, the Roaring Fork region had an affordability gap between household ability to pay and the cost of housing amounting to a shortfall of 4,000 units in the greater Roaring Fork region.

Figure 3 – Regional housing affordability gap

Mismatch between housing prices and ability to pay.
4,000 unit gap, greater Roaring Fork region
2,100 gap for 60% AMI or lower households
1,900 unit gap for between 100% AMI and 160% AMI households

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

Local area housing gaps/surpluses were derived from local area demand compared with price of local inventory. As would be expected, the shortfall is highest in the Aspen to Old Snowmass subarea because housing is most expensive in this area. The subarea analysis shows which areas are meeting demand for housing generated by jobs and income in other communities as well as those that generate more employment and income than their housing inventories can accommodate. Aspen Area and Glenwood Springs Areas are the employment centers that are most significantly driving demand for housing in other communities in the region.

Figure 4 – Affordability shortfall by subarea

Subarea	Affordability Gap	Balance of Supply and Demand Overall
Aspen to Old Snowmass	4,000 units all incomes up to 160% AMI	Demand for housing exceeds supply
Basalt Area	1,000 units 80% AMI or less	Local supply and demand are fairly balanced
Carbondale Area	600 unit shortfall <60% AMI	Housing inventory is meeting non-local demand
Glenwood Springs Area	2,000 units all incomes up to 160% AMI	Demand for housing exceeds supply

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

One of the highest-impact results of the affordability gap is commuting. Three-quarters of Basalt survey respondents have a household member working in the Aspen-Snowmass area and half of Carbondale survey respondents have a household member working in the Aspen-Snowmass area. Residents of Basalt and Carbondale also commute up and down valley for work. Other factors such as preferences and family influence commuting, but affordability gaps are the most common reason for commuting.

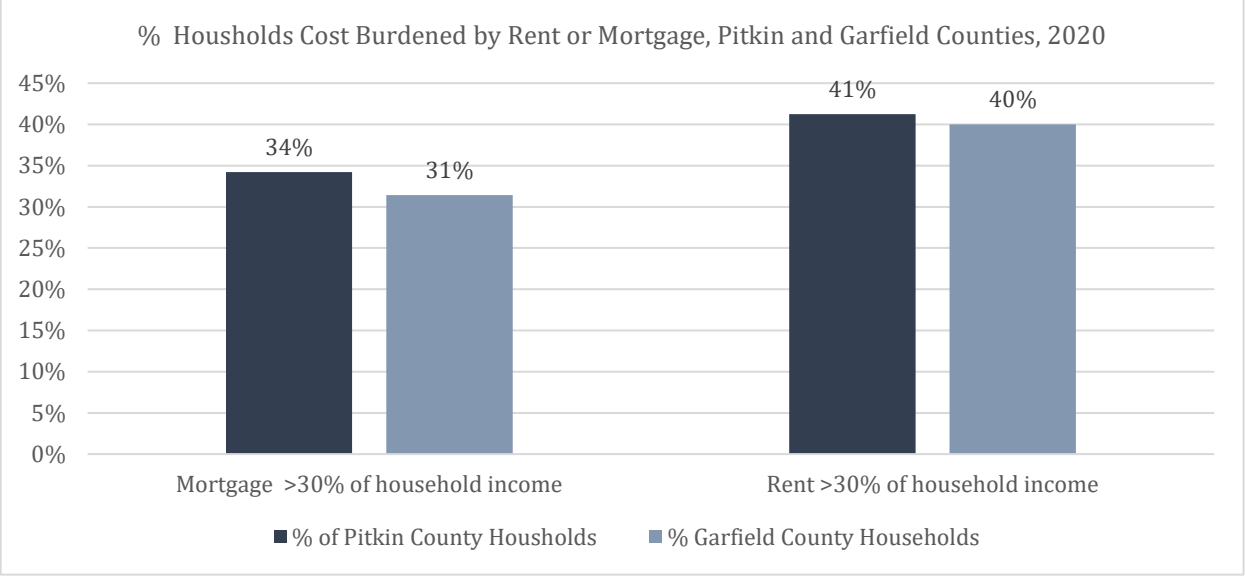
Figure 5 - Commuting patterns: location of household jobs by place of residence

	Live in Aspen	Live in Basalt	Live in Carbondale	Live in Glenwood Springs
One or More Household Members Working in Aspen	**95%**	**77%**	**49%**	**16%**
One or More Household Members Working in Basalt	**9%**	**50%**	**31%**	**11%**
One or More Household Members Working in Carbondale	**6%**	**22%**	**69%**	**21%**
One or More Household Members Working in Glenwood Springs	**3%**	**16%**	**31%**	**84%**

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

Despite the countless vehicle miles traveled and hours spent commuting, at least 40% of renter households pay more than 30% of their household income on housing and over 31% of homeowners spend more than 30% of their income on housing. These estimates of "cost-burdened households" are based on the American Community Survey results from 2016-2020 and serve as a pre-COVID benchmark.

Figure 6 – Cost burdened households



Source: American Community Survey, by US Census, downloaded in April 2022

The "Greater Roaring Fork Regional Housing Study" predicts that the affordability gap will continue to widen. Demographic trends also suggest increasing demand for housing from the 65+ population, which is expected to grow at double the rate of the population as a whole.

Figure 7 – Pre-COVID housing outlook

Projections and emerging trends
Affordability gap will increase for 100%-160% AMI households
Gap between median price and ability to pay will increase:
Population 65+ will at twice the rate as the population as a whole
58% of respondents likely or extremely likely to stay in the region after retirement

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

How COVID Affected Housing

The 2008 recession injected volatility into the housing market throughout the U.S. including the Roaring Fork Valley. Between 2008-2018, average sale prices dropped -25% in the Basalt area and -12% in the Carbondale area. The Aspen to Old Snowmass area defied regional trends and housing prices doubled during the same time period. Glenwood Springs showed modest growth by 2018. Overall, down-valley housing prices in the Roaring for Valley either fell or grew sluggishly 2008 through 2018.

Figure 8 – Average residential sale price 2008-2018

Subarea	Average Sale Price 2018	Change 2008-2018
Aspen to Old Snowmass	$2,353,868	Up +100%
Basalt Area	$780,169	Down -25%
Carbondale Area	$719,869	Down -12%
Glenwood Springs Area	$533,425	Up +12%

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

After the initial stay at home orders were lifted in 2020, the real estate market started to accelerate and had not slow down as of year-end 2021. In Pitkin County, sales volume in 2021 was 151% higher than in 2019, the average single-family sale price in 2021 was 71% higher than in 2019, and the average multi-family sale price in 2021 was 37% higher than in 2019. In Garfield County, sales volume in 2021 was 96% higher than in 2019, the average single-family sale price in 2021 was 42% higher than in 2019, and the average multi-family sale price in 2021 was 39% higher than in 2019.

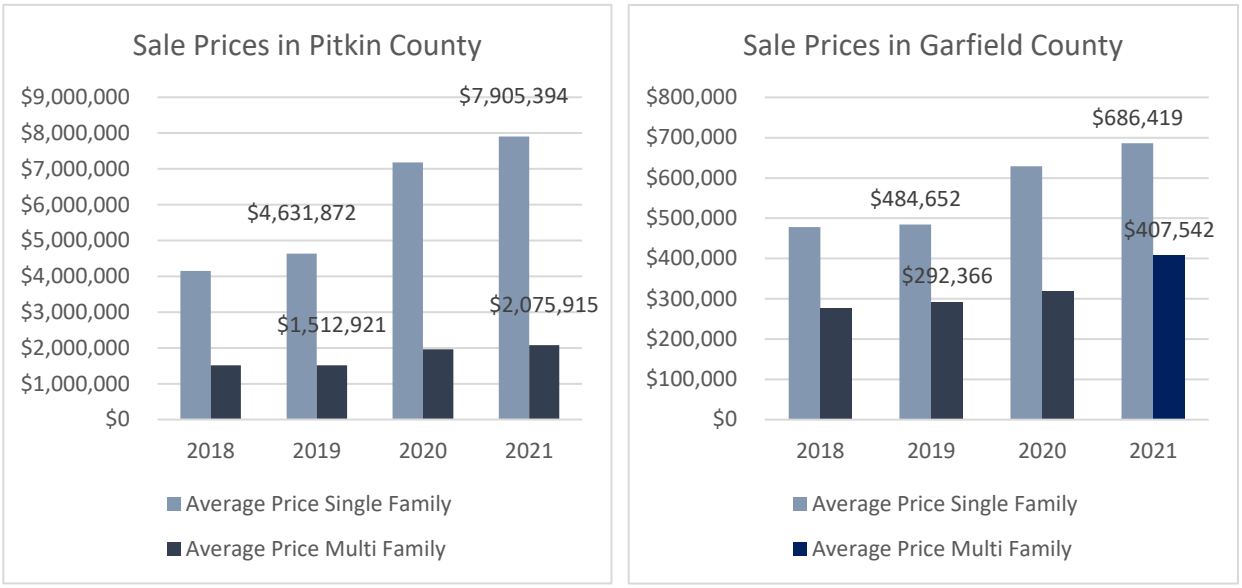
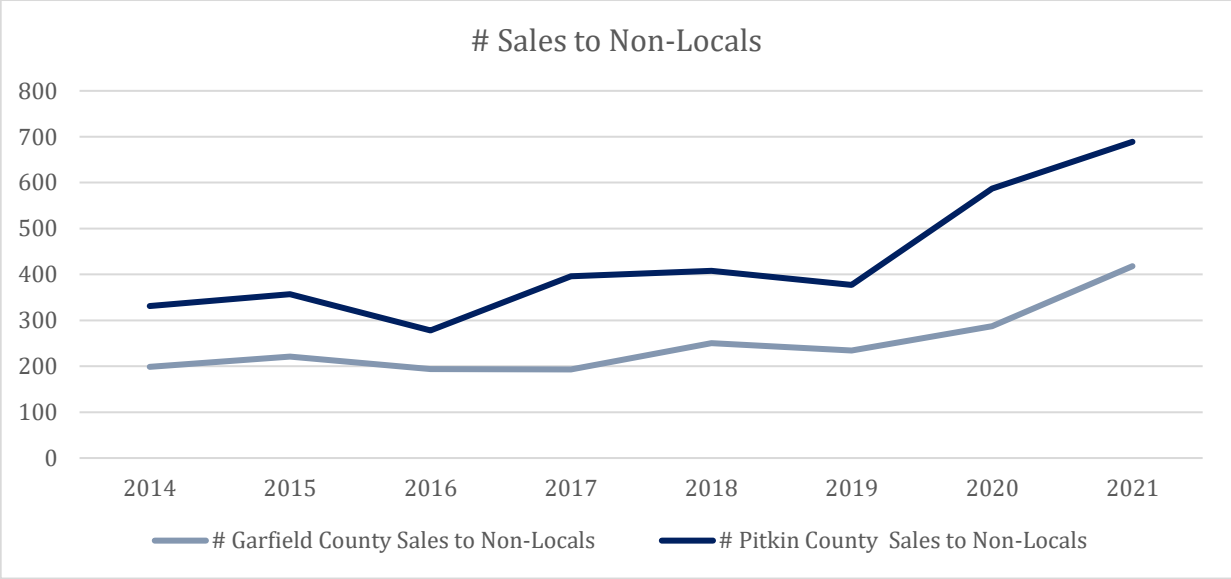


Figure 9 – Residential median sale prices

Source: Land Title Guarantee Company

The number of out-of-area buyers increased in both Pitkin and Garfield County, adding extra competition to the market. Real estate sales to out of area buyers in Garfield County increased by 79% between 2019 and 2021 while sales to out of area buyers in Pitkin County increased by 83%.

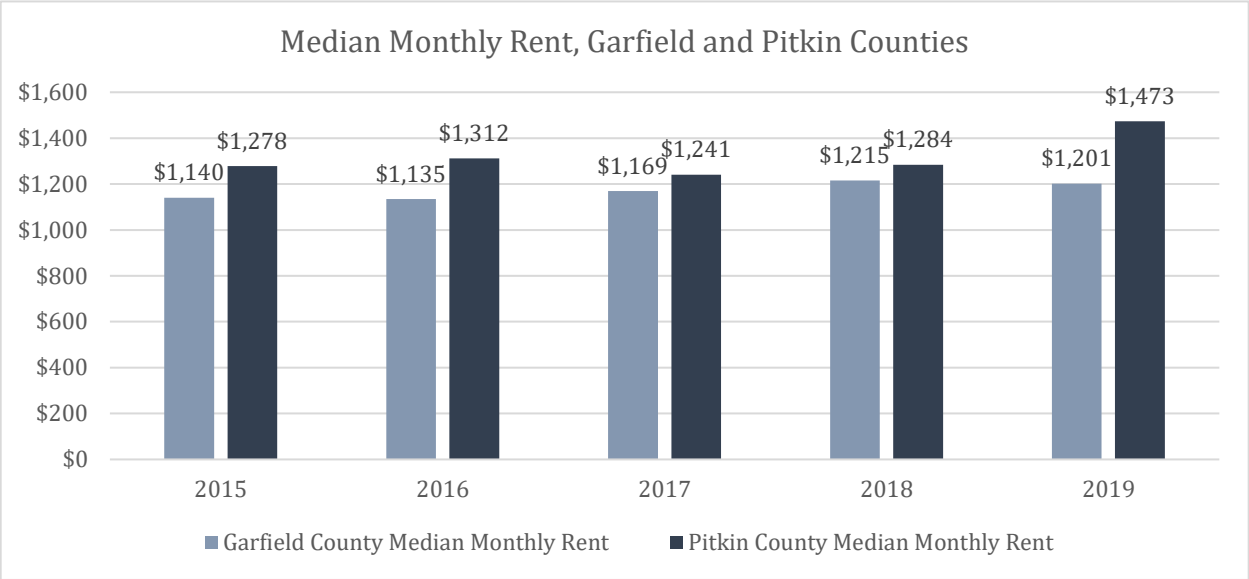
Figure 10 – Annual real estate sales to non-local buyers by county



Source: Land Title Guarantee Company

In the years leading up to COVID, median rents (all unit types) increased slowly in Garfield County from $1,140 per month in 2015 to $1,201 in 2019, a five percent increase in four years. In Pitkin County, rents fluctuated between $1,241 and $1,312 from 2015 to 2018 and then increased 14% in 2019.

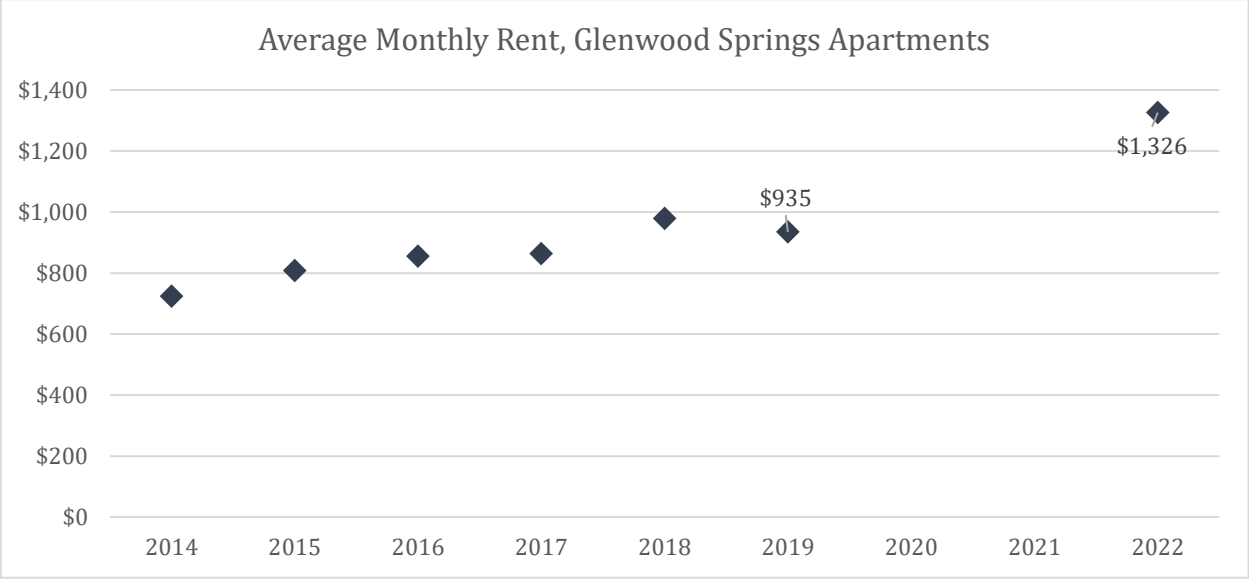
Figure 10 – Median Rent by County



Source: American Community Survey, by US Census, downloaded in April 2022

Census data is not yet available for 2021 and 2022 county median rents but in Glenwood Springs, where apartment rental prices have been tracked over several years, rents for apartments increased by 42% up to $1,346 in just two years between 2019 and 2021. Prior to COVID, average rent for apartments in Glenwood Springs increased by 29% in five years from 2014-2019.

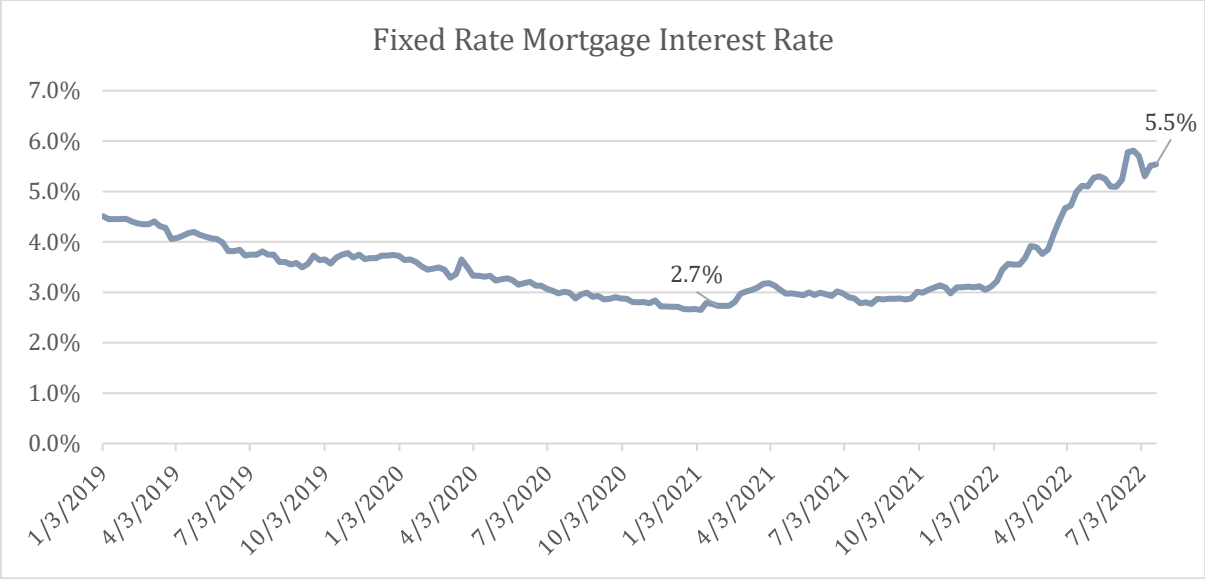
Figure 11 – Average Rent, Apartments in Glenwood Springs



Source: Colorado Statewide Apartment Survey 1st Quarter 2022, Colorado Housing and Finance Authority

Pitkin County's market rate housing for sale has been out of reach to nearly all working locals for decades. This has not been the case in Garfield County, where market rate housing had stayed within reach for most households up until COVID hit. Rising interest rates beginning in 2022 have coupled with rising sale prices to make it more difficult than ever for working families to afford to buy a home in Garfield County.

Figure 12 – Fixed Rate 30 Year Mortgage Interest Rates



Source: Primary mortgage rate survey, FreddieMac, 2022

Monthly payments for a 30-year fixed rate mortgage for a median priced Garfield County multi-family home with 20% down more than doubled between 2019 and 2022 due to higher sale prices and interest rates. Similarly, monthly payments for a mortgage for a median single-family home more than doubled from $1,208 to $2,535.

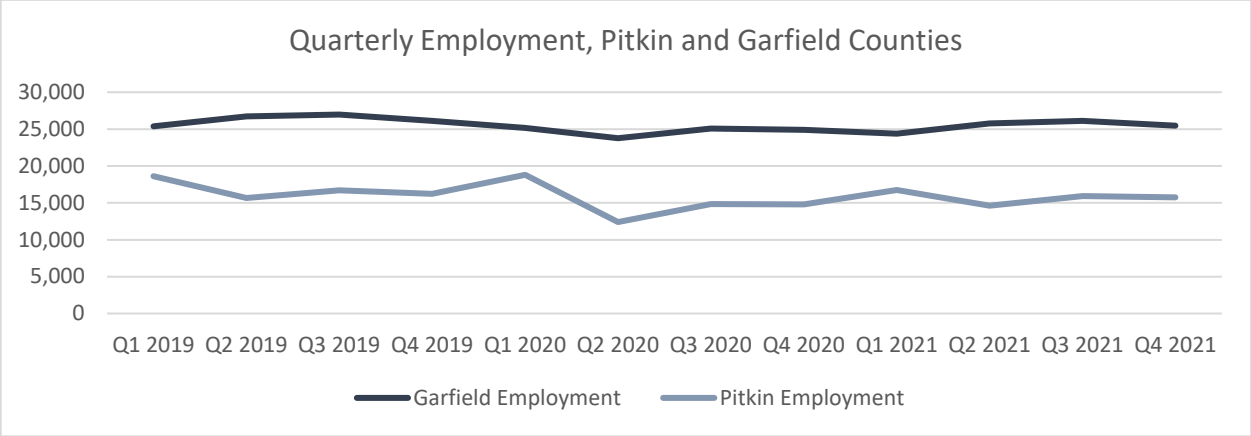
Figure 13 -Estimated monthly mortgage payments, median priced Garfield County Home, 2019 vs. 2022

	Monthly Mortgage, Median Price Multi-Family Attached	Monthly Mortgage, Median Price Single-Family
2019	$729	$1,208
2022	$1,505	$2,535
% Change	106%	110%

How has COVID affected employment and wages?

During second quarter of 2020, Pitkin County employment fell -20.8% compared to 2019 and then nearly recovered by the fourth quarter of 2021 when it was down -3%. Garfield County employment was less affected, but still experienced an initial drop of -11% and then had come close to recovering by fourth quarter of 2021 when it was down -2.6%.

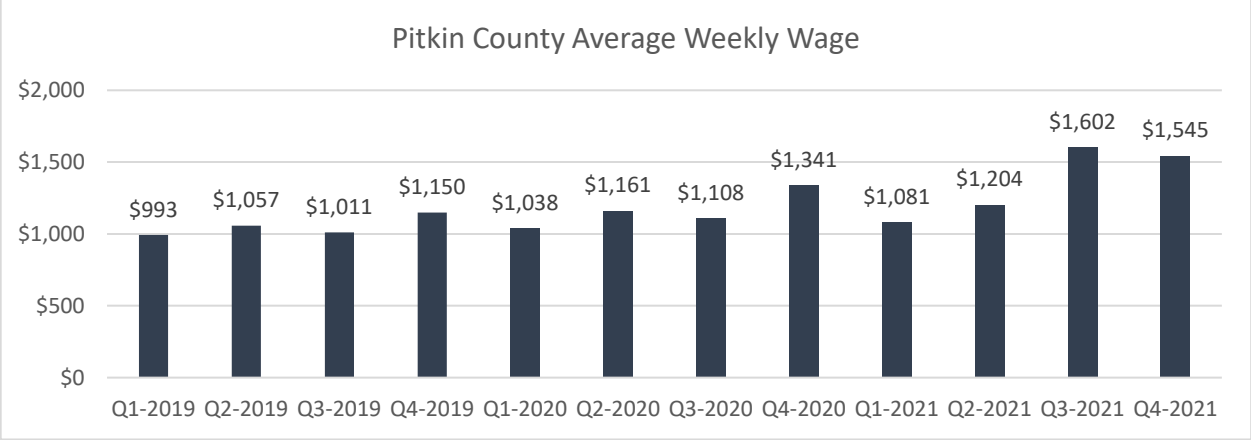
Figure 14 –Quarterly employment by county



Source: Colorado Department of Labor and Employment

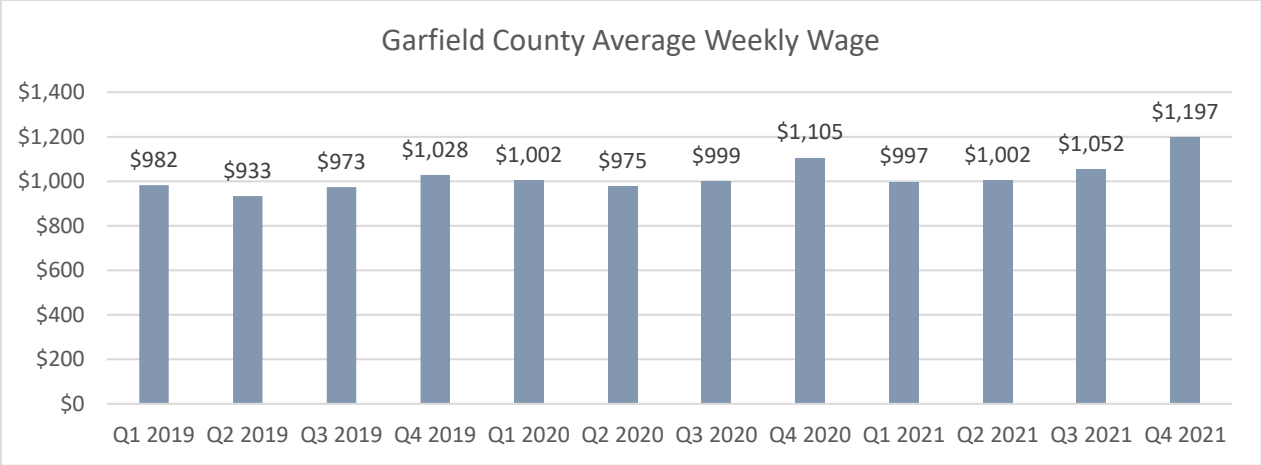
By the end of 2021, wages in both Pitkin County and Garfield County had increased, but not nearly at the rate of housing prices. Fourth-quarter 2021 Garfield County average weekly wages rose 16% up to $1,197 per week compared to fourth-quarter 2019. Fourth-quarter 2021 Pitkin County average weekly wages rose 34% up to $1,155 per week compared to fourth-quarter 2019. These rising wages have partially mitigated the increase in housing costs, but not enough to compensate for the doubling of mortgage payments or for the 40% increase in rent for apartments.

Figure 15 – Average Weekly Wage, Pitkin County



Source: Colorado Department of Labor and Employment

Figure 16 – Average Weekly Wage, Garfield County



Source: Colorado Department of Labor and Employment

Supplemental Data and Charts

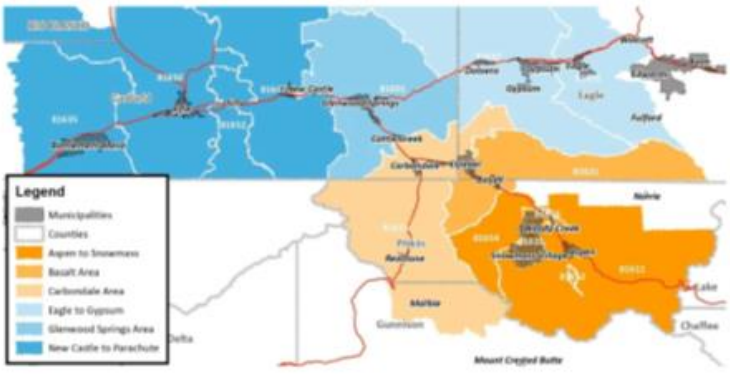
The information included below is additional and, in some cases, more detailed than the information provided in the data summary above. It is assumed that this information not only helps provide a snapshot of the current issues and trends to date (of available data) but also helps provide backup documentation and background information for case making buy-in development and funding applications in the near future. The information contained below may also be helpful in the process of further developing the programs and strategies identified and included in the housing toolkit.

Note: the information included below is from a slide deck developed to share data initially with the Roadmap Regional Community Team for further discussion and refinement.

Mismatch between housing prices and ability to pay, 2017

- 300 unit shortage in the Greater Roaring Fork Region (GRFR)
- GRFR is Aspen to Parachute & Eagle/Gypsum
- GRFR 4,000 unit shortfall = mismatch between sale price and ability to pay
  - 2,100 shortfall for 60% AMI or lower households
  - 900 unit shortfall between 100% AMI and 160% AMI households

Figure 1. Greater Roaring Fork Region Study Areas



Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

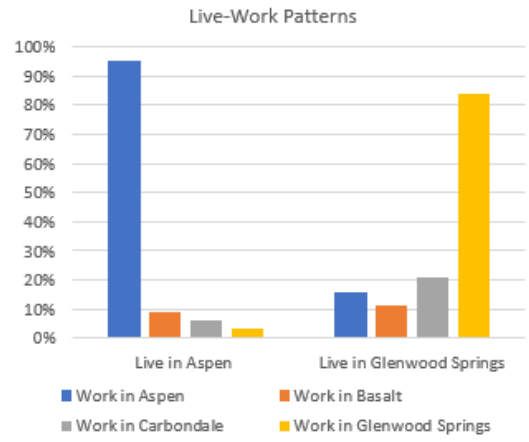
Local affordability shortfall, 2017

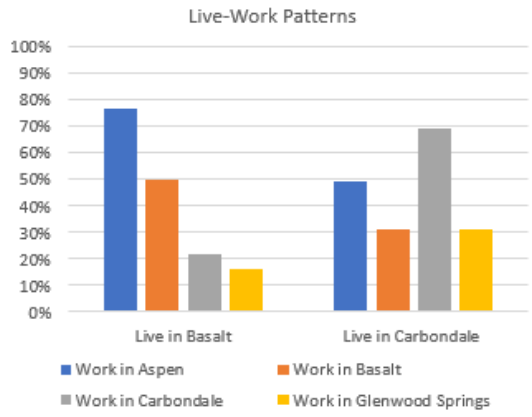
Subarea	Affordability Shortfall	Balance of Supply and Demand Overall
Aspen to Old Snowmass	4,000 units all incomes up to 160% AMI	Demand for housing exceeds supply
Basalt Area	1,000 units 80% AMI or less	Local supply and demand are fairly balanced
Carbondale Area	600 unit shortfall <60% AMI	Housing inventory is meeting non-local demand
Glenwood Springs Area	2,000 units all incomes up to 160% AMI	Demand for housing exceeds supply

- EPS model utilizes multiple data sources: wage and salary employment/income, proprietors, commuting, multiple job holding, household size, housing sale prices.

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

Why is it important? Commuting.

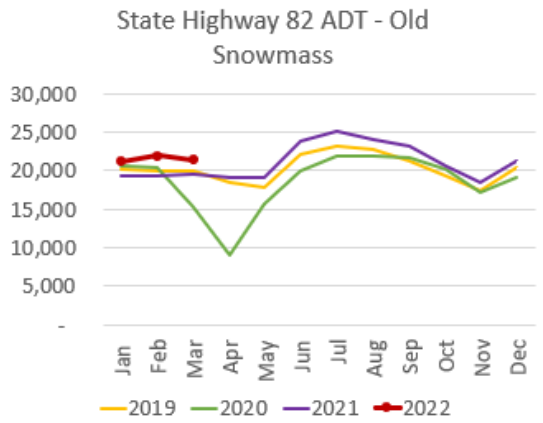


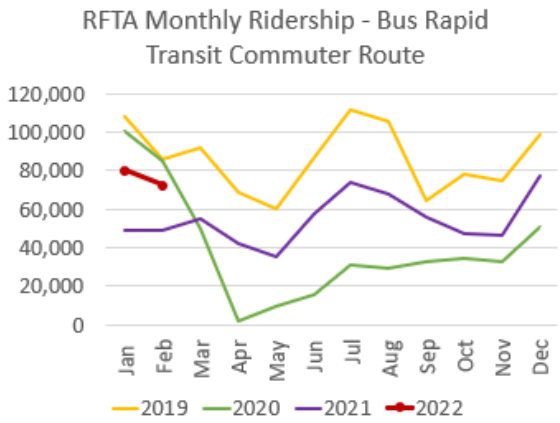


- Most Aspen and Glenwood households have workers in town, fewer commuting out
- Basalt and Carbondale households work throughout the valley

Source: Household survey results from Greater Roaring Fork Regional Housing Study, 2019, EPS

What happened with commuting during COVID?

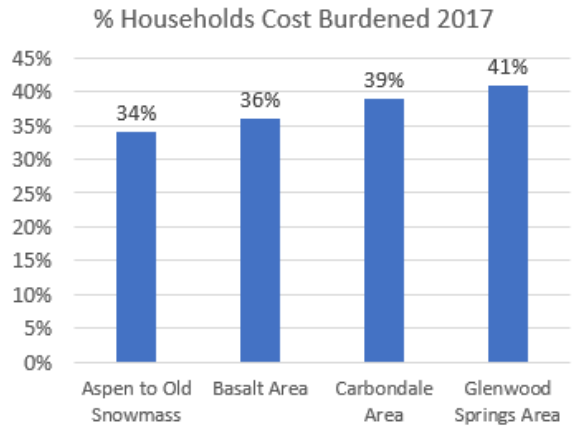


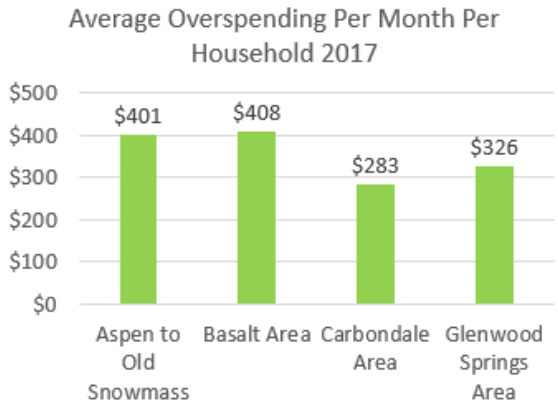


- Monthly average daily traffic on Hwy. 82 up +7% vs. 2019 since April 2021
- Monthly average RFTA BRT ridership Mar. 2020 to Feb. 2022 down -47% vs. 2019

Sources: Colorado Dept. of Transportation, Roaring Fork Transit Authority

Why is it important? Cost-burdened households.

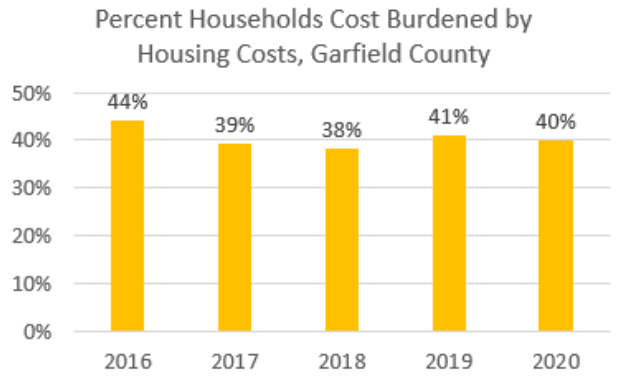


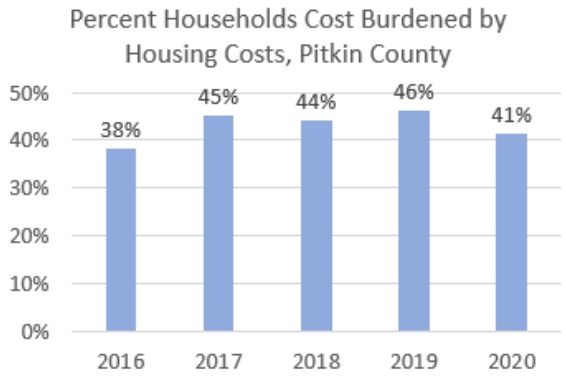


- At least one-third of households are paying more than 30% income on housing
- $33.8 million in annual overspending on housing – some goes to absentee owners
- Average $283 to $408 overspending per month per household

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

What happened with cost-burdened households during COVID?





- 2020 ACS data shows a drop in cost burdened households in Pitkin County
- This could be related to fewer peak season tourism workers in 2020

Source: American Community Survey, by US Census, downloaded in April 2022

Why is it important? Workforce challenges.

- 86% of employers have challenges recruiting/retaining employees
- 100% of largest employers have challenges recruiting/retaining employees
- 66% of employers say lack of affordable housing is the biggest challenge
- 73% employers feel housing has negatively affected employee performance
  - 48% say employees have displeasure with wages
  - 29% attribute high turnover to housing
  - 29% cite tardiness from long commutes

Source: Employer survey results from Greater Roaring Fork Regional Housing Study, 2019, EPS

Projections & emerging trends (regional housing study)

- GRFR shortfall <= 100% AMI to grow from 2,100 units in 2017 to 5,700 units in 2027.
- GRFR shortfall for 100-160 AMI "missing middle" to remain the same through 2027
- The gap between ability to pay and median price will widen by another 100% to 400%
- GRFR population will increase by 24,000 people or 33% from 2017-2027
- GRFR population over 65+ years old will increase 60% 2017-2027
- Resident survey respondents retiring in the next 10 years:
  - Aspen to Old Snowmass – 37%
  - Basalt to Carbondale – 42%
  - Glenwood to Battlement Mesa – 34%
- 58% of respondents likely or extremely likely to stay in the region after retirement.

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

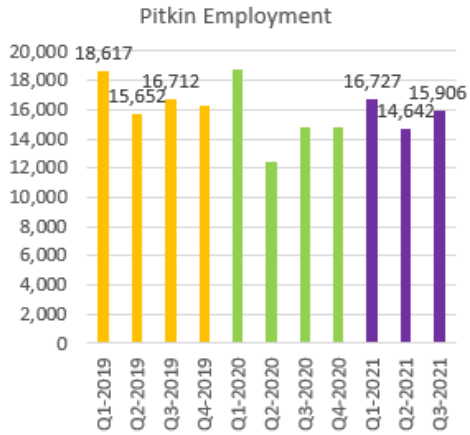
Demand factor: employment

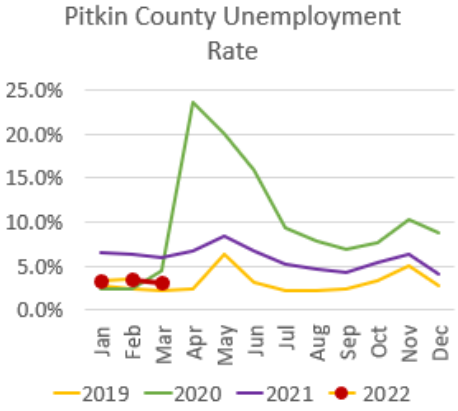
Area	Change in # of Jobs 2008-2017	Change in # of Jobs 2001-2017
Aspen to Old Snowmass	-535	2098
Basalt	-393	487
Carbondale	155	1025
Glenwood Springs	297	1503

- Aspen to Basalt had fewer jobs in 2017 than in 2008
- Carbondale through Glenwood Springs had more jobs in 2017 than in 2008.

Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

What happened with employment during COVID?

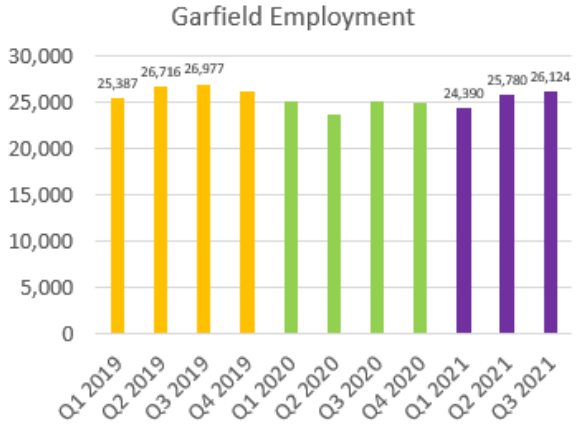


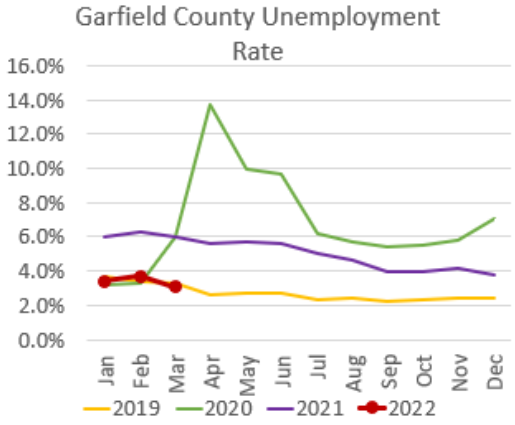


- Q1 2021 jobs were down about 2,000 during from 2019, Q3 2021 down 800
- Unemployment continued to fall toward 2019 levels through Q1 2022

Source: Colorado Department of Labor and Employment

What happened with employment during COVID?

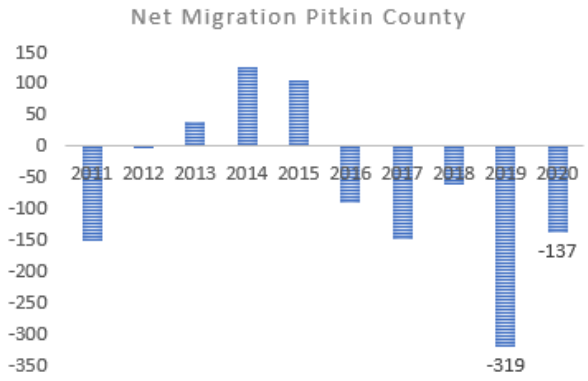


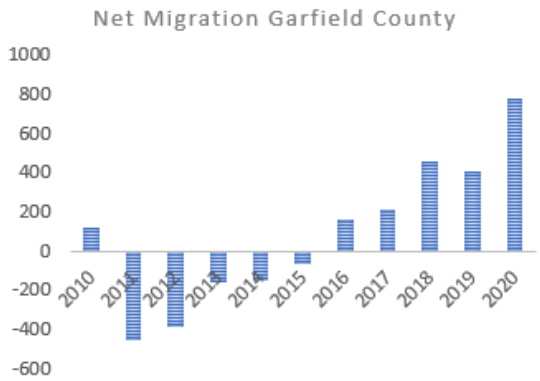


- Q1 2021 jobs were down about 1,000 during from 2019, Q3 2021 down 850
- Unemployment fell to 2019 levels in Q1 2022

Source: Colorado Department of Labor and Employment

Demand factor: migration





- Pitkin County had negative net migration from 2016 through 2020
- Garfield County net migration increased by 89% in 2020 compared with 2019

Source: Colorado Demography Office

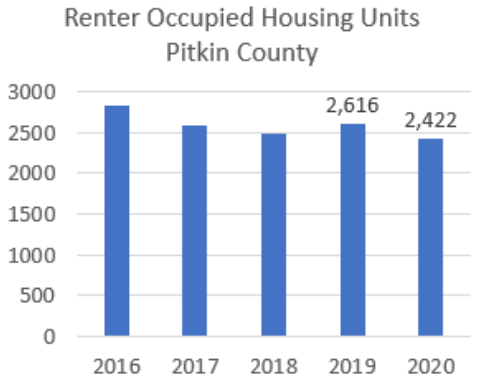
Demand factor: newcomers (moved in 2019-2020)

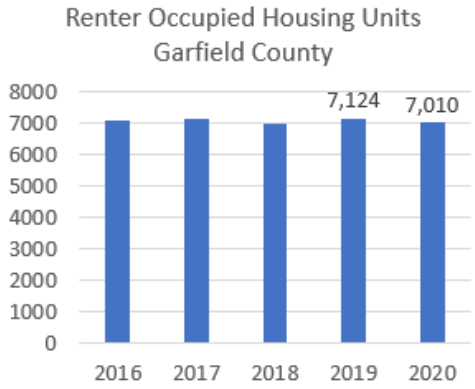
SURVEY OF NWCOG RESIDENTS:

- 91% of newcomers are employed
- 61% of newcomers work for an out-of-county employer and 24% are self-employed
- 49% newcomers moved "because you could work remotely"
- 70% of newcomers have incomes over $150,000 per year

Source: "Mountain Migration Report" Northwest Colorado Council of Governments, 2021

Demand factor: migration

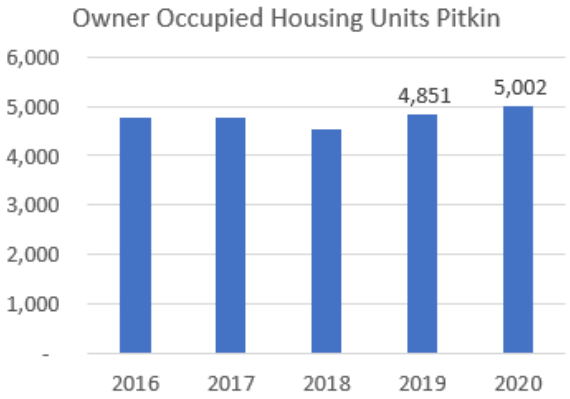


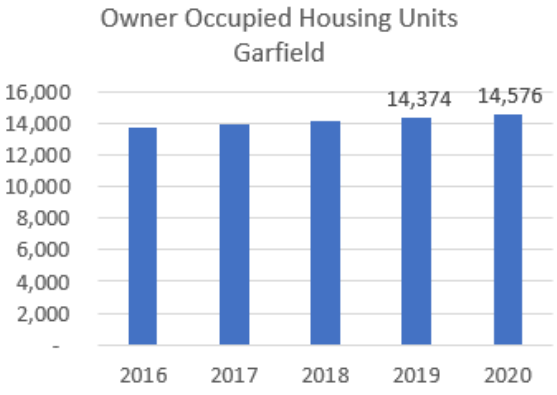


- Pitkin & Garfield Counties registered a decrease in renter occupied housing units in 2020

Source: American Community Survey, by US Census, downloaded in April 2022

Demand factor: migration





- Pitkin & Garfield Counties gained owner-occupied housing units in 2020

Source: American Community Survey, by US Census, downloaded in April 2022

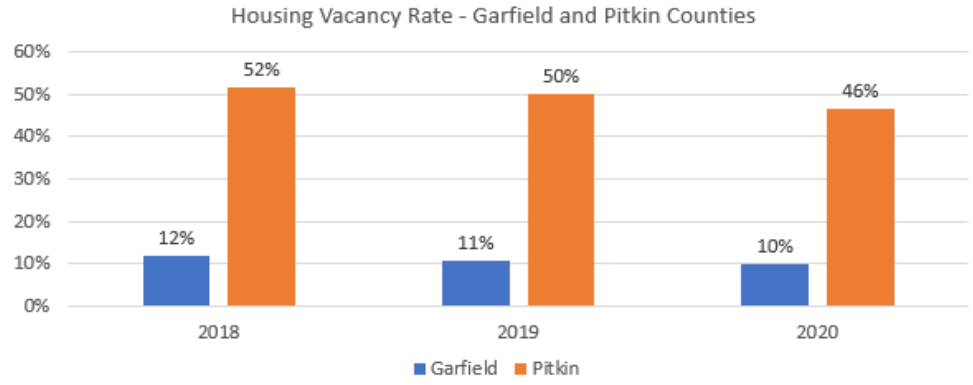
Demand factor: part-time residents

SURVEY OF NWCOG RESIDENTS:

- 17 % part-time residents increased the time in their homes in 2020 vs. 2019
  - 35% part-time residents "spend more time b/c you could work remotely"
  - 80% part-time residents "spend less time traveling elsewhere because of COVID"
- 20% part-time residents decreased the time in their homes in 2020 vs. 2019
- Unpaid stays in STRs + 30% in 2020 over 2019 (Pitkin, Routt, Summit, Eagle Counties)
- 9% part-time residents intend to become full time residents
- Part-time residents intend to increase time spent by 30% or 1.2 months

Source: "Mountain Migration Report" Northwest Colorado Council of Governments, 2021

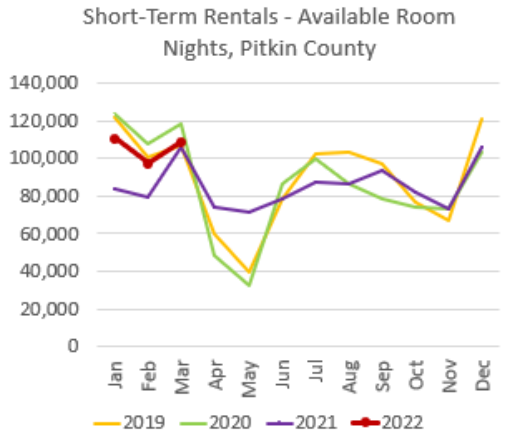
Demand factor: part-time residents

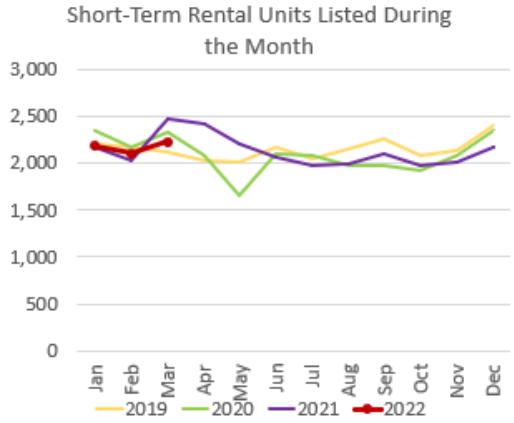


- Pitkin County housing vacancy rate fell 6% between 2018-2020.
- Vacancy rate is an approximation of % part-time residents.

Source: American Community Survey, by US Census, downloaded in April 2022

Demand Factor: Short-Term Rentals (Pitkin County)

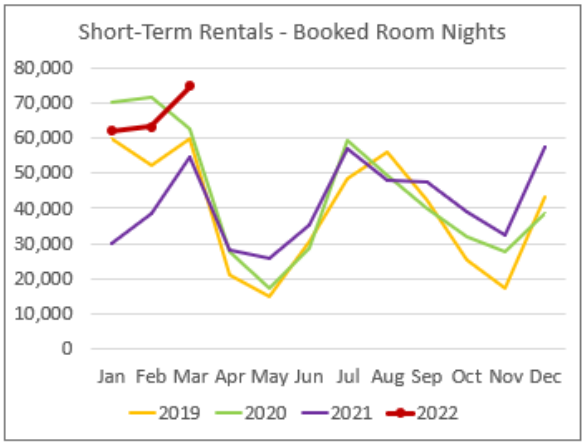


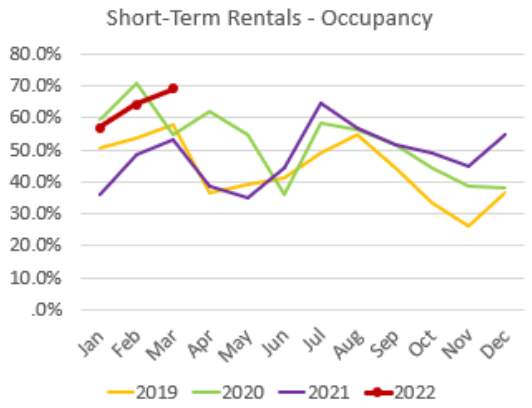


- Pitkin County short-term rental supply was slightly lower March 2020-March 2022 vs 2019:
  - Monthly listings down -2%
  - Monthly room nights available down -.6%

Source: AirDNA

Demand Factor: Short-Term Rentals (Pitkin County)





- Pitkin County short-term rental monthly occupancy was up +17% March 2020-March 2022 vs 2019:

Source: AirDNA

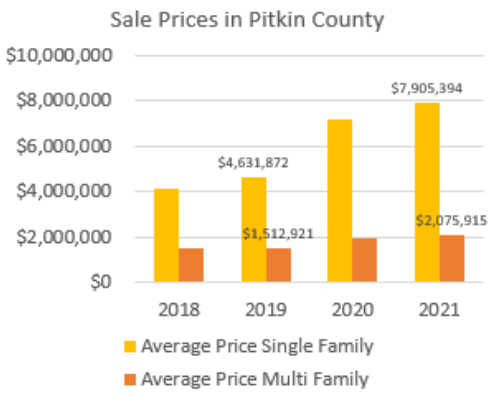
Sale prices

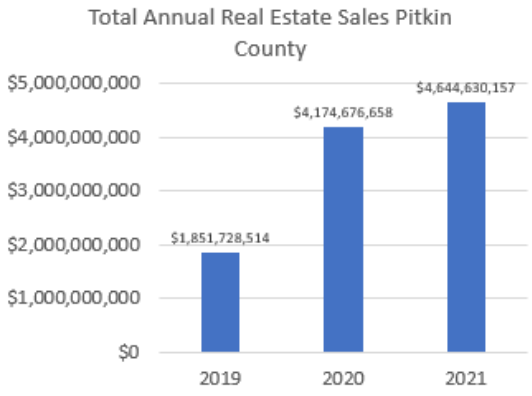
Subarea	Average Sale Price 2018	Change 2008-2018
Aspen to Old Snowmass	$2,353,868	Up +100%
Basalt Area	$780,169	Down -25%
Carbondale Area	$719,869	Down -12%
Glenwood Springs Area	$533,425	Up +12%

- The housing market was turbulent between 2008-2014
- Market had stabilized or was showing growth by 2018.

Source: Source: Greater Roaring Fork Regional Housing Study, 2019, EPS

Sale prices – Pitkin County 2018-2021

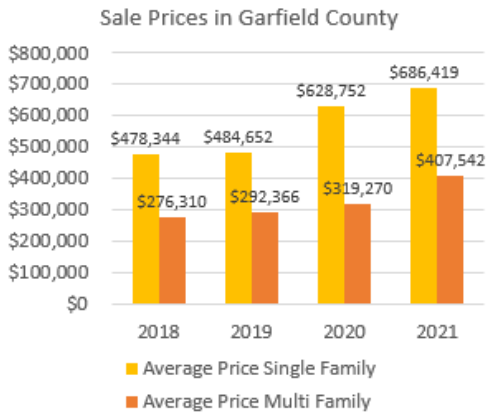


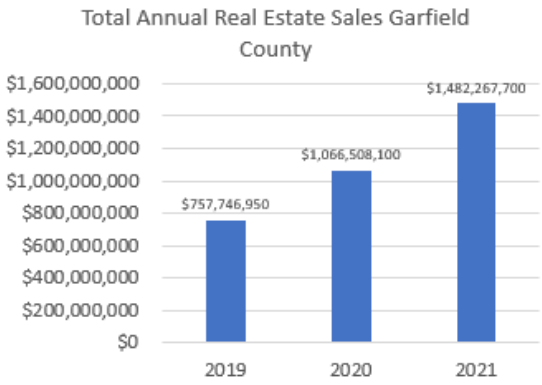


- Sales volume in 2021 was 151% higher than in 2019
- Average single family sale price in 2021 was 71% higher than in 2019
- Average multi-family sale price in 2021 was 37% higher than in 2019

Source: Land Title Guarantee Company

Sale prices – Garfield County 2018-2021

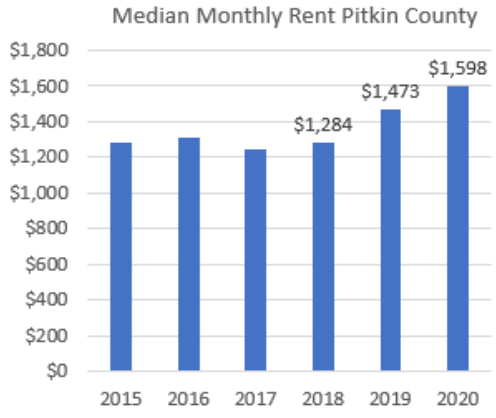


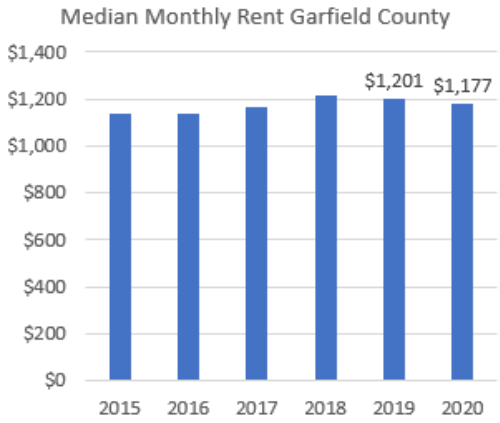


- Sales volume in 2021 was 96% higher than in 2019
- Average single family sale price in 2021 was 42% higher than in 2019
- Average multi-family sale price in 2021 was 39% higher than in 2019

Source: Land Title Guarantee Company

Rents: American Community Survey





- Pitkin County rents increased similarly in 2018-19 and 2019-20 (includes affordable units).
- Rents in Garfield County did not appear to increase 2019 to 2020

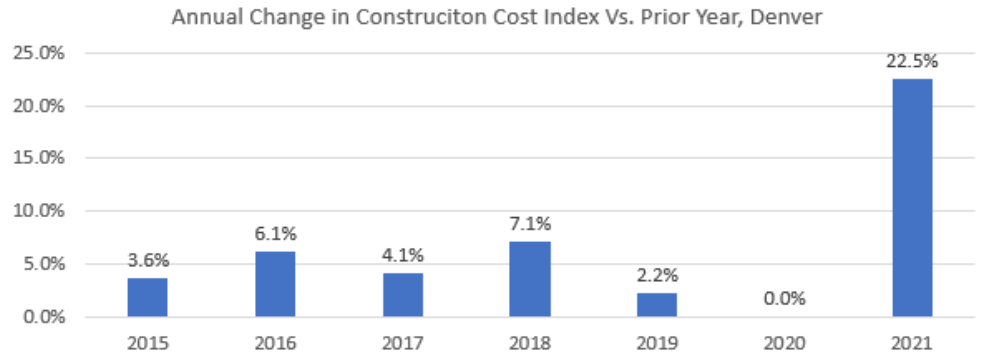
Source: American Community Survey, by US Census, downloaded in April 2022

Rents: Mountain Migration Study

SURVEY OF NWCOG RESIDENTS AND OTHER ANALYSIS:

- Market rents on units that turned over in 2020 increased 20% to 40%
- Average Pitkin County free-market rents Feb. 2021: $4577/mo
- Average Pitkin County free-market single family rents Feb. 2021: $7000/mo
- Newcomer renters: 30's and 40's, established careers, have children
- Newcomers have much higher income than newcomer renters in the past
- 90% said housing availability and housing affordability got worse in 2020

Construction Costs



- Q4 2019 to Q4 2021 materials price increases: Lumber +115%, PVC Pipe +110%, Structural Steel +35% Copper Pipe +80%, Steel Pipe +66%, Plywood +58%, Copper Wire +66%, Conduit +78%
- National construction cost increase 2020-2021 was 21.5%

Source: Mortenson Cost Index