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INTRODUCTION

Purpose of the Study

Local governments in Eagle County sponsored this county-wide Housing Needs Assessment in order to better understand current housing problems and to provide information that can be used to address identified needs. This is the first study of its type undertaken since 1990.

This report provides information on the demographics of the county's population, their housing needs, the impact that housing has on employers, and the opinions that both employers and residents have about housing. This information may be used to:

- Develop new public policies and programs related to housing;
- Facilitate the private sector's development of affordable community housing by the provision of market data that can be used to appropriately design, and acquire financing for, residential projects;
- Develop recommendations for the allocation of public resources for housing development;
- Plan for future housing impacts connected with anticipated growth;
- Monitor the effectiveness of housing programs and projects that might be initiated; and,
- Undertake various other planning-related projects that can benefit from the availability of up-to-date demographic data.

While there are many uses for this report, it does not address all of the potential needs for information at a level that is sufficiently detailed and specific for certain uses. The data generated by the surveys used in this study can be utilized in the future, however, when more in-depth information is required than is presented herein. For example, this report identifies and quantifies housing problems. It provides guidance needed to conceptually plan housing projects and programs to address these identified needs. It does not, however, provide all of the information that would be desirable to have when finalizing designs for the construction of specific projects. When residential projects are being planned in the future, data generated as part of this study can be extrapolated to prepare site- and project-specific market analysis reports with detailed design recommendations.

Organization of the Report

This report is divided into nine sections. Each section begins with an introduction to the items covered as presented below:

- *Population and Demographics* - Items covered include household and individual population estimates, population distribution throughout the county, age, gender, marital status, household size, household composition, and income.
- *Employment Information* - Information on the number of jobs in Eagle County, job growth over the past four years, seasonality in employment, occupations, work patterns, and job generation ratios is provided.
- *Commuting* – Focus is given to place of employment and commuting patterns to understand the demand on housing generated by persons currently living outside of Eagle County.
- *Housing Inventory and Market Conditions* - This section includes estimates of the total number of residential units by area, the number of housing units occupied by local residents, types of unit, location, occupancy (owner as compared to renter), and costs.
- *Housing Problems* – Quantitative estimates on housing problems are provided including number of persons dissatisfied with their current housing, number of households who are burdened by high housing costs, number of units that are overcrowded, and availability of for-sale and for-rent units.
- *Solutions and Opportunities* – Findings from questions on who should be responsible for housing, where it should be built and what type of units should be developed are provided. Opinions about alternative housing arrangements including co-housing and shared housing opportunities are presented.
- *Housing Design* - This section provides information on amenities, design features, location, number of bedrooms, and unit type desired.
- *Trends Analysis* – A comparison of key findings from the current study to the 1990 Housing Needs Assessment prepared by RRC Associates.
- *Conclusions and Recommendations.*

The study covers all of Eagle County except the portion in the Roaring Fork Valley. When the term “Eagle County” is used in tables, graphs and text in this report, it refers to the study area exclusive of Basalt and adjacent areas in the Roaring Fork Valley. Some

of the secondary information referenced in this report, such as employment data, covers the entire county, however. When this information is referenced, it is so indicated by use of the term "Eagle County as a whole".

Information on all topics is provided for the entire portion of Eagle County covered by the study and for three sub-areas or regions. These areas are:

1. The Vail area;
2. Mid valley which encompasses Red Cliff, Minturn, Eagle-Vail, Avon, Beaver Creek, Edwards, Singletree and adjacent rural areas; and,
3. Down valley which includes Eagle, Gypsum, Dotsero, Wolcott and adjacent rural areas.

Several times in this report the term "rural" is used to denote unincorporated areas not within defined communities. Though the entire county could be considered rural in comparison to metropolitan areas, the term rural as used in this report refers only to areas outside of incorporated and unincorporated communities.

Methodology and Sources Used

Surveys were used as the principal source of information on housing conditions and needs. This project involved surveys of households and both private and public-sector employers. Unless otherwise referenced, all information presented in this report is generated from survey responses. Survey responses are presented in tables and graphs. These responses may occasionally total 99% or 101% due to rounding.

Household Survey – Distribution, Response Rate and Representation

The household survey was distributed to 3,600 homes in the county that are occupied by residents of Eagle County. Distribution was based on estimates of the number of units occupied as primary residences generated by staff in each of the involved jurisdictions. The surveys were distributed by hanging them on the doors of individual housing units over a period of five days from February 25 through March 2, 1999. With extensive local publicity about the survey, a total of 794 valid surveys were returned for a response rate of 22%.

The survey was designed to obtain descriptive information on each household and demographic information on up to three adult members of each household. Complete information was received on 1,046 adults.

Overall, surveys were obtained from 7.46% of the study area's households. The sample generated from these surveys is adequate for statistically valid tabulations on a county-wide basis and for the three sub-areas in which the study area has been divided (Vail, mid valley and down valley).

Representation of each community in the sample is similar to the distribution of households. The Town of Eagle is slightly over-represented while the unincorporated area is somewhat under-represented yet the discrepancy is not sufficient to be of concern.

Survey Distribution and Response Rate

| | Primary Homes | % Surveys Distributed | % Surveys Returned | # Returned |
|--------------------|---------------|-----------------------|--------------------|------------|
| Vail | 2,048 | 19.2 | 16.1 | 128 |
| Minturn/Red Cliff | 405 | 4.7 | 5.2 | 41 |
| Avon | 1,462 | 13.7 | 14.2 | 113 |
| Eagle | 1,060 | 10.0 | 18.6 | 148 |
| Gypsum | 1,175 | 11.0 | 10.8 | 86 |
| Unincorporated | 4,399 | 41.4 | 35.0 | 278 |
| Total – Study Area | 10,649 | 100% | 100% | 794 |

It appears that renters are under-represented in the survey sample. Of the 794 surveys returned, 79% were from homeowners who reside in their homes, 1% were from persons who live in units owned by their parents, and 20% were from renters. It is very unlikely that the homeownership rate in the market area increased from 54.2% in 1990 (Census estimate) to 79% by 1999. The homeownership rate increased state wide during this period but not to the degree that the survey data suggest.

In order to compensate for the under-representation of renters, the following steps have been taken:

- The estimate of the number of renter-occupied and owner-occupied units within the study area has been based on a homeownership rate of 60%. This figure was derived by applying the state wide increase in the homeownership rate to the 1990 Census estimate; and,
- Statistical tabulations have been presented separately for owners and renters; when overall findings appear to be skewed because responses differ between owners and renters, it has been so noted in the report.

Employer Survey

Employers were surveyed to determine the extent to which housing availability and high costs of housing are impacting employment. The survey covered current and projected employment, the willingness to assist with the provision of housing for their employees, the design of employer-assisted housing programs, and the number of jobs associated with new development.

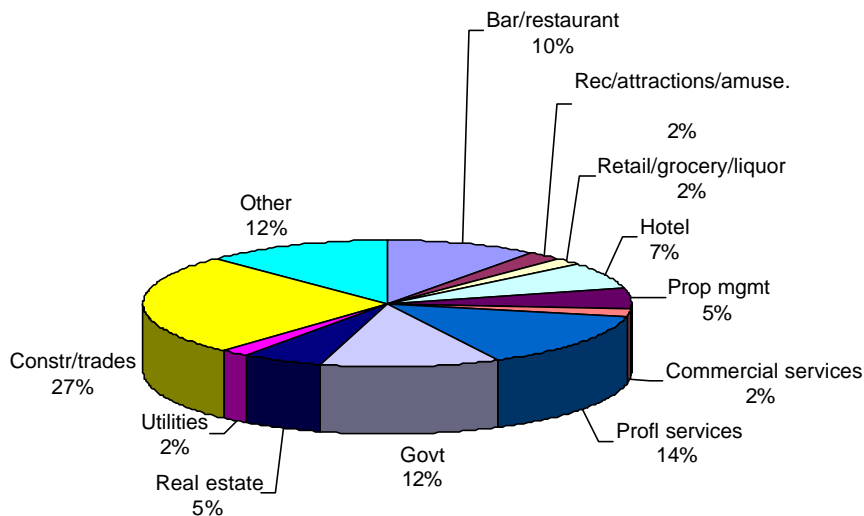
Forty-two employers were surveyed in March to obtain a representative sample of both private and public-sector employers. The employers interviewed employ 3,763 year-round employees and 5,788 winter seasonal employees for a total of 9,551 employees at peak season.

Persons Employed by Participating Employers

| | Full Time | Part Time | Total |
|----------------------------------------|-----------|-----------|-------|
| Year Round | 3,422 | 341 | 3,763 |
| Summer Seasonal | 1,052 | 310 | 1,362 |
| Winter Seasonal | 4,060 | 1,728 | 5,788 |
| Peak Period Total (Yr. Round & Winter) | 7,482 | 2,069 | 9,551 |

As shown by the following graph, all major types of businesses are represented by the survey.

Types of Businesses Surveyed



Commuter Survey

Information about commuters was obtained through two intercept surveys, one of commuters working in Eagle County conducted at their place of employment (referred to in this report as “On-site Commuters”) and the other of commuters living in Leadville. A total of 313 responses were received from 66 persons on their job sites in Eagle County and 247 Leadville residents who commute to work in Eagle County.

Other Data Sources

Multiple sources of published information were used in the preparation of this report including:

- Population and housing unit estimates for July 1997 from the State Demographer's Office;
- Apartment vacancy rates from the Colorado Division of Housing and the Eagle County Housing Division;
- Employment estimates from the Colorado Department of Labor and Employment and the US Bureau of Economic Analysis (1990 through 1996); and,
- Real estate sales and listings from the Vail Board of Realtors Multiple Listing Service.

When these sources are references, it is so noted in the text or adjacent to the table or graph containing the referenced information. If no notation appears, the source is one of the surveys conducted as part of this study.

Definitions Used

Housing Supply - units that are occupied by local residents or, if currently vacant, likely to be leased or sold to local residents. Differs from the inventory of total residential units in that it excludes units used for occasional or recreational use.

Cost Burden - when a household or individual spends more than 30% of gross income on rent or mortgage payments.

Affordable Community Housing - when housing is occupied by local residents and the amount they spend on rent or mortgage payments (excluding utilities) does not exceed 30% of their income. There is no single amount that is “affordable”. The term is not synonymous with low-income housing; households in lower through middle-income ranges tend to have affordability problems in high-cost communities. Under most

Federal rental programs for low-income housing, occupants pay 30% of their gross income for rent and utilities.

Primary Homes - residential units that are occupied the majority of the year and serve as the occupant's primary residence, and are thus considered part of the housing supply (see previous definition). Units can be occupied by different households during the year if, for example, they are lived in by seasonal employees.

Substandard Housing - a unit that lacks complete kitchen and/or plumbing facilities.

Mean - the average of a group of numbers. It is obtained by adding all the data values and dividing by the number of items.

Median – the middle point in a data set.

SECTION 1-- POPULATION AND DEMOGRAPHICS

This section of the report provides the context for information presented later in this document on housing conditions and needs. It describes the residents of the study area portion of Eagle County, including their numbers and characteristics. The following specific topics are covered:

- Number of persons and households;
- Population trends and community comparisons;
- Age distribution;
- Gender;
- Household size and composition;
- Children in households;
- Household and individual incomes; and,
- Length of residency.

Number of Persons and Households

Approximately 28,436 people now live in 10,649 households in the portion of Eagle County that is the subject of this report. Estimated population figures were derived by multiplying locally-generated and State Demographer estimates of the number of housing units occupied as primary residences by the average number of persons per household obtained from the household survey.

Study Area Population, 1999

| | Primary Homes* | Avg. # Persons per Household | Estimated Population |
|-----------------------------|----------------|------------------------------|----------------------|
| Vail | 2,048 | 2.4 | 4,915 |
| Minturn/Red Cliff | 505 | 2.9 | 1,465 |
| Avon | 1,462 | 2.3 | 3,363 |
| Eagle | 1,060 | 2.8 | 2,968 |
| Gypsum | 1,175 | 2.9 | 3,408 |
| Unincorp. (Study Area Only) | 4,399 | 2.8 | 12,317 |
| Total | 10,649 | 2.7 | 28,436 |

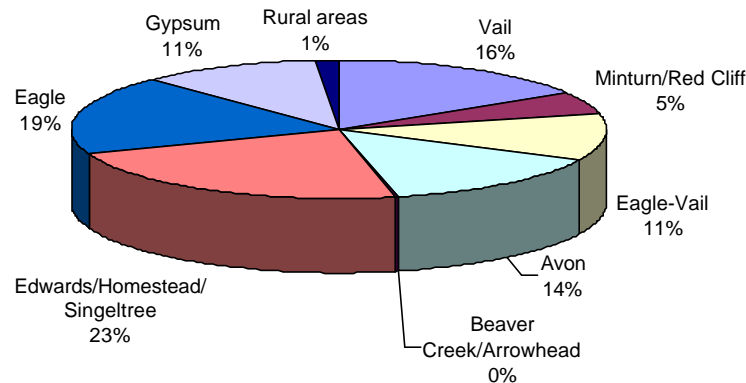
* All estimates are based on current information provided by local planners except for the unincorporated area figure, which is a derivative of the State Demographer's July 1997 estimate.

According to the State Demographer, 32,099 persons resided in 12,649 housing units in Eagle County as of July 1, 1997. According to 1990 census data, 80.085% of Eagle County residents lived in the study area portion of the county. By applying this percentage to the 1997 county population estimate, it is estimated that approximately 25,706 Eagle County residents lived in 10,130 households in the study area as of July 1, 1997. The estimated current population of 28,436 represents a 10.6% increase from the July 1, 1997 population estimate. This increase (around 7% per year) is consistent with growth rates in Eagle County in the 1990's, as described below.

Population Distribution

According to the survey responses, the largest percentage of Eagle County residents live in the unincorporated Edwards/Homestead/Singletree area, followed by Eagle and Vail. This distribution is largely consistent with locally-generated population estimates.

Household Population Distribution



Population Trends

Population estimates at the community level from the State Demographer are available through July 1997. The State estimated that Eagle County as a whole had a population of 32,099 in 1997. It should be noted that the State Demographer's Office routinely updates and amends their population estimates. The estimates provided in this report were listed on the State Demographer's web site on June 1, 1999. There are slightly different than previously published estimates.

Eagle County Population, 7/91 – 7/97

| | 7/91 | 7/92 | 7/93 | 7/94 | 7/95 | 7/96 | 7/97 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Avon | 1,858 | 1,950 | 2,374 | 2,446 | 2,505 | 2,728 | 2,787 |
| Eagle | 1,603 | 1,682 | 1,653 | 1,720 | 2,084 | 2,212 | 2,468 |
| Gypsum | 1,811 | 1,901 | 1,953 | 2,151 | 2,229 | 2,388 | 2,758 |
| Minturn | 1,096 | 1,150 | 1,138 | 1,140 | 1,113 | 1,108 | 1,143 |
| Red Cliff | 298 | 313 | 303 | 304 | 297 | 299 | 310 |
| Vail | 3,743 | 3,928 | 3,882 | 4,442 | 4,381 | 4,409 | 4,454 |
| Unincorp. | 11,533 | 12,102 | 13,209 | 14,007 | 14,881 | 15,686 | 16,511 |
| Total | 23,073 | 24,213 | 25,716 | 27,468 | 28,860 | 30,392 | 32,099 |

Source: Colorado Division of Local Government Demography Section

Eagle County's population experienced a cumulative increase of about 34% between 1991 and 1997. The rate of growth was steady with annual increases ranging from slightly below 5% to slightly below 7%.

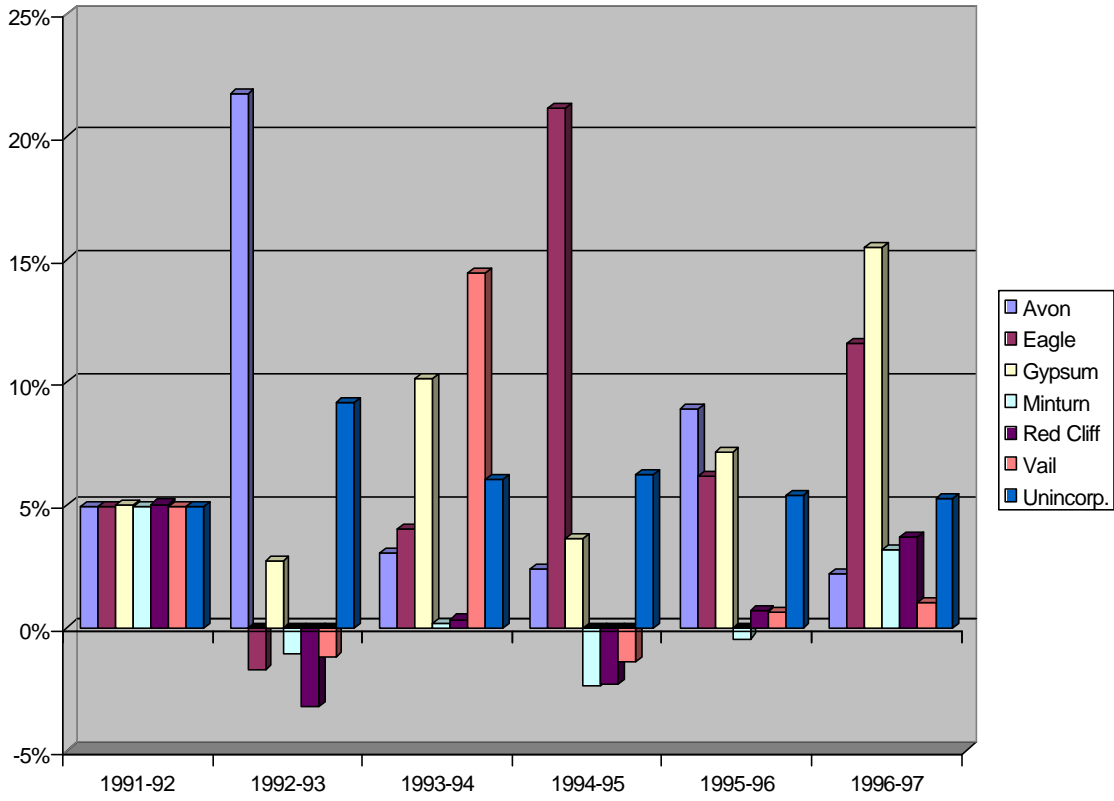
Rates of Growth in Population, 1991 – 1997

| Years | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 |
|-------------|---------|---------|---------|---------|---------|---------|
| Growth rate | 4.9% | 6.2% | 6.8% | 5.1% | 5.3% | 5.6% |

Source: Colorado Division of Local Government Demography Section (data),
Rees Consulting (computations)

A comparison of growth rates for the various communities is shown in the following graph. Eagle, Gypsum, Avon, and the unincorporated portions of the county had the largest cumulative increases during this period. Growth in Vail spiked in 1993-94 at 14% but has remained almost flat since then. Growth in Minturn and Red Cliff totaled only 5% during this period. There was no clear pattern from year to year, however. Most of the growth in 1996-97 occurred in Gypsum and Eagle. From 1995 to 1996, the greatest amount of growth occurred in Avon. The year before that, almost all of the growth occurred in Eagle.

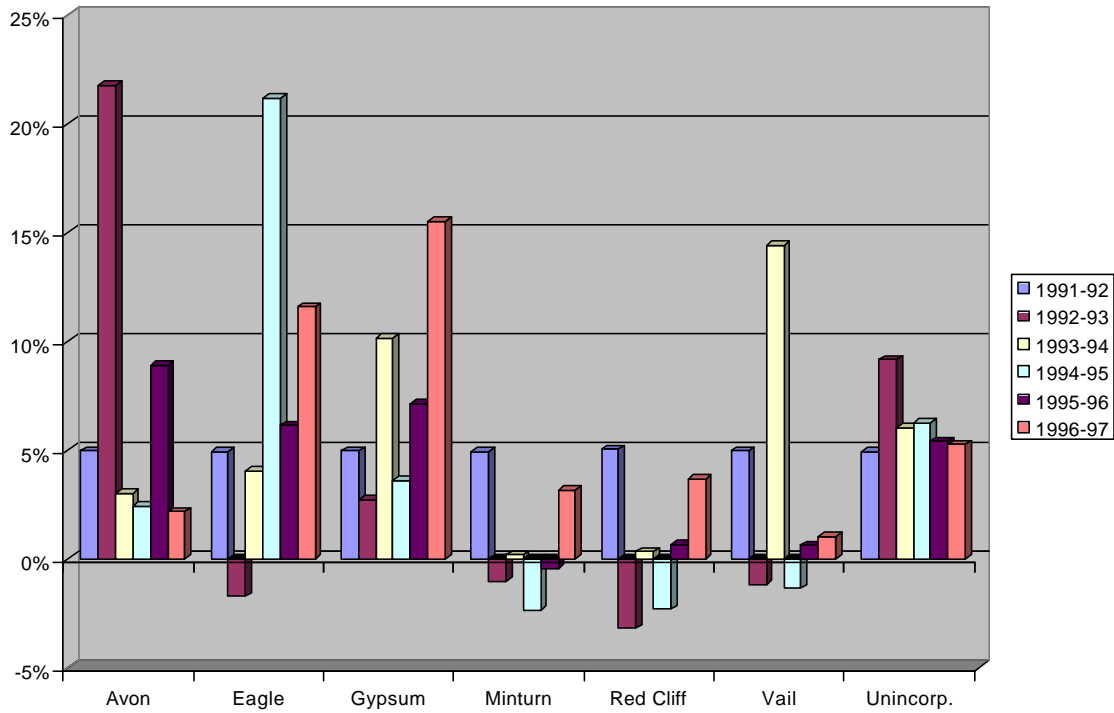
Population Growth Rates by Community



Source: Colorado Division of Local Government Demography Section (data), Rees Consulting

Growth rates for each community over the 1991-92 through 1996-97 time period are shown in the following graph. Growth rates were erratic for most areas except the unincorporated portion of Eagle County. Avon, Gypsum, and the unincorporated area had positive growth rates throughout the period, while Eagle, Minturn, Red Cliff, and Vail experienced losses some of the years. What appears to be a decline in population may be the result of variations in estimates published by the State Demographer, however, rather than an actual decrease in the number of person residing in each community.

Population Growth Rates in Each Community



Source: Colorado Division of Local Government Demography Section (data), Rees Consulting

Community Comparisons

Eagle County grew at a cumulative rate more than double that of the state of Colorado between 1991-92 and 1996-97. Counties with comparable cumulative growth rates include San Miguel, where the Telluride ski area is located, and Summit, where the Keystone, Arapahoe Basin, Copper Mountain, and Breckenridge ski areas are located. None of the ski counties had growth rates anywhere near that of Douglas or Elbert Counties, however, which are the fastest growing counties in the nation.

Growth Comparison

| | 1991-92 through 1996-97 |
|-------------------|-------------------------|
| State of Colorado | 16% |
| Counties | |
| Douglas | 70% |
| Elbert | 56% |
| Summit | 37% |
| San Miguel | 34% |
| Eagle | 34% |

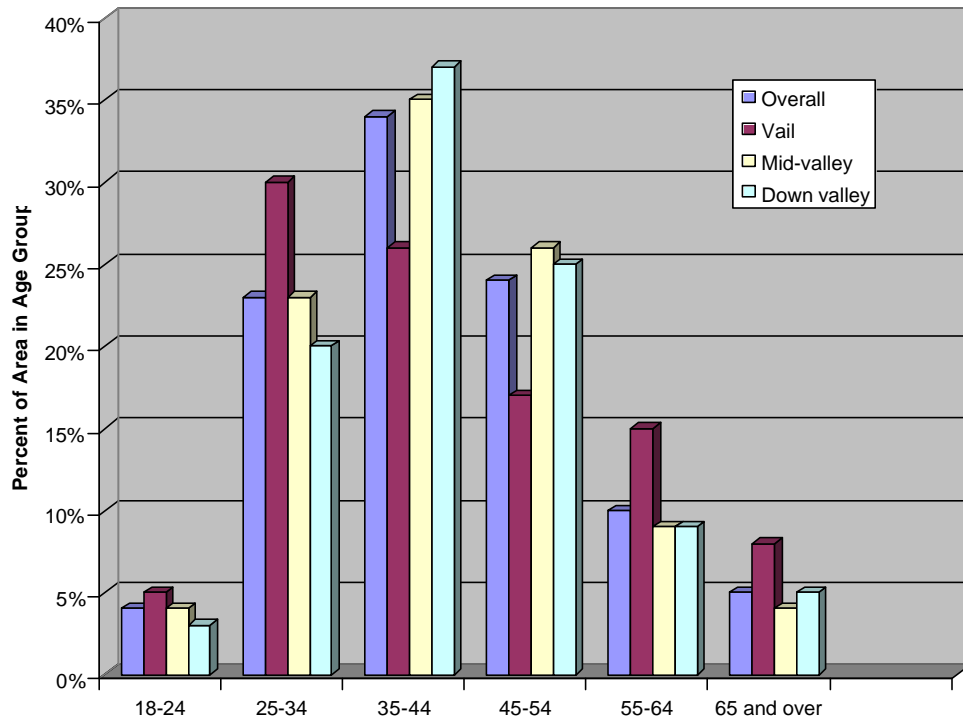
Source: Colorado Division of Local Government Demography Section

Age

The average age of residents, according to survey responses, is 42.4 years. This may be somewhat high because of the overrepresentation of owners in the survey sample. Distinct differences between the three areas studied are evident, as shown in the following graph:

- Vail has a higher percentage of younger adults in the 25 to 34 age category than the mid- and down-valley areas;
- Vail also has a higher percentage of older adults in the 55-64 and 65 and over age categories; and,
- The mid-valley and down-valley areas have higher percentages of adults in the 35-44 and 45-54 age categories than Vail.

Age Distribution



Gender

According to the survey responses about 52% of Eagle County residents are women. This gender mix was found in all three areas. It is not typical of Colorado mountain

resort communities, however, where men tend to outnumber women because construction work and jobs in the outdoor recreation industry tend to attract more men than women.

Gender by Area

| | Overall | Vail | Mid Valley | Down Valley |
|--------|---------|------|------------|-------------|
| Male | 48% | 48% | 48% | 47% |
| Female | 52% | 52% | 52% | 53% |

Household Size

Overall, 40% of Eagle County's households consist of two persons, while 38% consist of three or four persons. Vail has a greater percentage of single and two-person households than the mid- and down-valley areas, while down valley has a somewhat higher percentage of three- and four-person households than the other two areas or the study area as a whole. Household size in the mid-valley area most closely approximates the county-wide household size, while Vail households tend to be somewhat smaller and down-valley households tend to be somewhat larger.

Household Size by Area

| Persons in Households | Overall % | Vail % | Mid Valley % | Down Valley % |
|-----------------------|-----------|--------|--------------|---------------|
| 1 | 14 | 20 | 14 | 11 |
| 2 | 40 | 46 | 41 | 37 |
| 3 | 19 | 17 | 19 | 21 |
| 4 | 19 | 12 | 19 | 22 |
| 5 | 5 | 1 | 6 | 6 |
| 6 | 1 | 1 | 1 | 2 |
| 7 + | 1 | 3 | 0 | 1 |

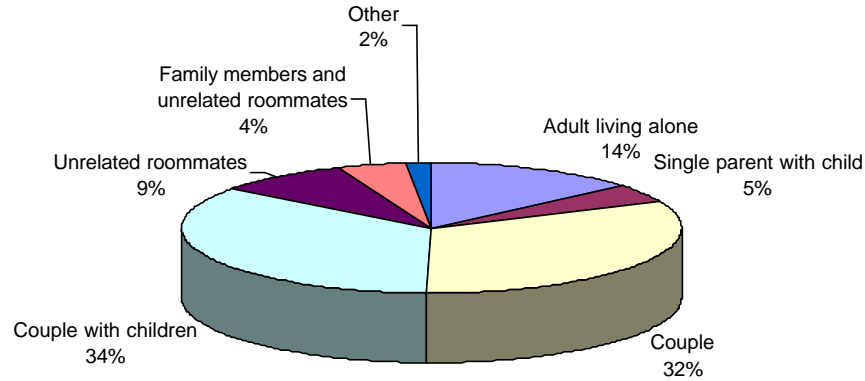
Household Composition

In the area as a whole:

- Families comprise a majority of overall households; couples, couples with children, and single parents with children constitute about 71% of all households;
- Only 14% of primary residences overall are occupied by an adult living alone; and,

- Households comprised of roommates living with other unrelated individuals or with family members constitute only 13% of the population.

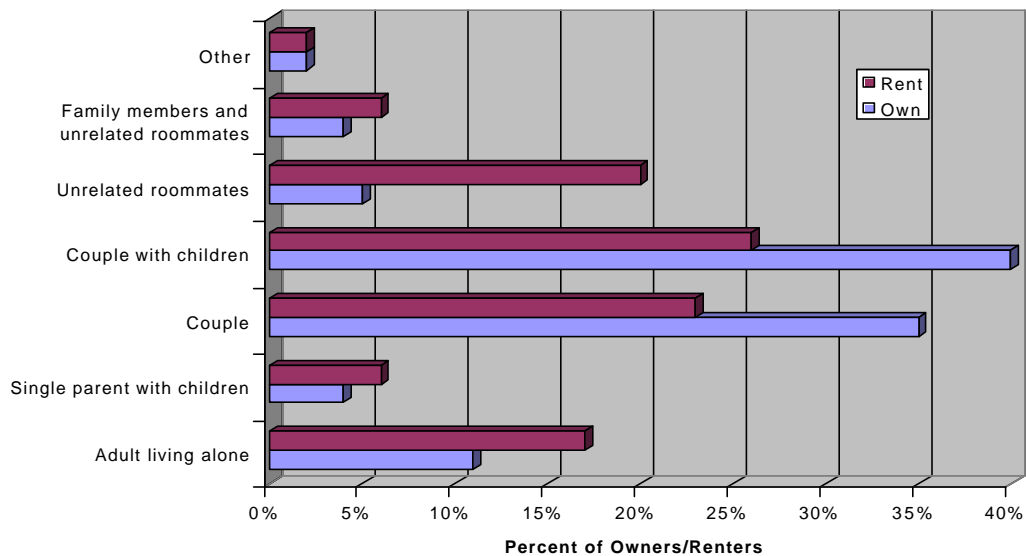
Household Composition



Household composition varies depending on whether one owns or rents. Specifically:

- About 35% of homeowners are couples without children; 40% are couples with children;
- Approximately 50% of renters are either couples or couples with children;
- About 20% of renter households consist of unrelated roommates; and,
- Adults living alone and single parents with children constitute a larger percentage of renters than owners.

Household Composition by Own/Rent



The following table further breaks down household composition according to who owns the property or from whom it is rented.

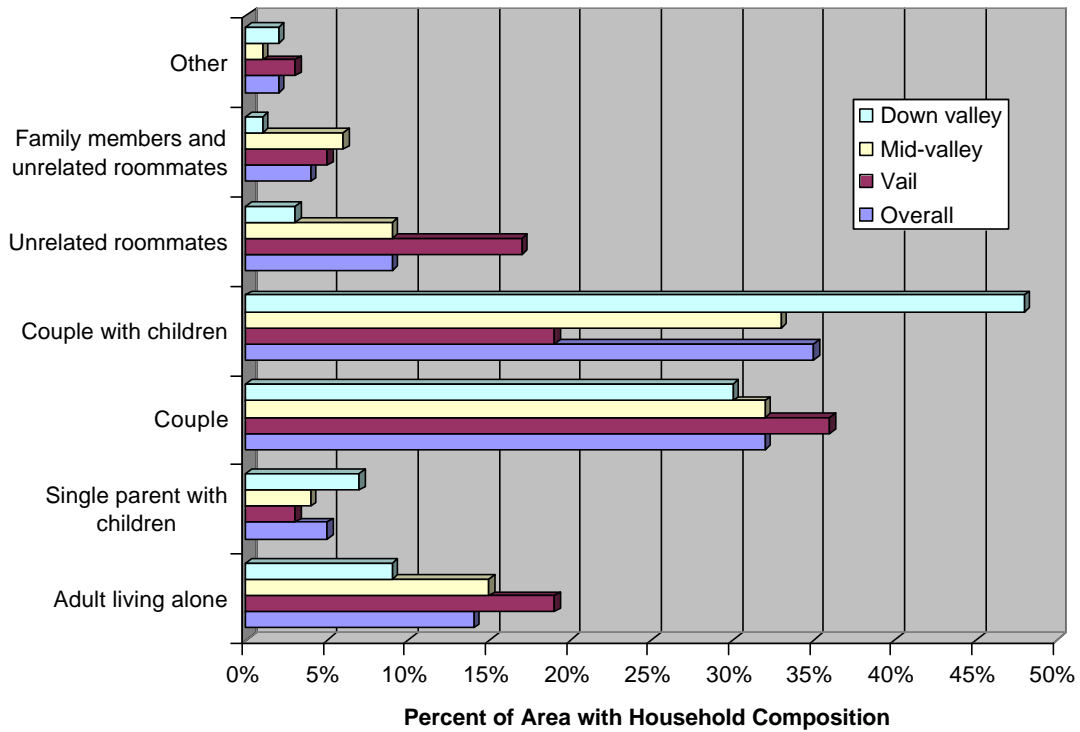
Household Composition by Owner/Renter Status

| | Owned by residents | Owned by parent | Rented from landlord | Provided by employer | Owned by member and rented | Other |
|----------------------------------------|--------------------|-----------------|----------------------|----------------------|----------------------------|-------|
| Adult living alone | 13% | 20% | 17% | 23% | | 33% |
| Single parent with children | 4% | | 8% | | | |
| Couple | 35% | 20% | 26% | 14% | 4% | 67% |
| Couple with children | 39% | 50% | 24% | 27% | 4% | |
| Unrelated roommates | 4% | 10% | 19% | 32% | 52% | |
| Family members and unrelated roommates | 3% | | 5% | 5% | 30% | |
| Other | 1% | | 2% | | 9% | |

Household composition also varies depending on where one lives:

- Down valley has the largest percentages of couples with children (48%) and single parents with children (7%); Vail has the smallest percentages (19% and 3%, respectively);
- Vail has the largest percentage of households consisting of unrelated roommates (17%); and,
- Vail has the largest percentage of households consisting of adults living alone (19%).

Household Composition by Area



Finally, household composition can be analyzed according to whether one owns or rents and where one lives. Vail has the largest percentage of homeowners who are couples while down valley has the largest percentage of homeowners who are couples with children. Vail has the largest percentage of renters who are unrelated roommates, while down valley has the largest percentage of renters who are couples with children.

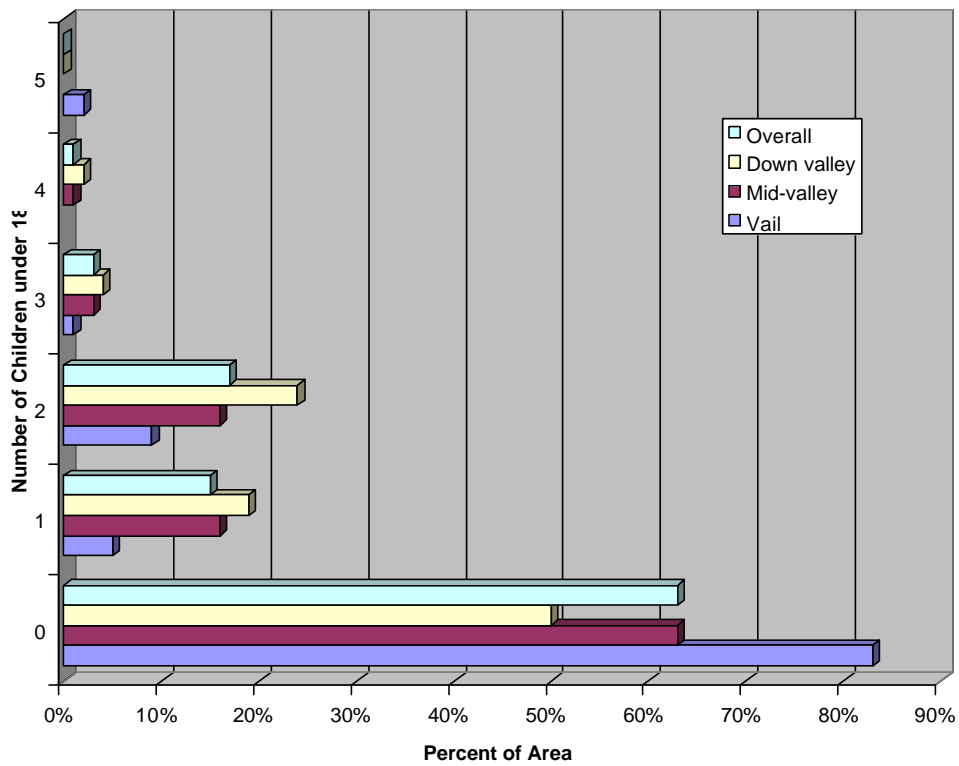
Household Composition by Area and Own/Rent

| | VAIL | | MID VALLEY | | DOWN VALLEY | |
|---------------------------|------|------|------------|------|-------------|------|
| | OWN | RENT | OWN | RENT | OWN | RENT |
| Adult living alone | 20% | 16% | 13% | 23% | 9% | 10% |
| Single parent w/ children | 2% | 4% | 4% | 5% | 6% | 12% |
| Couple | 38% | 28% | 34% | 24% | 30% | 24% |
| Couple with children | 21% | 8% | 36% | 19% | 50% | 43% |
| Unrelated roommates | 11% | 36% | 6% | 23% | 3% | 7% |
| Family & roommates | 4% | 8% | 6% | 5% | 1% | 2% |
| Other | 3% | | 1% | 1% | 1% | 2% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Children in Households

Eagle County has an average of .7 children under the age of 18 per household. Vail has a lower average (.3) while down valley has a higher average (.9). Approximately 63% of households overall do not have a member under the age of 18 living in the home. Vail is the least likely of the three areas to have children under 18 living at home. Only 17% of Vail households have one or more children living at home compared to about 37% mid valley and 50% down valley.

Children in Home by Area



Incomes

Household Income

According to the survey, the average household income in Eagle County is \$85,889; the median household income is \$65,000. The median is very close to the Department of Housing and Urban Development’s 1999 median family income estimate of \$64,300 for Eagle County. While HUD’s median is for family income and the survey median includes households consisting of unrelated individuals, the similarity of the two figures is evidence of the survey’s validity.

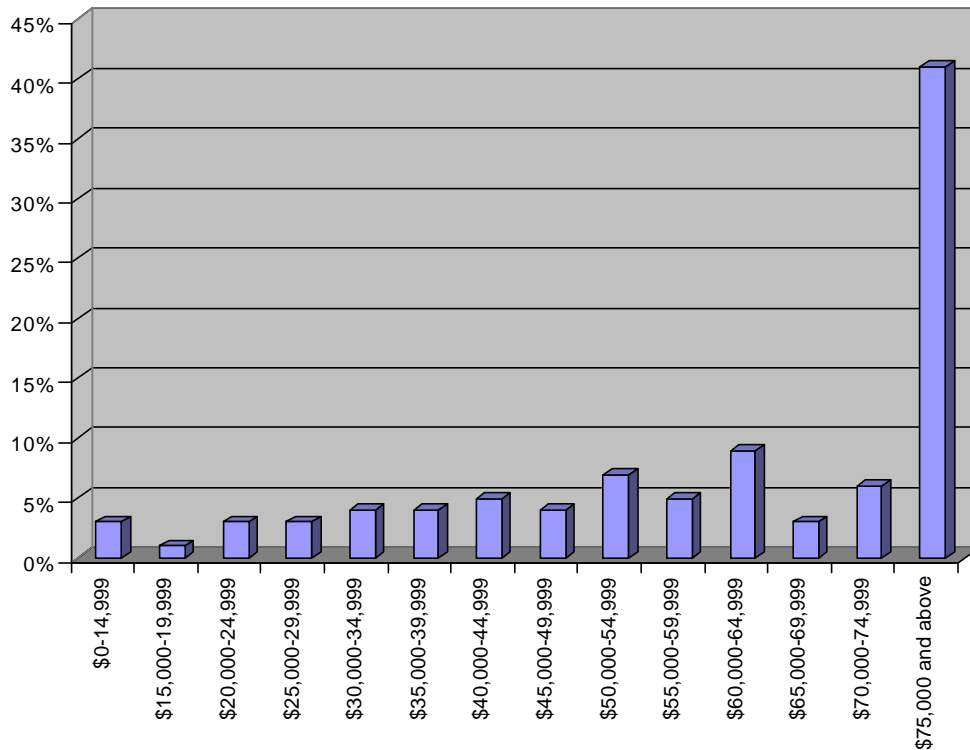
Household income varies by area. Median household incomes are highest in the Edwards/Homestead/Singletree area and lowest in Minturn/Red Cliff.

Annual Household Income by Area

| | Average | Median | Minimum | Maximum |
|----------------------------|----------------|---------------|----------------|----------------|
| Vail | \$106,423 | \$65,000 | \$1,800 | \$1,500,000 |
| Minturn/Red Cliff | \$58,137 | \$55,000 | \$10,800 | \$185,000 |
| Eagle-Vail | \$90,009 | \$70,000 | \$8,000 | \$500,000 |
| Avon | \$96,989 | \$64,800 | \$2,500 | \$1,500,000 |
| Edwards/Homestd/Singletree | \$97,021 | \$80,000 | \$12,000 | \$400,000 |
| Eagle | \$63,360 | \$60,000 | \$1,200 | \$400,000 |
| Gypsum | \$66,760 | \$58,667 | \$1,700 | \$230,000 |
| Rural areas | \$119,375 | \$60,000 | \$40,000 | \$500,000 |

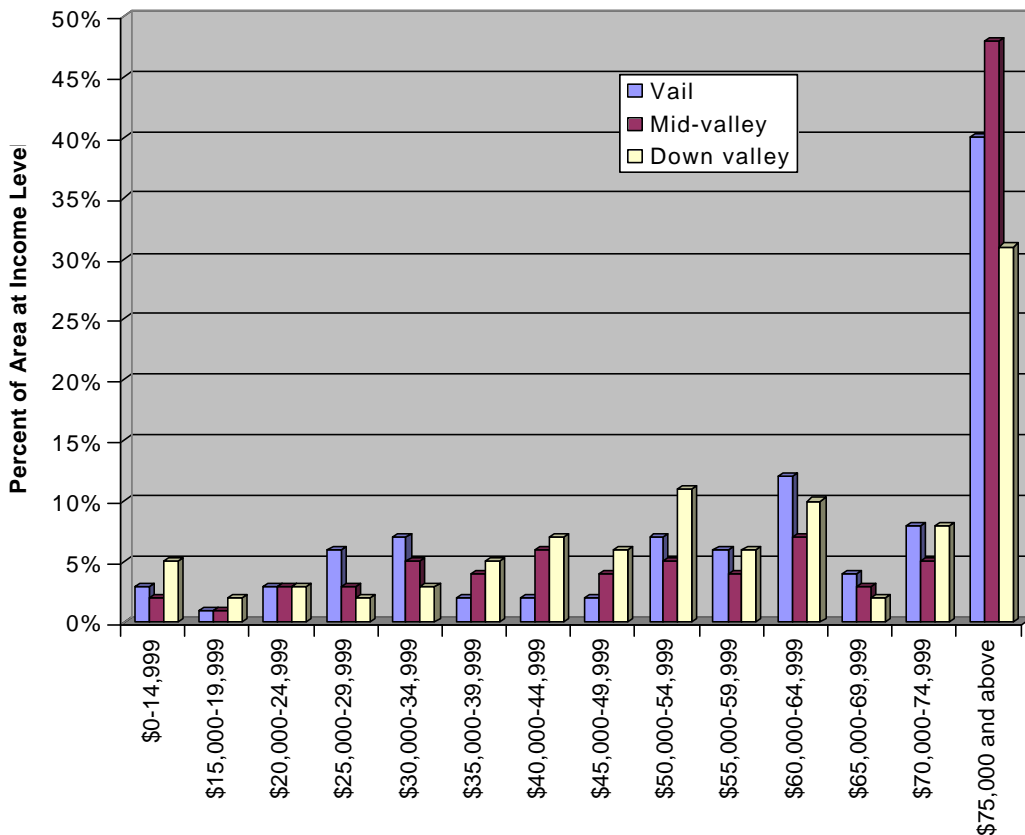
The income levels of households in Eagle County are displayed in the following graph. The largest segment has household incomes of \$75,000 and above. The distribution is somewhat skewed, however, toward the higher income levels because of the overrepresentation of owners in the sample.

Household Income Distribution



While the overall pattern of household income distribution is similar in the three areas, there are some differences. Vail has a higher percentage of incomes in the \$25,000 to \$29,999 and \$30,000 to \$34,999 categories than the other two areas. Mid valley has the greatest percentage of household incomes in the \$75,000 and above range; almost half of the household incomes mid valley are at this level. Down valley has the lowest percentage of incomes in the range of \$75,000 and above. It has the highest percentage of household incomes in the \$50,000 to \$54,999 range of the three areas.

Household Income Distribution by Area



Distribution of household income by area is further broken down according to whether one owns or rents. As can be seen from the following table, owners in all three areas are much more likely than renters to have incomes at the \$75,000 and above level. In Vail, 56% of renters have annual household incomes below \$55,000, while 56% of owners have annual household incomes of \$70,000 and above. In mid valley, 54% of renters have incomes below \$55,000; 56% of owners have incomes of \$75,000 and above. Down valley, 52% of renters have incomes below \$50,000 while 57% of owners have incomes of \$60,000 or above. Down valley has the highest percentage of renters

at the lowest income level. In Vail, average household income for renters is less than half that of owners.

Household Income by Area and Own/Rent

| Household Income | VAIL | | MID VALLEY | | DOWN VALLEY | |
|-------------------|-----------|----------|------------|----------|-------------|----------|
| | OWN | RENT | OWN | RENT | OWN | RENT |
| \$0 - 14,999 | 2% | 4% | 1% | 4% | 3% | 15% |
| \$15,000 – 19,999 | | 4% | 1% | 1% | 2% | 2% |
| \$20,000 – 24,999 | 1% | 9% | 3% | 5% | 3% | 5% |
| \$25,000 – 29,999 | 6% | 4% | 2% | 8% | 2% | 2% |
| \$30,000 – 34,999 | 6% | 9% | 4% | 4% | 2% | 7% |
| \$35,000 – 39,999 | 1% | 4% | 2% | 10% | 4% | 7% |
| \$40,000 – 44,999 | | 9% | 4% | 11% | 7% | 7% |
| \$45,000 – 49,999 | 1% | 4% | 4% | 4% | 6% | 7% |
| \$50,000 – 54,999 | 6% | 9% | 4% | 7% | 10% | 15% |
| \$55,000 – 59,999 | 2% | 17% | 3% | 7% | 6% | 5% |
| \$60,000 – 64,999 | 15% | 4% | 7% | 8% | 11% | 7% |
| \$65,000 – 69,999 | 2% | 9% | 3% | 5% | 3% | |
| \$70,000 – 74,999 | 9% | 4% | 6% | 4% | 9% | 2% |
| \$75,000/ above | 47% | 9% | 56% | 23% | 34% | 17% |
| | 100% | 100% | 100% | 100% | 100% | 100% |
| Average | \$123,815 | \$46,165 | \$103,319 | \$54,130 | \$70,321 | \$49,022 |
| Median | \$70,000 | \$50,000 | \$80,000 | \$50,400 | \$60,000 | \$45,000 |

The following table shows distribution of household income by town.

Edwards/Homestead/Singletree has the highest percentage at the upper income level. Eagle has the greatest percentage of persons with household incomes below \$20,000, followed by Minturn/Red Cliff and Avon. Note: There was only one response from the Beaver Creek area, therefore, valid conclusions could not be drawn about that area.

Household Income Distribution by Community

| | Vail | Minturn/ Red Cliff | Eagle- Vail | Avon | Edwards/ Hstd/ST | Eagle | Gypsum | Rural areas |
|-------------------|------|-----------------------|----------------|------|---------------------|-------|--------|----------------|
| \$0 - 14,999 | 3% | 6% | 1% | 4% | 1% | 7% | 1% | |
| \$15,000 - 19,999 | 1% | | 1% | 1% | 1% | 2% | 1% | |
| \$20,000 - 24,999 | 3% | | 1% | 7% | 2% | 3% | 4% | |
| \$25,000 - 29,999 | 6% | 9% | 1% | 5% | 2% | 3% | 1% | |
| \$30,000 - 34,999 | 7% | 9% | 7% | 4% | 4% | 3% | 1% | |
| \$35,000 - 39,999 | 2% | 9% | 2% | 6% | 2% | 4% | 7% | |
| \$40,000 - 44,999 | 2% | 6% | 6% | 7% | 5% | 7% | 6% | 13% |
| \$45,000 - 49,999 | 2% | 3% | 5% | 3% | 5% | 6% | 5% | 13% |
| \$50,000 - 54,999 | 7% | 9% | 5% | 4% | 5% | 8% | 17% | |
| \$55,000 - 59,999 | 6% | 11% | 4% | 3% | 2% | 6% | 6% | |
| \$60,000 - 64,999 | 12% | 11% | 7% | 9% | 5% | 9% | 9% | 38% |
| \$65,000 - 69,999 | 4% | 6% | 2% | 5% | 2% | 2% | 2% | |
| \$70,000 - 74,999 | 8% | 9% | 6% | 5% | 4% | 6% | 11% | |
| \$75,000 + | 40% | 14% | 49% | 40% | 60% | 33% | 28% | 38% |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Individual Incomes

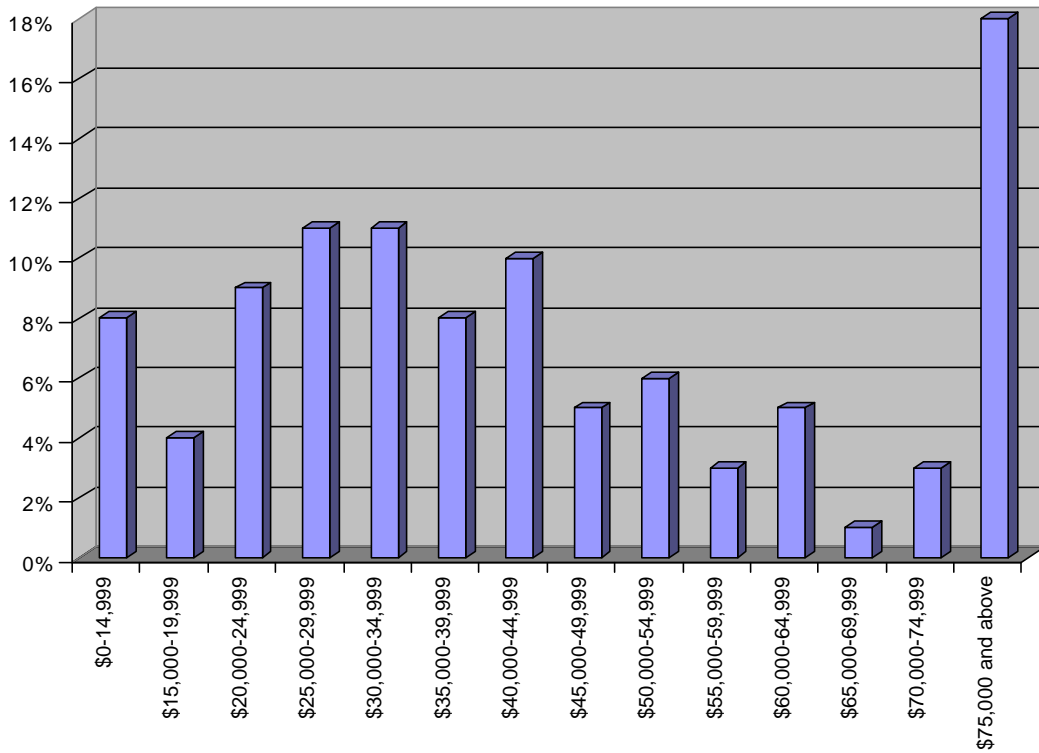
The average annual income of individuals in Eagle County, according to the survey, is \$55,424; the median is \$40,000. Again, this is somewhat high because of the overrepresentation of owners in the sample. Residents of Vail have the highest average individual incomes; however, residents of the Edwards/Homestead/Singletree area have the highest median income. Minturn/Red Cliff residents have the lowest average and median incomes.

Individual Incomes by Community

| | Average | Median | Minimum | Maximum |
|------------------------------|----------|----------|----------|-------------|
| Vail | \$75,079 | \$40,000 | \$1,600 | \$1,500,000 |
| Minturn/Red Cliff | \$38,079 | \$31,000 | 0 | \$130,000 |
| Eagle-Vail | \$59,883 | \$41,000 | 0 | \$500,000 |
| Avon | \$56,597 | \$36,000 | 0 | \$750,000 |
| Edwards/Homestead/Singletree | \$62,353 | \$45,000 | 0 | \$400,000 |
| Eagle | \$41,341 | \$38,950 | 0 | \$250,000 |
| Gypsum | \$40,155 | \$35,000 | \$1,500 | \$200,000 |
| Rural areas | \$64,000 | \$35,000 | \$10,000 | \$425,000 |

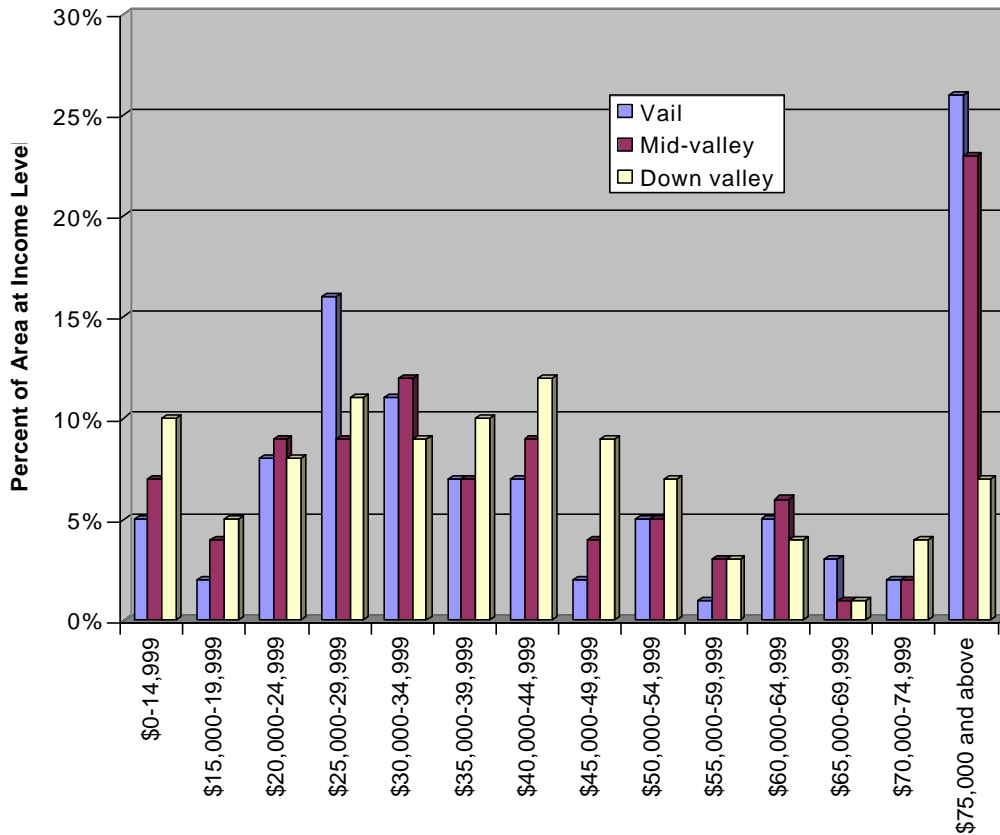
The distribution of individual incomes overall is shown in the following graph. Similar percentages of people have annual individual incomes at the levels between \$20,000 and \$44,999. The percentage with annual incomes at higher levels drops off until the \$75,000 and above level. About 18% of residents have annual incomes at this level. The distribution is somewhat skewed toward the higher income levels because of the overrepresentation of owners in the sample.

Individual Income Distribution



The differences in the distribution of individual incomes between the three areas are shown in the following graph. Vail has more residents with individual incomes at the \$25,000 to \$29,999 and \$75,000 and above levels, although the mid-valley area has almost as many at the \$75,000 and above level. The down-valley area has the highest percentage of individuals at the lowest income level and the lowest percentage of individuals with annual incomes of \$75,000 and above.

Individual Income Distribution by Area



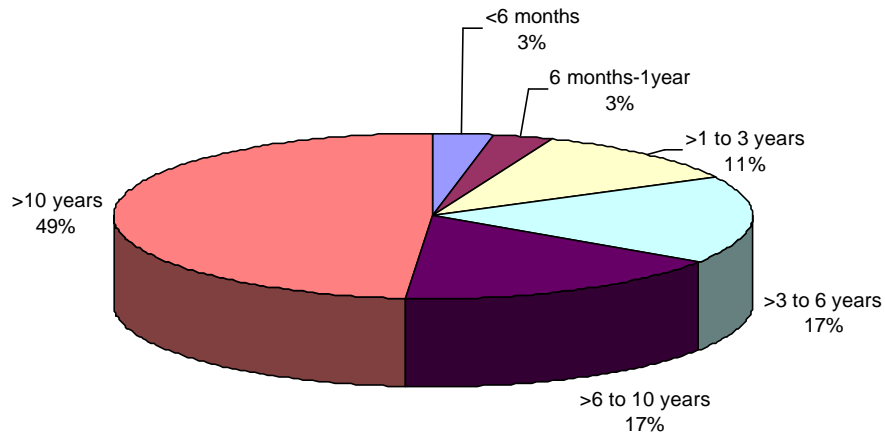
Length of Residency

Years Lived/Worked in County

There is a relatively high degree of stability in the population of the study area overall. Based on survey results, nearly half of the population has lived or been employed in the area for more than 10 years. This may be somewhat high because of the overrepresentation of owners in the sample, however, as owners tend to have lived or worked in the area longer than renters.

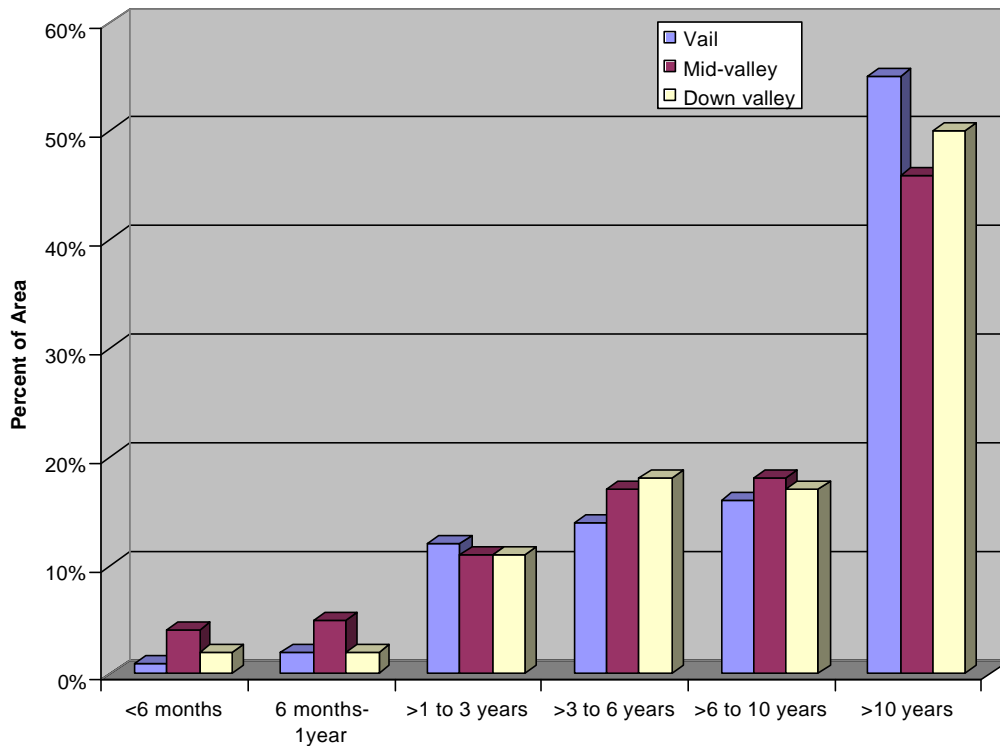
According to the survey, only 6% of residents have lived or been employed in the area for one year or less and about 3% live in the area only during the ski season. The percentage of seasonal employees should not be confused with seasonal employment, however. Year-round residents often hold different jobs in different seasons to enable them to find sufficient employment to live in the area on a year-round basis. Experience in other communities as well as Eagle County has demonstrated that seasonal residents are consistently under-represented in surveys, however. Developing a firm estimate of the number of seasonal workers is made difficult by a combination of factors including their lifestyles and employment patterns.

Length of Residency



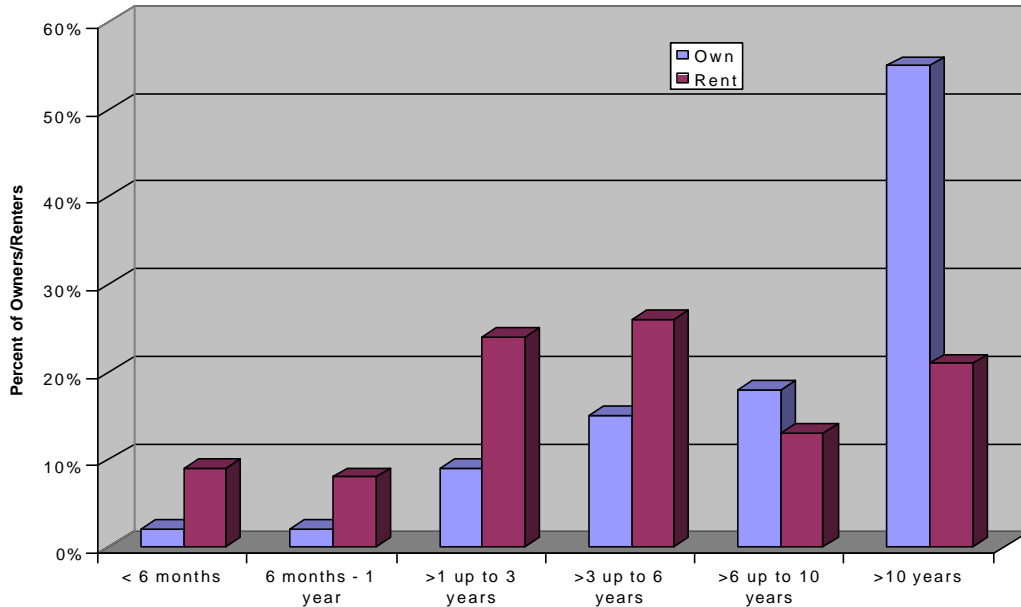
Vail has the largest percentage of residents who have lived or worked in the area more than 10 years and the smallest percentage of persons who have lived or worked in the area less than one year. Mid valley has the largest percentage of persons who have lived or worked in the area one year or less.

Length of Residency by Area



Length of residency varies by whether one owns or rents. In general, owners have lived or worked in the community longer than renters. About 55% of homeowners have lived or worked in the area more than 10 years, while 41% of renters have lived or worked in the area less than three years.

Length of Residency by Own/Rent



Length of residency also varies by where one lives. The largest percentage of owners in all three areas have lived or worked in the area for more than 10 years, as shown in the following table. While 63% of Vail owners have lived or worked in the area for over 10 years, 66% of Vail renters have lived or worked in the area for less than six years. Over half of mid-valley owners have lived/worked in the area over 10 years while almost half of its renters have lived/worked in the area less than three years.

Length of Residency by Area and Own/Rent

| | VAIL | | MID VALLEY | | DOWN VALLEY | |
|--------------------|------|------|------------|------|-------------|------|
| | OWN | RENT | OWN | RENT | OWN | RENT |
| Less than 6 months | 1% | | 2% | 12% | 1% | 8% |
| 6 months - 1 year | 1% | 7% | 3% | 11% | 2% | 2% |
| 1 up to 3 years | 6% | 38% | 8% | 25% | 12% | 12% |
| 3 up to 6 years | 12% | 21% | 16% | 24% | 14% | 35% |
| 6 up to 10 years | 17% | 10% | 19% | 8% | 15% | 24% |
| More than 10 years | 63% | 24% | 52% | 21% | 56% | 18% |
| | 100% | 100% | 100% | 100% | 100% | 100% |

SECTION 2 -- EMPLOYMENT

This section of the report examines employment patterns in Eagle County since jobs primarily drive demand for housing. The following topics are covered:

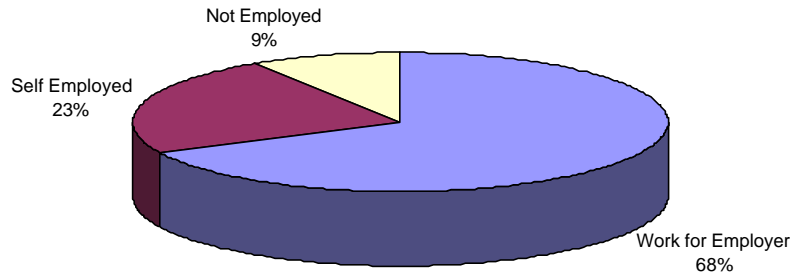
- Employment status;
- Number of jobs and employees;
- Job and population growth;
- Employment by industrial sector;
- Average number of jobs held by employees;
- Number of hours worked per week;
- Seasonal fluctuations in employment;
- Working at home;
- Employer perception of employee housing problems;
- Unfilled jobs;
- Impact of housing and transportation on employment;
- Language barriers;
- Seasonal employment;
- Job growth over time;
- Projected changes in employment; and,
- Job:space ratios.

Employment Status

Approximately 90% of Eagle County's adult population work:

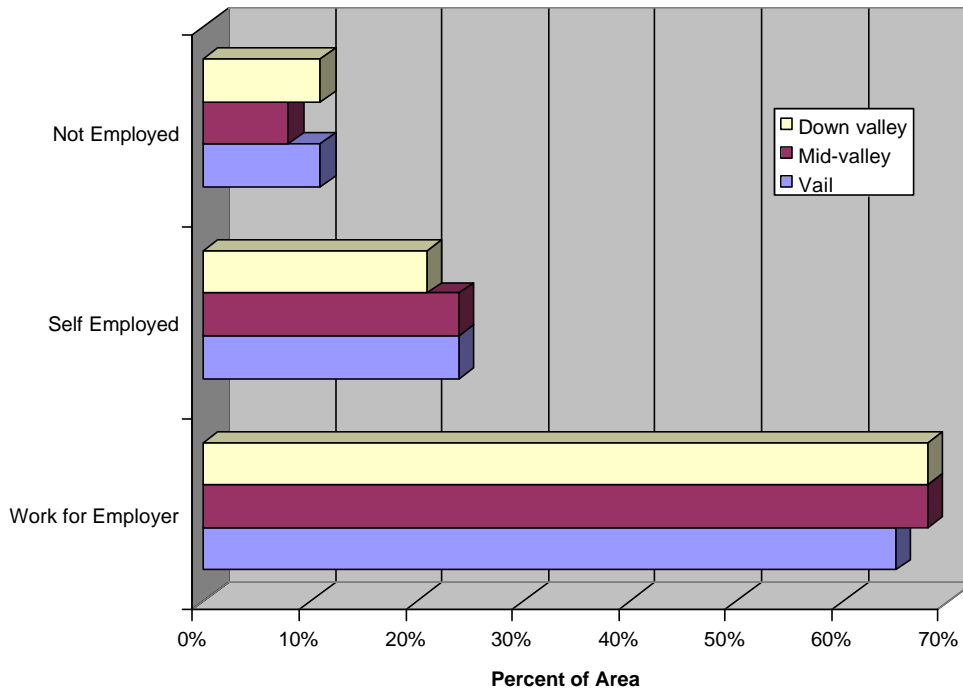
- About 68% work for employers;
- 23% are self employed; and,
- 9% are not employed (retired persons, homemakers, students, persons seeking work, etc.).

Employment Status



There is little variation in this pattern among the three areas examined. Vail and mid valley have equivalent percentages of self-employed persons; Vail and down valley have higher percentages of unemployed persons than mid valley; and mid and down valley have higher percentages of people working for employers than Vail. The differences are no greater than three percentage points, however.

Employment Status by Area



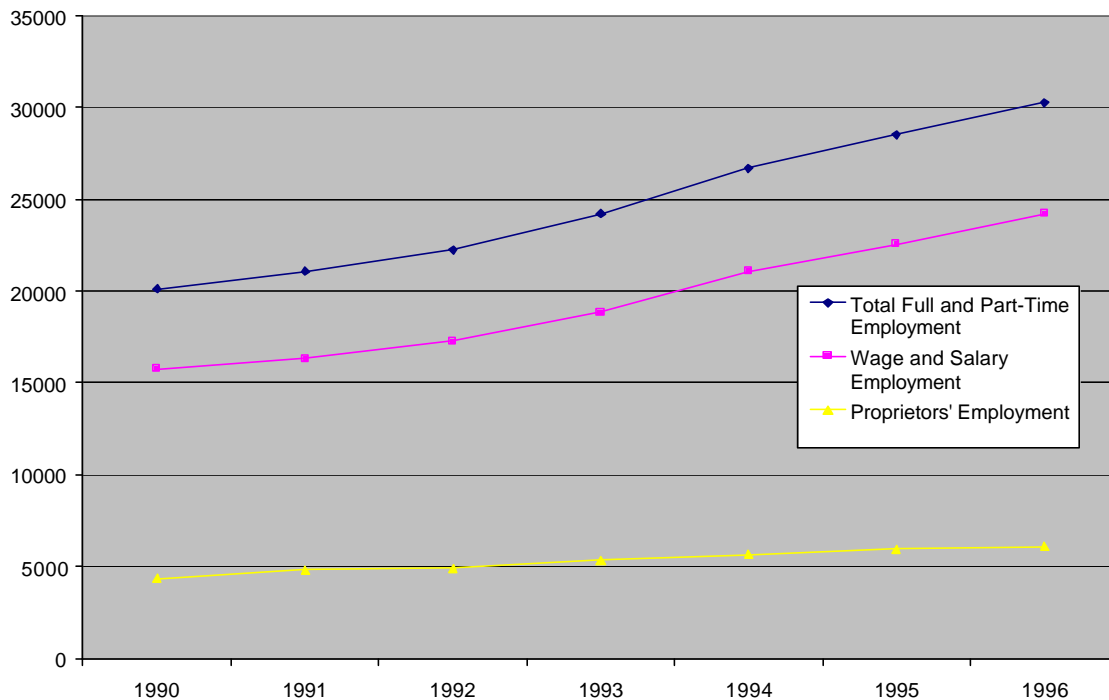
Number of Jobs and Employees

There are now approximately 38,140 full- and part-time jobs in Eagle County as a whole. This estimate was derived by inflating the 1996 U.S. Bureau of Economic Analysis (BEA) estimate of 30,286 full- and part-time jobs in Eagle County as a whole by 8% per year, the average annual rate of growth in wage and salary jobs reported by the Colorado Department of Labor and Employment for Eagle County for the 1994-95 through 1996-97 time period.

This estimate is significantly higher than estimates often quoted from the Colorado Department of Labor and Employment. The State's estimates include wage and salary positions covered by unemployment compensation insurance, referred to as ES 202 jobs. ES 202 jobs do not include exempt wage and salary positions (i.e. jobs with certain utilities and non-profit organizations including churches) or sole proprietors (self-employed persons and jobs on commission such as real estate agents). The State estimated there were 24,729 wage and salary jobs in Eagle County on average in 1997.

The following graph shows the relative growth in total full-time and part-time employment, wage and salary positions, and proprietors' employment between 1990 and 1996 in Eagle County as a whole. Wage and salary employment rose steadily during this time period while growth was much slower for sole proprietors.

Employment Estimates, 1990 - 1996



Source: U.S. Bureau of Economic Analysis

Employment estimates represent the number of full-time and part-time *jobs* in an area. They should not be confused with estimates of the number of *employees*. In most mountain resort communities, multiple job holding is typical due to low wages, seasonal and/or part-time work, and a high cost of living.

It is estimated there are currently 31,785 employees in all of Eagle County. This estimate was made by:

- Taking the total employment estimate generated by the U.S. Bureau of Economic Analysis for 1996 (the most recent year available) of 30,286;
- Inflating it by 8% per year to reach an estimate of 38,141 jobs in 1999; and,
- Dividing the number of jobs by 1.2, the average number of jobs held by each employee during ski season.

This estimate is for the county as a whole. The Bureau of Economic Analysis does not provide data at the town level.

Job Growth Compared to Population Growth

Eagle County's population increased at an average annual rate of 5.7% between 1991 and 1997. During that same time period, it is estimated that jobs grew at an average annual rate of 7.6%. The average job growth rate is almost 2% higher than the population growth rate, indicating that the number of locally available employees needed to fill jobs has not kept pace with the growth in employment; commuters are filling jobs or jobs are being left unfilled.

Population and Job Growth Compared

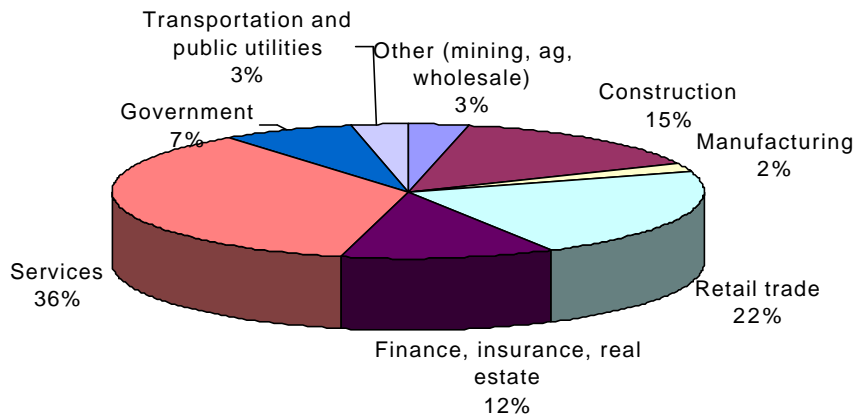
| | Population | Rate of Change | Total Jobs | Rate of Change |
|------|------------|----------------|-----------------------|---------------------|
| 1991 | 23,073 | | 21,103 | |
| 1992 | 24,213 | 4.9% | 22,230 | 5.3% |
| 1993 | 25,716 | 6.2% | 24,212 | 8.9% |
| 1994 | 27,468 | 6.8% | 26,718 | 10.4% |
| 1995 | 28,860 | 5.1% | 28,517 | 6.7% |
| 1996 | 30,392 | 5.3% | 30,286 | 6.2% |
| 1997 | 32,099 | 5.6% | 32,706 (projected) | 8.0% (projected) |

Source: Colorado Division of Local Government Demography Section, U.S. Bureau of Economic Analysis

Employment by Industrial Sector

Approximately 58% of the wage and salary jobs in Eagle County are in the retail trade and services sectors. As reported by the Colorado Department of Labor and Employment, the average 1997 wages for these jobs in Eagle County were \$19,492 and \$24,921, respectively.

Wage and Salary Jobs by Industrial Sector



Source: Bureau of Economic Analysis

BEA reports that 15% of wage and salary jobs are in the construction sector. According to the survey, construction and trade jobs are the primary source of income for 13% of Eagle County residents.

The following table lists the primary source of income for individuals, as well as the average annual wages by type of employment. The average incomes may be somewhat high because of the overrepresentation of owners in the survey sample.

Average Individual Income by Type of Employment

| Primary Source of Income | Individual Income | % Individuals |
|--------------------------|-------------------|---------------|
| Professional services | \$73,136 | 27% |
| Construction/trade | \$62,025 | 13% |
| Retirement | \$63,134 | 10% |
| Government | \$40,584 | 9% |
| Service | \$39,315 | 8% |
| Lodging/hotel/B&B | \$43,840 | 6% |
| School district | \$32,622 | 5% |
| Retail/grocery/liquor | \$56,436 | 5% |
| Bar/restaurant | \$37,678 | 5% |
| Recreation/attractions | \$36,053 | 5% |
| Real estate sales | \$82,548 | 3% |
| Property management | \$49,933 | 2% |
| Utilities | \$44,488 | 1% |
| Manufacturing | \$51,050 | 0% |
| Parent/inheritance | \$71,667 | 0% |
| Warehouse/storage | \$32,500 | 0% |
| | | 100% |

Variations between the three areas exist; mid valley has the largest percentage of professionals while Vail has the largest percentage of retired persons. Down valley has the greatest percentages of persons working in construction/trades and in government.

Primary Source of Income by Area

| | VAIL | MID VALLEY | DOWN VALLEY |
|------------------------|------|------------|-------------|
| Professional services | 24% | 31% | 21% |
| Construction/trades | 9% | 12% | 18% |
| Retirement | 12% | 9% | 10% |
| Government | 9% | 5% | 16% |
| Service | 9% | 7% | 9% |
| Lodging/hotel/B&B | 5% | 7% | 4% |
| School district | 6% | 4% | 7% |
| Retail/grocery/liquor | 7% | 6% | 3% |
| Bar/restaurant | 6% | 6% | 2% |
| Recreation/attractions | 7% | 5% | 4% |
| Real estate sales | 4% | 3% | 4% |
| Property management | 1% | 3% | 0% |
| Utilities | 0% | 1% | 1% |
| Manufacturing | 1% | 0% | 1% |
| Parent/inheritance | 1% | 0% | 0% |
| Warehouse/storage | 1% | 0% | 0% |
| | 100% | 100% | 100% |

Number of Jobs Held by Employees

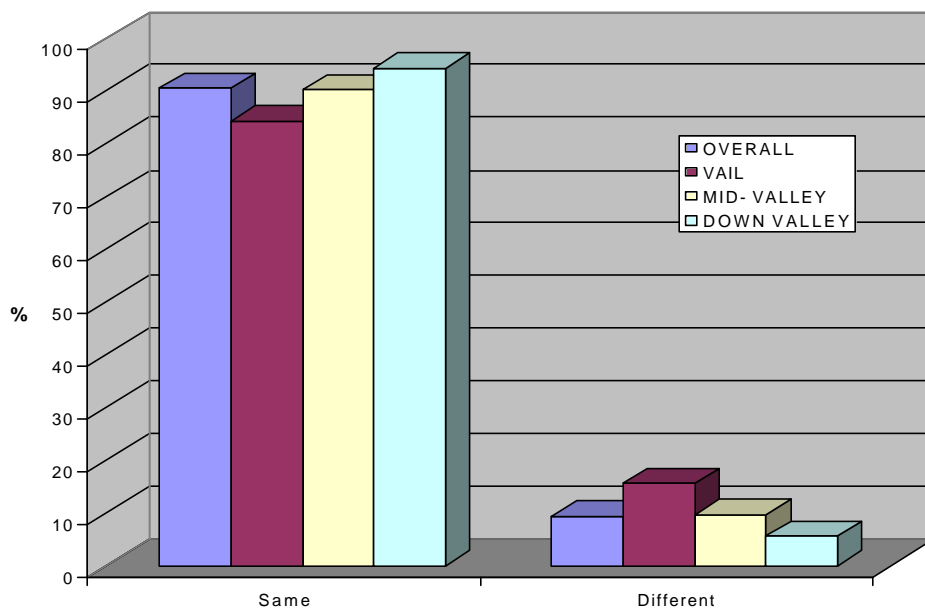
The estimated 31,785 employees in Eagle County hold 38,140 jobs on average during the ski season when about 23% of county residents hold two or more jobs. Only 14% hold two or more jobs during the summer and 12% hold two or more jobs during the fall and spring seasons. Greater percentages of Vail residents hold two or more jobs in the summer and winter seasons. Only 4% of county residents do not hold a job in the winter; almost everyone living in Vail holds a job during ski season.

Number of Jobs Held by Season

| | # of Jobs | OVERALL | VAIL | MID VALLEY | DOWN VALLEY |
|-------------|-----------|---------|------|------------|-------------|
| Summer | 0 | 9% | 10% | 9% | 8% |
| | 1 | 76% | 72% | 76% | 79% |
| | 2 | 12% | 17% | 12% | 10% |
| | 3 | 2% | 1% | 2% | 2% |
| Average | | 1.1 | 1.1 | 1.1 | 1.1 |
| Ski Season | 0 | 4% | 1% | 4% | 4% |
| | 1 | 74% | 73% | 72% | 78% |
| | 2 | 18% | 20% | 19% | 14% |
| | 3 | 5% | 6% | 4% | 4% |
| Average | | 1.2 | 1.3 | 1.2 | 1.2 |
| Spring/Fall | 0 | 10% | 8% | 13% | 6% |
| | 1 | 78% | 80% | 74% | 83% |
| | 2 | 10% | 11% | 12% | 8% |
| | 3 | 2% | 2% | 2% | 3% |
| Average | | 1.0 | 1.1 | 1.0 | 1.1 |

Most Eagle County residents have the same primary job in the summer and in the winter. Vail residents are somewhat more likely to have a different job in the summer and winter seasons.

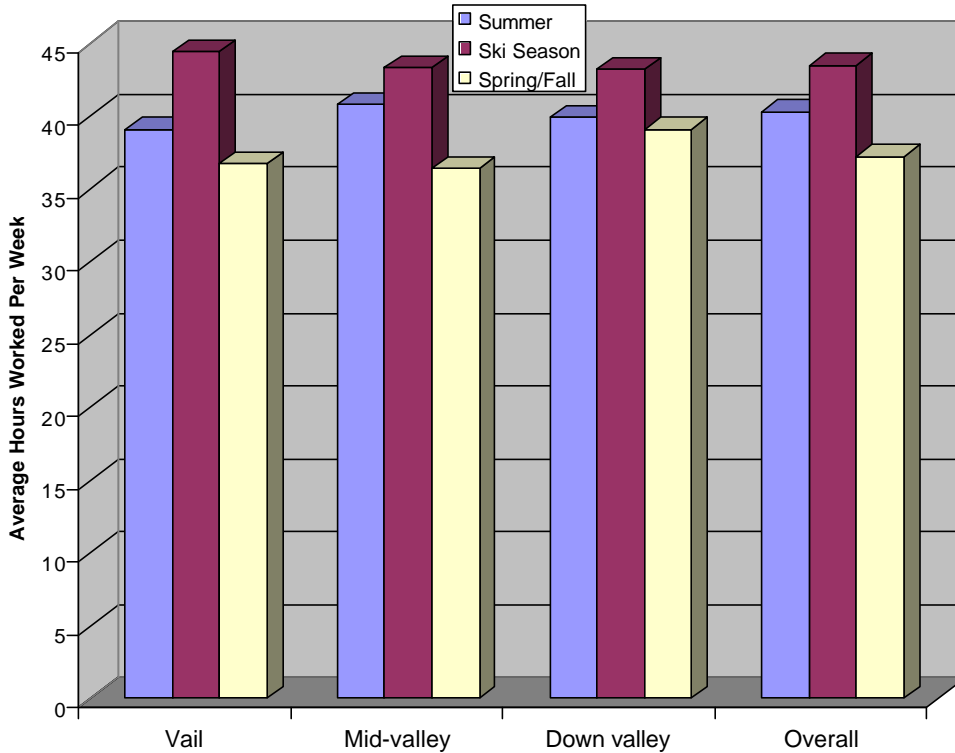
Seasonal Job Changes



Hours Worked Per Week

On average, employees in Eagle County worked 43.5 hours per week during ski season, 40.3 hours per week in the summer, and 37.2 hours per week in the spring and fall. Residents of all three areas worked the most hours per week during the ski season and the least hours per week in the spring and fall seasons.

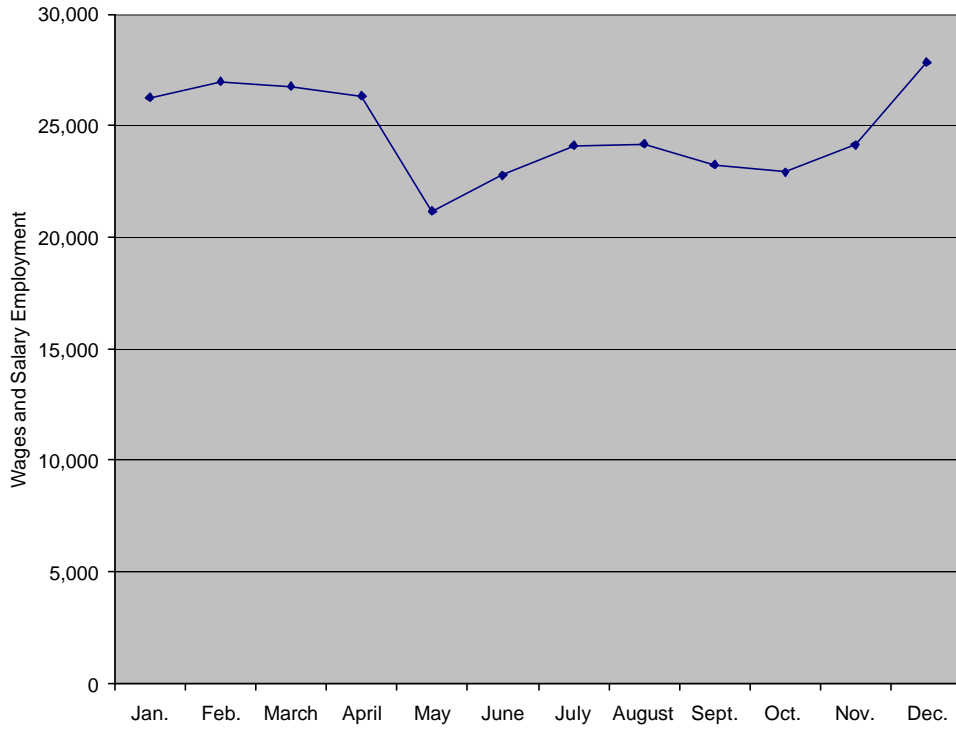
Average Number of Hours Worked Per Week



Seasonal Fluctuation in Employment

Eagle County’s seasonal fluctuation in employment is typical of patterns in other counties where destination ski resorts are located. The number of jobs peaks around December and drops sharply in May. In 1997, for example, there were 6,659 fewer jobs reported by the Colorado Department of Labor and Employment for May than for December. Using a standard of 1.2 jobs per person, this means there were 5,549 fewer employees in May than in December. The seasonal pattern of ES 202 employment in 1997 is illustrated in the following graph.

ES 202 1997 Employment by Month

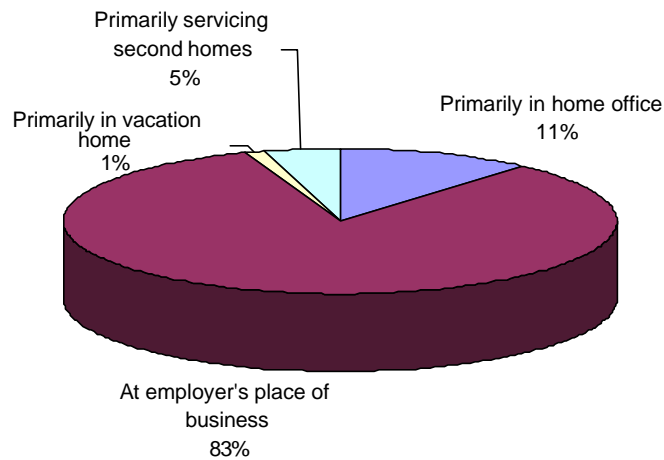


Source: Colorado Department of Labor and Employment, Labor Market Information

Location of Work

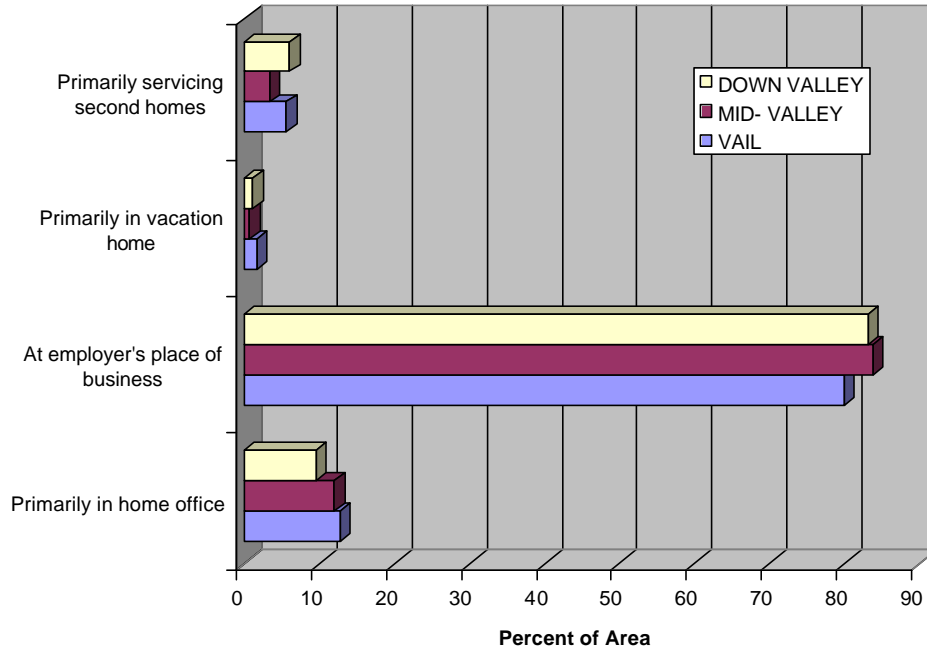
The vast majority of Eagle County employees work at the employer's place of business. Only 12% work primarily out of a home office or in a vacation home.

Where Employees Work



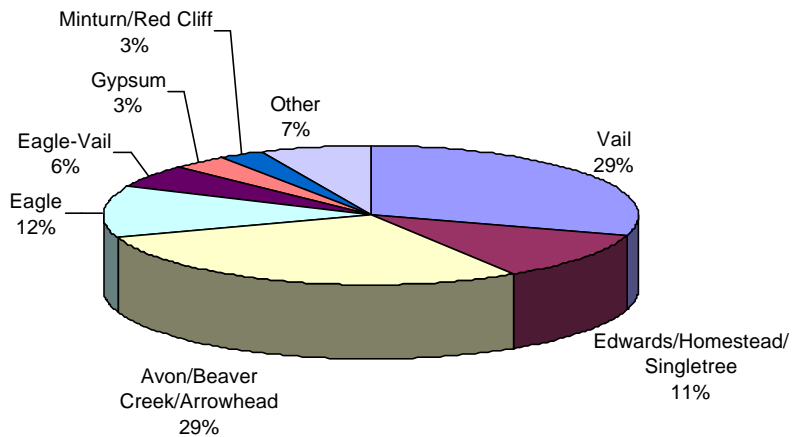
Slightly more Vail residents work out of a home office than mid-valley or down-valley residents, and slightly less work at the employer's place of business.

Where Employees Work by Area



About 29% of Eagle County residents have their primary winter jobs in Vail, with the same percentage having their primary winter employment in Avon/Beaver Creek/Arrowhead. Very few residents have their primary winter jobs in Gypsum or Minturn/Red Cliff.

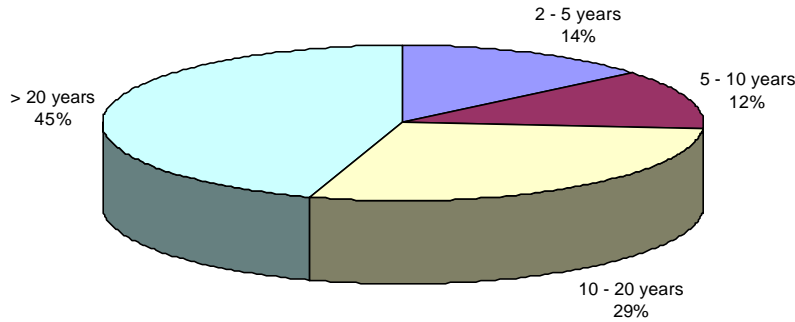
Location of Primary Winter Employment



Length of Time in Business

The employers responding to the survey are, for the most part, well established. Almost half have been operating more than 20 years, and almost three-fourths have been operating 10 years or more.

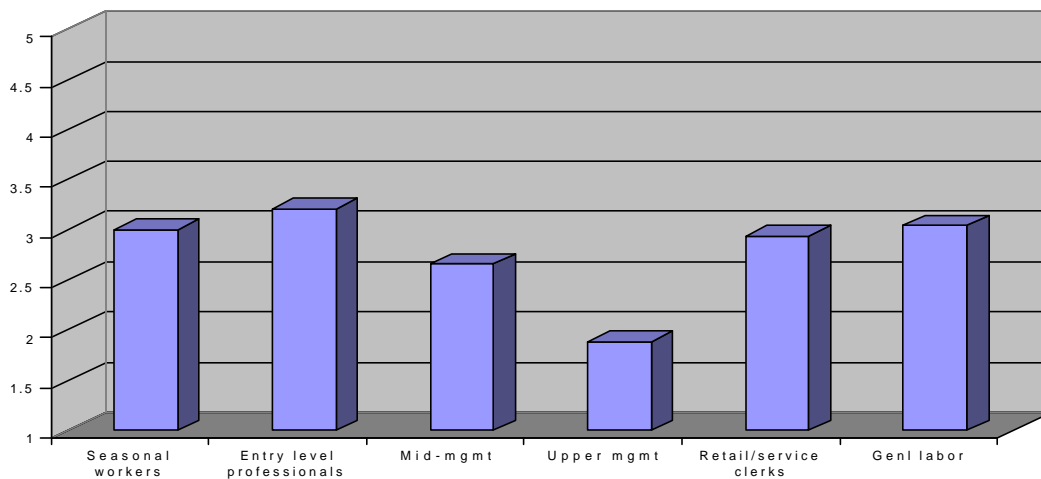
How Long Employer Has Been in Operation



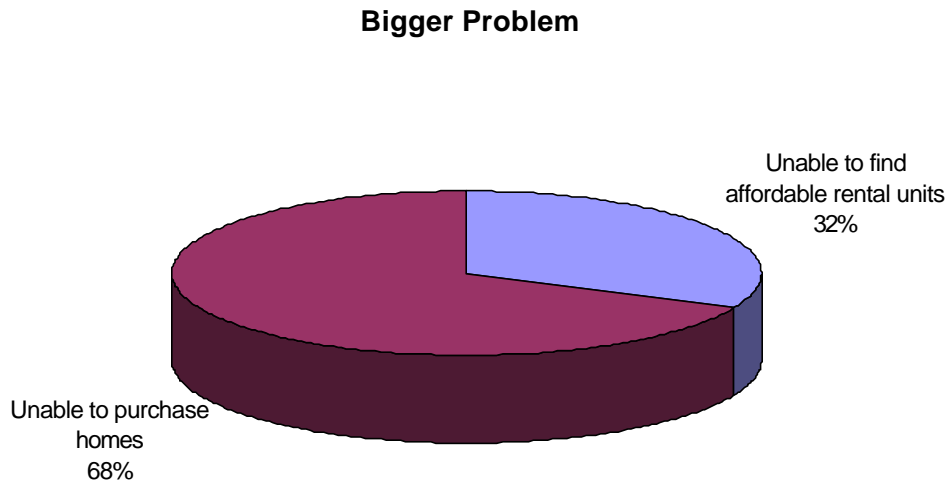
Employer Perception of Employee Housing Problems

The employers surveyed were asked to indicate which of various categories of employees have a housing problem, then to rank the housing problems on a scale of one to five (one = no problem, three = moderate problem, five = major problem). Overall, employers thought entry-level professionals have the most serious housing problems, followed by general laborers and seasonal workers. Upper management employees were perceived as being the least likely to have problems with housing.

Employer Perception of Employee Housing Problems



Employers were also asked which is a bigger problem for their business, employees being unable to find affordable rental units or employees being unable to purchase homes. Over twice as many employers thought the bigger problem was that employees are unable to purchase homes.



Unfilled Jobs

The employers responding to the survey reported they currently have a total of 229 unfilled full-time and 196 unfilled part-time jobs for a total of 425 unfilled jobs. These same employers reported that they had 7,482 year-round and winter full-time jobs and 2,069 year-round and winter part-time jobs, or a total of 9,551 peak season employees. Applying these findings to the area work force as a whole, there are currently an estimated 1,678 unfilled jobs. These estimates were arrived at by taking the ratios of unfilled jobs to total jobs reported by the employers surveyed, then multiplying by the estimated total number of jobs in Eagle County in 1999 (38,140).

The employers reported they had a total of 108 unfilled full-time and 102 unfilled part-time jobs this past summer (210 total jobs). They had a total of 4,474 year-round and summer full-time jobs and 651 year-round and summer part-time jobs, for a total of 5,125 employees during the summer. Applying these findings and using the above-described methodology, there were an estimated 1,564 unfilled full-time and part-time jobs last summer in the work force as a whole.

The bar and restaurant industry reported the highest average numbers of currently unfilled full- and part-time jobs. Government had the highest average numbers of unfilled full- and part-time jobs this past summer. It should be noted, however, that

these findings may not be representative of all employers in the study area due to the size of the sample.

Average Number of Unfilled Jobs by Type of Business

| Type of Business | Current full-time | Current part-time | Summer full-time | Summer part-time |
|----------------------------------|-------------------|-------------------|------------------|------------------|
| Bar/restaurant | 29 | 25 | 7 | 6 |
| Recreation/attractions/amusement | 0 | 10 | 10 | 10 |
| Retail/grocery/liquor | 0 | 0 | 0 | 0 |
| Hotel | 6 | 2 | 0 | 3 |
| Property management | 0 | 0 | 0 | 0 |
| Commercial services | 0 | 0 | 0 | 0 |
| Professional services | 0 | 0 | 1 | 0 |
| Government | 12 | 19 | 12 | 14 |
| Real estate | 6 | 2 | 0 | 3 |
| Utilities | 1 | 0 | 2 | 0 |
| Construction/trades | 3 | 0 | 1 | 0 |
| Other | 3 | 1 | 2 | 1 |

Impacts on Employment

The employers surveyed were asked how many people were not hired or left their employment last year because they lacked housing, transportation, day care, or parking. On average, about four persons per business were not hired or left because they lacked housing; much smaller numbers were not hired or left for the other reasons.

Housing, Transportation, Day Care and Parking Impacts

| | # People Not Hired/Left | % People Not Hired/Left |
|-----------------------|-------------------------|-------------------------|
| Lacked housing | 139 | 3.86 |
| Lacked transportation | 17 | .68 |
| Lacked day care | 7 | .26 |
| Lacked parking | 1 | <.1 |

About 12% of employers surveyed reported they had moved their primary business in the last three years. None thought the move improved their ability to find employees, however.

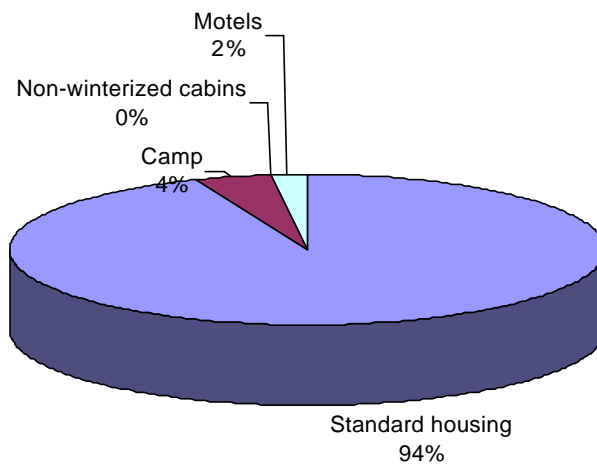
Language Barriers

Employers responding to the survey reported a total of 727 employees who do not speak English as their first language. Based on the survey results it is estimated that roughly 2,420 employees in Eagle County do not speak English as their first language. This estimate was arrived at by taking the ratio of the number of employees who do not speak English as their first language (727) to the number of full- and part-time year-round and full- and part-time winter jobs reported in the survey (9,551), then multiplying by the estimated number of Eagle County employees in 1999 (31,784).

Summer Seasonal Employment

Employers estimated that most of their summer seasonal workers live in standard housing (apartments, mobile homes, townhomes, etc.).

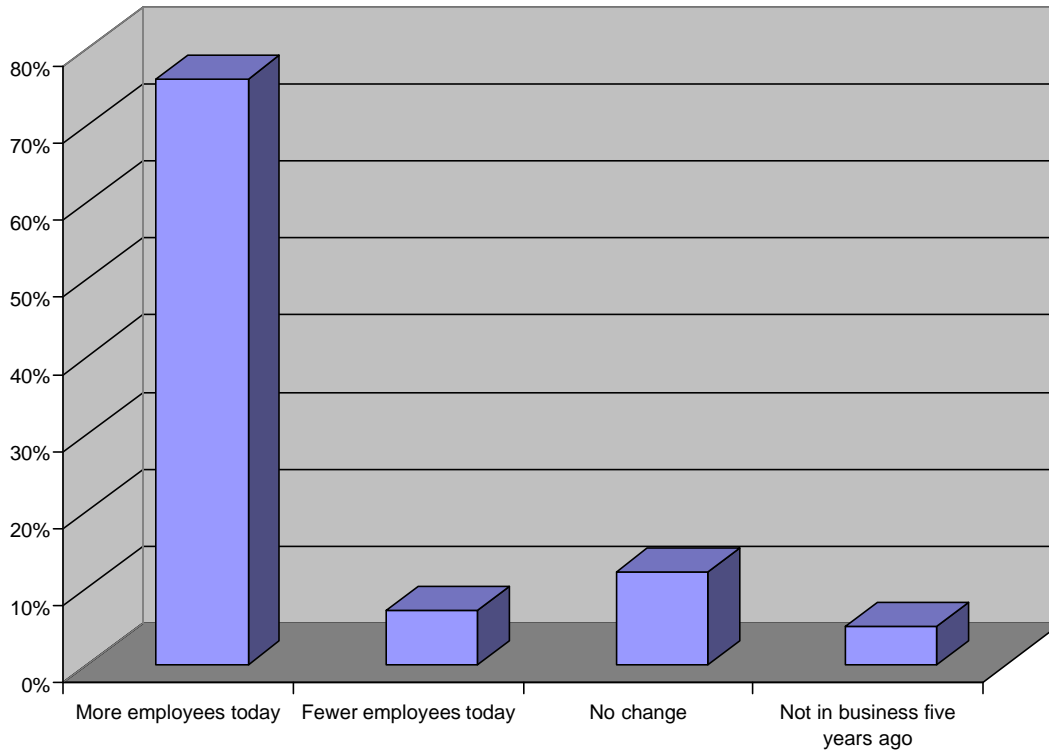
Type of Housing for Summer Seasonal Employees



Job Growth Over Time

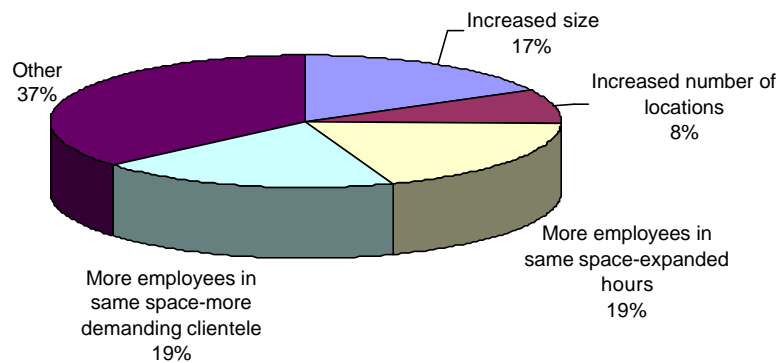
Over three-fourths of employers surveyed reported they have more employees today than five years ago, while only 7% had fewer and 12% had no change.

Number of Employees Today Compared to 5 Years Ago



Almost 38% of those employers reporting an increase in the number of their employees cited expanded hours or a more demanding clientele as the main reason for the growth. It appears that these employers are doing more business with the same square footage, thus necessitating additional employees. Another 25% have increased the number of employees due to an increase in size or number of locations. About 37% of employers chose “other” as the main reason for having more employees today.

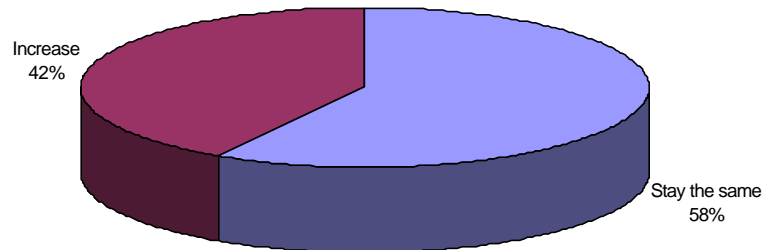
Main Reason for Additional Employees



Projected Growth

About 42% of the employers surveyed anticipate increasing the number of persons they employ during the next year. These employers stated they intend to hire a total of 75 employees. Based on these results, it is estimated that 300 persons will be hired in Eagle County during the next year by existing employers. This estimate was arrived at by taking the ratio of the number of persons employers plan to hire (75) to the total number of full- and part-time year-round and full- and part-time winter jobs (9,551) reported in the survey, then multiplying by the estimated number of 1999 Eagle County jobs (38,141).

Projected Change in Employment



Job:Space Ratios

The number of jobs created per 1,000 square feet of space varies by type of business. Impacts to housing caused by commercial growth can be understood by quantifying the typical number of jobs required for certain uses. Standards can then be adopted that require new commercial development to provide housing in proportion to the need created by the new development. The following figures can be used to develop such standards for commercial linkage programs.

Eagle County employers were surveyed to determine the ratio of employees to floor area. These data were merged with data from surveys of sixteen other mountain resort communities* to provide a more comprehensive analysis.

Employees Per 1,000 Square Feet and Per Room/Unit by Business Type

| Type of Use | Employees Per 1,000 Square Feet | # Cases |
|--------------------------------------------|------------------------------------|---------|
| Bar/restaurant | 7.37 | 132 |
| Transportation | 7.19 | 5 |
| Other | 4.61 | 21 |
| Ski area/recreation/attractions/amusements | 4.49 | 48 |
| Construction/trades | 4.47 | 105 |
| Professional services | 4.35 | 227 |
| Finance/insurance | 3.21 | 32 |
| Real estate | 3.20 | 25 |
| General retail/grocery/liquor/convenience | 2.96 | 288 |
| Other services | 2.89 | 151 |
| Education | 2.33 | 15 |
| Government | 2.24 | 44 |
| Warehouse/storage | 2.08 | 1 |
| Service commercial | 1.99 | 77 |
| Utilities | 1.75 | 8 |
| Manufacturing | 1.48 | 1 |
| | Employees Per Room/Unit | |
| Hotels/lodging | .90 | 26 |
| Property management | .30 | 14 |

*The merged data set includes 1,220 cases from surveys of the following resort communities: Aspen (1991); Blaine County, Idaho (1990 and 1996); Chaffee County (1994); Eagle County (1990 and 1999); Estes Park (1990); Frisco (1998); Grand County (1992); Gunnison County (1992 and 1998); Roaring Fork Valley (1998); Routt County (1990); Snowmass Village (1999); Summit County (1990); Telluride (1993 and 1996).

SECTION 3 -- COMMUTING

This section of the report examines what is often the least understood component of housing demand – commuting. Specific topics covered include:

- In-county commuting through comparisons of where employees live to where they work;
- Where employees live according to employers;
- The types of housing in which commuters now reside;
- Average housing costs;
- Tenure (own/rent);
- Household composition;
- Preferences concerning where commuters want to live;
- Where commuters work;
- Commuting patterns (length, number of days per week, transportation used);
- Sources of income and types of jobs held; and,
- Number of jobs held and hours worked.

Inter-County Commuting

To examine in-county commuting patterns, a first approach is to look at where employees who work in a particular community live. This information was obtained from the household survey. Starting with the location of primary winter employment in the top row of the following table and working down, slightly over one-third of people who work in Vail live in Vail. Of all the communities examined Gypsum houses the highest percentage of its winter employees—78%. Minturn and Red Cliff house the second highest percentage with 64% of their winter employees living in those towns. Vail, Eagle-Vail, and Avon/Beaver Creek/Arrowhead house the lowest percentages of their winter employees.

From this data it appears that employees holding jobs relating to the ski resorts at Vail and Beaver Creek commute longer distances than employees as a whole. While this

report does not provide information about employees of specific businesses, by examining survey results at the town level it appears that ski-area employees are more likely to commute to homes throughout the area than employees in other communities. About 15% of Vail employees commute from Eagle or Gypsum.

Where Employees Live

| Where Reside | Location of Primary Winter Employment | | | | | | |
|-----------------------|---------------------------------------|---------------------|-----------------|-------|----------------|--------|-----------------------|
| | VAIL | EDWARDS/ HOMESTD | AVON/ B. CRK | EAGLE | EAGLE- VAIL | GYPSUM | MINTURN/ RED CLIFF |
| Vail | 35% | 9% | 6% | 1% | 15% | 7% | 4% |
| Minturn/ Red Cliff | 6% | 4% | 4% | 1% | 4% | | 64% |
| Eagle-Vail | 13% | 6% | 13% | 4% | 29% | | 8% |
| Avon | 11% | 6% | 30% | 4% | 8% | 4% | 8% |
| Edwards/Htd | 19% | 53% | 29% | 4% | 23% | 4% | 4% |
| Eagle | 8% | 15% | 10% | 62% | 10% | 7% | 12% |
| Gypsum | 7% | 4% | 7% | 23% | 8% | 78% | |
| Rural areas | 1% | 2% | 2% | 1% | 2% | | |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

A second approach is to examine where residents of each community work. Starting with the town where residents live in the far left column of the following table and working across, Vail and Avon have the largest percentage of their residents working where they live (65% and 57%, respectively).

Where Residents Work

| Where Reside | Location of Primary Winter Employment | | | | | | | | |
|------------------------|---------------------------------------|---------------------|------------------|-------|----------------|--------|-----------------------|-------|------|
| | VAIL | EDWARDS/ HOMESTD | AVON/ B. CRK. | EAGLE | EAGLE- VAIL | GYPSUM | MINTURN/ RED CLIFF | OTHER | |
| Vail | 65% | 6% | 11% | 1% | 5% | 1% | 1% | 10% | 100% |
| Minturn/ Red Cliff | 29% | 8% | 22% | 2% | 4% | | 31% | 4% | 100% |
| Eagle-Vail | 34% | 6% | 32% | 4% | 14% | | 2% | 7% | 100% |
| Avon | 23% | 5% | 57% | 3% | 3% | 1% | 2% | 6% | 100% |
| Edwards/ Homestd/ST | 25% | 26% | 36% | 2% | 6% | 1% | 1% | 5% | 100% |
| Eagle | 14% | 10% | 17% | 46% | 4% | 1% | 2% | 4% | 100% |
| Gypsum | 18% | 4% | 18% | 25% | 4% | 22% | | 9% | 100% |
| Rural areas | | 17% | 17% | 33% | 8% | 8% | | 17% | 100% |

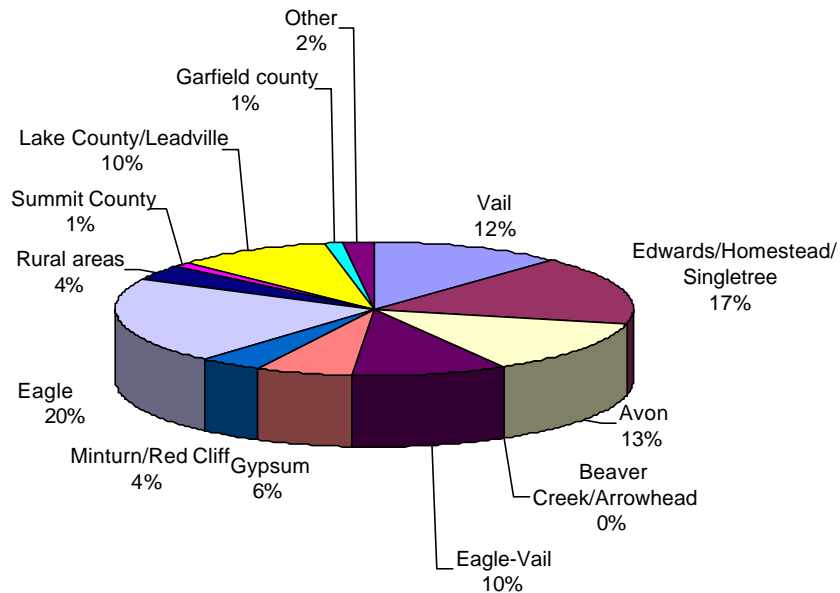
Employers reported that the largest percentage of their employees live in Eagle, followed by Edwards/Homestead/Singletree, Avon, Vail, Eagle-Vail, and Lake County/Leadville.

Into-County Commuting

According to employers, about 14% of employees commute from outside Eagle County. With an estimated 31,785 employees in Eagle County as a whole, it follows that approximately 4,450 persons commute into the county for work. Note that this estimate includes employees in the Basalt area.

It should be noted that the estimate of 4,450 in-commuters is lower than an estimate generated by the State Demographer’s Office. The State estimates that in 1997 there were 8,240 persons commuting into Eagle County for work and 2,000 residents commuting out of Eagle County to jobs elsewhere. Because of this discrepancy, the estimate of housing demand generated by in-commuters should be considered conservative.

Where Employees Live



Information about persons who commute into the county for work was obtained through intercept surveys of persons living in Leadville where there is a concentration of commuters and at several jobs sites in Eagle County. Persons surveyed at their work

are referred to in the text and tables as “on-site commuters”, however, the graphs label them as “Vail” commuters.

Languages

About two-thirds of Leadville commuters speak and read English; nearly that many speak and read Spanish. On-site commuters, on the other hand, largely speak and read English but about one-fourth speak and read Spanish.

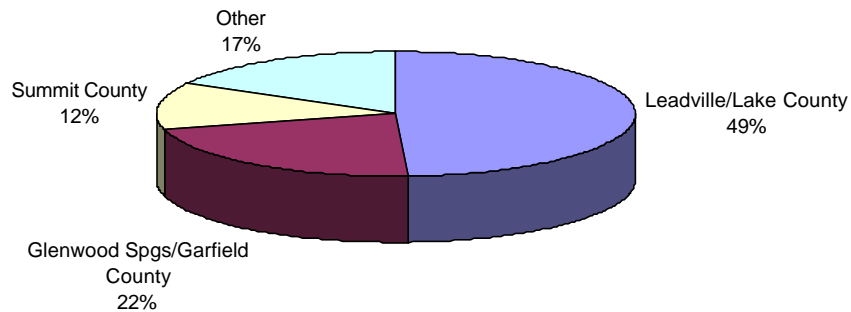
Languages of Commuters

| | Overall | On-site | Leadville |
|----------------------|---------|---------|-----------|
| Speak English | 72% | 91% | 67% |
| Read English | 72% | 89% | 67% |
| Speak Spanish | 55% | 26% | 63% |
| Read Spanish | 52% | 24% | 60% |
| Speak Other Language | 3% | 2% | 3% |
| Read Other Language | 3% | 2% | 3% |

Where Commuters Live

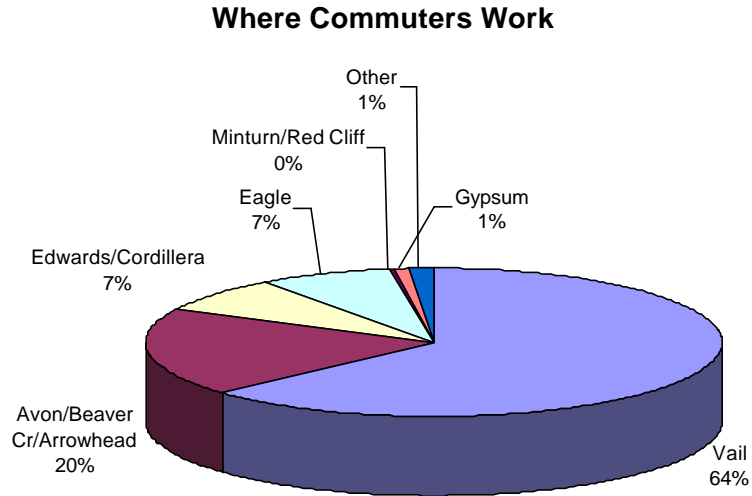
Of the commuters surveyed on site in Eagle County, almost half live in Leadville/Lake County and just over one-fifth (22%) live in Glenwood Springs/Garfield County. Another 12% live in Summit County.

Where On-site Commuters Live



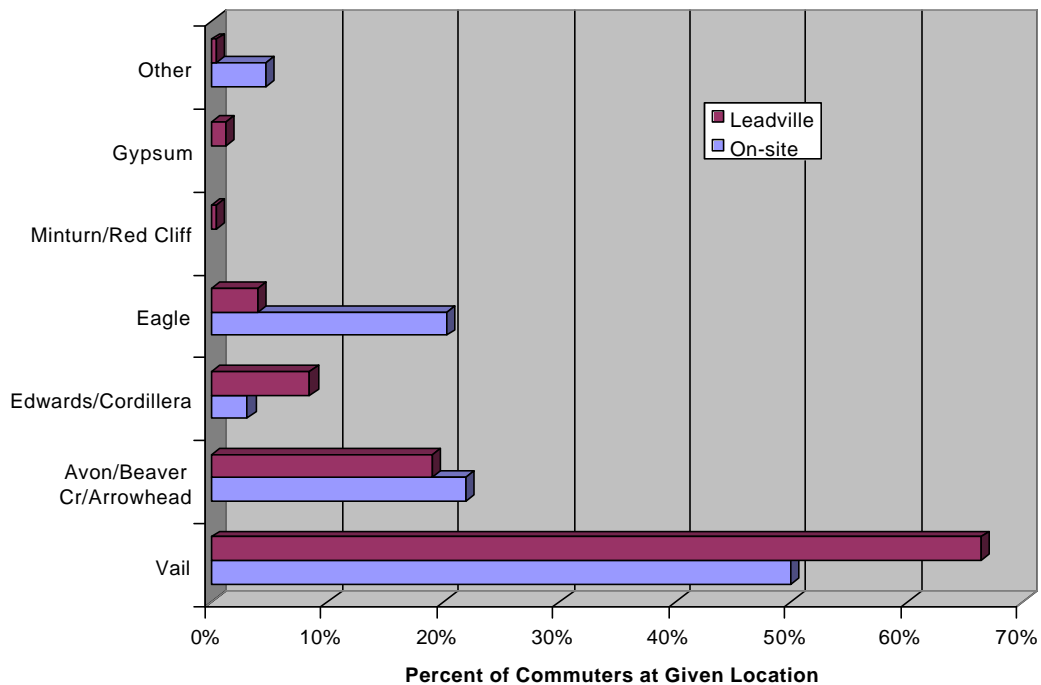
Where Commuters Work

Most commuters overall (64%) work in Vail. About one-fifth work in Avon/Beaver Creek/Arrowhead. Much smaller percentages work elsewhere in Eagle County.



As the following graph illustrates, larger percentages of Leadville commuters (66%) than on-site commuters (50%) work in Vail, while on-site commuters are more likely than Leadville commuters to work in Eagle.

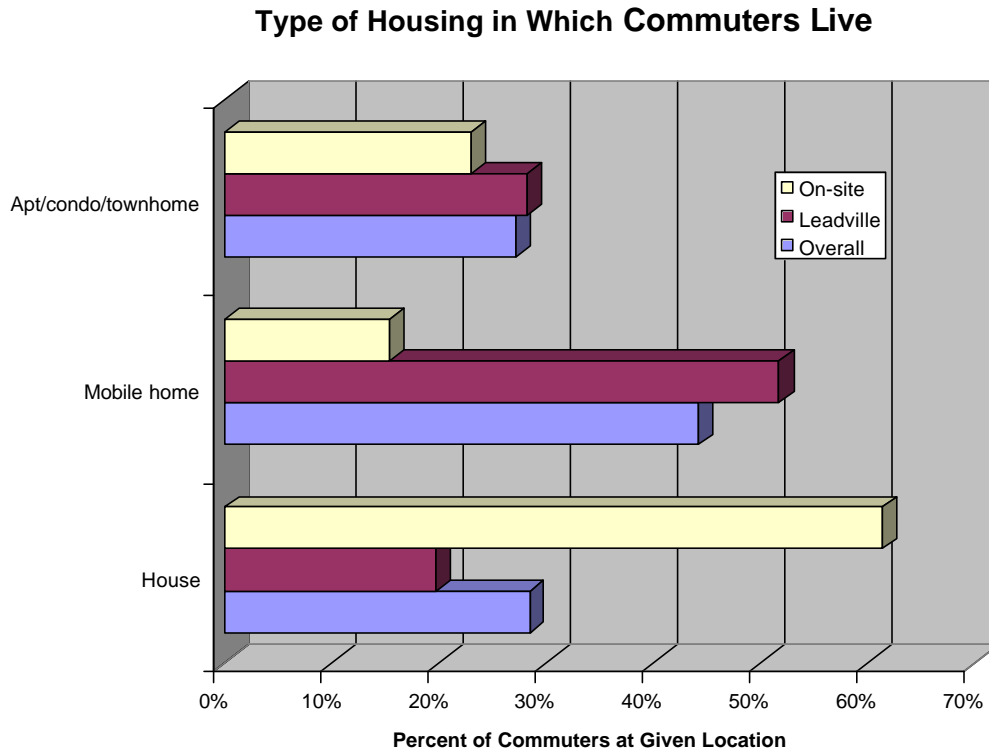
Where On-site and Leadville Commuters Work



Description of Commuter Housing

Unit Type

As the following graph illustrates, a much greater percentage of Leadville commuters (52%) than on-site commuters (15%) live in mobile homes, while a greater percentage of on-site commuters (62%) than Leadville commuters (20%) live in houses.



Housing Costs and Number of Bedrooms

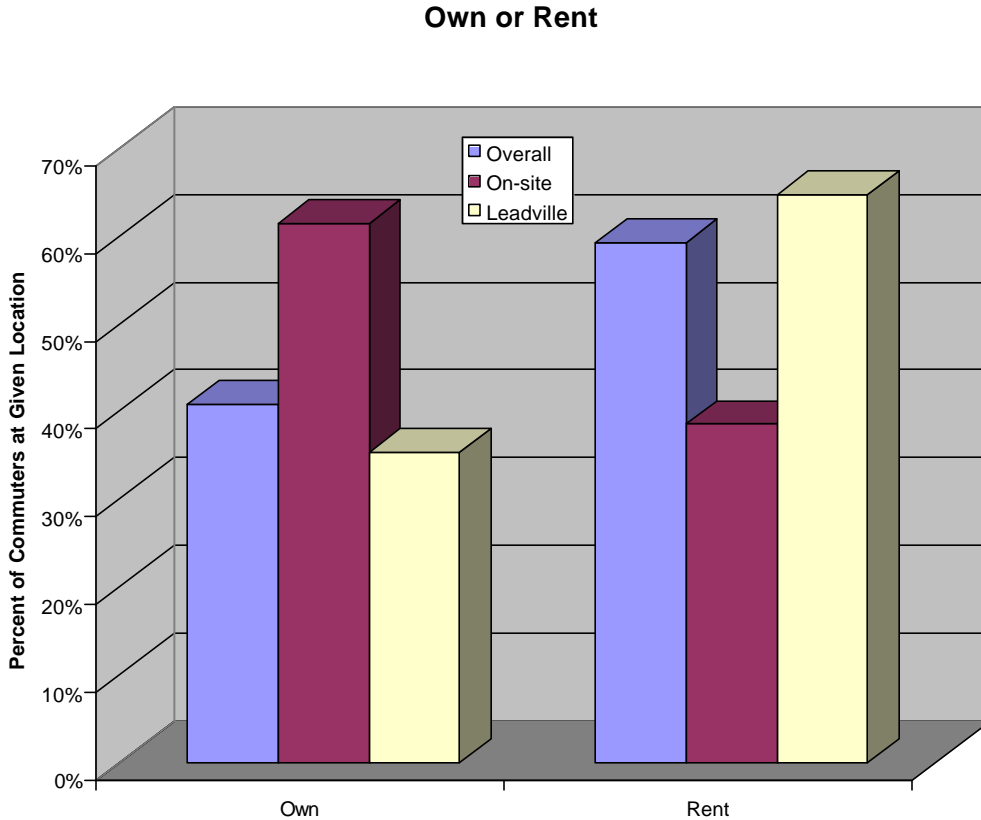
On-site commuters' homes have slightly more bedrooms than the homes of Leadville commuters. However, on-site commuters have substantially higher total monthly rent or mortgage payments than Leadville commuters, possibly because they live in larger units or more expensive areas. Leadville commuters have higher monthly utility bills.

Number of Bedrooms & Monthly Expenses

| | Overall | On-site Commuters | Leadville Commuters |
|------------------------------|----------|-------------------|---------------------|
| Average # bedrooms | 2.66 | 2.92 | 2.57 |
| Average rent/mortgage pmt | \$530.48 | \$838.92 | \$456.51 |
| Average monthly utility bill | \$166.55 | \$148.76 | \$170.89 |

Tenure

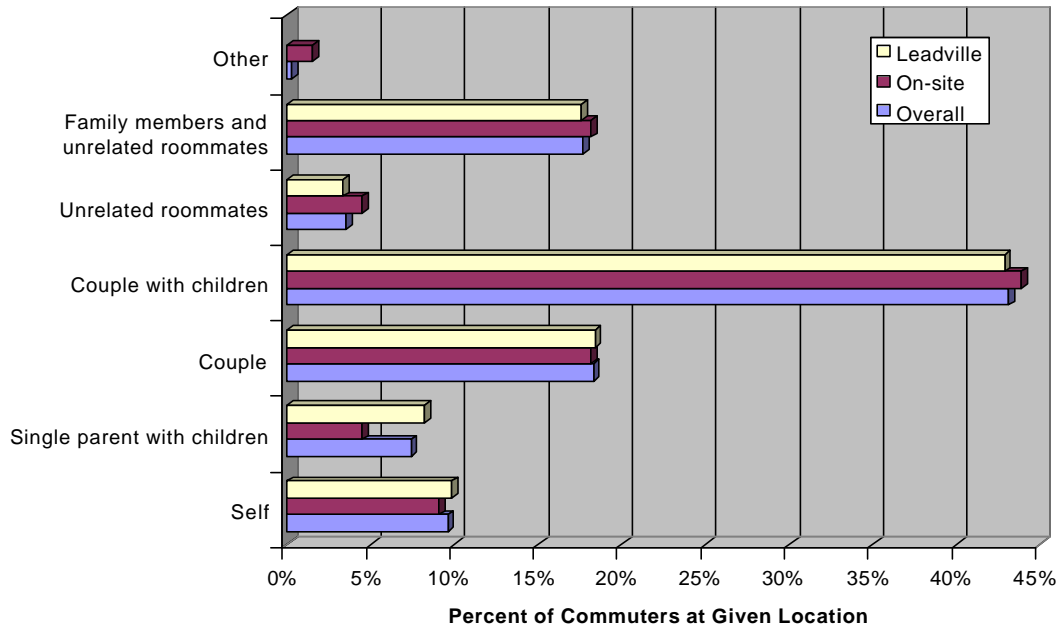
Leadville commuters tend to rent (65%) more often than own (35%) their homes; on-site commuters own (61.5%) more often than rent (38.5%).



Household Composition

Household composition of on-site and Leadville commuters is similar except almost twice as many Leadville commuters live in single-parent households. The largest percentage of all commuters—almost half—live in households composed of couples with children. Slightly under one-fifth of commuters from both locations live in households composed of couples and about the same percentage live in households composed of family members and unrelated roommates.

Household Composition



Over two-thirds of family members of Leadville commuters also commute to jobs in Eagle County, while less than half of family members of on-site commuters do so. Family members of on-site commuters are more likely than family members of Leadville commuters to work near where they live. Many more family members of on-site commuters do not have jobs.

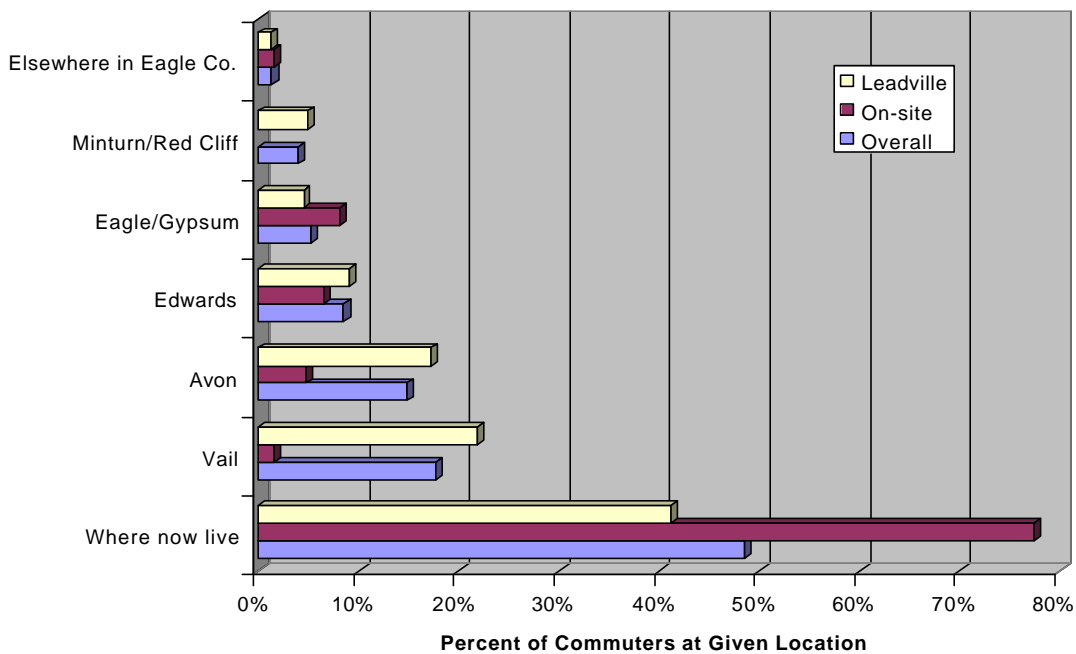
Commuting Patterns of Family Members of Commuters

| | Overall | On-site Commuters | Leadville Commuters |
|-----------------------------------|---------|-------------------|---------------------|
| Commute to jobs in Eagle Co. | 62% | 39% | 67% |
| Work near where you live | 19% | 29% | 16% |
| Commute to jobs in other counties | 12% | 10% | 12% |
| Both work nearby and commute | 7% | 15% | 5% |
| Do not have jobs | 3% | 8% | 1% |

Location Preferences

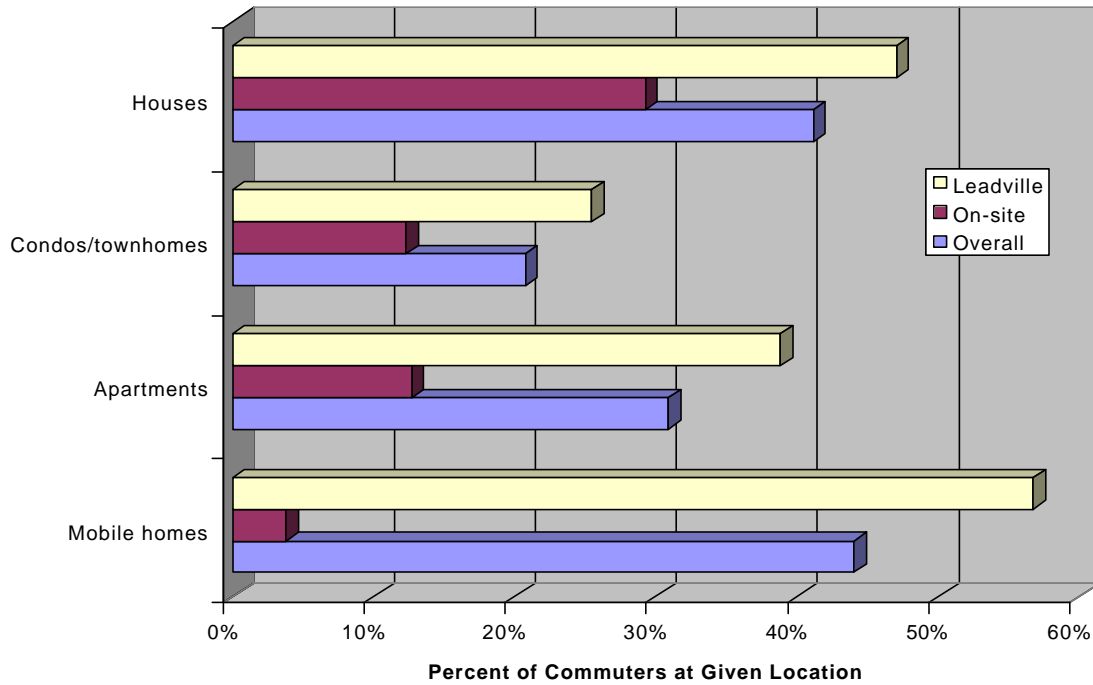
Commuters at both locations were asked where they wanted to live. While the greatest percentage of commuters from both locations want to live in the community where they now live as compared to any other specific community, about half overall would prefer to live in Eagle County. The vast majority of commuters surveyed in Eagle County, however, would prefer to remain where they now live. The overall results appear to be impacted by Leadville residents; approximately 60% of the commuters who now live in the Leadville area would prefer to live in Eagle County. More Leadville than on-site commuters want to live in the Vail, Avon, or Edwards areas, while more Vail commuters want to live in the Eagle/Gypsum area.

Where Commuters Want to Live



Commuters were asked whether they would move to Eagle County if mobile homes, apartments, condos/townhomes, or houses became available. Greater percentages of Leadville than on-site commuters would move if any of these types of housing became available; the greatest percentage would move if mobile homes became available. While on-site commuters were less likely to want to move to Eagle County for any type of housing, they were most interested in moving if houses became available and least interested if mobile homes became available. These preferences are consistent with the current housing preferences of on-site and Leadville commuters: Leadville commuters are more likely to live in mobile homes than houses, and on-site commuters are more likely to live in houses than mobile homes.

Would Move to Eagle County If Housing Became Available



Commuting Patterns

The average one-way commute time is approximately one hour. Leadville commuters, most of whom work in Vail or Avon/Beaver Creek/Arrowhead, have a longer average one-way commute than Vail commuters.

Average One-way Commute Time

| Overall | On-site Commuters | Leadville Commuters |
|---------|-------------------|---------------------|
| 1 hour | 47 minutes | 1 hour 4 minutes |

Leadville commuters most often use the bus or drive alone to get to work, while on-site commuters most often drive alone. On-site commuters do not use the bus or hitchhike, although they carpool more frequently than Leadville commuters.

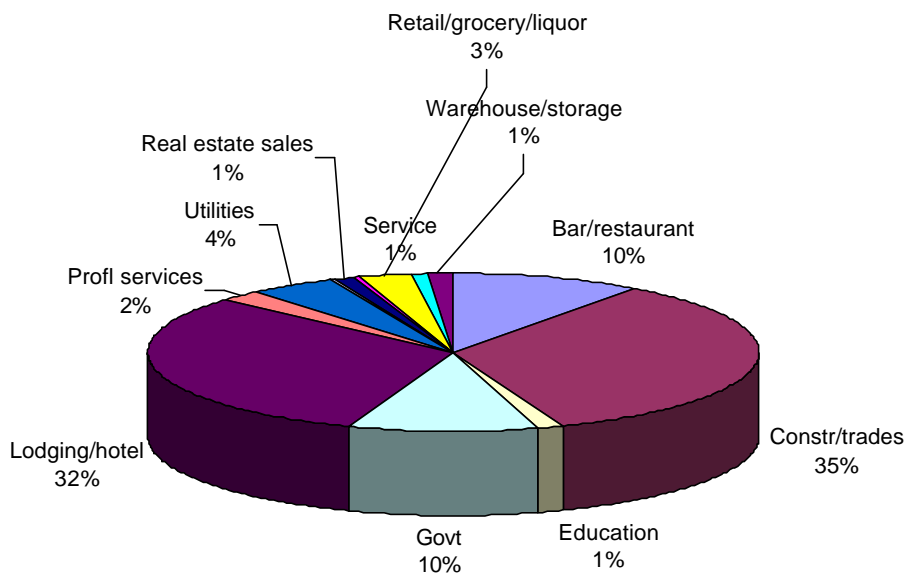
Average Number of Days Per Week Using Different Transportation Modes

| | Overall | On-site Commuters | Leadville Commuters |
|-------------|---------|-------------------|---------------------|
| Drive alone | 2.58 | 3.79 | 2.34 |
| Carpool | .64 | 1.11 | .55 |
| Bus | 2.07 | 0 | 2.48 |
| Hitchhike | <.1 | 0 | <.1 |
| Other | <.1 | 0 | <.1 |

Sources of Income

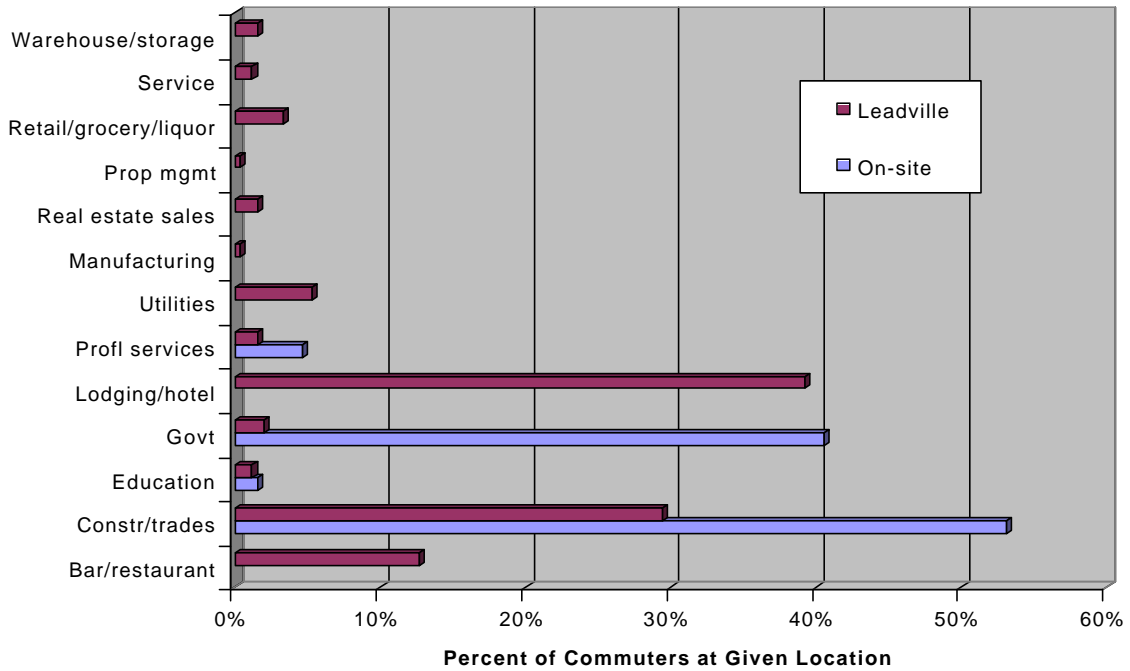
The primary sources of income for two-thirds of commuters overall are construction/trades and lodging/hotels.

Primary Source of Income - Overall



In comparing the two areas, on-site commuters' primary sources of income are almost entirely construction/trades and government while Leadville commuters' primary sources of income are lodging/hotels, construction/trades, and bars/restaurants.

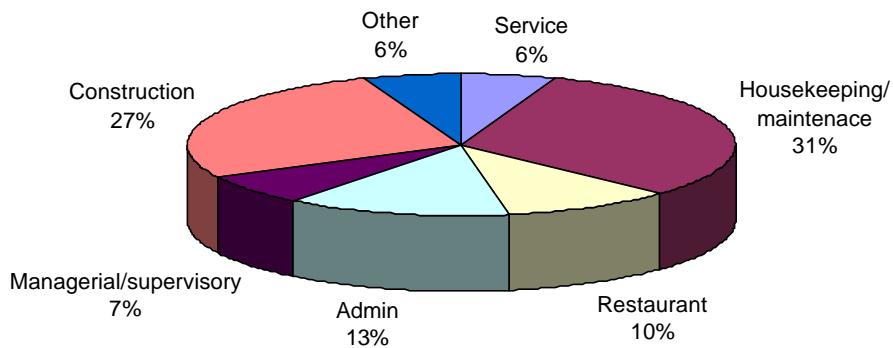
Primary Source of Income – On-site and Leadville Compared



Commuter Jobs

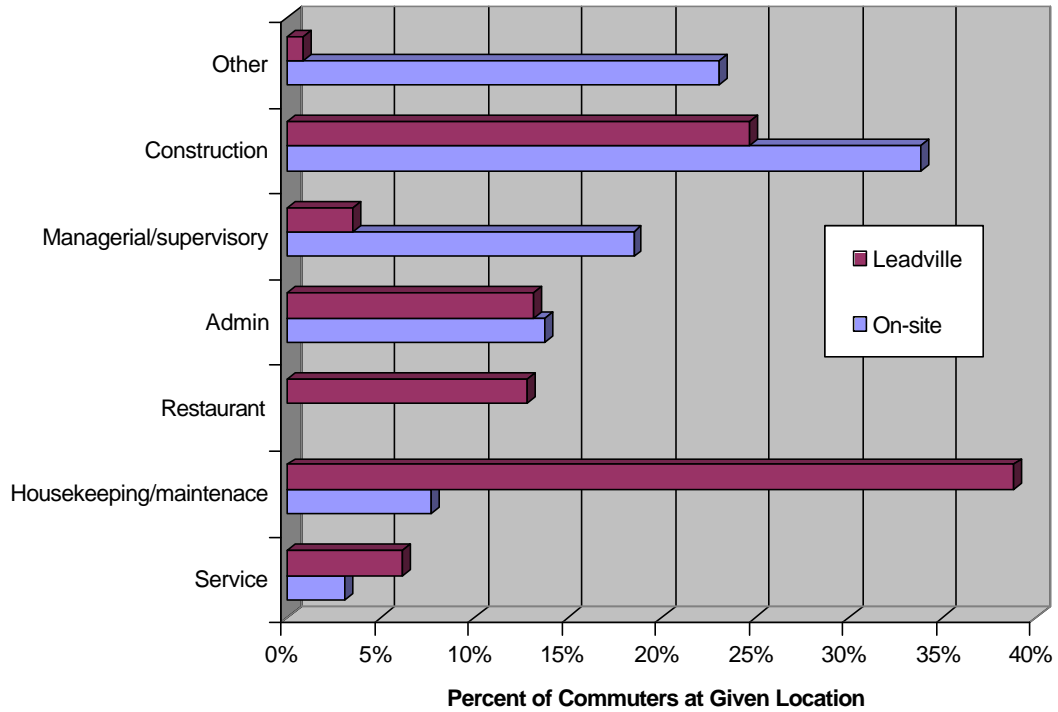
Commuters' main types of jobs are housekeeping/maintenance and construction.

Type of Job -- Commuters Overall



Leadville commuters are more likely than on-site commuters to be employed in housekeeping/maintenance, restaurant, or service positions, while on-site commuters are more likely to work in construction, managerial/supervisory, or “other” positions.

Type of Jobs – On-site and Leadville Commuters



Number of Jobs and Hours Worked

On-site commuters have a slightly higher average number of jobs than Leadville commuters in the summer and ski seasons and a much higher number in the spring and fall. Overall, commuters hold fewer jobs than Eagle County residents, perhaps since the time spent commuting prevents them from holding multiple jobs.

Average Number of Jobs

| | Overall | On-site Commuters | Leadville Commuters |
|--------------------|---------|-------------------|---------------------|
| # Jobs Summer | .83 | 1 | .79 |
| # Jobs Ski Season | .84 | .96 | .81 |
| # Jobs Spring/Fall | .39 | .98 | .25 |

On-site commuters work more hours on average than Leadville commuters, especially in the spring and fall seasons.

Average Number of Hours Worked

| | Overall | On-site Commuters | Leadville Commuters |
|---------------------|---------|-------------------|---------------------|
| # Hours Summer | 35.4 | 42.6 | 33.7 |
| # Hours Ski Season | 34.3 | 41.0 | 32.7 |
| # Hours Spring/Fall | 16.4 | 41.0 | 10.5 |

SECTION 4 -- HOUSING INVENTORY AND MARKET CONDITIONS

This section of the report describes the housing supply in the study area portion of Eagle County. It includes:

- estimates of the total number of residential units by area and the number occupied by local residents as their primary homes;
- tenure (owner/renter);
- composition of housing supply including types of unit by region and by occupying household;
- bedrooms;
- bathrooms;
- housing costs; and,
- location.

Number of Units

The State Demographer estimates there were 21,044 housing units in Eagle County as a whole as of mid-1997. The State estimated that 12,502 of these, or 59% were occupied as primary homes. The other 41% were used as second homes and vacation accommodations. At 71%, Vail had the highest percentage of units that were not used as primary homes.

Eagle County Housing Units Estimate, 1997

| | Total Units | # Primary Homes | Approx. % Primary Homes |
|-------------------|--------------------|------------------------|--------------------------------|
| Avon | 2,100 | 1,323 | 63% |
| Basalt | 759 | 633 | 83% |
| Eagle | 995 | 922 | 93% |
| Gypsum | 987 | 941 | 95% |
| Minturn/Red Cliff | 580 | 511 | 88% |
| Vail | 6,788 | 1,989 | 29% |
| Unincorporated | 8,835 | 6,183 | 70% |
| Total | 21,044 | 12,502 | 59% |

Source: State Demographer

Local officials estimate that 10,649 primary homes are located within the study area for this project. This estimate was generated by using a combination of techniques including building permit records for the municipalities and Census derivatives for the unincorporated areas.

Primary Homes by Community

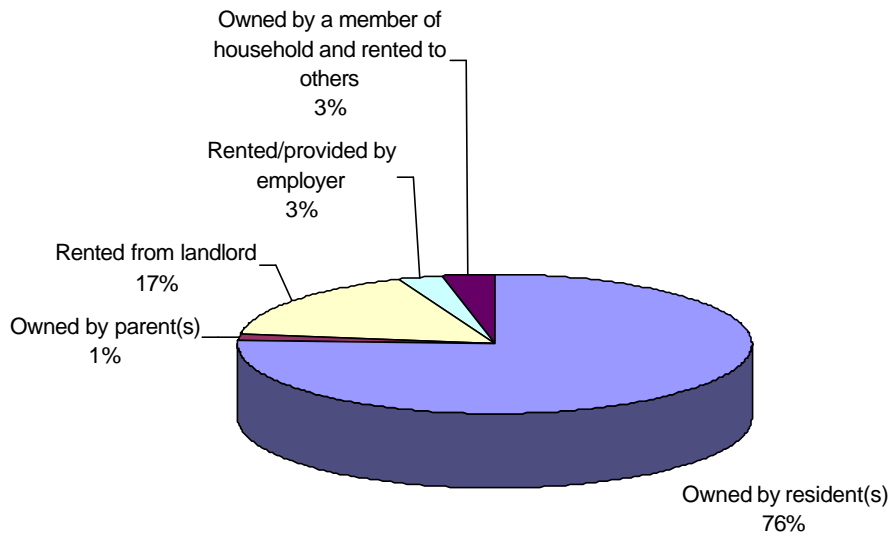
| | # |
|-------------------|---------------|
| Avon | 2,048 |
| Eagle | 505 |
| Gypsum | 1,462 |
| Minturn/Red Cliff | 1,060 |
| Vail | 1,175 |
| Unincorporated | 4,399 |
| Total | 10,649 |

Source: Municipal Planning Depts. & Eagle County Housing Division

Tenure

Of the household surveys returned, 76% are from units in which their owners reside and 20% are from renters. Another 3% are from units owned by a member of the household and rented to other members and 1% are from units owned by a parent of a household member.

Occupancy Status



As explained in the INTRODUCTION section of this report, it is believed that the survey under-represents renters. It is therefore assumed that the homeownership rate in the study area is approximately 60%. This estimate was derived by applying the statewide increase in the homeownership rate to the 1990 Census estimate for the portion of Eagle County covered by this study. In 1990, the homeownership rate in Colorado was 59%. By the first quarter of 1998, it had risen to 65.4%, an increase of 10.85%. When this rate of increase is applied to the 1990 estimate of 54.2% for the study area, it follows that 60% of the homes are now owner occupied and 40% are rented. This results in current estimates of approximately 6,390 owner-occupied units and 4,260 renter-occupied units.

Despite the bias in the sample toward homeowners, the survey results on tenure by area of the county is insightful. Based on survey results, down valley has the highest percentage of homeowners. In both down valley and mid valley, tenure patterns are fairly similar to typical communities in that most residents either own the home in which they reside or they rent it from a landlord.

The situation is different in Vail where there is greater variety. Vail has the lowest percentage of both resident owners and renters who rent from landlords. This is because Vail has higher than elsewhere percentages of units owned by parents of household members and units owned by one member of the household while rented to roommates.

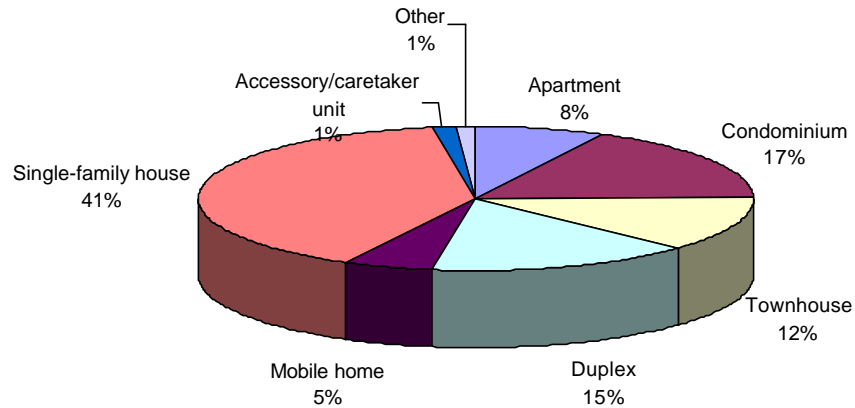
Tenure by Area

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-----------------------------|-----------|-----------------|------------------|
| Owned by resident(s) | 68.3 | 74.5 | 80.3 |
| Owned by parent(s) | 4.9 | 1.0 | 0.4 |
| Rented from landlord | 14.6 | 17.7 | 16.4 |
| Rented/provided by employer | 4.9 | 3.2 | 1.3 |
| Owned & rented to others | 6.5 | 3.2 | 1.7 |
| Other | 0.8 | 0.5 | |
| | 100 | 100 | 100 |

Unit Type

The survey results indicate that 41% of the residential units used as primary homes are single-family houses. This estimate should be considered somewhat high since renters who more often live in attached dwellings are under represented.

Unit Type



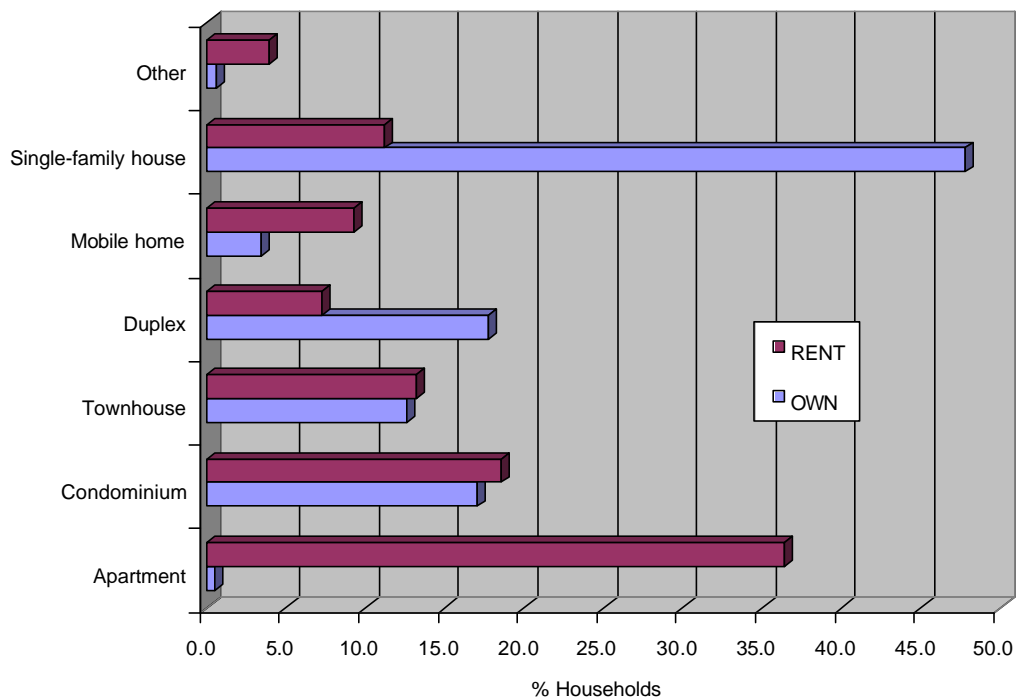
- Most of the housing in the Vail area is attached; only about 20% of the households in Vail reside in single-family homes as compared to 68% down valley.
- Mobile homes comprise a significant portion of the down-valley housing supply (roughly 11%).
- According to the survey, apartments comprise only 8% of the housing supply; this figure is likely low, however, due to the under-representation of renters.

Unit Type by Region

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-------------------------|--------|--------------|---------------|
| Apartment | 5.9 | 10.1 | 4.6 |
| Condominium | 39.8 | 20.0 | 1.7 |
| Townhouse | 16.1 | 12.8 | 10.4 |
| Duplex | 18.6 | 22.4 | 2.9 |
| Mobile home | | 3.4 | 10.8 |
| Single-family house | 19.5 | 30.0 | 67.6 |
| Accessor/caretaker unit | | | 0.4 |
| Other | | 1.2 | 1.7 |
| | 100% | 100% | 100% |

Less than half of the renters in Eagle County live in apartments. While several large apartment projects have been built in recent years, the majority of renters still reside in units designed and built for owner occupancy.

Unit Type by Own/Rent



Less than half of the homeowners in Eagle County reside in single-family houses. The only area where owner-occupied single-family homes outnumber attached housing is down valley.

Unit Type by Area and Tenure

| | VAIL | | MID VALLEY | | DOWN VALLEY | |
|--------------------------|-------|--------|------------|--------|-------------|--------|
| | OWN % | RENT % | OWN % | RENT % | OWN % | RENT % |
| Apartment | 1 | 25 | 1 | 45 | | 26 |
| Condominium | 39 | 46 | 21 | 18 | 1 | 5 |
| Townhouse | 18 | 8 | 13 | 14 | 10 | 14 |
| Duplex | 19 | 13 | 26 | 9 | 4 | |
| Mobile home | | | 2 | 6 | 7 | 21 |
| Single-family house | 23 | 8 | 37 | 5 | 77 | 26 |
| Accessory/caretaker unit | | | | | | 2 |
| Other | | | 1 | 4 | 1 | 5 |
| | 100% | 100% | 100% | 100% | 100% | 100% |

Unit Type and Occupancy Compared

A comparison of the various kinds of residential units to the types of household that occupy them provides insight into the extent to which the housing supply meets the needs of residents. It appears that the overall match between the types of unit and the composition of the households who occupy them is good. Generally, families live in the large units (single-family homes, duplexes) while singles living alone and with roommates tend to live in higher density attached types of housing.

- Nearly 90% of the single-family homes in the study area are occupied by families.
- Nearly one-third of all apartment units are occupied by adults living alone, a higher percentage than live with unrelated roommates.
- Approximately 25% of the apartments are occupied by households with children, either single parents or couples.

Unit Type and Household Composition Compared

| | Apartment % | Condominium % | Townhouse % | Duplex % | SF House % |
|-----------------------------|----------------|------------------|----------------|-------------|---------------|
| Adult living alone | 32 | 26 | 15 | 10 | 6 |
| Single parent with children | 5 | 4 | 9 | 4 | 3 |
| Couple | 15 | 40 | 33 | 28 | 34 |
| Couple with children | 20 | 11 | 22 | 44 | 50 |
| Unrelated roommates | 19 | 15 | 14 | 9 | 2 |
| Family & roommates | 5 | 4 | 6 | 3 | 3 |
| Other | 3 | 1 | 1 | 1 | 1 |
| | 100% | 100% | 100% | 100% | 100% |

Number of Bedrooms

Most of the residential units that comprise the housing supply in the study area portion of Eagle County are moderate to large in terms of the number of bedrooms they have. The average housing unit has 2.96 bedrooms (rooms designed as bedrooms). Roughly 2.6 rooms are used on average as bedrooms. Down valley homes tend to have more bedrooms than homes in other areas of the county; 23.5% have two or fewer bedrooms as compared to 48.8% in Vail.

Rooms Designed as Bedrooms

| # Bedroom | OVERALL | VAIL | MID VALLEY | DOWN VALLEY |
|-----------|---------|------|------------|-------------|
| 1 | 7.1 | 15.7 | 7.4 | 2.1 |
| 2 | 25.6 | 33.1 | 25.8 | 21.4 |
| 3 | 41.6 | 29.8 | 39.6 | 51.3 |
| 4 | 19.1 | 14.0 | 21.0 | 18.4 |
| 5 + | 6.6 | 7.4 | 6.1 | 6.8 |
| | 100% | 100% | 100% | 100% |

According to the survey 50% of the apartment units in the county have one bedroom while all of the townhomes, duplexes, and mobile homes have two or more bedrooms.

Bedrooms by Type of Unit

| # Bedrooms | Apt % | Condo % | TH % | Duplex % | MH % | SF % |
|------------|-------|---------|------|----------|------|------|
| 1 | 50.0 | 16.8 | | | | 0.7 |
| 2 | 36.5 | 58.4 | 37.0 | 5.4 | 42.1 | 12.1 |
| 3 | 13.5 | 18.4 | 53.3 | 58.9 | 50.0 | 45.3 |
| 4 | | 6.4 | 8.7 | 26.8 | 7.9 | 30.2 |
| 5 + | | | 1.1 | 8.9 | | 11.7 |
| | 100% | 100% | 100% | 100% | 100% | 100% |

Bathrooms

Just under 15% of the primary homes in the study area have one bathroom; all others have two or more. Nearly 45% have three or more. The homes in the mid-valley area have the largest number of bathrooms.

Number of Bathrooms by Area

| # Bathrooms | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-------------|-----------|--------|--------------|---------------|
| 1 | 14.9 | 20.5 | 12.4 | 16.2 |
| 2 | 40.9 | 42.7 | 35.8 | 48.3 |
| 3 + | 44.2 | 36.8 | 51.8 | 35.5 |
| | 100% | 100% | 100% | 100% |

Housing Costs

The average amount paid per month for rent or mortgage in Eagle County is \$1,239. The median amount is slightly lower at \$1,104. Both the average and median amounts are higher mid valley and down valley than in the Vail area. This is likely correlated to length of residency. Vail residents have lived in the area longer overall (see the POPULATION AND DEMOGRAPHICS section of this report) and acquired housing when it was less expensive. The cost differential is also related to the size of units; down-valley homes tend to have a greater number of bedrooms and baths.

Monthly Housing Costs by Area

| | OVERALL | VAIL | MID VALLEY | DOWN VALLEY |
|-------------------------|------------|------------|------------|-------------|
| Avg. Rent/Mortgage Pmt. | \$1,238.69 | \$1,136.27 | \$1,319.13 | \$1,138.28 |
| Median | \$1,104 | \$950 | \$1,200 | \$1,100 |
| HOA Fees | \$123.04 | \$198.17 | \$132.72 | \$55.32 |

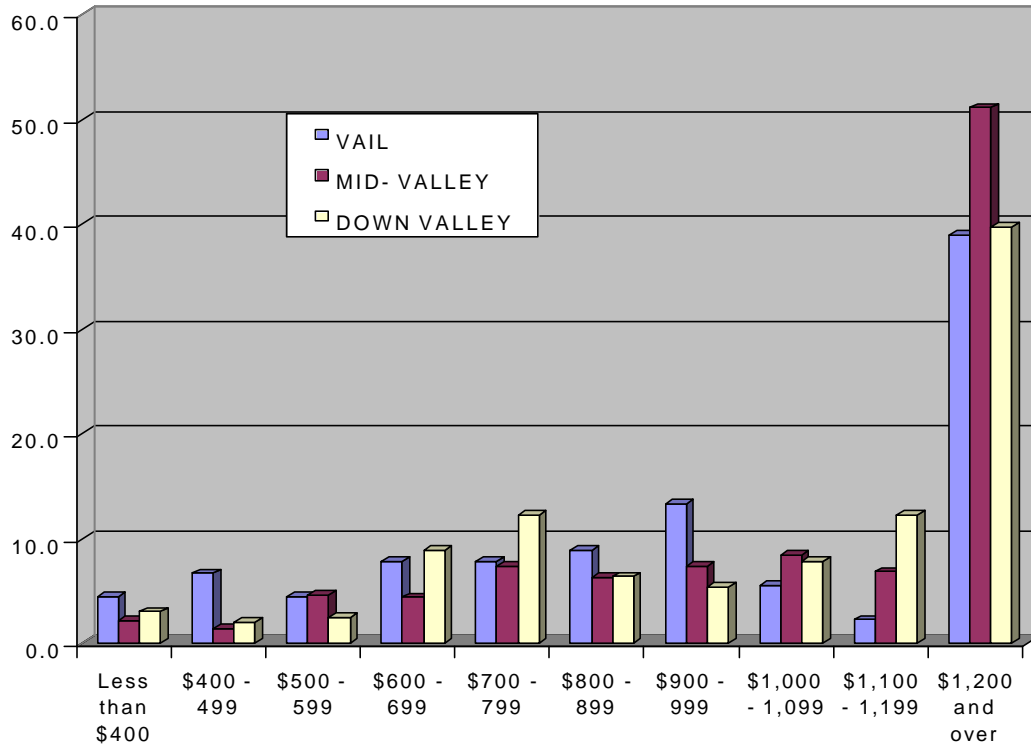
Approximately 46% of the households in Eagle County spend \$1,200 or more per month on rent or mortgage payments. Just over 15% pay less than \$700 per month.

Distribution of Housing Costs by Area

| | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
|------------------|--------------|-----------|-----------------|------------------|
| \$0 | 0.2 | | | 0.5 |
| \$1 - 299 | 1.7 | 2.2 | 1.1 | 2.5 |
| \$300 - 399 | 0.9 | 2.2 | 1.1 | |
| \$400 - 499 | 2.3 | 6.7 | 1.4 | 2.0 |
| \$500 - 599 | 3.9 | 4.4 | 4.6 | 2.5 |
| \$600 - 699 | 6.2 | 7.8 | 4.4 | 8.8 |
| \$700 - 799 | 8.9 | 7.8 | 7.4 | 12.3 |
| \$800 - 899 | 6.7 | 8.9 | 6.3 | 6.4 |
| \$900 - 999 | 7.6 | 13.3 | 7.4 | 5.4 |
| \$1,000 - 1,099 | 7.9 | 5.6 | 8.5 | 7.8 |
| \$1,100 - 1,199 | 7.9 | 2.2 | 6.8 | 12.3 |
| \$1,200 and over | 46.0 | 38.9 | 51.1 | 39.7 |
| | 100% | 100% | 100% | 100% |

The following graph illustrates the extent to which mid-valley and down-valley residents spend more on their housing than Vail residents.

Distribution of Housing Payments by Area



Housing prices are expensive in Eagle County. In 1998, the average price for a condominium or townhome was nearly \$500,000. In Vail, the average price of single-family homes exceeded \$1 million.

A comparison of homes sold in 1998 reveals that current housing prices are somewhat higher in Vail than in the mid-valley area and far higher than down valley. This supports the conclusion that housing payments are lower in Vail due to length of residency rather than the current cost of housing.

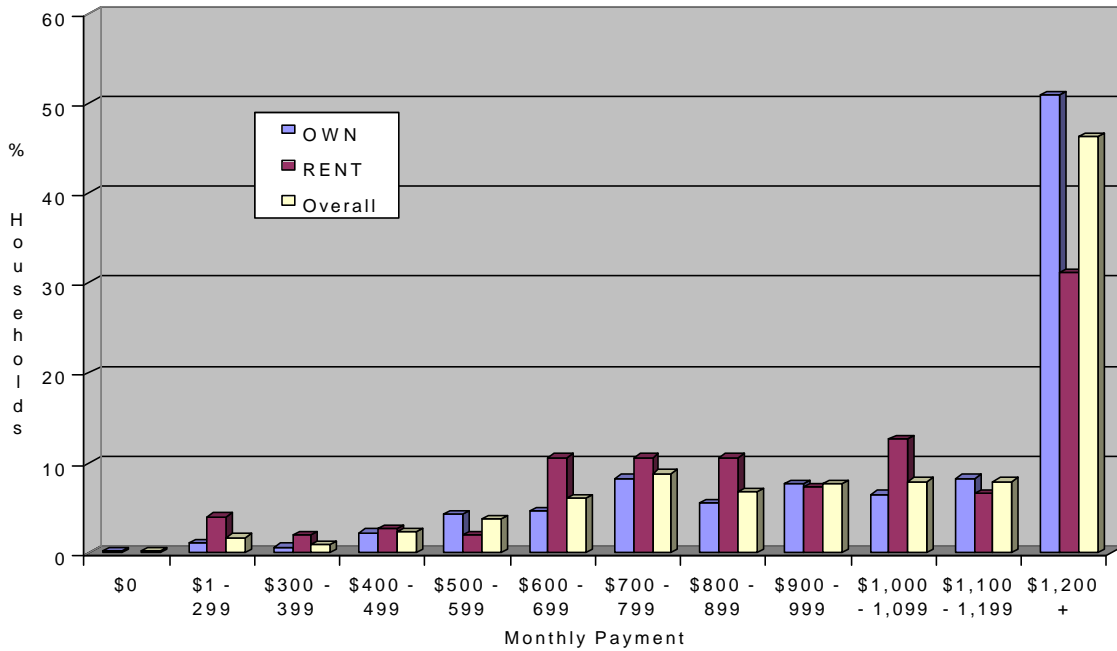
Residential Sales in Eagle County, 1998

| | Condo/Townhome | | SF, Duplex, MH | |
|--------------|----------------|------------------|----------------|------------------|
| | # Sales | Avg. Price | # Sales | Avg. Price |
| Vail Area | 253 | \$518,418 | 82 | \$1,041,549 |
| Mid Valley | 555 | \$474,576 | 375 | \$745,847 |
| Down Valley | 23 | \$168,600 | 111 | \$247,895 |
| Total | 832 | \$479,455 | 568 | \$691,226 |

Source: Vail Board of Realtors MLS

Homeowners tend to spend more per month for their housing but the difference is not as great as might be expected. Approximately 30% of all renter households pay \$1,200 or more per month for rent.

Distribution of Rent/Mortgage Payments



The average rent payment in Eagle County exceeds \$1,000 per month.

Average Rent by Number of Bedrooms

| # Bedrooms | Monthly Pmt. |
|------------|--------------|
| 1 | \$664 |
| 2 | \$971 |
| 3 | \$1,349 |
| 4 | \$1,601 |
| Overall | \$1,035 |

Average rents are slightly higher in the mid-valley area than in Vail. Down-valley rents are significantly lower yet still average nearly \$800 per month.

Average Rents by Area

| Area | Monthly Pmt. |
|-------------|--------------|
| Vail | \$1,026 |
| Mid Valley | \$1,150 |
| Down Valley | \$797 |

HOA Fees

Homeowners and condominium fees are an additional housing cost for all but 7.7% of the households in the county. HOA fees tend to be higher in Vail than mid valley or down valley.

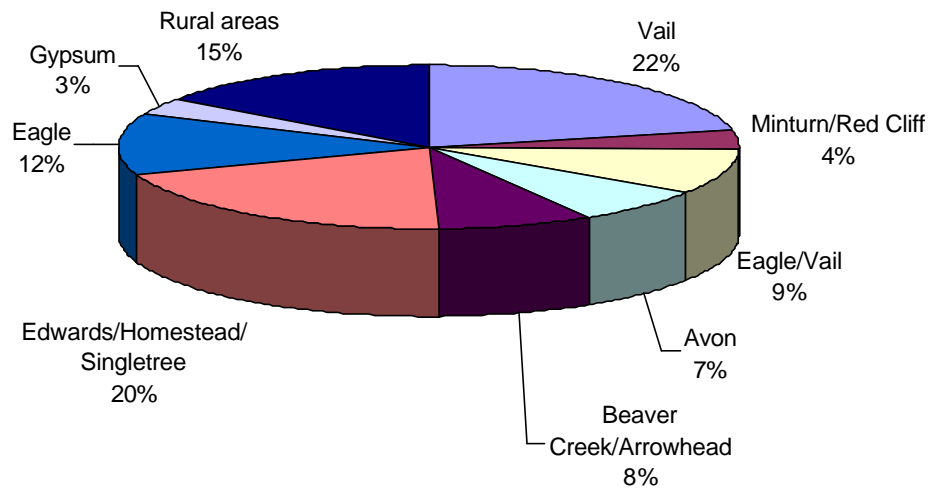
Monthly HOA Fees

| | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
|---------------|-----------|--------|--------------|---------------|
| \$0 | 7.7 | 4.5 | 6.0 | 13.0 |
| \$1 - 49 | 28.7 | 1.5 | 27.6 | 48.0 |
| \$50 - 99 | 9.0 | 1.5 | 6.5 | 19.0 |
| \$100 - 149 | 11.7 | 16.7 | 10.1 | 12.0 |
| \$150 - 199 | 18.0 | 30.3 | 20.6 | 5.0 |
| \$200 - 249 | 13.4 | 22.7 | 17.1 | |
| \$250 - 299 | 3.8 | 6.1 | 5.0 | |
| \$300 - 399 | 5.2 | 12.1 | 5.0 | 1.0 |
| \$400 or more | 2.5 | 4.5 | 2.0 | 2.0 |
| | 100 | 100 | 100 | 100 |

Location

Overall, 22% of the county’s residents want to live in Vail. The Edwards/Homestead/ Singletree area is the second most preferred area with 20% of residents indicating it is their first choice of location to live.

Where Residents Want to Live, 1st Choice



Generally, residents live in the area of the county where they want to live. Approximately 77% of mid-valley residents want to live in mid-valley communities. Approximately 84% of down-valley residents want to live in down-valley communities, including rural areas.

Location Preferences by Area

| Where Want to Live | Where Live Now | | | |
|------------------------------|----------------|--------|--------------|---------------|
| | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
| Vail | 22 | 87 | 11 | 5 |
| Minturn/Red Cliff | 4 | 2 | 7 | 0 |
| Eagle/Vail | 9 | 1 | 15 | 2 |
| Avon | 7 | 1 | 12 | 2 |
| Beaver Creek/Arrowhead | 8 | 2 | 12 | 4 |
| Edwards/Homestead/Singletree | 20 | 1 | 31 | 11 |
| Eagle | 12 | 1 | 1 | 38 |
| Gypsum | 3 | 1 | 0 | 10 |
| Rural areas | 15 | 4 | 10 | 29 |
| TOTAL | 100% | 100% | 100% | 100% |

In almost all of the county's communities, the majority of residents want to live in the location where they now live. The highest match is in Vail where 87% of the residents consider living in Vail to be their first choice.

There are a couple of exceptions in the county. In Avon, less than half (40%) of the town's current residents consider Avon to be their top preference in terms of location. Among Gypsum's residents, only 25% want to live in Gypsum more so than elsewhere. A higher percentage of Gypsum's residents would prefer to live in the county's rural areas.

Where Live Compared to 1st Preference

| Where Want to Live | Where Live Now | | | | | | | |
|------------------------------|----------------|---------------------|------------|------|---------------------------|-------|--------|-------------|
| | VAIL | MINTURN / RED CLIFF | EAGLE-VAIL | AVON | EDWARDS/HSTEAD/SINGLETREE | EAGLE | GYPSUM | RURAL AREAS |
| Vail | 87 | 6 | 16 | 12 | 11 | 4 | 6 | 6 |
| Minturn/Red Cliff | 2 | 58 | 2 | 1 | 0 | | 1 | 0 |
| Eagle/Vail | 1 | 4 | 56 | 10 | 2 | 1 | 3 | 0 |
| Avon | 1 | 2 | 1 | 40 | 2 | 2 | 1 | 0 |
| Beaver Creek/Arrowhead | 2 | 4 | 11 | 15 | 13 | 6 | | 0 |
| Edwards/Homestead/Singletree | 1 | 6 | 9 | 10 | 59 | 13 | 10 | 0 |
| Eagle | 1 | 0 | 1 | 3 | 1 | 57 | 13 | 0 |
| Gypsum | 1 | 0 | 0 | 1 | 0 | 2 | 25 | 0 |
| Rural areas | 4 | 21 | 5 | 9 | 11 | 15 | 41 | 94 |
| | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

SECTION 5 -- HOUSING PROBLEMS

This section of the report identifies housing problems in Eagle County and uses key measurements to quantify the extent and magnitude of the problems. Housing problems examined include:

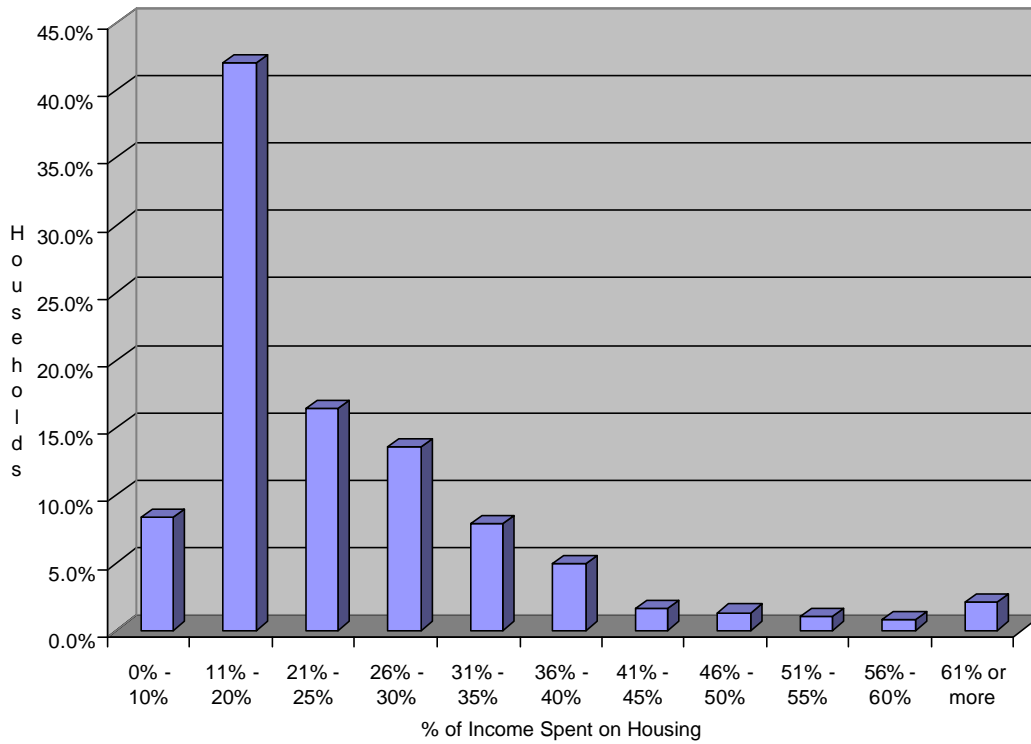
- Affordability and the number of households that are currently cost burdened by their rent or mortgage payments;
- Housing availability covering both for-rent and for-sale units;
- Satisfaction or dissatisfaction with current home and reasons for dissatisfaction;
- Overcrowding;
- Problems unique to renters including units they live in being sold and inadequate lease terms; and,
- Impediments to home ownership.

Affordability

Housing is generally considered to be affordable if the monthly rent or mortgage payment does not exceed 30% of the gross income of all household members combined. For consistency between owners and renters, utilities have not been included in the affordability calculations. On average, households spend 23% of their gross income on rent or mortgage payments. This average indicates that housing is currently affordable for the majority of the county's residents.

A sizable percentage of the county's residents are cost burdened, however. Approximately 19.6% of the households surveyed spend more than 30% of the income of members on housing. This percentage is somewhat lower than is actually the case, however, due to the fact that renters are under-represented. By analyzing owners and renters separately, it appears that approximately 2,350 households (22%) are cost burdened by their rent or mortgage payment.

Percentage of Income Spent on Housing



Renters are more frequently cost burdened than owners; 30% of renters compared to 17% of homeowners spend more than 30% of their income on housing. This is usually the case since owners can not typically qualify for mortgages if the debt service greatly exceeds 30% of their income. By applying these percentages to the number of households in the study area, it is estimated that 1,278 renter households and 1,074 owner households are cost burdened.

Percentage of Income Spent on Housing by Own/Rent

| | OWN % | RENT % |
|-------------|-------|--------|
| 0% - 10% | 10.1 | 2.9 |
| 11% - 20% | 44.8 | 32.8 |
| 21% - 25% | 15.7 | 19.0 |
| 26% - 30% | 12.7 | 15.3 |
| 31% - 35% | 7.3 | 10.9 |
| 36% - 40% | 4.3 | 7.3 |
| 41% - 45% | 1.3 | 2.9 |
| 46% - 50% | 1.1 | 2.2 |
| 51% or more | 2.8 | 6.6 |
| | 100% | 100% |

A small percentage of the county's renter households are severely cost burdened. It is estimated that 280 renter households (6.6% of the 4,260 renter households in the study area) spend more than 51% of their income on housing.

There is little variation among the three areas covered by the study in housing affordability as measured by the percentage of income spent on housing.

Percentage of Income Spent on Housing by Area

| | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-----------------|--------------|-----------|-----------------|------------------|
| 0% - 10% | 8.4 | 13.9 | 8.4 | 6.2 |
| 11% - 20% | 42.0 | 43.0 | 42.4 | 40.9 |
| 21% - 25% | 16.4 | 12.7 | 16.9 | 17.1 |
| 26% - 30% | 13.6 | 10.1 | 12.5 | 16.6 |
| 31% - 35% | 7.9 | 8.9 | 7.0 | 9.3 |
| 36% - 40% | 4.9 | 5.1 | 4.1 | 6.2 |
| 41% - 45% | 1.6 | 1.3 | 2.3 | 0.5 |
| 46% - 50% | 1.3 | 1.3 | 2.0 | |
| 51% - 55% | 1.0 | 1.3 | 1.2 | 0.5 |
| 56% - 60% | 0.8 | 2.5 | 0.6 | 0.5 |
| 61% or more | 2.1 | | 2.6 | 2.1 |
| | 100% | 100% | 100 | 100 |
| % Cost Burdened | 19.6 | 20.4 | 19.8 | 19.1 |

Availability

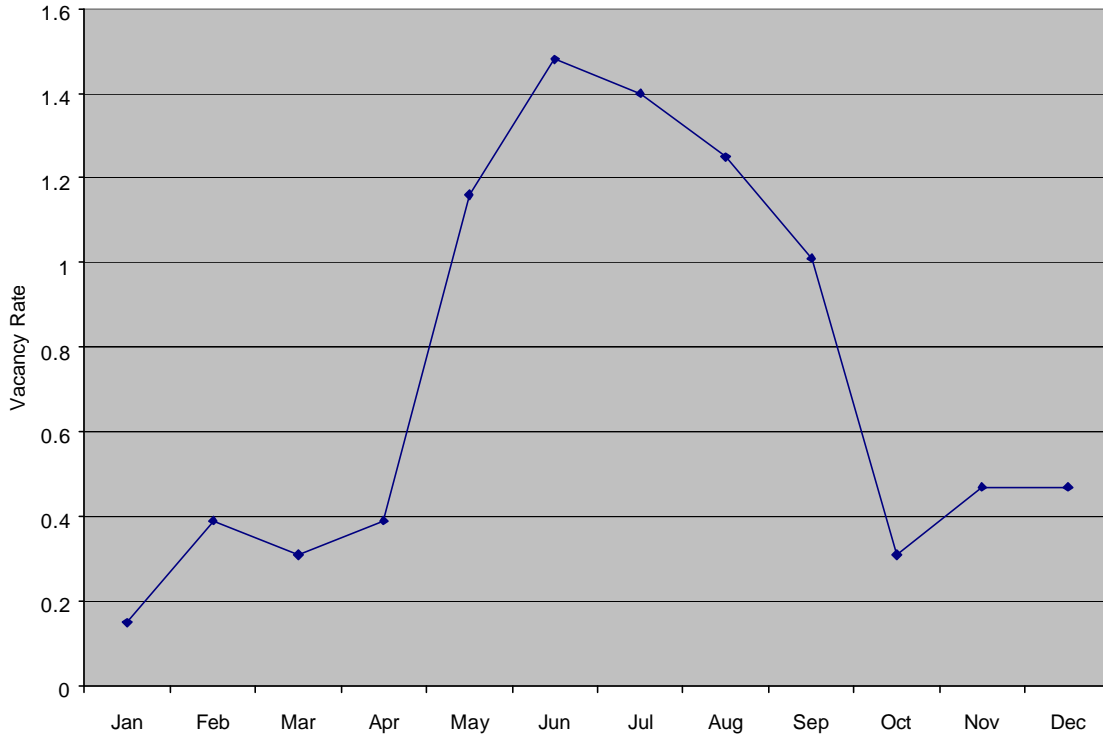
Rentals

Even though multiple apartment properties have been built since 1990, apartment availability remains very limited in Eagle County. Approximately 800 rental units have been constructed this decade. Major projects include Eagle Bend – 340, Lake Creek – 270, Eagle Villas – 100, and Holy Cross Village – 61. Despite this new construction, the Colorado Division of Housing reports that Eagle County continues to have the lowest vacancy rates statewide. For the first quarter of 1999, the State reported only one unit was vacant of the 808 they surveyed, which equates to a vacancy rate of .1%.

The Eagle County Housing Division monitors vacancies in apartment complexes throughout Eagle County. Based on a sample of 1,191 units, the overall vacancy rate was 1.53% in April, 1999. While this rate is extremely low compared to the rates typically found in urban areas, it is higher than the 12-month average of .9%.

Seasonal fluctuations in vacancy rates correspond to variations in employment. Occupancy levels are lowest during the summer months. Vacancy rates never come close to levels that threaten the economic viability of projects. Most apartment developers and their lenders plan for vacancy rates in the 7% to 10% range. In 1998, the average annual vacancy rate in Eagle County was .73% and the highest point reached was 1.48%.

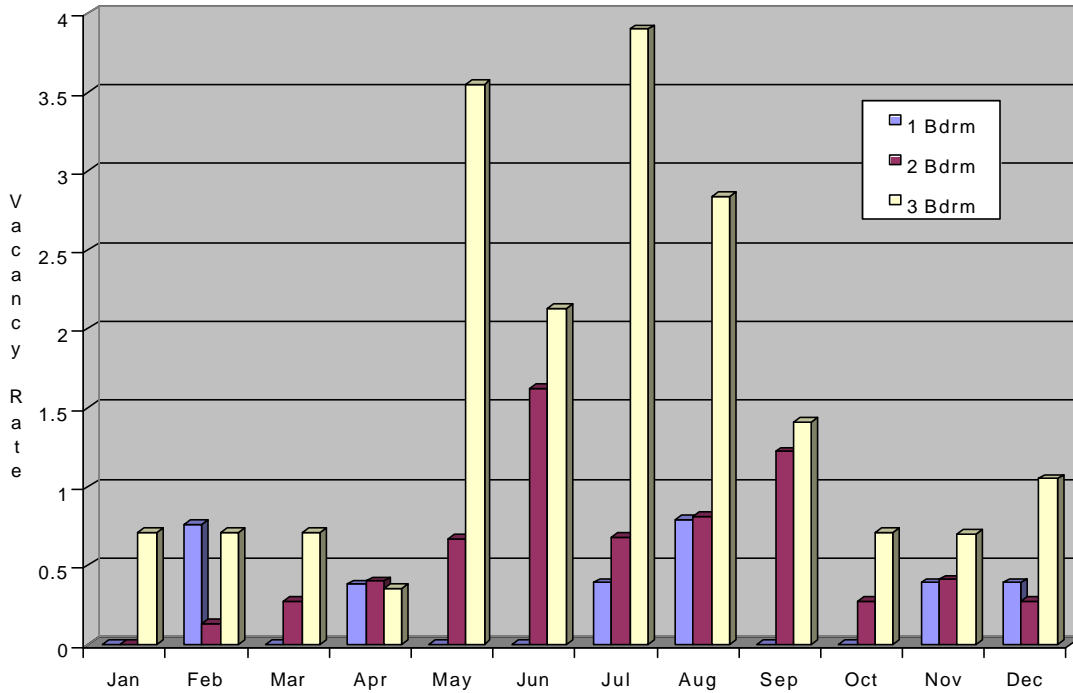
Apartment Vacancy Rates in Eagle County, 1998



Source: Eagle County Housing Division

Vacancy rates vary by apartment type. Among one-bedroom units, there are often no vacancies, even during the shoulder seasons. Vacancy rates fluctuate the most and reach the highest levels among three-bedroom units. This appears to be the result of differences in occupancy patterns; year-round residents can afford to live alone in one-bedroom units while multiple seasonal workers share the larger units.

Apartment Vacancy Rates by Unit Type, 1998



Source: Eagle County Housing Division

For Sale

The availability of single-family homes and duplexes priced at levels that are affordable for the county’s residents is very limited. As of May 3, 1999, 423 single-family homes and duplexes were for sale through the multiple listing service. Only 37 (8.8%) were listed for prices below \$300,000. Of these, all but 14 were in the Wolcott to Gypsum area. Over half of the single-family homes and duplexes in the Vail and mid-valley area were priced at or above \$700,000.

Single Family Homes and Duplexes For Sale, May 1999

| | Upper Valley | Mid Valley | Lower Valley |
|-----------------------|--------------|------------|--------------|
| Under \$100,000 | 0 | 3 | 2 |
| \$100,000 - \$199,999 | 0 | 4 | 6 |
| \$200,000 - \$299,999 | 1 | 6 | 15 |
| \$300,000 - \$399,999 | 3 | 21 | 23 |
| \$400,000 - \$499,999 | 5 | 30 | 11 |
| \$500,000 - \$599,999 | 10 | 26 | 6 |
| \$600,000 - \$699,999 | 13 | 20 | 1 |
| \$700,000 and Above | 35 | 174 | 8 |
| Total | 67 | 284 | 72 |

Source: Vail Board of Realtors Multiple Listing Service

The availability of moderately-priced attached housing is also limited. Only two units were listed for sale under \$100,000. While availability starts to increase significantly at the \$200,000 price level, over 40% of the 477 attached units were priced at \$500,000 or above.

Condominiums and Townhomes For Sale, May 1999

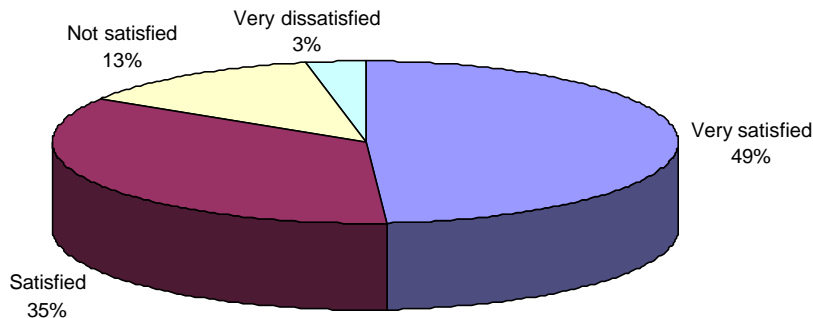
| | Upper Valley | Mid Valley | Lower Valley |
|-----------------------|--------------|------------|--------------|
| Under \$100,000 | 0 | 2 | 0 |
| \$100,000 - \$149,999 | 1 | 13 | 2 |
| \$150,000 - \$199,999 | 5 | 17 | 1 |
| \$200,000 - \$249,999 | 22 | 29 | 13 |
| \$250,000 - \$299,999 | 16 | 31 | 1 |
| \$300,000 - \$349,999 | 7 | 27 | 0 |
| \$350,000 - \$399,999 | 28 | 21 | 0 |
| \$400,000 - \$449,999 | 1 | 14 | 0 |
| \$450,000 - \$499,999 | 1 | 32 | 0 |
| \$500,000 or Above | 65 | 128 | 0 |
| Total | 146 | 314 | 17 |

Source: Vail Board of Realtors Multiple Listing Service

Satisfaction

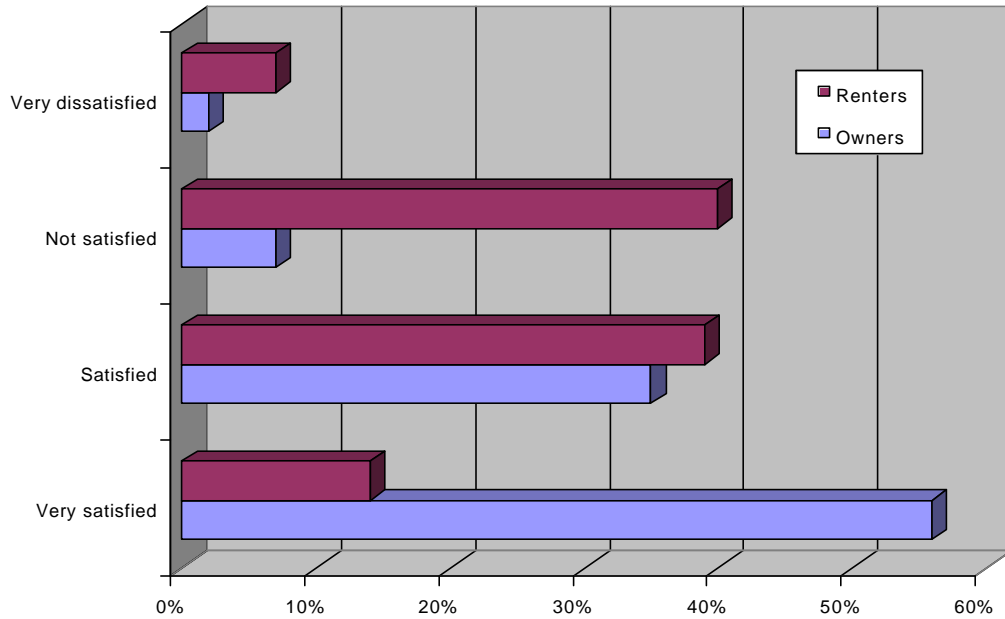
The majority of Eagle County’s residents are satisfied with their housing. Approximately 84% of the persons surveyed indicated they are either “satisfied” or “very satisfied” with their current residence. This overall estimate is overstated, however, since renters are under-represented and satisfaction levels vary between owners and renters.

Overall Housing Satisfaction Levels



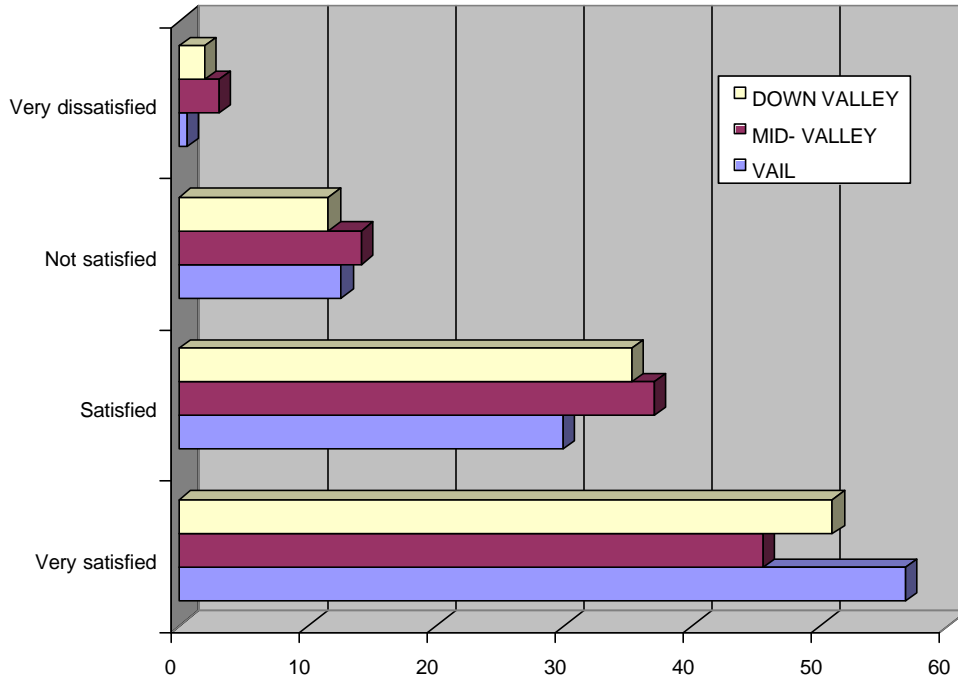
Of the renters surveyed, 47% are either “not satisfied” or “very dissatisfied” with their housing. This compares to only 9% of the homeowners. By applying these percentages to current household estimates, it follows that 2,000 renter households and 575 owner households are not satisfied with their housing.

Satisfaction by Own/Rent



There is a slight variation in satisfaction levels by area within the county but no clear trends. The percentage of persons who are dissatisfied is higher mid valley than elsewhere – 17% compared to 12% in Vail and 13% down valley.

Satisfaction by Area



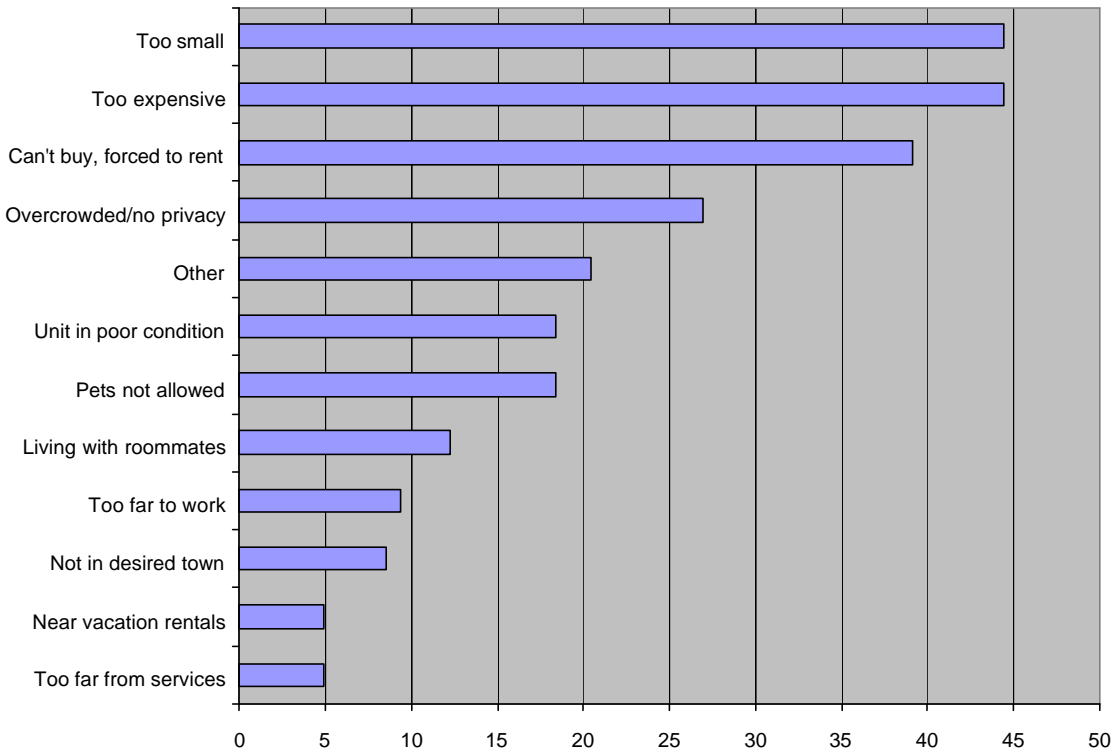
Both owners and renters in Vail tend to be “very satisfied” more frequently than other residents of the county.

Satisfaction Levels by Area and Own/Rent

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-------------------|-----------|-----------------|------------------|
| Owners | | | |
| Very satisfied | 63.9 | 52.8 | 57.3 |
| Satisfied | 30.3 | 36.0 | 36.2 |
| Not satisfied | 5.9 | 8.9 | 5.7 |
| Very dissatisfied | | 2.2 | 0.8 |
| | 100% | 100% | 100% |
| Renters | | | |
| Very satisfied | 24.1 | 11.0 | 11.6 |
| Satisfied | 31.0 | 44.0 | 34.9 |
| Not satisfied | 41.4 | 37.4 | 44.2 |
| Very dissatisfied | 3.4 | 7.7 | 9.3 |
| | 100% | 100% | 100% |

The most frequently cited reasons for dissatisfaction are the small size of units and the high cost, followed by not being able to purchase. Relatively few residents mentioned being too far from work or not being able to live in the community where they want to live. Also, living too far from services or near vacation rentals was mentioned by only 5% as a reason for dissatisfaction.

Reasons for Dissatisfaction



Reasons for dissatisfaction vary by area. Vail residents are more likely to cite living with roommates and not being able to have pets. Down-valley residents more frequently mentioned being too far from work. Being located too far from services was more often mentioned by Vail residents than persons living elsewhere.

Reasons for Dissatisfaction by Area

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|---------------------------|-----------|-----------------|------------------|
| Overcrowded/no privacy | 21 | 27 | 31 |
| Too expensive | 44 | 42 | 50 |
| Too far to work | 6 | 4 | 22 |
| Not in desired town | | 8 | 13 |
| Pets not allowed | 29 | 20 | 10 |
| Living with roommates | 29 | 11 | 6 |
| Unit in poor condition | 29 | 14 | 22 |
| Too small | 38 | 44 | 49 |
| Can't buy, forced to rent | 41 | 39 | 38 |
| Too far from services | 12 | 5 | 1 |
| Near vacation rentals | 6 | 7 | |
| Other | 18 | 21 | 21 |
| TOTAL | 274 | 242 | 263 |

Note: Totals exceed 100% due to multiple responses.

While renters tended to cite more reasons for dissatisfaction, the relative frequency generally paralleled the responses of homeowners. With two exceptions (“pets not allowed” and “can’t buy, forced to rent”), owners and renters are very similar in their reasons for dissatisfaction with their housing.

Reasons for Dissatisfaction by Own/Rent

| | Owners | Renters |
|---------------------------|--------|---------|
| Overcrowded/no privacy | 25 | 28 |
| Too expensive | 30 | 62 |
| Too far to work | 8 | 10 |
| Not in desired town | 8 | 10 |
| Pets not allowed | 4 | 34 |
| Living with roommates | 8 | 17 |
| Unit in poor condition | 12 | 27 |
| Too small | 38 | 53 |
| Can't buy, forced to rent | | 74 |
| Too far from services | 6 | 4 |
| Near vacation rentals | 6 | 4 |
| Other | 30 | 11 |
| TOTAL | 175 | 333 |

Overcrowding

Comparing the number of rooms designed as bedrooms to those used as bedrooms is a measurement of overcrowding that is superior to other standards. This examination revealed that overcrowding is more common among smaller units yet found among all sizes except possibly five-bedroom homes. By applying the percentages of overcrowded units in the supply of approximately 10,650 primary residences, it appears that about 350 units are overcrowded.

Rooms Designed Compared to Used as Bedrooms

| Used as Bedrooms | Designed as Bedrooms | | | | |
|------------------|----------------------|------|------|------|------|
| | 1 | 2 | 3 | 4 | 5+ |
| 1 | 96% | 21% | 4% | | 4% |
| 2 | 4% | 74% | 32% | 9% | |
| 3 | | 5% | 61% | 44% | 18% |
| 4 | | | 3% | 45% | 36% |
| 5+ | | | | 2% | 42% |
| | 100% | 100% | 100% | 100% | 100% |

This methodology does not take into account a common type of overcrowding in Eagle County – unrelated roommates sharing bedrooms. Renters often must share bedrooms, which is a common reason for dissatisfaction. While the frequency of this situation was not measured, it is known to occur often. Employers who master lease rental units for their employees usually place three to four employees in each two-bedroom unit.

Problems Facing Renters

Renters are particularly susceptible to rising housing costs and limited availability. Being displaced because the units in which they live are sold and insecurity due to inadequate leases are two problems examined that are unique to renters.

Rentals for Sale

One problem that renters experience is displacement when the units in which they reside are sold. If displacement occurs during the peak winter season, renters face a particularly tough hardship because rentals are extremely difficult to find, camping is not a temporary alternative and work hours are long, leaving them little time to seek replacement housing.

Almost 8% of the renter households in Eagle County (approximately 340 households) are at risk of being displaced since the units in which they reside are currently listed for sale.

Renter-Occupied Units Listed For Sale

| | OVERALL % | VAIL % | MID VALLEY % | DOWN VALLEY % |
|-----|--------------|-----------|-----------------|------------------|
| Yes | 7.8 | 9.5 | 4.5 | 15.3 |
| No | 92.2 | 90.5 | 95.5 | 84.7 |
| | 100% | 100% | 100% | 100% |

The concern about renters being displaced because the units in which they reside are sold is warranted based on recent trends. In the past three years, 20% of the renters in Eagle County (estimated to be about 852 households) have moved because their residences were sold. Renters in the mid valley have been impacted the most by the sale of units. Nearly ¼ of the renters now residing in the mid-valley area indicated they moved in the past three years because their homes were sold and they were forced to vacate.

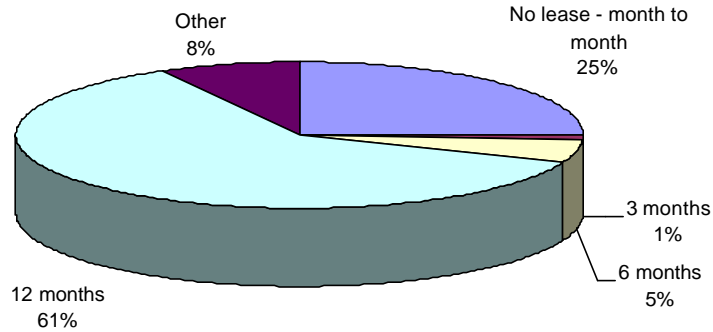
Have Moved because Home Was Sold

| | OVERALL | VAIL | MID VALLEY | DOWN VALLEY |
|-----|---------|------|------------|-------------|
| Yes | 20 | 12 | 24 | 13 |
| No | 80 | 88 | 76 | 87 |
| | 100% | 100% | 100% | 100% |

Lease Terms

Approximately 25% of the renters in Eagle County do not have long-term leases for the units in which they reside but rather rent on a month-to-month basis. These renters are subject to increases in rental rates more often than every year and may be forced to vacate their units with minimal notice. Only 5% of the rental units are leased for six-month periods, a small figure relative to the seasonal fluctuations in employment in the county.

Lease Terms



Renters in the Vail area are at greater risk of losing their units or having their rents raised unexpectedly since 32% do not have leases.

Lease Terms by Area

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|---------------------------|--------|--------------|---------------|
| No lease - month to month | 32 | 24 | 22 |
| 3 months | | | 6 |
| 6 months | 8 | 4 | 4 |
| 12 months | 45 | 69 | 54 |
| Other | 16 | 4 | 14 |
| | 100 | 100 | 100 |

Impediments to Ownership

As described in the INTRODUCTION section of this report, approximately 40% of the county’s residents rent. Many of them want to purchase homes but have not for many reasons. The total cost of housing that is for sale is the most frequently mentioned reason followed by high down payments. The fact that housing is not available where renters want to buy was seldom mentioned.

Reason Why Have Not Purchased Home

| | Overall | VAIL | MID VALLEY | DOWN VALLEY |
|--------------------------------------------|--------------|--------------|--------------|--------------|
| Total cost | 83.6 | 84.2 | 82.9 | 84.6 |
| Lack of down payment | 61.8 | 55.3 | 60.7 | 69.2 |
| Lack of housing type choice | 38.2 | 42.1 | 37.6 | 36.5 |
| Can't qualify for a loan | 32.4 | 26.3 | 29.9 | 42.3 |
| Housing not available where I want to live | 24.2 | 31.6 | 21.4 | 25.0 |
| Cheaper to rent | 15.9 | 23.7 | 12.0 | 19.2 |
| Other | 11.6 | 18.4 | 9.4 | 11.5 |
| Total | 267.6 | 281.6 | 253.8 | 288.5 |

Note:: Total exceeds 100% due to multiple responses.

SECTION 6 -- SOLUTIONS AND OPPORTUNITIES

This section of the report presents findings from the surveys concerning the conception and structure of possible housing programs and projects. The following issues are examined:

- Homeownership opportunities;
- Deed restrictions;
- Trade offs;
- Support for various employee housing alternatives;
- Where different types of housing should be located;
- Who should be responsible for affordable housing;
- Employer participation in housing solutions;
- Employer support for development of employee housing; and,
- Employer support for regional, county-wide approaches.

Homeownership Opportunities

Two groups constitute the market for for-sale housing:

1. Renters who want and can afford to purchase; and,
2. Current homeowners who want to purchase a different home.

Renters

The first group—renters who want to buy a home and can afford to do so based on current household income—consists of approximately 1,790 households. This estimate is based on the following assumptions:

- About 56% of current renters in Eagle County want to buy a home in the area within the next three years. Applying this percentage to the estimated 4,260 renter households, roughly 2,386 renters want to buy within the next three years. The percentage is highest mid valley and lowest in Vail.

- An annual income of at least \$35,000 is required, based roughly on a minimum purchase price of about \$115,000 with a 5% down payment and a 30-year fixed rate loan at 7%. (\$115,000 is about the lowest price typically offered in mountain communities when public subsidies are provided.)

Renters Who Want to Buy Home in the Area Within 3 Years

| | Overall | Vail | Mid valley | Down valley |
|-----------|---------|------|------------|-------------|
| Yes | 56% | 50% | 59% | 56% |
| No | 22% | 25% | 20% | 24% |
| Uncertain | 22% | 25% | 21% | 20% |
| | 100% | 100% | 100% | 100% |

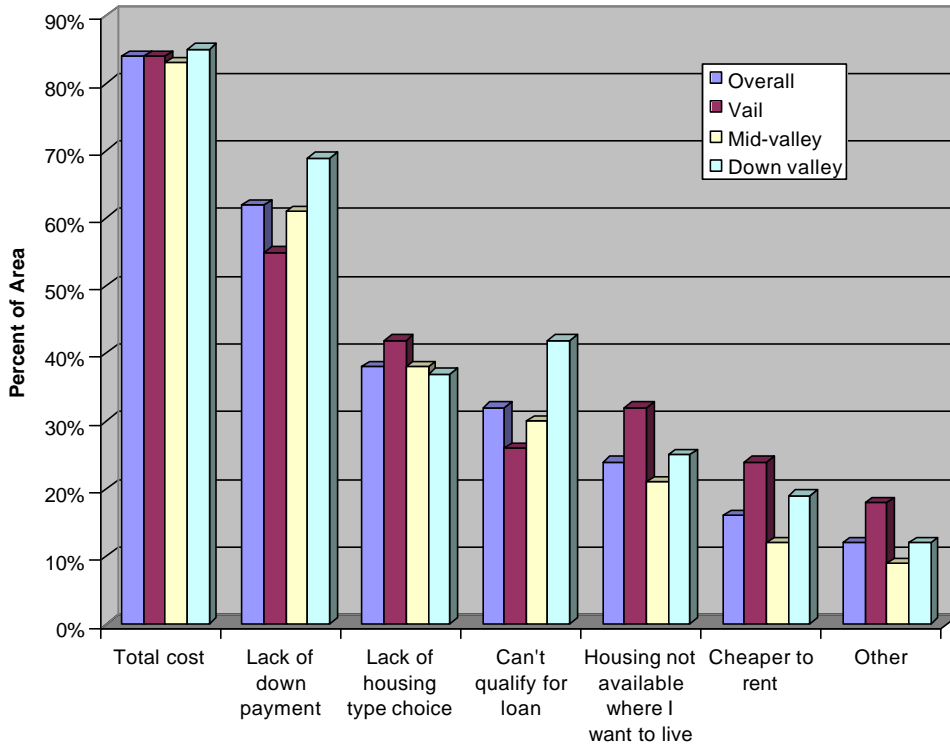
About 25% of renters in Eagle County have incomes below the \$35,000 annual threshold. The number of renters who want to buy (2,386) therefore should be reduced by this amount to reach an estimate of approximately 1,790 renters who are potential candidates for home ownership. This number is still somewhat inflated because it is based on current household incomes. With limited exceptions, renters living with unrelated roommates will not be able or want to purchase homes together. Thus the percentage of renters who income qualify would be somewhat lower.

Household Income Distribution By Own/Rent

| | Own | Rent |
|--------------------|------|------|
| \$0 - 14,999 | 2% | 7% |
| \$15,000 - 19,999 | 1% | 2% |
| \$20,000 - 24,999 | 2.5% | 5% |
| \$25,000 - 29,999 | 2.5% | 6% |
| \$30,000 - 34,999 | 4% | 5% |
| \$35,000 - 39,999 | 3% | 8% |
| \$40,000 - 44,999 | 5% | 10% |
| \$45,000 - 49,999 | 4% | 5% |
| \$50,000 - 54,999 | 6% | 10% |
| \$55,000 - 59,999 | 4% | 8% |
| \$60,000 - 64,999 | 9% | 8% |
| \$65,000 - 69,999 | 3% | 4% |
| \$70,000 - 74,999 | 7% | 3% |
| \$75,000 and above | 47% | 19% |
| | 100% | 100% |

Total cost is the primary reason why most renters have not purchased a home yet. Lack of a down payment was cited by over half as another reason.

Why Renters Have Not Yet Purchased



Note: A list of "other" reasons is included in the appendix.

Current Homeowners

The second group—current homeowners interested in purchasing a different home—consists of approximately 2,812 households. This estimate is based on the assumption that 60% of the 10,649 households in the study area portion of Eagle County—or 6,390 households—are owners and that 44% of them are interested in purchasing a different home. This group was not income qualified because the equity they have in their current homes is unknown. Slightly more mid-valley homeowners are interested in purchasing a new home than Vail or down-valley residents.

Current Homeowner Interested in Purchasing Other Home

| | Overall | Vail | Mid valley | Down valley |
|-----|---------|------|------------|-------------|
| Yes | 44% | 42% | 47% | 42% |
| No | 56% | 58% | 53% | 58% |

The primary reason why current homeowners overall wish to purchase a different home is to own a larger home, although this was less important to down-valley residents. Somewhat more important for down-valley residents is living in a different location. Vail homeowners are the least concerned about living in a different location.

Reasons for Wanting to Purchase Different Home

| | Overall | Vail | Mid valley | Down valley |
|----------------------------|---------|------|------------|-------------|
| Own larger home | 59% | 63% | 63% | 50% |
| Own less expensive home | 14% | 4% | 15% | 17% |
| Live in different location | 40% | 25% | 36% | 51% |
| Other | 21% | 31% | 17% | 21% |

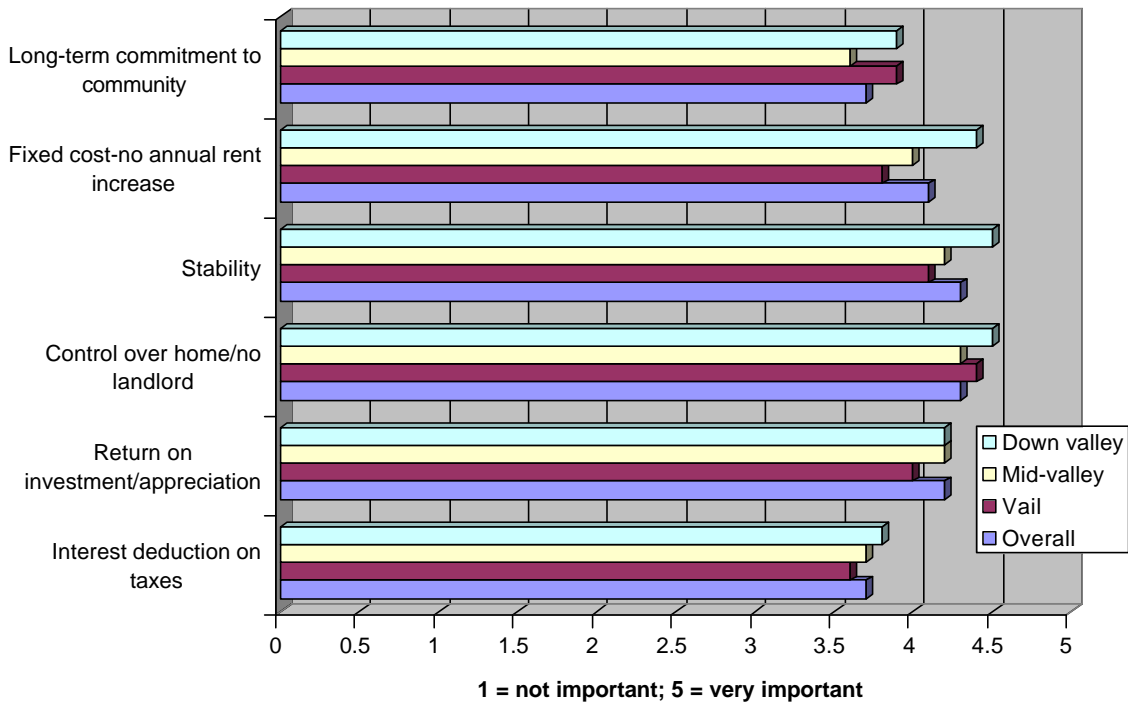
Note: A list of "other" reasons is included in the appendix. Multiple choice question, responses exceed 100%.

Deed Restrictions

Deed restrictions limit the rate and amount by which homes may appreciate through resale price caps attached to the deed. Deed restrictions therefore limit the return on investment by restricting growth in equity. These restrictions are typically placed on housing units that are developed with public subsidies or incentives such as density bonuses.

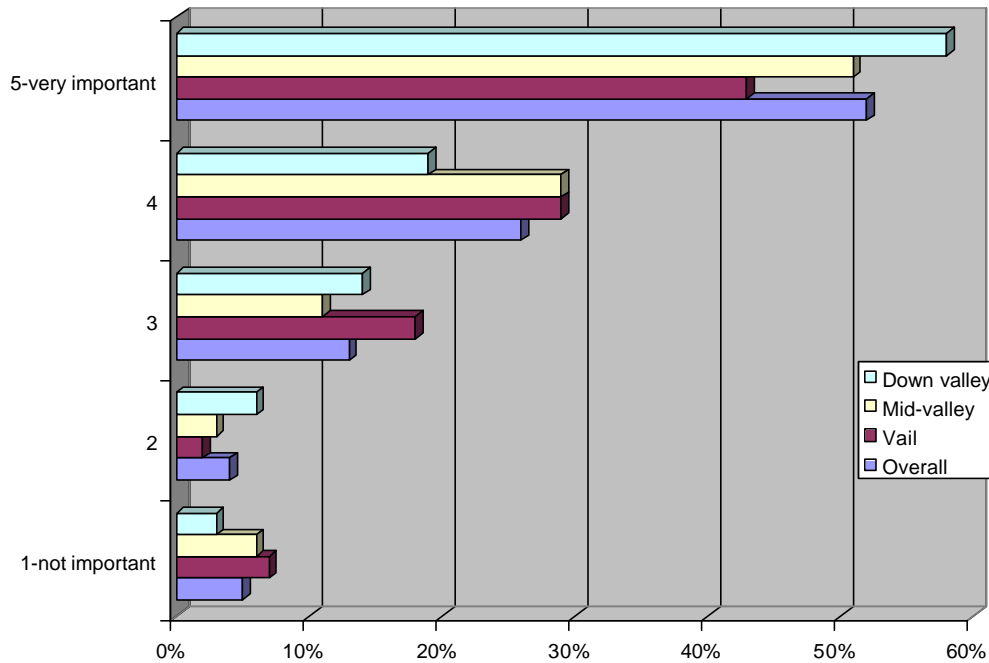
Several questions were asked, first indirectly and then directly, about perceptions and acceptability of deed restrictions. All potential homebuyers, both owners who want a different home and renters who want to buy in three years without consideration of income eligibility, were asked the importance of various reasons for purchasing a home. Stability, control over home, and return on investment rank highest in importance for prospective purchasers overall, although Vail residents place slightly less importance on appreciation than residents of the other two areas. Somewhat less important overall are income tax deductions for mortgage interest and long-term commitment to the community.

Importance of Reasons for Purchasing Home



A more in-depth look at attitudes about return on investment and appreciation adds insight into the potential acceptance of deed restriction programs that cap appreciation. Only 5% of potential homebuyers overall feel return on investment/appreciation is not important while 52% feel it is very important. Current Vail residents are the least likely to rank appreciation as very important while down-valley residents are the most likely to value stability and control over their home.

Importance of Return on Investment/Home Appreciation

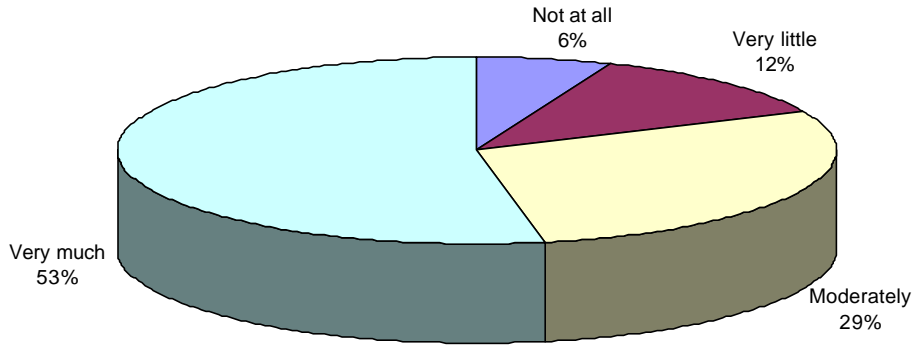


A more direct approach was then taken with potential homebuyers by asking the extent to which a resale price limitation would impact their purchase decision. The options were:

- Not at all—limitations on resale prices would not be a factor;
- Very little—limitations would not be a key consideration;
- Moderately—resale price limits would be an important consideration; and,
- Very much—resale limitations would probably not be acceptable.

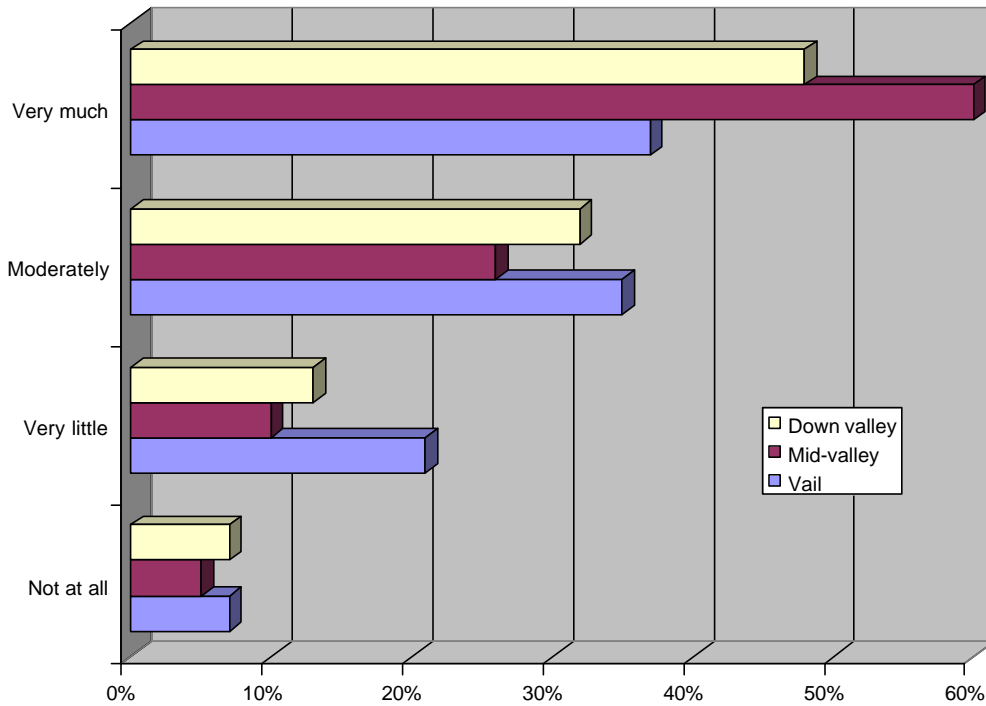
Over half of the potential homebuyers overall indicated that a resale price limitation would very much impact their purchase decisions and would probably be unacceptable. About 18% stated that a resale price limitation would not impact their decision at all or very little.

Impact of Deed Restrictions on Purchase Decisions



Deed restrictions are generally acceptable to more Vail residents than mid- or down-valley residents. They are unacceptable to over half of mid-valley residents.

Impact of Deed Restrictions on Purchase Decisions by Area

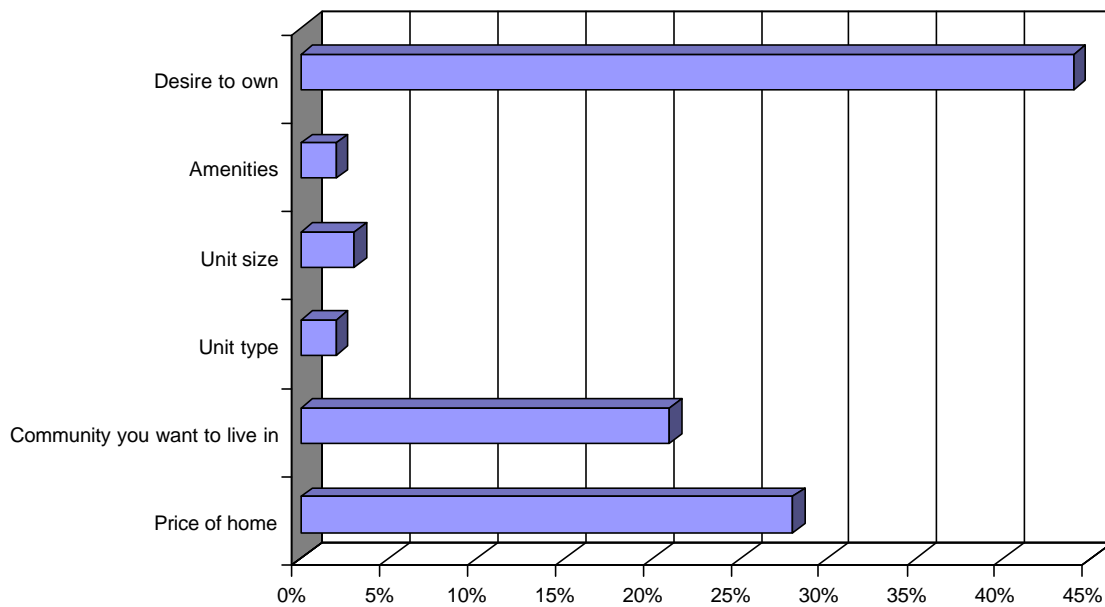


Potential homebuyers stated that a home with a 3% cap on annual appreciation would need to be priced 23% below market for them to buy it.

Trade Offs

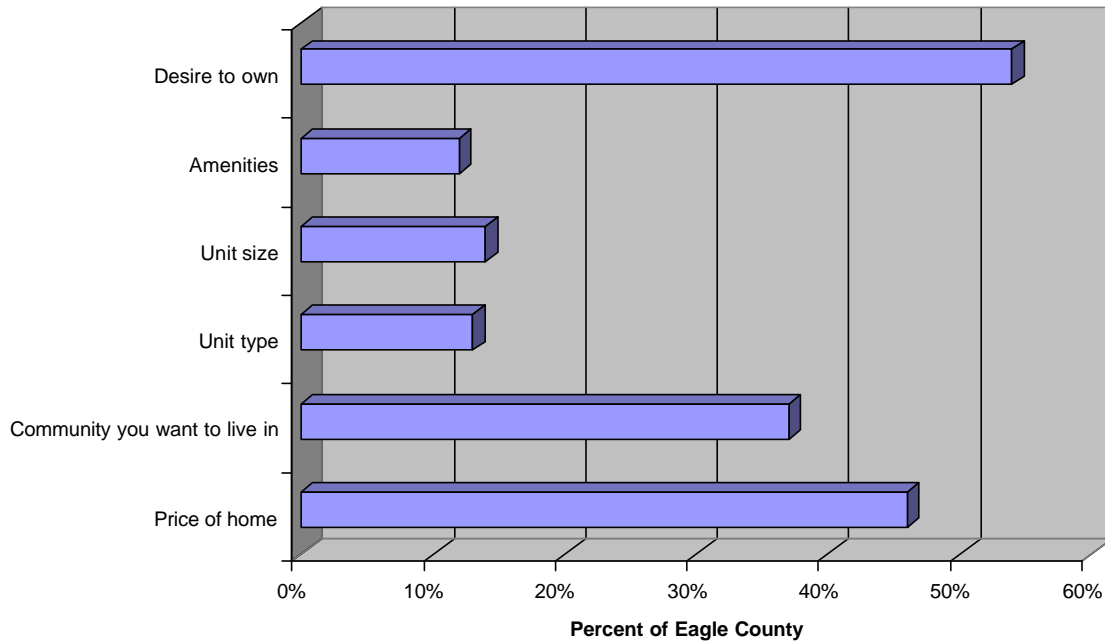
Trade offs must be made to provide and maintain affordable housing because land, construction, and other development costs are high and “affordable” levels are below market value. Eagle County residents were asked to rank the importance of various factors that influence housing selection: price of home, community you want to live in, unit size, unit type, amenities, and desire to own. The largest percentage of Eagle County residents chose desire to own as their most important factor. The next largest percentage chose price of home. Few Eagle County residents consider unit type, size, or amenities as top factors in choosing a place to live. When making trade offs, it appears that owning a home of any type at a price one can afford and in a community in which one wishes to live generally outweigh the opportunity to live in a larger single-family home with more amenities in a less desirable location.

Top Factor in Choosing Place to Live



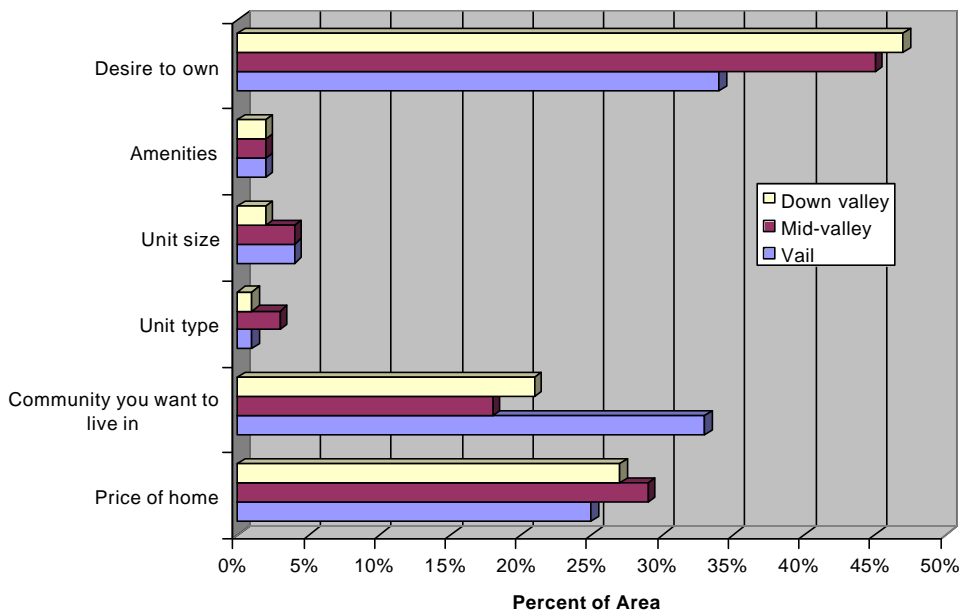
This pattern is even more apparent when one examines the top two factors Eagle County residents selected as most important in choosing a place to live. Desire to own and price of the home were among the top two choices of Eagle County residents; far fewer chose unit type, size, or amenities as one of their top two choices.

Top Two Factors in Choosing Place to Live



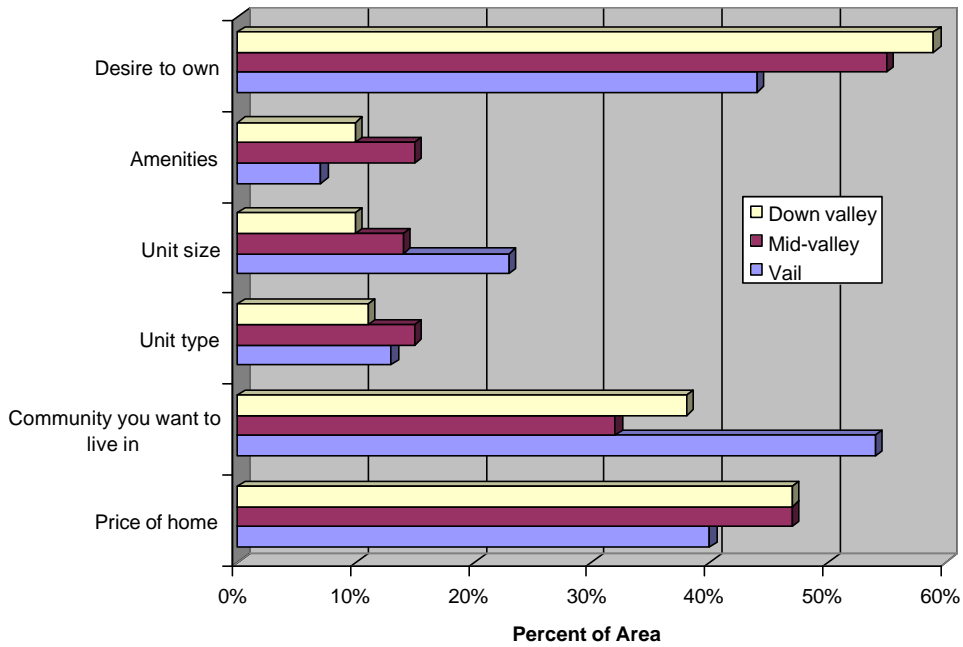
Distinct differences exist between residents of the three areas concerning the most important factor in choosing a place to live. Many more Vail residents rank living in their desired community as the most important factor than residents of the other two areas, while the desire to own is somewhat less important for Vail residents than residents of the other two areas.

Top Factor in Choosing a Place to Live



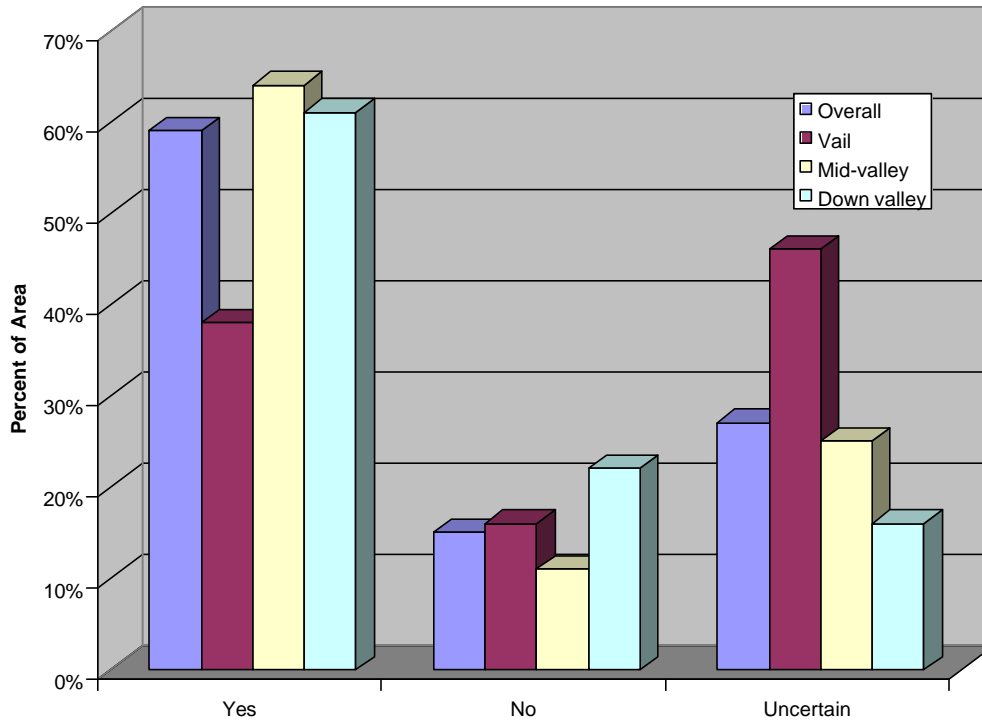
Differences between the three areas also appear when examining the top two factors in choosing a place to live. Desire to own and price of home are important to more down-valley and mid-valley residents than Vail residents while living in their desired community is important to more Vail residents.

**Top Two Factors in Choosing a Place to Live
Comparison of Three Areas**



Renters were asked if they would move to or live in a community other than their first preference if this allowed them to buy a home. More than half overall said “yes.” Mid-valley renters are the most willing to move to buy a home, while Vail renters are largely undecided.

Renter Willingness to Move To Buy Residence

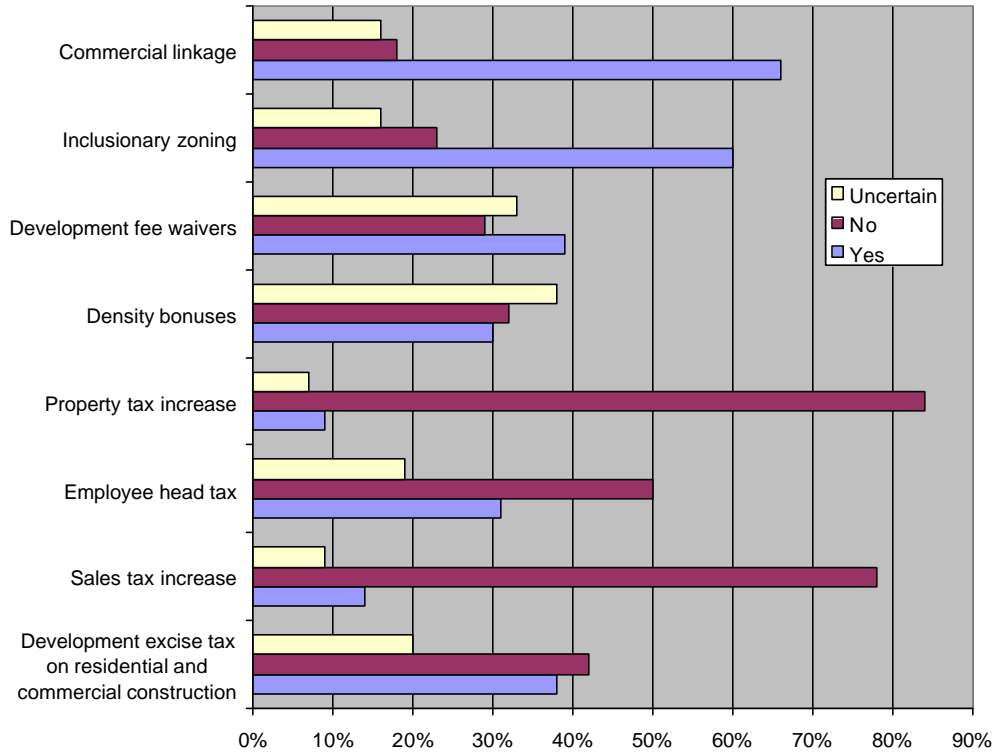


Employee Housing Alternatives

Eagle County residents were asked which of various alternatives they supported for developing employee housing:

- Well over half support inclusionary zoning, whereby a percentage of all new homes are designated employee housing;
- About two-thirds support commercial linkage, whereby employers provide housing for a percentage of all new jobs created;
- Residents are overwhelmingly opposed to a property or sales tax increase while half are opposed to an employee head tax; and,
- Many residents are uncertain about density bonuses and development fee waivers, which may reflect a lack of knowledge and/or awareness about these alternatives.

Support for Development of Employee Housing



Where Housing Should Be Built

Eagle County residents were asked where housing for various populations should be built. “Throughout the county” was the most popular choice for all types of housing except seasonal ski area employee housing; 52% of Eagle County residents feel housing for these employees should be built in Vail. The second choice for where immigrant housing should be built was “not in county,” although only 17% made this choice.

Where Housing for Various Populations Should be Built

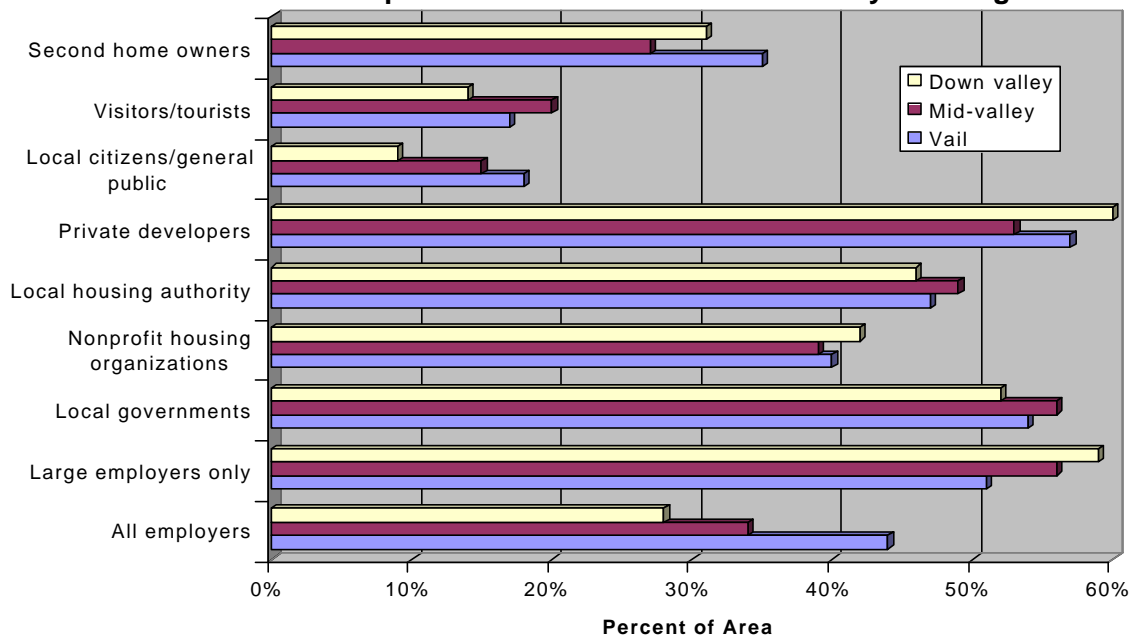
| | Vail | Minturn/ Red Cliff | Eagle/ Vail | Avon area | Edwards | Eagle | Gypsum | Through- out county | Not in county |
|------------------------------------------------|------|-----------------------|----------------|--------------|---------|-------|--------|---------------------------|------------------|
| Seasonal ski area employees | 52% | 18% | 23% | 39% | 19% | 8% | 7% | 48% | 2% |
| Families with children | 11% | 12% | 20% | 16% | 26% | 27% | 22% | 76% | 2% |
| Essential employees | 16% | 7% | 10% | 15% | 12% | 11% | 7% | 81% | 3% |
| Immigrant workers | 9% | 9% | 5% | 8% | 8% | 7% | 10% | 66% | 17% |
| Construction workers | 5% | 5% | 5% | 8% | 8% | 8% | 9% | 81% | 4% |
| Entry level and mid-management singles/couples | 9% | 6% | 11% | 11% | 11% | 10% | 7% | 84% | 2% |
| Seniors | 6% | 6% | 6% | 6% | 9% | 14% | 11% | 82% | 2% |
| Low wage retail/service workers | 12% | 8% | 6% | 10% | 9% | 6% | 8% | 78% | 3% |

*Multiple choice question; totals exceed 100%.

Responsibility for Affordable Housing

Eagle County residents think that large employers, private developers, and/or local governments should be responsible for building or providing funds for affordable community housing. Vail residents tend to favor private developers somewhat more than large employers. There is much less support for local citizens/the general public or visitors and tourists being responsible for providing affordable housing.

Who Should be Responsible For Affordable Community Housing



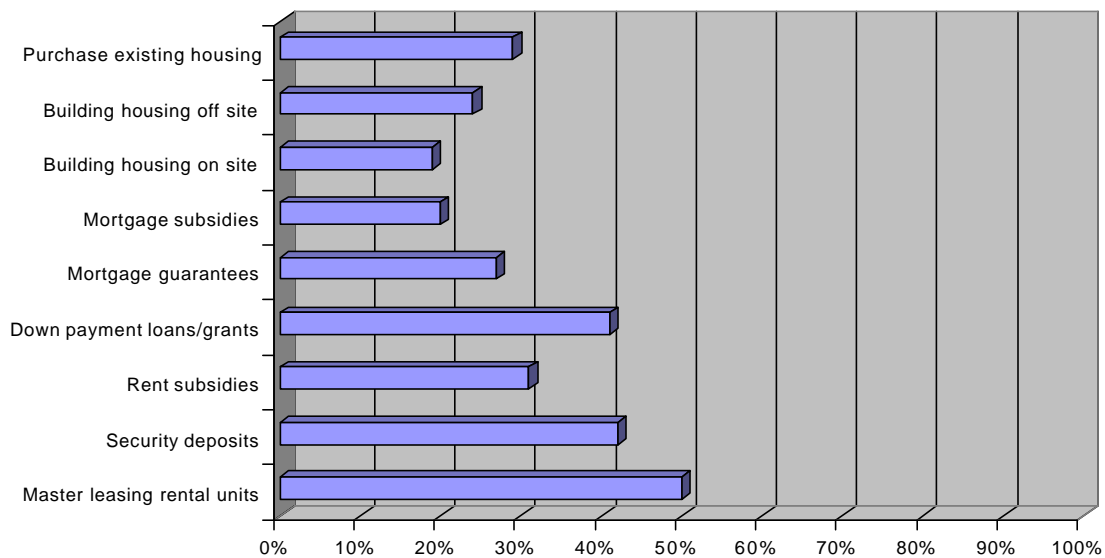
Note: Percentages exceed 100 due to multiple responses.

Responses from Vail residents totaled 361% whereas mid-valley responses totaled 350% and down-valley responses 339%. In other words, Vail residents chose a higher number of responses from the options presented, indicating that they generally feel responsibility for affordable housing should be shared by more entities.

Employer Participation in Housing Solutions

Half of the employers surveyed reported that they currently provide housing or rent/mortgage subsidies to an average of 68 employees per employer. This percentage may be overstated since larger employers tended to respond to the survey more than small businesses. The employers who provide housing offer an average of 59 units. About half of the employers responding to the question stated they would be willing to assist their employees with housing in the future through master leasing rental units. Other popular options were down payment loans/grants and security deposits. Least popular were building housing on site and mortgage subsidies.

Employers' Preferred Methods For Assisting with Employee Housing

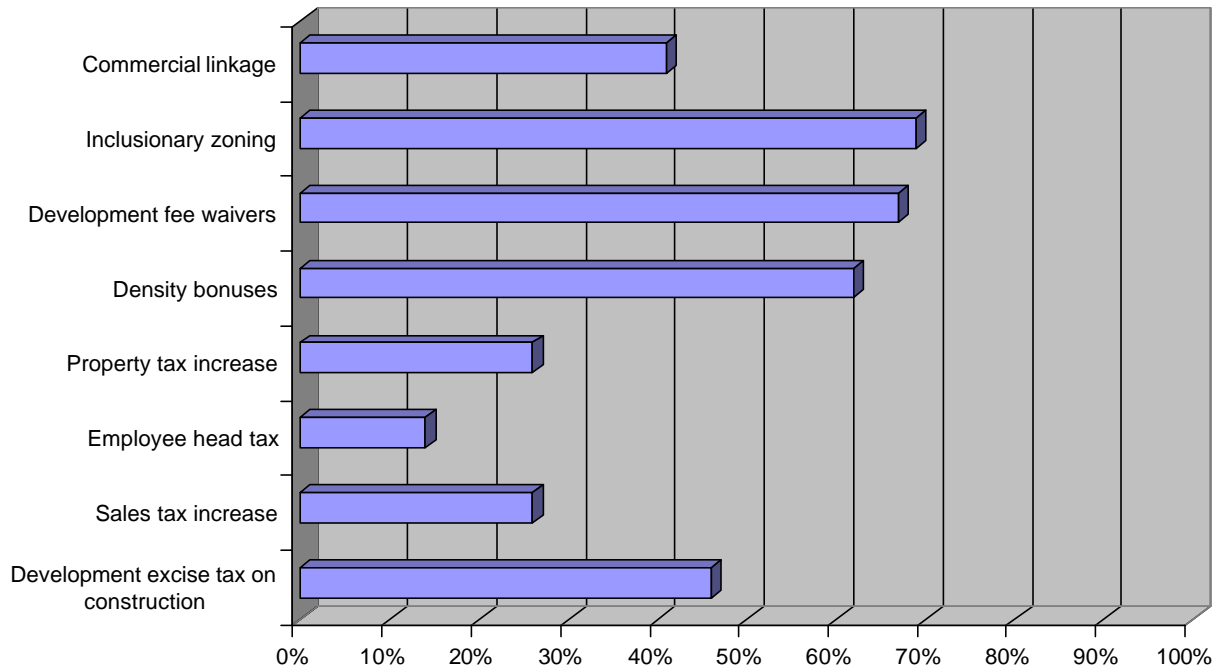


Employers' Support for Development of Employee Housing

Employers were asked which of several alternatives they would support for developing employee housing. Well over half of the employers responding to the question would support inclusionary zoning, development fee waivers, and density bonuses for

developing employee housing. An employee head tax and sales or property tax increases are the least favored alternatives.

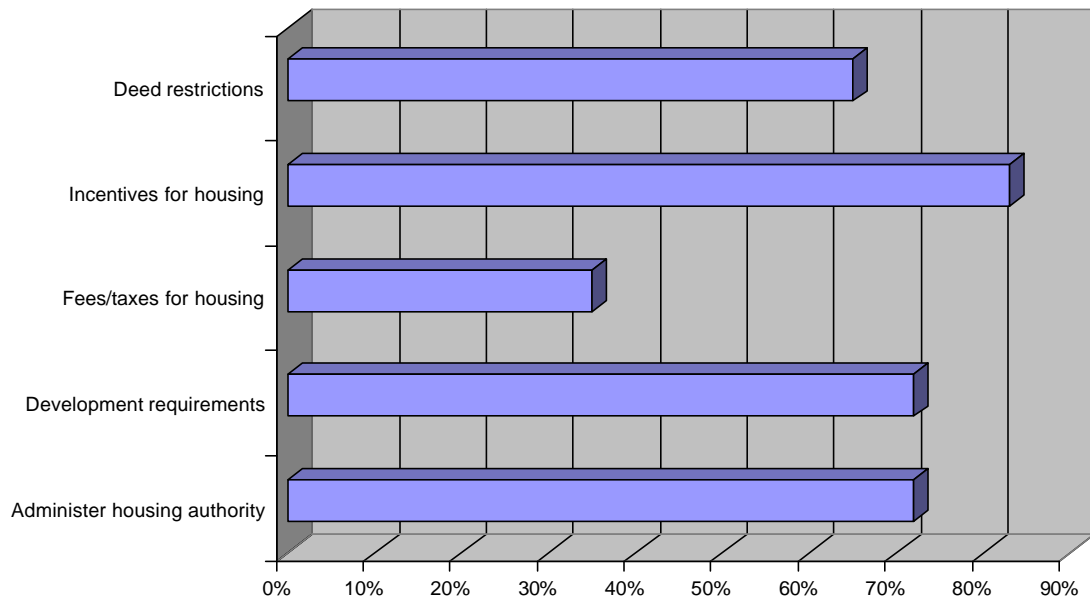
Employer Support for Development of Employee Housing



Employer Support for Regional, County-wide Approaches

Employers were also asked whether they would support a regional, county-wide approach for various housing matters. The employers responding to the question largely supported a regional, county-wide approach for most housing matters with the exception of fees/taxes for housing, as illustrated in the following graph.

Employer Support for Regional, County-wide Approach



SECTION 7 -- DESIGN

In this section of the report, more detailed information is provided for the design of housing projects and programs. It covers:

- Unit type options;
- Bedrooms;
- Amenities;
- Neighborhoods;
- Location; and,
- Value of design options.

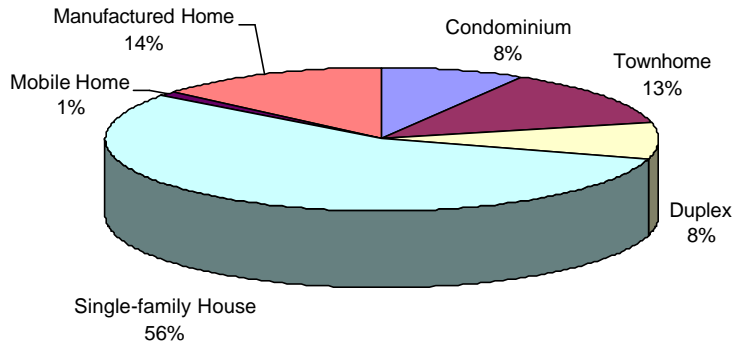
Unit Type

Individuals were asked to indicate their first preference for type of residence given what they *can afford and are willing to pay*. In previous studies covering mountain resort communities, the housing type preference question did not specify cost parameters and over 90% of the respondents selected the single-family home choice. In order to take into consideration cost limitations in this study, the options provided in the 1999 household survey included prices. These prices were intended to reflect the relative difference in the cost of the various types of housing. The options were as follows:

- Condominium priced at \$125,000;
- Two-story townhome priced at \$175,000;
- Duplex priced at \$225,000;
- Single-family home priced at \$250,000;
- Mobile home priced at \$75,000, with lot rent of \$200; or,
- Manufactured home including lot at \$175,000.

Including prices greatly increased the extent to which the responses will be helpful when designing housing projects. As shown by the following chart, not only are housing types other than single-family homes acceptable to potential home buyers, they are the most preferred by approximately 44%.

Type of Unit Desired by Potential Home Buyers



Preferences vary by community:

- Fewer than half of Vail’s residents (40%) chose a single-family home priced at \$250,000 as their first preference; townhomes priced at \$175,000 were selected by 22% followed by condominiums at \$125,000 (18%);
- Very few residents indicated mobile homes were their first choice although approximately 22% of the down-valley residents would prefer to buy a manufactured home on a lot over the other options presented; and,
- Duplexes were selected by fewer residents than condominiums or townhomes in all three areas.

Type of Unit Desired by Potential Home Buyers, by Area

| | VAIL % | MID VALLEY % | DOWN VALLEY % |
|---------------------------------------------------|-----------|-----------------|------------------|
| Condominium priced at \$125,000 | 18.4 | 7.4 | 5.0 |
| Two-story townhome priced at \$175,000 | 22.4 | 12.8 | 7.9 |
| Duplex priced at \$225,000 | 11.8 | 8.9 | 4.3 |
| Single-family priced at \$250,000 | 40.8 | 58.2 | 59.3 |
| Mobile home priced at \$75,000, w/ \$200 lot rent | | 1.4 | 1.4 |
| Manufactured home including lot at \$175,000 | 6.6 | 11.3 | 22.1 |
| | 100 | 100 | 100 |

Number of Bedrooms

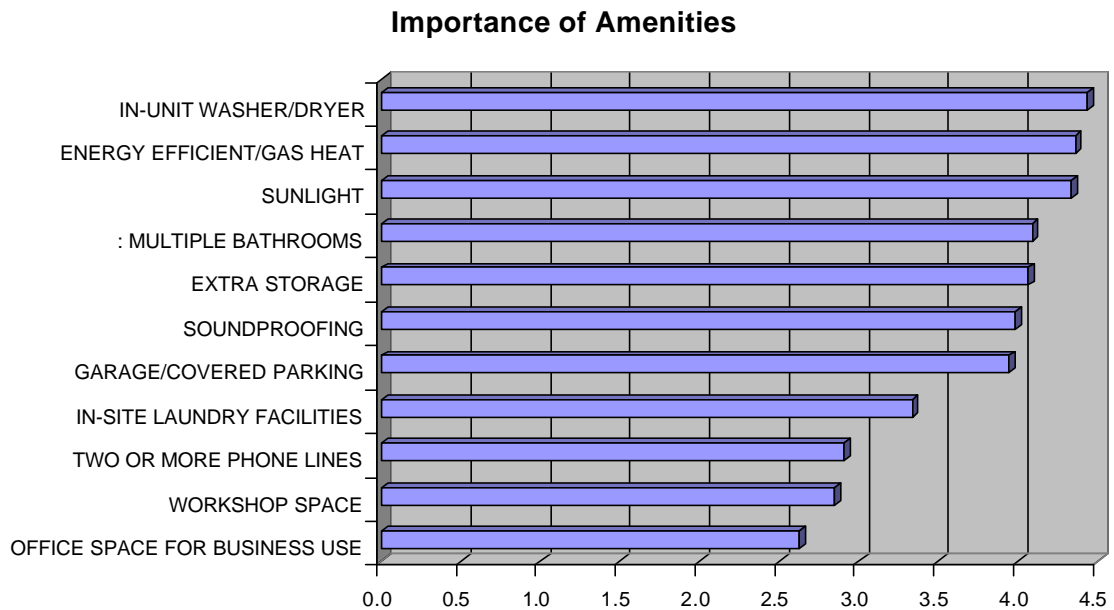
For any specific project, the ideal bedroom mix will depend upon multiple factors including:

- The target group to be served;
- The type of project;
- Location; and,
- Price (rent or sale price).

Data from the household survey can be extrapolated in the future when specific projects are planned to generate recommendations on bedroom mix. Because extensive information is available on the performance of apartment properties built in recent years regarding absorption and occupancy by number of bedrooms, it is suggested that the survey data be used in combination with actual performance to determine bedroom mix for future rental projects.

Amenities

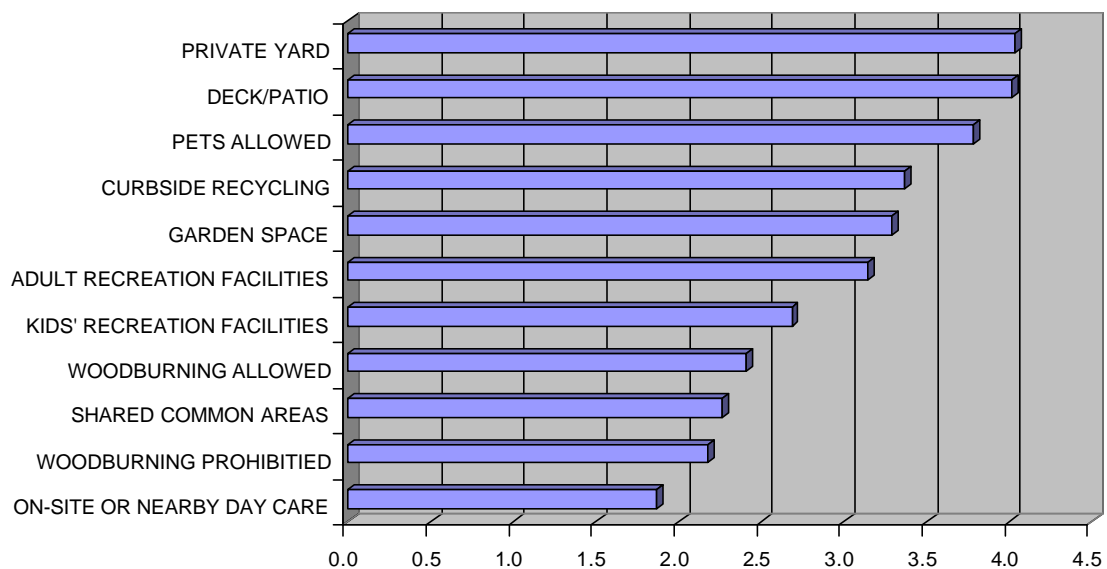
In-unit washers and dryers received the top ranking among 11 optional amenities survey participants were asked to rate on a scale where 1 = not important and 5 = very important. Eagle County’s climate influences what persons look for in housing. Two of the three top-ranked amenities are directly related to the climate – energy efficient heat and sunlight.



Neighborhoods

The importance that Eagle County's residents place on the outdoors is clear when considering the features that residents seek in their neighborhoods. Private yards and decks/patios tied for the most important features. Allowing pets followed closely. Curbside recycling received a relatively high ranking at fourth overall. On-site or nearby day care received the lowest rating. This is often the case since most residents do not have children; among those with children, day care typically receives a very high rating in terms of importance.

Importance of Neighborhood Features



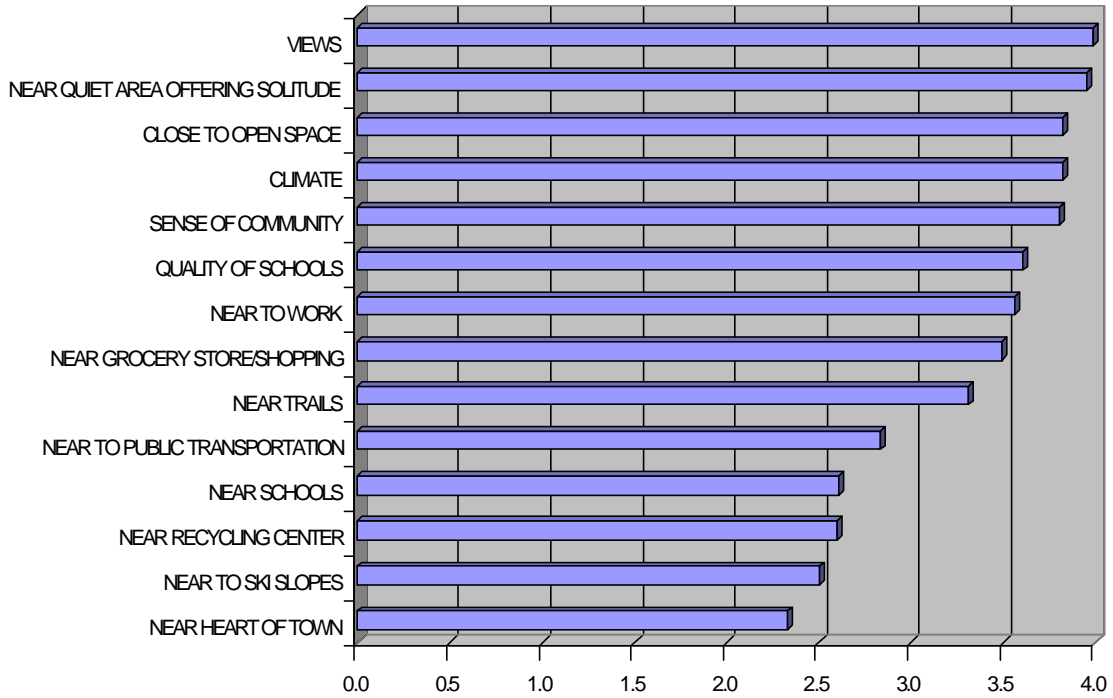
Location Considerations

Two broad issues related to location were examined. The first involved site-specific issues, such as proximity to services and facilities. The second set of criteria pertained to the desirability of living near various types of neighbors.

Site Issues

The first set of considerations related to housing sites considered a variety of 14 factors. Of these, views were considered to be the most important. Being near the heart of town or the ski slopes received much lower ratings than being near quiet areas and open space. Proximity to a recycling center received a rating of 2.6 whereas having curbside recycling in neighborhoods received a rating of 3.4.

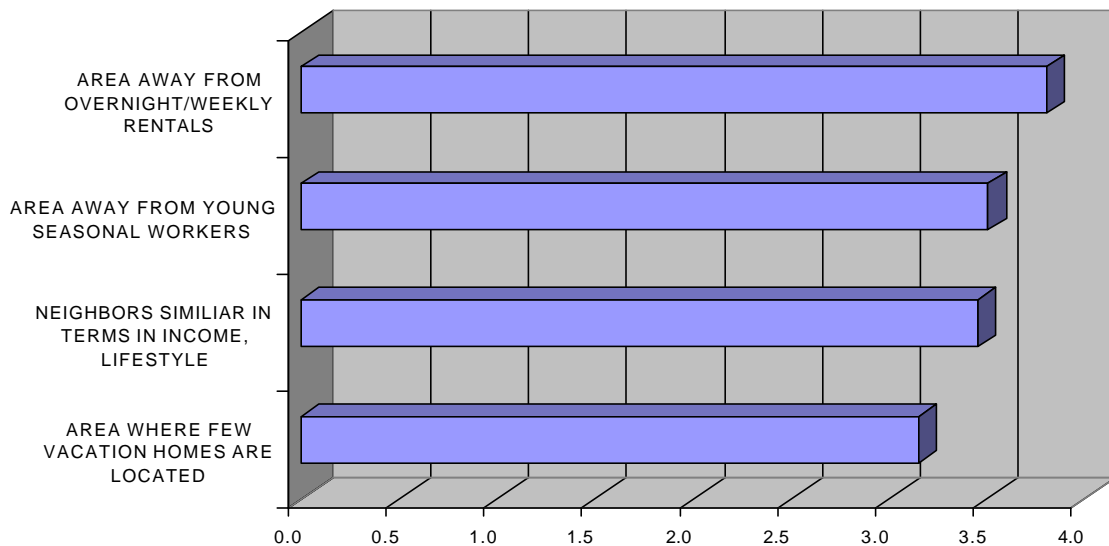
Importance of Site Location Considerations



Neighbor Issues

The second set of issues tested under specific site considerations involved opinions about neighbors. Residents felt it was more important to be away from nightly rentals than from either seasonal workers or vacation homes. Having neighbors similar in incomes and lifestyles received a rating of nearly 3.5.

Importance of Neighbors



Value of Design Options

Each household was asked to indicate how much more they would be willing to pay per month in rent/mortgage for five design options. A garage received the highest value (\$59.63 per month) followed by an additional bedroom with a monthly value of \$54.56.

The overall rating of \$24.73 for an additional bathroom makes it difficult to justify the expense of providing more than the minimum number of bathrooms since the cost of construction usually requires that the monthly payment be increased by at least \$50.00.

Dollar Value of Design Options

| | Range | Minimum | Maximum | Mean |
|------------------------------|------------|---------|------------|---------|
| ADDITIONAL BATHROOM | \$833.00 | \$0.00 | \$833.00 | \$24.73 |
| GARAGE | \$2,000.00 | \$0.00 | \$2,000.00 | \$59.63 |
| ADDITIONAL BEDROOM | \$700.00 | \$0.00 | \$700.00 | \$54.56 |
| STORAGE LOCKER | \$500.00 | \$0.00 | \$500.00 | \$9.74 |
| ADDITIONAL 100 SQ FT IN UNIT | \$700.00 | \$0.00 | \$700.00 | \$37.01 |

It should be noted that the dollar values assigned do not necessarily correlate to the relative importance ratings. For example, extra storage was given a rating of 4.1, slightly higher than garages/covered parking at 3.9. Garages were given a much higher value than storage lockers, however (\$59.63 as compared to \$9.74).

SECTION 8 – TRENDS ANALYSIS

Key findings from the 1990 Housing Needs Assessment employee survey and the 1999 household survey have been compared to examine changes in housing conditions in Eagle County. Since the surveys were distributed through two different methods (the 1990 survey was distributed through place of employment), these comparisons should not be considered precise but rather viewed as general indications of trends.

Income Levels

The median household income has increased approximately 62% since 1990. The average (mean) income has increased over 97%. The large difference between the average and median incomes in 1999 is due to the inclusion of several households with very large incomes. Therefore, the increase of 62% in the median is more reflective of the change in income that the general population has experienced.

Income Levels Compared

| | 1990 | 1999 | Change |
|--------------------------|----------|----------|--------|
| <u>Household Income</u> | | | |
| Median | \$40,000 | \$65,000 | 62.5% |
| Mean | \$43,570 | \$85,889 | 97.1% |
| <u>Individual Income</u> | | | |
| Median | \$20,000 | \$40,000 | 100% |
| Mean | \$23,754 | \$55,424 | 133% |

Housing Costs

Housing costs overall have increased more than income. The average mortgage payment has increased nearly 87% since 1990. Rent increases appear to be matching increases in income at approximately 62%.

Housing Costs Compared

| | 1990 | 1999 | Change |
|-----------------------|-------|---------|--------|
| Avg. Mortgage Payment | \$697 | \$1,303 | 86.9% |
| Avg. Rent Payment | \$640 | \$1,035 | 61.7% |

Age

The population in Eagle County is significantly older than it was in 1990. The average age in 1990 was 33.8. By 1999, the average age had increased to 42.4.

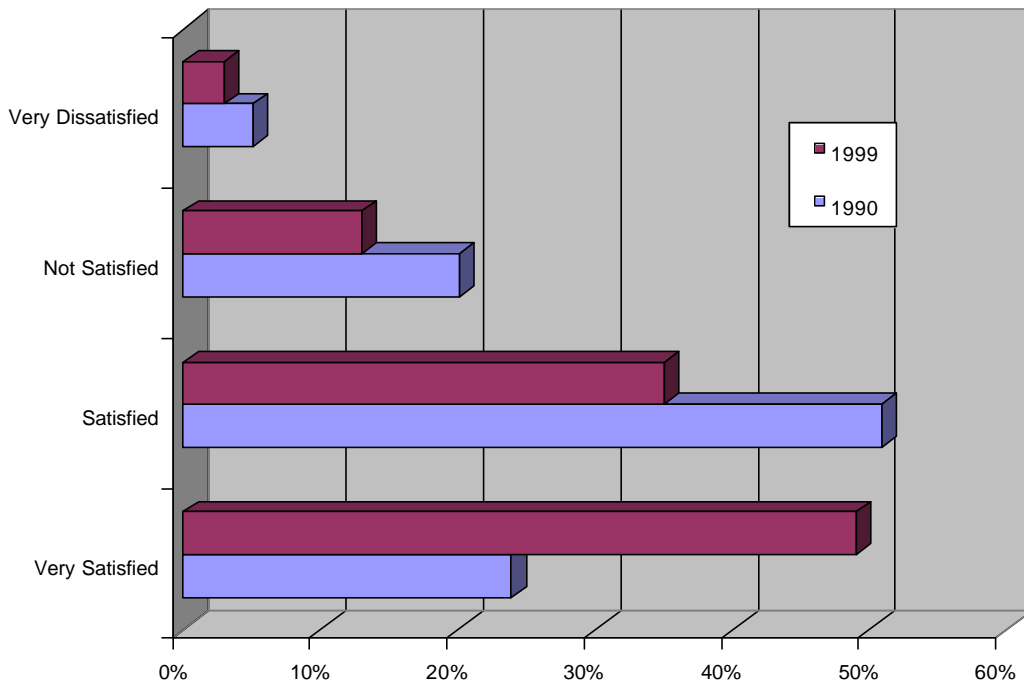
Children

There are more children living in Eagle County now than was the case in 1990. In 1990, there was an average of .56 children per household. The average has since increased to .7.

Satisfaction with Housing

Overall, housing satisfaction levels appear to have increased since 1990. This finding is somewhat skewed, however, by the over-representation of owners.

Satisfaction Levels Compared



By comparing the satisfaction levels of renters, it appears that satisfaction with housing has actually declined. In 1990, 32% of renters were dissatisfied. By 1999, the percentage has increased to 47%.

Satisfaction Among Renters

| | 1990 | 1999 |
|-------------------|------|------|
| Very satisfied | 16% | 14% |
| Satisfied | 52% | 39% |
| Not satisfied | 26% | 40% |
| Very dissatisfied | 6% | 7% |

Housing Affordability

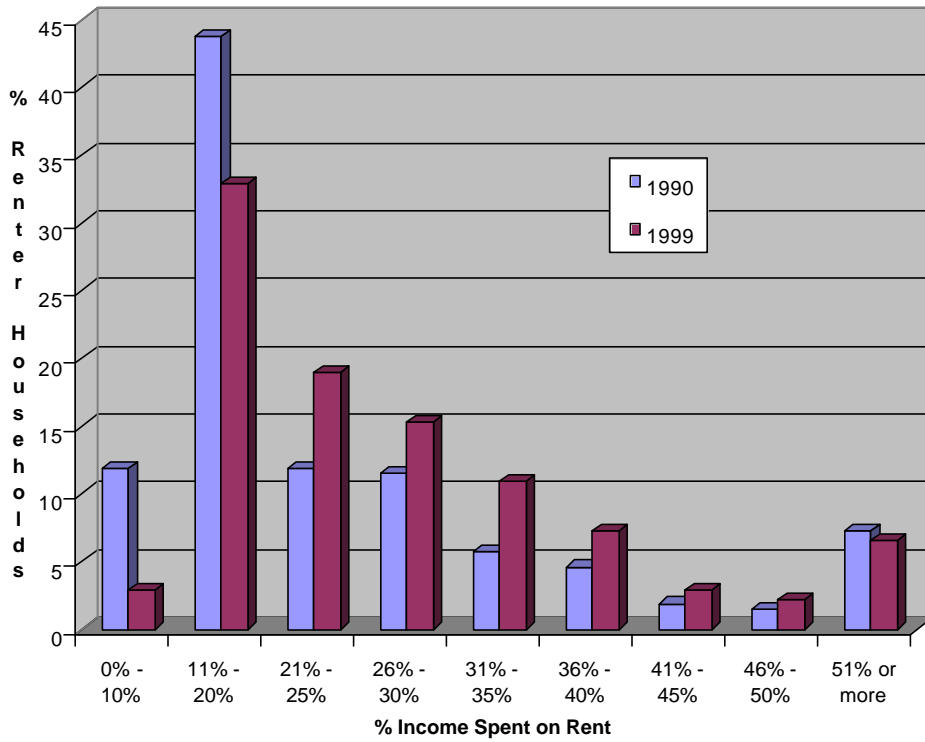
The percentage of households who are cost burdened by their rent/mortgage payment has increased from 15.5% in 1990 to 19.6% 1999.

Percentage of Income Spent on Housing

| | 1990 % | 1999 % |
|-----------------|-----------|-----------|
| 0% - 10% | 17.6 | 8.4 |
| 11% - 20% | 45.0 | 42.0 |
| 21% - 25% | 11.9 | 16.4 |
| 26% - 30% | 10.0 | 13.6 |
| 31% - 35% | 4.5 | 7.9 |
| 36% - 40% | 3.2 | 4.9 |
| 41% - 45% | 1.5 | 1.6 |
| 46% - 50% | 1.3 | 1.3 |
| 51% - 55% | .8 | 1.0 |
| 56% - 60% | 1.7 | 0.8 |
| 61% or more | 2.5 | 2.1 |
| | 100 | 100 |
| % Cost Burdened | 15.5 | 19.6 |

As shown by the following graph, the percentage of renters who are cost burdened has increased substantially.

Percentage of Income Spent on Housing – Renter Households



SECTION 9 -- CONCLUSIONS AND RECOMMENDATIONS

Population

Since 1990, the county's population has been growing at rates of around 5% to 6.5% per year. Much of the growth has been occurring in unincorporated areas and, in recent years, in down-valley communities while the population level has flattened in the Vail area. Eagle County's growth rate has been double that of the state as a whole but similar to neighboring Summit County.

About 14% of the county's households consist of one person living alone and 40% consist of two persons. Children live in less than 37% of the households.

The median household income in the study area is \$65,000. It varies by community from a low of \$55,000 in the Minturn/Red Cliff area to a high of \$80,000 in the Edwards/Homestead/Singletree area.

Employment

Job growth has been occurring at rates of between 7% and 8%. It is estimated that there are 38,140 full- and part-time jobs in Eagle County as a whole which are held by 31,784 employees. The average annual increase in jobs of 7.6% was almost two percentage points higher than the population growth rate of 5.7%, indicating that the number of locally available employees needed to fill jobs may not have kept pace with the growth in employment.

Approximately 42% of the employers surveyed plan to increase the number of persons they employ during the next year. Based on these results, it is estimated that 300 persons will be hired in the following year. This estimate is low compared to the number of jobs created annually in recent years (about 2,500 to 3,000).

Approximately 58% of the wage and salary jobs in Eagle County are in the retail trade and services sectors, with average 1997 wages of \$19,492 and \$24,921, respectively.

It is estimated that there were roughly 1,680 unfilled jobs when the survey was taken in March and 1,564 unfilled jobs last summer. These estimates include both full-time and part-time positions. On average, about four persons per business were not hired or left because they lacked housing.

Employers feel that their entry-level professionals have the greatest difficulty finding housing and that employees' being unable to purchase homes is a bigger problem than employees finding rental housing.

Commuting

There is a significant level of commuting within the county. Of the communities in Eagle County, Avon and Vail house the lowest percentage of their workers – about 30% and 35% respectively, yet each community houses persons who work elsewhere. Only 65% of Vail's residents who work are employed in Vail and 57% of Avon's residents work in Avon. The extent to which these patterns could be changed is questionable since, generally, residents live in the area of the county where they want to live.

It is estimated that 14% of the county's employees or over 4,000 persons commute into the county for work. About half live in Lake County and most of them rent. The majority works in Vail. At least one-fourth speak Spanish. Many have family members who also commute to Eagle County for work. It is roughly estimated that more than one-third would prefer to live in Eagle County. The percentage is higher (60%) among Leadville residents.

Housing Supply and Costs

It is estimated that less than 60% of the 21,044 housing units in the county as of 1997 were primary homes. Approximately 10,650 of the units which are occupied as primary homes are located in the study area. It is estimated that 40% (4,260 units) are rentals and 60% (6,390 units) are owner occupied. Single-family homes comprise about 40% of the housing supply; the majority of units occupied by residents in all areas except down valley are attached types of housing. Less than half of the renters in the study area live in apartments; most reside in units designed and built for owner occupancy.

The average amount paid per month for rent or mortgage in Eagle County is \$1,239 and the median amount is slightly lower at \$1,104. Both the average and median amounts are higher mid valley and down valley than in the Vail area. Residents who live down valley tend to have larger homes – more bedrooms and bathrooms. While these homes are currently priced lower than homes in Vail now cost, mid-valley residents have larger monthly housing payments. The reason appears to be related to length of residency. In general, Vail residents have lived in the area longer than mid- or down-valley residents. They purchased their homes when prices were lower.

Housing prices are expensive in Eagle County. In 1998, the average price for a condominium or townhome was nearly \$500,000. In Vail, the average price of single-

family homes exceeded \$1 million. The average rent payment in Eagle County exceeds \$1,000 per month. Average rents are slightly higher in the mid-valley area than in Vail. Down-valley rents are significantly lower yet still average nearly \$800 per month.

Housing Affordability

Approximately 2,350 households (22% of the total) spend more than 30% of the combined incomes of household members on rent or mortgage payments and are, therefore, cost burdened. Renters are more frequently cost burdened than owners; 30% of renters (1,278 renter households) compared to 17% of homeowners (1,074 owner households) spend more than 30% of their income on housing. It is estimated that 280 renter households (6.6% of the 4,260 renter households in the study area) spend more than 51% of their income on housing.

Availability

Of the 423 single-family homes and duplexes that were for sale through the multiple listing service in May, only 37 (8.8%) were listed for prices below \$300,000, and all but 14 were in the Wolcott to Gypsum area. Over 40% of the 477 condominium/townhome units were priced at \$500,000 or above; only two units were listed for sale under \$100,000.

Even though multiple apartment properties have been built since 1990, apartment availability remains very limited in Eagle County. The Colorado Division of Housing reports that Eagle County continues to have the lowest vacancy rates statewide. For the first quarter of 1999, the State reported only one unit was vacant of the 808 they surveyed, which equates to a vacancy rate of .1%.

Renter Problems

Many renters in Eagle County face being displaced. It is estimated that roughly 850 renter households have moved in the past three years because their unit was sold. At present, about 8% of the renters in Eagle County (340 households) live in units that are listed for sale. Approximately 25% of all renters live in units on a month-to-month basis without the protection of long-term leases.

Overcrowding

It appears that at least 350 housing units are overcrowded based on a comparison of rooms designed as bedrooms to rooms used as bedrooms. This methodology does not take into account overcrowding when unrelated adults are forced to share bedrooms.

Satisfaction

Approximately 2,000 renter households and 575 owner households are not satisfied with their housing. The small size of units and their high cost were the main reasons for dissatisfaction.

Suggestions

- Conduct an inventory of housing units, monitor changes in use of housing units (ie. rental units being sold to second homeowners), and develop programs to preserve the existing housing supply.
- Develop more rental housing. The demand for units to house new employees and employees who now commute but want to live in Eagle County is sufficiently strong to support the additional development of apartments. Until the vacancy rate reaches a level more in line with other communities, efforts to develop apartments should not be curtailed.
- Develop for-sale housing. The demand for homeownership appears to be very strong. It is estimated that as many as 1,790 renters are interested in and could potentially afford to purchase a home if provided at prices substantially below market. Many residents (roughly 2,800 households) who already own a home are interested in buying different homes. Most want to move up into larger homes. Doing so would free up housing for entry-level home buyers if sellers were required to deed restrict their homes in order to be eligible to purchase larger homes.
- Develop uniform deed restrictions throughout the county. While the majority of residents consider return on investment as an important consideration and would not accept deed restrictions, 18% stated that a resale price limitation would not impact their decision at all or very little. Potential homebuyers stated that a home with a 3% cap on annual appreciation would need to be priced 23% below market for them to buy it.
- Concentrate for-sale development efforts on attached housing and manufactured housing. Given high construction costs, limited land availability and the willingness

of residents to accept living in condominiums, townhomes and manufactured housing, efforts to provide site-built single-family homes should only be pursued if done to help subsidize the costs of entry-level attached housing.

- Address the special needs of the growing Spanish-speaking population. It is estimated that 2,420 employees do not speak English as their first language. This trend could be, in part, the result of housing conditions. If it continues, there will be further impacts on housing needs. Special needs include rental units designed for large families, lease documents in Spanish and bilingual leasing personnel.
- Develop county-wide commercial linkage and inclusionary zoning programs. Requiring employers to provide housing for employees is supported by nearly 70% of the county's residents. Well over half support requiring that a percentage of all new homes be designated for employee housing.
- Work with employers, particularly the larger ones, and private developers to provide housing. Residents support a strong role by local governments although they do not favor increased taxes.
- Develop affordable housing throughout the county except for seasonal workers, whose housing should be concentrated in Vail.

