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**VAIL HOUSING RESEARCH  
CHOICES AND  
POTENTIAL OUTCOMES  
MARCH 2005**

Prepared for  
**Housing Authority of the Town of Vail**



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and  
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## OVERVIEW

The Town of Vail Housing Authority requested an assessment of current and future housing needs, especially with regard to future employment that could be anticipated as a result of new development and redevelopment of key sites within Vail, the impact of second home buyers in the area, and non-residential development occurring down valley. The findings from the information indicate that new development and redevelopment of commercial areas in Vail will generate additional demand for employee housing that cannot be met in the existing housing stock. Further exacerbating this problem is a trend of second home and out of county buying in Vail, particularly among more modestly priced homes in the area. In addition, home prices throughout Eagle County are rising at rates that are faster and higher than the wages paid to most entry level and mid-management employees, which means opportunities to buy in the area are becoming more scarce. Lastly, there is anecdotal information indicating that many of the units that are currently rented to Vail employees in the Town of Vail are being put on the market and sold, thus decreasing the supply of existing rental housing in the area even further.

The Town of Vail is a world class resort community. But, with the non-residential growth in down valley communities and the increased supply of housing for area workers in these areas, Vail will be hard pressed to recruit and retain the employees needed to maintain its world class status. Given the choice, most employees would prefer to live close to where they work. The good news is that the problem is not overwhelming at this time. With thoughtful planning, sound housing policies and a commitment to provide housing opportunities for its employees, some of this potential housing demand can be met.

### Observations from the Research

- The anticipated growth in new jobs in Vail is conservatively estimated at between 1,035 and 1,265 employees based on an analysis of known development/redevelopment currently in the review process. These jobs are expected to be created over the next three to four years as development is completed. About 7,368 potential new jobs in Avon and the Edwards vicinity could be generated as a result of new development in these areas, based on estimated buildout of these communities occurring over the next five to ten-plus years. As with Vail, most of these will be retail and service jobs with related entry-level to mid-management positions.
- New jobs in Vail are anticipated to result in demand for between 630 and 770 new residences. For Avon and the Edwards areas, new employees will generate demand for an additional 4,656 housing units. Total residential development in these three areas is expected to be 7,603 units based on an analysis of vacant zoned land (see the report). According to the NWCOG Second Home Study, half of homes in Eagle County are occupied for seasonal/recreational use. Assuming that this trend continues, it is anticipated that no more than 3,800 units would be available to accommodate new employee housing demand. In the area, there will be an under-supply of housing for local employees of about 1,500 units. In Vail, housing demand among employees will exceed anticipated supply by about roughly 600 units.

- Supply to meet employee housing needs may be further compromised by a loss of units that are currently being leased to area employees by private owners. The Second Home Study completed by the NWCOG indicated that the existing supply of individually owned condos is in jeopardy of being lost to second home owners as there is an increase in sales to out of area buyers. Over time, this could have a continued detrimental effect on the supply of rental housing.
- In Vail, an estimated 30% of those employed in Vail also live in the town. This translates to about 1,520 employee households in Vail. There are 553 rental and owner occupied housing units in Vail that are dedicated to Vail employees. This suggests that roughly 1,000 employees own homes without deed restrictions or rent units from individual owners in the town.
- In the past, excess demand generated by employees was met by providing housing elsewhere, which in turn resulted in commuting and/or parking impacts. There are various policy considerations that are appropriate to address future demand that result from new employment. With new nonresidential development occurring down valley, it will become increasingly difficult to locate housing for Vail employees. In addition, Vail may experience greater difficulty in recruiting and retaining employees. New down valley jobs will be comparable in pay and types as found in Vail. In addition, there will be a greater supply of homes to buy or rent, which will provide households with more opportunities to live closer to where they work and in homes that are lower priced and/or larger than found in Vail.
- Locals have been buying homes in Vail in about the same percentages today as in 2000. There are differences in ownership patterns between East and West Vail. Homes in East Vail are more likely to have been purchased by out of area residents with slightly more homes priced under \$200,000 owned by Eagle County residents. It appears that there is greater competition for homes in East Vail that were sold for \$250,000 to \$400,000 from outside of the area. In West Vail, over half of all homes sold for \$350,000 or less were purchased by Eagle County residents. Eagle County residents purchased over three-quarters of all homes sold for under \$200,000. The slower economy and relatively modest increases in home pricing from 2000 to 2004, combined with lower interest rates, provided a window of opportunity for Vail employees to buy.
- This trend may be shifting, as homes available for sale in Vail that would be affordable as entry-level housing for employees are diminishing. In January 2005 there were 116 units listed for sale in Vail. Of these, nine (or 7.8%) were priced below \$300,000. These were all attached units, the majority of which were one-bedrooms (6). To purchase a one-bedroom priced at \$150,000 with an HOA an individual would need to earn \$34,389 or \$16.50 per hour. In addition, if past trends remain consistent, units of this size and price will be attractive to out of area buyers. The starting price for single family homes in Vail was \$625,000. An annual income of \$142,000 would be needed to purchase this home. Of the single-family homes that were on the market, 47 out of the 54 listed for sale had asking prices at or well above \$1 million.
- There are 774 renters in Vail earning 80% or more of the Area Median Income, which is typically enough income to support buying a home. Of these renters, 274

earn 80% to 100% of the AMI and could afford to buy a home priced at \$154,000 to \$281,000, which would be first time buyers in Vail. Households at this income earn \$40,250 to \$57,500, depending on household size. This year, 70 homes were sold in this price range. Of these, 54% were sold to Eagle County residents and the balance to out of area buyers. Homes priced in this range accounted for 42% of all sales (70 out of 162). There is limited supply available in this price range and high demand. One area Realtor noted that homes in this price range are on the market for less than a week. Given the limited supply of housing at this price point and demand from local, first time buyers as well as out of county buyers will result in increasing prices as well as restricting choices for local employees. Continued competition for homes in the entry-level price ranges from out of county buyers is affecting the ability of local residents to purchase affordably priced homes.

As the supply of entry-level housing diminishes in Vail and prices increase, year round employees looking to own a home are moving down valley where there are more options. As down valley jobs increase in number, Vail faces a challenge in recruiting and retaining qualified employees who may choose to live closer to where they work.

- The supply of entry-level homes to purchase throughout Eagle County is limited. In the past, down valley communities were considered a viable option for families and others looking to buy. Based on homes that were listed for sale in Eagle County, this is not the case. Supply is greatest in all areas for single-family homes prices above \$1M. Among attached units, supply is greatest for homes listed at \$500,000 or more. For all of Eagle County, there were 64 homes listed for sale at or below \$300,000 or about 10% of the total listings. As supply for entry-level homes continues to dwindle there is an increased likelihood that employees in the area will leave in order to be able to live in a place where the dream of ownership can be realized.
- Employees' taste in housing has changed over time. It was once commonplace for a generation of "ski bums" to take a season off and live in cramped and sometimes, poor housing conditions. Based on interviews and observations, the expectations of young workers have changed. Those employees that do consider working in a resort community are looking for the optimal situation where job, recreation and nightlife are in close proximity. Recent experience suggests that it is also more difficult to attract seasonal workers and location and types of housing is an important consideration in where they decide to work. These trends are expected to continue.
- The challenge of housing for both year round and seasonal workers close to their employment is compounded by the difficulty of providing for parking. Employees who drive to work look for parking that is close to employment. This land can be in prime locations and very expensive. The interplay between housing, transportation and parking should be identified and considered in the evaluation of alternatives. This issue may be exacerbated over time; the State Demographer predicts that in commuting into Eagle County will increase ten-fold over the next 15 years. Proactively addressing housing, transit and parking issues will be important to mitigate the effects on the potential increase in commuting patterns in the area.

- Experience suggests that there are limited opportunities for workers today to upgrade their employment. In many of the resort communities, growth has slowed. It is critical to recognize that circumstances and opportunities have changed. Workers today have different expectations for living and working and are unwilling to “do it the way we did.” To counterbalance limited upward mobility for workers and to be effective economically and socially, community policy must recognize this set of variables and be proactive in establishing policies that enhance their position to attract capable and motivated workers in the competitive marketplace of today.
- Continuing construction activity in the immediate future (over the next three to five years) will increase demand for housing in summer (from construction workers) as well as winter. Over the next several years, units designed primarily for winter seasonal use will achieve relatively strong occupancies year-round, but in the long-term, maintaining occupancies in summer may pose a challenge. However, as noted below, summer occupancies may increase over time as a result of new service demands that are generated from more year round business opportunities including the new convention center and upscale hotels.
- The second home study completed by the NWCOG indicates that there will be ongoing demand for services from second homeowners, many of whom plan to move to the area permanently. As a result, there is likely to be a year-round need for employees willing to work in lower paying service and retail positions. This indicates that not only will housing for seasonal workers be an important component of maintaining the area economy, so will housing for employees who will remain in the area year round as a result of these types of jobs.

## GENERAL CHARACTERISTICS OF THE MARKET AREA

The following sections provide a review of the population in Eagle County and the demographic profile of renters. This includes:

- Information on renter households;
- Household income; and
- Employment.

The primary sources of information for the following sections were the 1999 Household Survey conducted as part of the Eagle County Housing Needs Assessment and the 2000 Census. When available, 2000 Census data was used and information from the Center for Economic and Business Forecasting was used to adjust 2000 population estimates. Most of this information was used for the demand analysis completed for Middle Creek Village.

### Total Population

According to the 2000 Census, there were 41,306 persons living in 15,148 households in Eagle County, as well as 353 living in group quarters, for a total population of 41, 659. Of this number, 4,518 people were located in 2,155 households in the Town of Vail, with an additional 13 in group quarters, for a total population of 4,531. Given the fact that the Census was conducted in April 2000, it is likely that these figures do not include a number of seasonal employees who are typically found in these areas of Colorado. Unrelated roommates accounted for 21.1% of all households; however, this number is probably low due to the under-representation of renters and seasonal employees overall in the 1999 household survey.

Growth projections were derived by using information provided by the Center for Economic and Business Forecasting for Eagle County. For purposes of this assessment, it was assumed that Vail has experienced a similar rate of growth; however, this is likely to be over estimating growth in Vail given the new development occurring down valley. These projections include both new employee households as well as growth that may occur as an increasing number of retirees move to the area. No specific information on growth related to retirees was available.

### Population and Household Forecast

Year	Eagle			Vail		
	2000	2005	2010	2000	2005	2010
Population	41,659	49,601	56,816	4,531	5,392	6,174
% Change		19.1%	14.5%		19.0%	14.5%
Households	15,148	18,169	20,812	2,165	2,580	2,954

The average household size in Eagle County was 2.73 persons in 2000 and was assumed to remain constant for the next ten years. For Vail, the average household size was smaller at 2.09 persons and was also expected to remain constant over the next 10 years.

## Owners and Renters

The 2000 Census found that 36% of Eagle County households were renters. In the Town of Vail, 48% of households were renters. Assuming this stays constant, Vail will have 1,238 renter households in 2005. This represents an increase of 199 renter households by 2005 and 209 owner occupied housing units. This assumes that the percentage of owner occupied and rental housing units remains consistent with those reported in the 2000 Census.

### Renters and Owners – 2005 Estimates

	<b>Eagle County</b>	<b>% of HH</b>	<b>Vail</b>	<b>% of HH</b>
Total:	18,169	100%	2,580	100%
Owner occupied	11,628	64%	1,342	52%
Renter occupied	6,541	36%	1,238	48%

## Housing Characteristics

The 2000 Census found 5,389 housing units in Vail. Of these, 2,888 (54%) were occupied seasonally. According to the Eagle County Department of Community Development, there are 6,607 housing units in Vail. Assuming that 2,580 of these units are occupied year round, the remaining 3,568 are being used for seasonal and recreational purposes and the remaining homes would be vacant.

	<b># of Units</b>	<b>%age of Units</b>
Seasonal/Recreational Use	3,568	54.0%
Occupied	2,580	32.6%
Owners	1,342	62.3%
Renters	1,238	57.4%
Vacant	884	13.4%
<b>TOTAL</b>	<b>6,607</b>	

Source: 2000 Census, Eagle County Housing Needs Assessment, Eagle County and McCormick and Associates, Inc. Estimates

## Household Income

The average household income of renters in Eagle County was \$51,538 in 1999, with a median of \$50,000. In 1999, the median household income for Eagle County was very close to the 1999 median family income estimate of \$64,300 provided by the Department of Housing and Urban Development. The 2004 Median Income for Eagle County \$76,700; this is an increase of 19% since 1999.



## Renters and Area Median Income

The household survey provided information about renter households and their income distributed by AMI. Assuming that there have not been substantial changes in the income distribution since the time of the survey, then approximately 17% of renter households in Eagle County earned less than 50% of the Area Median Income. Another 4,100 renters had incomes above 80% of the AMI. Renters in this income category are often candidates to purchase homes.

### 2004 Area Median Income – Eagle County

	1PHH	2PHH	3PHH	4PHH	5PHH
<30% AMI	\$16,100	\$18,400	\$20,700	\$23,000	\$24,850
30% TO 50% AMI	\$26,850	\$30,700	\$34,500	\$38,350	\$41,400
51% TO 60%	\$32,220	\$36,840	\$41,400	\$46,020	\$49,680
61% to 80%	\$40,250	\$46,000	\$51,750	\$57,500	\$62,100
80% to 100% AMI	\$53,700	\$61,400	\$69,000	\$76,700	\$82,800
100%+	\$64,440	\$73,680	\$82,800	\$92,040	\$99,360

Source: HUD

Assuming that the distribution of renters by Area Median Income for 2005 will be comparable to that found in the 1999 household survey indicates the following:

- Approximately 774 renter households in Vail earn 80% or more of the Area Median Income. Typically, renters at this income level are candidates for home ownership.
- At 60% to 80% of income, renters should be outside of most below market rate rental housing programs. In Vail, this would be approximately 124 renter households;
- There are 336 renters earning less than 60% of the AMI. These renters would be eligible for most rental housing assistance programs.

These estimates are for renters in Vail and do not reflect renters who would move to the area if affordable and suitable housing were available. These estimates do not include seasonal workers.

### % of Renter Households Area Median Income

	% of	Estimated
	Renter HH Number of HH	
Under 30% AMI	8.60%	106
30 - 50% AMI	8.60%	106
50 - 60% AMI	10.00%	124
60 - 80% AMI	10.00%	124
80 - 100% AMI	22.10%	274
100%+ AMI	40.70%	504
Total	100.00%	1,238

Source: Household Survey/McCormick and Associates, Inc. Calculations

## Affordable Prices

The following table provides an idea of what would constitute an affordable sales price for a household considering the purchase of a home depending on the area median income. In Vail, a single person earning 80% of the AMI could afford a one-bedroom unit priced at \$158,000. A family of four earning 100% of the Area Median Income could afford a single family home priced at \$281,000.

**Affordable Sales Prices by AMI<sup>1</sup>**

	60% of AMI	80% of AMI	80% to 100%	100% to 120%
Studio	\$118,049	\$147,469	\$153,789	\$198,103
One Bedroom	\$126,512	\$158,003	\$189,374	\$234,027
Two Bedroom	\$134,975	\$168,536	\$224,959	\$269,951
Three Bedroom	\$151,683	\$189,603	\$252,804	\$303,365
Single Family Detached	\$168,609	\$210,670	\$281,016	\$337,219

The following chart indicates what would be an affordable rent for households of different sizes and at various Area Median Incomes.

**Affordable Rent by AMI and Household Size**

	1PHH	2PHH	3PHH	4PHH	5PHH
<30% AMI	\$403	\$460	\$518	\$575	\$621
30% TO 50% AMI	\$671	\$768	\$863	\$959	\$1,035
51% TO 60%	\$806	\$921	\$1,035	\$1,151	\$1,242
61% to 80%	\$1,006	\$1,150	\$1,294	\$1,438	\$1,553
80% to 100% AMI	\$1,343	\$1,535	\$1,725	\$1,918	\$2,070
100%+	\$1,611	\$1,842	\$2,070	\$2,301	\$2,484

<sup>1</sup> Assumes a 30-year loan with a 6.5% interest rate and 5% down. Of the 33% allowed for the housing price, 80% is allocated to Principal and Interest with the balance set aside for HOA, Taxes and Insurance.

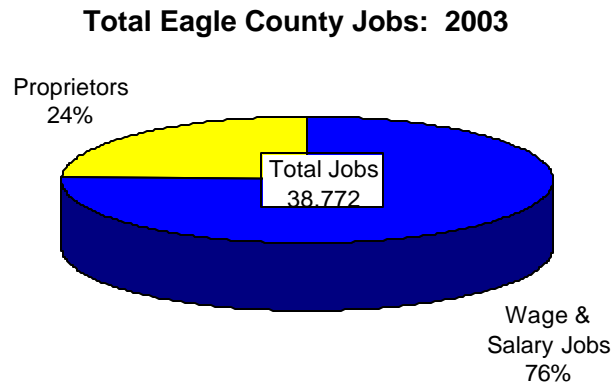
## EMPLOYMENT

This section of the report examines employment patterns in Eagle County and its communities as determined from the Quarterly Census of Employment and Wages (QCEW; formerly ES202), the US Bureau of Economic Analysis, the Department of Local Affairs (DOAL) and the 2000 US Census. Trends in jobs and employment are important to understand from a housing perspective given that changes in employment affect demand for housing in terms of the amount, location, price and type of housing. This section evaluates the following:

- Number of Jobs;
- Job Location (By Community);
- Employment by Industrial Sector;
- Number of Employees; and
- Seasonal Fluctuation in Employment.

### Number of Jobs

It is estimated that there were approximately 38,772 full- and part-time jobs in Eagle County as a whole in 2003. Of these, about 24 percent are self-proprietor jobs and 76 percent are wage and salary jobs (including QCEW reported wage and salary positions covered by unemployment compensation insurance and exempt wage and salary positions (i.e., jobs with certain utilities and non-profit organizations including churches)).



Source: US Bureau of Economic Analysis; RRC Associates, Inc.

\*2003 employment estimated from known Colorado employment and changes between 2002 and 2003.

The following table shows the change in total full- and part-time employment between 1998 and 2003 in Eagle County as a whole compared to the state of Colorado, based on estimates from the US Bureau of Economic Analysis. This shows a slight decline in jobs in Eagle County since 2001 (about 1.2 percent), following a similar trend as the state as a whole (about 1.5 percent).

**Total Jobs: Colorado and Eagle County, 1998 to 2003\***

	1998	1999	2000	2001	2002	2003
Colorado	2,750,607	2,840,101	2,949,831	2,967,260	2,937,143	2,923,147
% change	-	3.3%	3.9%	0.6%	-1.0%	-0.5%
Eagle County	36,315	37,599	39,008	39,262	39,052	38,772*
% change	-	3.5%	3.7%	0.7%	-0.5%	-0.7%

Source: US Bureau of Economic Analysis; RRC Associates, Inc.

\*2003 employment for Eagle County estimated from known Colorado employment and changes between 2002 and 2003.

The Colorado State Demographers Office predicts that jobs in Eagle County will growth from 35,195 in 2005 to 65,708 y 2020. This will be close to double the number of jobs in Eagle County over a 15-year period. The forecast also indicates that residents of Eagle County will hold the same percentage of jobs in the future (1.3 to 1.8%) with most new jobs held be in-commuters. It is expected that 22,892 jobs in 2020 will be held by out of area residents.

**Job Growth Projections**

	2005	2010	2015	2020
Total Jobs	35,195	45,724	55,793	65,708
% Change	1.6%	5.4%	4.1%	3.3%
# Change		10,529	10,069	9,915
In-Commuting	2,217	10,120	16,749	22,826
Residents Holding Jobs	26,994	28,840	31,472	34,376
% change	1.4%	1.3%	1.6%	1.8%

Colorado State Demographers Office – 2004 Populations Estimates and Forecasts

**Jobs By Community**

QCEW reported wage and salary jobs data (I.e., jobs covered by unemployment compensation insurance; excludes self-proprietors and exempt wage and salary positions) was analyzed to determine where jobs are located in Eagle County. Data was acquired for the second and fourth quarters of 2003, plus the first quarter of 2004.

The following table summarizes the percentage of QCEW reported jobs that are located in specified Eagle County communities, as determined from the location of the employer. As shown, the percentage of Eagle County jobs in Avon, Vail and Beaver Creek are highest during the ski season (December through March) and lowest in the off-season (May and October). Jobs in Basalt, Gypsum and Minturn, while showing a percentage increase of total Eagle County jobs in the off-season, actually have about the same number of jobs throughout the study period (E.g., have fairly stable year-round employment). Finally, Eagle and Edwards actually show a slightly higher number of jobs in the summer and off-season months than during the winter.

An estimate of the percentage of average year-round employment was calculated based on acquired QCEW data. This shows that, on average, Avon (28 percent of jobs) and Vail (27 percent of jobs) have over half the jobs in Eagle County (55 percent), followed by Eagle (12 percent) and Edwards (11 percent). Applying these percentages to the

total number of estimated jobs in Eagle County in 2003, it is estimated that Vail had about 10,584 jobs in 2003.

There are an estimated 2,880 residents of Avon/Vail who live and work in their respective communities. An estimated 21,325 jobs are located in these communities. When adjusted for multiple-job holding, it is estimated that roughly 15,500 jobs are held by in-commuters.

**Percentage And Estimated Number Of Jobs In Eagle County Communities:  
2003/04 By Time Of Season**

Location of Jobs	2003/04 Ski Season (Dec – Mar)		Off-season 2003 (May, Oct)	2003/04 Average	Estimated 2003 Jobs
	June 2003	June 2003	(May, Oct)	Average	2003 Jobs
Avon	31.2%	24.8%	24.4%	28.2%	10,945
Basalt	3.9%	4.8%	4.7%	4.2%	1,633
Beaver Creek	4.5%	3.4%	3.5%	4.1%	1,578
Eagle	10.7%	12.7%	13.7%	11.9%	4,623
Edwards	9.8%	13.1%	13.1%	11.1%	4,311
Gypsum	4.0%	4.9%	5.0%	4.4%	1,706
Minturn	1.7%	2.2%	2.0%	1.9%	725
Red Cliff	0.1%	0.2%	0.2%	0.1%	49
Vail	28.3%	26.1%	25.1%	27.3%	10,584
Other Eagle County	2.5%	3.7%	3.6%	2.9%	1,137
Adjoining Mountain County	1.7%	2.4%	2.6%	2.1%	810
Not In Eagle County (other)	1.6%	1.8%	1.9%	1.7%	672
Eagle County TOTAL	100%	100%	100%	100%	38,772

Source: QCEW; US Bureau of Economic Analysis; RRC Associates, Inc.

Note: 2003/04 Average percentage employment does not include July through August 2003 employment.

Based on available QCEW data, the percentage of jobs in each Eagle County community was compared between peak season (January through March employment) 2004 and 2001. This shows that Avon had a much lower share of total jobs in 2001 (17 percent) compared to 2004 (31 percent), where Vail had a much larger share of jobs in 2001 (43 percent) than in 2004 (28 percent). This is because Vail Resorts moved some of their offices to Avon after the 2001 QCEW reporting. Note, however, that in both years, jobs in Avon and Vail combined comprise between 59 and 60 percent of total Eagle County jobs. Eagle and Edwards show a slight one percent increase in their share of Eagle County jobs during this same time period, whereas other areas remained about the same.

**Percentage Of Jobs In Eagle County Communities:  
Peak Season 2004 Versus 2001**

	January through March	
	2004	2001
Avon	31.2%	17.5%
Basalt	3.9%	4.4%
Beaver Creek	4.5%	3.8%
Eagle	10.7%	9.7%
Edwards	9.8%	8.9%
Gypsum	4.0%	3.8%
Minturn	1.7%	1.7%
Red Cliff	0.1%	0.1%
Vail	28.3%	42.6%
Other Eagle County	2.5%	2.9%
Adjoining Mountain County	1.7%	1.7%
Not In Eagle County (other)	1.6%	3.0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Source: QCEW; RRC Associates, Inc.

### **Employment by Industrial Sector**

The US Bureau of Economic Analysis provides estimates of total employment by industrial sector for Eagle County through the year 2002. Based on this information, the percentage of jobs in most sectors remained fairly consistent between 2001 and 2002, with the exception of a slight 2 percent decline in construction jobs (from 17 to 15 percent) and a slight 2 percent increase in finance, insurance and real estate jobs (from 12 to 14 percent). Only finance, insurance and real estate (FIRE), wholesale trade and public administration added jobs in 2002, whereas all other categories lost jobs.

QCEW reported jobs for 2003 indicates that the 2001 to 2002 trend toward a lower percentage of construction jobs and a higher percentage of FIRE jobs continued between 2002 and 2003. The following table estimates the percentage and number of jobs by industry in 2003 based on these continuing trends. The average wage associated with these jobs per the 2003 QCEW is also reported. As expected, this shows that retail jobs, comprising one-fourth of jobs, pay the lowest average wages (\$19,980 per year). However, services, comprising about one-third of jobs pays about \$36,600 per year, which is slightly higher than the average for the county as a whole (\$33,300).

**Jobs By Industrial Sector, 2002 and 2003**

<b>Industry Category</b>	<b>2002</b>	<b>2003</b>	<b>2003 (%)</b>	<b># change</b>	<b>Average 2003 Wage</b>
Ag, Mining	465	465	1.2%	0	\$28,600
Construction	5,984	5,428	14.0%	-556	\$40,144
Manufacturing	491	426	1.1%	-65	\$41,860
Transportation, Communications, Utilities	769	698	1.8%	-71	\$34,017
Wholesale Trade	493	504	1.3%	11	\$48,724
Retail Trade	9,898	9,732	25.1%	-166	\$19,982
FIRE	5,510	6,204	16.0%	694	\$40,923
Services	12,516	12,407	32.0%	-109	\$36,655
Public Administration	2,673	2,675	6.9%	2	\$35,984
Management of Companies and Enterprises	253	233	0.6%	-20	\$72,644
<b>TOTAL</b>	<b>39,052</b>	<b>38,772</b>	<b>100.0%</b>	<b>-280</b>	<b>\$33,332</b>

Source: QCEW; US Bureau of Economic Analysis; RRC Associates, Inc.

Based on QCEW and the US Bureau of Economic Analysis data, it is estimated that jobs in Vail are more dominated by retail trade (about 40 percent) and FIRE (about 21 percent) industries than in Eagle County as a whole, with less emphasis on construction jobs (about 4 percent) and services (about 27 percent). Other industries comprise a similar percentage of Vail jobs as seen in Eagle County overall. These estimates are based on the location of the employer and not the location of the job. In other words, construction workers employed by a company in Avon, but working on a job in Vail, are counted as being employed in Avon.

**Number of Employees**

Because employees in most mountain resort communities hold more than one job due to low wages, seasonal and/or part-time work, and a high cost of living, the number of full-time and part-time *jobs* in an area tends to exceed the actual number of *employees*. The 1999 survey found that employees hold an average of 1.12 jobs in Eagle County year-round. Employed Vail residents hold a slightly higher 1.16 jobs, where the number of jobs held varies by season.

**Number of Jobs Held By Season:  
Eagle County and Vail Residents, 1999**

	<b>Summer</b>	<b>Winter</b>	<b>Spring/Fall</b>	<b>Year-Round Average</b>
Eagle County	1.1	1.2	1.0	1.12
Vail	1.1	1.3	1.1	1.16

Source: 1999 Eagle County Household Survey

By dividing the estimated number of full- and part-time jobs in Eagle County by 1.12 jobs per employee and Vail jobs by 1.16 jobs per employee, it is estimated that there were about 34,618 employees holding 38,772 jobs in the year 2003 in Eagle County, with 9,124 of those employees holding 10,584 jobs in Vail, or about 26 percent of Eagle County employees.

## Seasonal Fluctuation in Employment

As stated in the 1999 survey report, “Eagle County’s seasonal fluctuation in employment is typical of patterns in other counties where destination ski resorts are located.” The number of jobs typically peaks between the December and March months and reaches a low in May and October. During the 2003/04 season, areas in Eagle County that added jobs in the winter added about 5,729 jobs compared to the month of October. About 2,090 of these seasonal jobs were located in Vail and 3,118 were located in Avon. Based on an estimated 1.2 jobs held by employees in Eagle County in the winter and 1.3 jobs held by Vail employees, winter seasonal jobs equate to about 4,774 seasonal employees in Eagle County over the 2003/04 ski season, with 4,006 in Vail and Avon. This is shown in the following table, as determined from QCEW reported employment for the 2003/2004 season.

**Winter Seasonal Employment Estimates:  
Eagle County and Vail Jobs, 2003/04**

Seasonal Employment Estimates	Eagle County	Vail	Avon
Peak Season average (Dec. to March)	29,403	8,320	9,161
Off-season (October)	24,761	6,230	6,043
Seasonal Jobs Estimate (includes communities that added jobs only)	5,729	2,090	3,118
Jobs per employee	1.2	1.3	1.3
Seasonal Employee Estimate	4,117	1,670	2,398

Source: QCEW; 1999 Eagle County Household Survey; RRC Associates, Inc.



## New Development - Vail

In an effort to evaluate anticipated new job generation in Vail the consultant team estimated employment that might be anticipated from current development proposals. This analysis was intended to provide a rough estimate of the order of magnitude of new employment that might occur given proposed development plans. It should be recognized that these estimates require a number of assumptions since development often does not build-out in exactly the same configuration that is proposed or initially approved. Further, at this time the mix of actual development types is also not known for most of the proposals; for example, while estimates of commercial square footage have been provided by developers in some cases it is not yet known whether this space will develop as retail, restaurants, office or other types of space. In terms of estimating employment, the actual configuration will have a major influence on the type and number of jobs created, and therefore the types of housing demanded from new employees. Nevertheless, this exercise is useful in providing some sense of what upcoming needs may be.

Developments in the planning process that are assumed to build-out over the next few years include:

The Core Site	Tivoli
The Front Door	The North Day Lot
Antlers	The West Day Lot
Vail Mountain Lodge	Four Seasons
Manor Vail	Sonnenalp
Crossroads	The Vail Conference Center

### **Existing Residential Units – Proposed and Existing Development Projects**

<b>TOTALS</b>	<b>Dwelling Units/EHU</b>	<b>Condo-Hotel</b>	<b>Fractional/ Time Share</b>	<b>Hotel</b>	<b>Total</b>
Total # of New or Remodeled Units	441	169	81	509	1,200
Total Existing Units	93	0	0	393	486
Net Change in Units	534	169	81	116	714

The developments could result in approximately 1,200 new or remodeled units. However, about 500 of these units currently exist and are part of an overall redevelopment plan. As conceived, there will be about 700 “net” new units. In addition, there are between 200,000 and 255,000 square feet of retail, entertainment and convention center space proposed. When the employment factors that the Town of Vail has been using historically are applied to these proposed developments the results indicate that there may be between 1,035 and 1,265 net new employees generated. These calculations are summarized below.

**Employment Associated with Residential / Hotel Development**

	Empl. From Dwelling Units	Empl. From Condo-Hotel	Empl. From Fractional/ Time Share	*Empl. From Hotel	Total Empl.
Empl. in new or remodeled units	140	68	32	662	902
Empl in existing units *	1	0	0	511	512
Net new employment **	139	68	32	151	390

Proposed commercial development is anticipated to generate approximately 760 employees, as summarized below.

**Proposed Commercial Development**

Project	Retail area sq ft	Empl. per sq ft factor*	Employment
Total	197,765	3.8	757

*\*Note: This factor varies depending upon whether the development is restaurant, retail, office, etc.*

The analysis projects the total “net new” employment to be estimated. This estimate is conservative because it is reported as “net” new jobs. In actuality, the redeveloping properties (about 500 units) will be upgraded substantially and as a result will likely use more workers than are employed today. These findings are summarized below.

**Summary of Net New Employment**

	Net New Employment
Net new employment from dwelling units	139
Net new employment from condo-hotel units	68
Net new employment from fractional/timeshare units	32
Net new employment from hotel units	151
Net new employment from commercial development (retail, restaurant, movie, conference, etc.)	757
<b>TOTAL NET NEW EMPLOYMENT</b>	<b>1,147</b>

This estimate takes into account that many jobholders in Vail work multiple jobs; in other words, the numbers of jobs that are created typically generate slightly less employees than the actual number of jobs. This is based on the results of the Eagle County Housing Assessments completed in 1999.

For planning purposes the estimated 1,147 new employees should be expressed as a range - between 1,035 and 1,265 employees or about 10 percent more than or less than the actual estimate. This range takes into account some of the uncertainties of the estimation process, and yet it is precise enough to allow planning decisions to be made.

In addition, it should be noted that it is conservative in that it uses the low end of the potential range of new commercial development being discussed.

The new employees are anticipated to result in a demand for approximately 630 and 770 new residences. The demand for these units are in addition to those being proposed or currently available at either Middle Creek, Timber Ridge or any of the employee housing units currently available in the area.

In addition, most new employment will likely occur in the retail and service sectors, which traditionally are lower paying jobs. While this will be the case, there will also be new jobs created in mid to upper management positions, which will pay substantially more than many entry-level and service positions.

## **Down Valley Development**

There is a significant amount of down valley, non-residential development that will influence Vail's ability to attract and retain employees. In Avon, an estimated 2,606 new jobs will be created as a result of new development and redevelopment projects. This could result in additional employment related housing demand of 1,589 housing units. In Edwards, total new employment is estimated to be 4,762 new jobs with a potential demand for 2,976 housing units for employees.

### **Avon**

The Village At Avon: Much of Avon's remaining vacant developable land is located within the Village at Avon PUD. This plan covers about 1,790 acres and will provide a mix of retail, office, lodging and residential uses. At build-out, the PUD as presently defined has the potential for about 650,000 square feet of commercial space and 2,400 dwelling units, including 500 affordable rental units, of which 244 have been built at Buffalo Ridge and 93 single family home sites. To date, 300,000 square feet of commercial has been built (completed in 2003), housing Super Wal-Mart and Home Depot. Currently under construction is a 140,000 commercial structure that will include two levels of underground parking, 30,060 square feet of retail space and 22,458 square feet of office space.

The previous Wal-Mart center in Avon was redeveloped and 12,000 square feet of retail space was added. At the end of 2003 and beginning of 2004, Pier 1 Imports, Gart Sports and Office Depot moved into this space.

Other Parcels: Development potential within Avon is limited outside of the Village at Avon PUD. An application for 49 time-share units is currently pending and plans for a new hotel and mixed-use center, with a Gondola providing access to Beaver Creek from Avon, are being discussed. Some smaller vacant, buildable parcels are scattered throughout the town, including some currently zoned for PUD, Industrial, Neighborhood Commercial, and Hotel uses. Some infill residential lots are also available within existing subdivisions.

Summary: The following table outlines new development since 2003 (including the Super Wal-Mart, Home Depot and old Wal-Mart redevelopment) and estimated potential build-out of the Village At Avon. The number of new employees anticipated to be generated from this development uses the same assumptions described above for the

Town of Vail calculations. Formal plans for many of the undeveloped parcels outside of the Village at Avon PUD have not been submitted. However, of the known plans, pending applications and zoning, an estimated 49 time-share units and approximately 300 hotel units may develop. At build-out, an estimated 2,606 additional employees will be needed to fill new jobs created as a result of the development.

**Avon: Anticipated Build-out**

<i>Village At Avon</i>	<i>Completed in 2003</i>	<sup>1</sup> <i>Left to develop / 2Under development</i>	<i>Estimated Job Generation</i>	<i>Estimated New Employees</i>
Retail	312,000	<sup>2</sup> 30,060	3.6	108
Office	-	<sup>2</sup> 22,458	5.75	129
Commercial (general)	-	<sup>1</sup> 285,482	4.2	1,199
Residential*	-	<sup>1</sup> 1,900	0.4	760
TOTAL	-	-	-	2,196
<b>Select non-PUD parcels**</b>				
Timeshare		49 units (est)	0.4	20
Hotel		300 units (est)	1.3	390
TOTAL	-	-	-	410

\*Residential excludes 500 affordable/employee units

\*\*Parcels with existing/pending submissions for development. Parcels not included include three PUD zoned parcels, a neighborhood commercial parcel, an industrial parcel and scattered platted residential lots.

**Edwards**

Summary: Eagle County compiled commercial and residential build-out estimates for the unincorporated community of Edwards in 2002. Per this analysis, it was estimated that the unincorporated Edwards area had the potential for 1,794 new residential units based on existing subdivided land and residential development not requiring subdivision approval (E.g., lots 35 acres or more). The potential for new commercial development was estimated to be 1,040,340 square feet. Since 2002, approximately 60,000 square feet of commercial has been constructed (Edwards Corner in 2003) and another 67,000 square feet is at the sketch approval phase. The following table outlines the potential for new residential and commercial development in Edwards. It is estimated that build-out of Edwards will generated demand for about 4,762 new employees.

	Existing (as of 2002)	Undeveloped (as of 2002)	Built since 2002	Build out remaining	Employee Generation	Estimated New Employees
Residential	4,324	1,794	183*	1,611	0.4	644
Commercial	980,215	1,040,340	60,000	980,340	4.2	4,117
TOTAL	-	-	-	-	-	4,762

\*Census Building Permit information reports about 550 units were issued building permit in 2003 and through October 2004 in unincorporated Eagle County. For this analysis, it was assumed that about 1/3 of these permits were issued in the Edwards area.

## **Commuting**

This section of the report uses available 2000 Census information to evaluate commute patterns at the county and community level. Commute patterns can help identify employee housing and job centers within a region by evaluating where employed residents live and where they work. In-commuting workers are also interesting in that they are a potential source of demand for housing near their place of employment, as well as a potential labor resource for businesses located at in-commuters' places of residence (I.e., Vail workers that live in Eagle, for example, may be attracted to employment opportunities offered nearer their place of residence). This section evaluates where residents of Eagle County work and where Eagle County workers live, then evaluates the same for the town of Vail. The number of residents and workers are updated to reflect total population and number of workers as of 2003.

## **Where Residents Work**

Vail and Avon were combined in this section given that Vail Resorts moved some offices to Avon since the 2000 US Census. As shown, about 41 percent of residents in Eagle County reported working in Vail or Avon in March of 2000<sup>2</sup>. Assuming these ratios have remained fairly constant, this equates to about 11,600 residents being employed in Vail/Avon in 2003. Another 18 percent of residents are employed in Unincorporated Eagle, followed by 10 percent (about 2,900 residents) commuting to Pitkin County for work. A total of 4,100 residents are estimated to be employed outside of Eagle County as of 2003, compared to an estimated 4,360 in 2000.

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<sup>2</sup> The percentage of workers in each community will vary from the percentage of jobs in each community (discussed in the Employment Section of this report) given that the location of jobs was determined from QCEW reported physical addresses of the employer. Not all employees will actually be employed at the physical location of their employer, but may be scattered among branch offices in the area or otherwise work in a different location than the employer. The Census, therefore, provides a better representation of the employee's actual place of work, although it is a point-in-time representation (March 2000).

**Where Eagle County Residents Work: 2003**

<b>Where Residents Work</b>	<b>2003 Residents</b>	<b>% of Residents</b>
Eagle County:	24,116	85.4%
Vail/Avon	11,603	41.1%
Uninc (Eagle)	5,046	17.9%
Eagle	2,143	7.6%
Edwards	1,669	5.9%
Basalt (incl. Pitkin County part)	1,200	4.3%
Gypsum	1,025	3.6%
Eagle-Vail	1,008	3.6%
El Jebel	422	1.5%
Pitkin County (excl. Basalt)	2,912	10.3%
Garfield County	566	2.0%
Summit County	138	0.5%
Other Colorado	168	0.6%
Other State	327	1.2%
<b>TOTAL Working Residents</b>	<b>28,226</b>	<b>100%</b>

Source: 2000 US Census; Department of Local Affairs; RRC Associates, Inc.

Almost 80 percent of Vail residents reported working in Vail or Avon in March 2000. This equates to about 2,880 workers in these towns in 2003. Another 16.5 percent of working residents were employed throughout Eagle County, with the remaining 3.5 percent being employed in other areas of Colorado or another state. The majority of other Colorado and out-of-state workers most likely use some form of telecommuting, rather than physically commuting, to their jobs.

**Where Vail Residents Work: 2003**

<b>Place of Work</b>	<b>2003 Residents</b>	<b>% of Residents</b>
Eagle County:	3,473	96.0%
Vail/Avon	2,881	79.6%
Uninc (Eagle)	316	8.7%
Eagle-Vail	101	2.8%
Edwards	90	2.5%
Eagle	34	0.9%
Basalt	23	0.6%
Gypsum	17	0.5%
El Jebel	11	0.3%
Pitkin County	0	0.0%
Garfield County	0	0.0%
Summit County	17	0.5%
Other Colorado	48	1.3%
Other State	79	2.2%
<b>TOTAL Working Residents</b>	<b>3,617</b>	<b>100%</b>

Source: 2000 US Census; Department of Local Affairs; RRC Associates, Inc.

## Where Workers Live

About 17 percent of Eagle County workers live outside of Eagle County. Assuming that no more than half of “other Colorado” workers commute into Eagle for work, this equates to about 4,800 workers commuting into the county for work, compared to an estimated 4,200 in 2000. The largest percentage of workers live in Edwards (18 percent) unincorporated Eagle (15 percent) and Avon or Vail (12 percent each).

### Where Eagle County Workers Live: 2003

<b>Where Workers Live</b>	<b>2003 Workers</b>	<b>% of Workers</b>
Eagle County:	28,727	83.0%
Edwards	6,357	18.4%
Uninc (Eagle)	5,054	14.6%
Avon	4,277	12.4%
Vail	4,162	12.0%
Eagle-Vail	2,802	8.1%
Gypsum	2,540	7.3%
Eagle	2,005	5.8%
El Jebel	932	2.7%
Basalt (incl. Pitkin portion)	597	1.7%
Garfield County	2,340	6.8%
Lake County	1,388	4.0%
Summit County	313	0.9%
Pitkin County	251	0.7%
Other Colorado	1,212	3.5%
Other State	386	1.1%
<b>TOTAL</b>	<b>34,618</b>	<b>100%</b>

Source: 2000 US Census; US Bureau of Economic Analysis; 1999 Eagle County Household Survey; RRC Associates, Inc.; RRC Associates, Inc.

Of workers that are employed in Vail, the largest percentage lives in Vail (30 percent), 18 percent in Edwards, 12 percent in unincorporated Eagle County and 10 percent in Avon. Over 6,000 workers live outside of Vail, the majority of which must commute into Vail for work. Note that this information reflects workers employed in Vail during mid- to late-March.

**Where Vail Workers Live: 2003**

<b>Where Workers Live</b>	<b>2003 Workers</b>	<b>% of Workers</b>
Eagle County:	7,865	86.2%
Vail	2,768	30.3%
Edwards	1,636	17.9%
Uninc (Eagle)	1,132	12.4%
Avon	943	10.3%
Eagle-Vail	827	9.1%
Gypsum	292	3.2%
Eagle	231	2.5%
El Jebel	30	0.3%
Basalt (incl. Pitkin portion)	5	0.1%
Lake County	541	5.9%
Summit County	140	1.5%
Garfield County	125	1.4%
Pitkin County	5	0.1%
Other Colorado	330	3.6%
Other State	118	1.3%
<b>TOTAL</b>	<b>9,124</b>	<b>100%</b>

Source: 2000 US Census; US Bureau of Economic Analysis; QCEW; 1999 Eagle County Household Survey; RRC Associates, Inc.; RRC Associates, Inc.

**EMPLOYMENT AND HOUSING DEMAND**

To better understand the potential supply of future housing relative to housing demand that will result from new employment, information provided by the Eagle County Community Development Department was used. This information provided an estimate to the total number of units allowed under current zoning, the estimated number of units built and potential new units. As part of this review, information from the NWCOG Second Home Study was also used. This study found that second home or out-of-county owners occupied about 50% of all homes in Eagle County. The study did not provide information about the number of out-of-county owners who may rent all or a portion of their homes to local residents. While half of homes may be owned by outside residents, it is likely that a portion of these homes are rented to or occupied by area residents.

Information on non-residential development for Vail, Avon and Edwards was used to provide an estimate of new jobs and subsequent housing demand in each of the three communities. This was compared to the number of potential new units that could also be built in these areas. It is acknowledged that additional residential housing will be developed in other parts of Eagle County; however, there is also likely to be additional non-residential development.

There are an estimated 7,603 homes that could be built under current zoning in Vail, Avon and the Edwards area. Assuming second homeowners occupy half of these homes and that current trends in local occupancy remains constant suggests that 3,802 new homes would be available for local employees. In Vail, employee-housing demand would exceed supply by 520 to 660 units. Avon would have a surplus of 366 units and



the housing demand in Edwards would exceed the potential supply by 1,239 homes. Within these three communities, demand generated from employment would exceed supply by 1,464 homes. This estimate does not take into account any potential impacts of second home owners purchasing existing housing stock in the area. This only relates new jobs to new residential units.

**Employee Housing Demand and Potential Supply**

	<b>Allowed by Zoning</b>	<b>Estimated Units Built</b>	<b>Potential Development</b>	<b>Potential Second Home Use</b>	<b>Potential Local Housing</b>	<b>New Employee Housing Demand</b>	<b>Net Employee Housing Demand</b>
Town of Vail	6,601	6,381	220	110	110	700	(590)
Town of Avon	5,747	2,761	3,909	1,955	1,955	1,589	366
Edwards Area	7,377	4,324	3,474	1,737	1,737	2,976	(1,239)
<b>TOTAL</b>	<b>19,725</b>	<b>13,466</b>	<b>7,603</b>	<b>3,802</b>	<b>3,802</b>	<b>5,265</b>	<b>(1,464)</b>
Estimated Seasonal/ Recreational Use (50%)	9,863	6,733	3,802				
Owners	6,115	4,174	2,357	1,178	1,178	3,264	
Renters	3,748	2,559	1,445	722	722	2,001	
<b>TOTAL Local Housing</b>			<b>3,802</b>	<b>3802</b>	<b>1,901</b>	<b>5,265</b>	

Source: Eagle County Dwelling Unit Analysis Summary 9/21/2004; NWCOG Second Home Study; Non-residential development from Vail, Avon and Edwards and McCormick and Associates, Inc. calculations.

## RENTAL PROPERTIES

This section examines some of the rental properties in the area. Vacancy and rent trends as reported by the Vacancy Survey conducted by the Colorado Division of Housing are provided for Eagle County. This section also provides information on current rent conditions, as reported by area property managers. Anecdotal information provided since contacting property managers in the area indicates that rental conditions have greatly improved since September.

### Vacancy Rates

Traditionally, Eagle County has had very low vacancy rates – well under 5% until very recently. Higher vacancy rates appeared in 2003 when there was a downturn in the economy and new product was being introduced into the market area. Vacancy rates in Eagle County have risen to slightly over 20% in the first quarter of 2004 from 2.99% in the first quarter of 2001. Several factors have affected vacancies including a slowed economy, poorer ski conditions and introduction of new product into the market area. Even with all of these factors taken into consideration, this is an alarming increase in vacancy rates. While this is the case, an informal survey of rental properties in Eagle County completed in February 2005 found that vacancies in apartments dropped significantly during 2004-05 winter season. In September 2004, vacancies of 16% were reported. This dropped to 4% in February 2005, which indicates the economy is picking up and low vacancies may be more the norm than were found in the past.

### Local Insights to Vacancy Rates

Eight properties in Eagle County were contacted to understand current vacancy rates. They were contacted in September 2004 and again in February 2005. There was a significant decrease in vacancy rates from September to February. In September, an overall vacancy rate of 16% was reported. Rates were the lowest at Eagle Bend and Kayak Crossing, both projects with some master leasing. At that time, Mountain Glen was undergoing a change in ownership and the property manager expected to begin more aggressive leasing and be occupied by the end of the first quarter in 2005.

#### Vacancy Rates – September 2004

	Lake Creek	Buffalo Creek	Timber Ridge	Mountain Glen	Eagle Bend	Kayak Crossing	Eagle Villas	Overall
Number of Units	270	244	198	72	294	50	120	1248
#Vacant	24	59	48	53	12	1	3	200
Vacancy Rate	9.0%	24.0%	24.2%	74.0%	4.1%	2.0%	2.5%	16.0%

About five months later, overall vacancy rates had dropped to about 4%. The most significant drop were in Buffalo Run, Timber Ridge and Mountain Glen. Buffalo Run and Timber Ridge are both attractive for seasonal employment, whereas Mountain Glen, which is located in Gypsum, is more attractive to long term residents. At this time,

Mountain Glen is being converted to condominiums that will be sold to area residents, thus eliminating additional down valley rental housing for families.

**Vacancy Rates – February 2005**

	Lake Creek	Buffalo Creek	Timber Ridge	Mountain Glen	Eagle Bend	Kayak Crossing	Eagle Villas	Overall
Number of Units	270	244	198	72	294	50	120	1248
#Vacant	10	10	12	5.976	12	1	0	51
Vacancy Rate	3.70%	4.10%	6.06%	8.30%	4.10%	2.00%	0.00%	4.08%

Source: McCormick and Associates, Inc. Interviews – February 2005

- The property manager of Lake Creek reported that this project had an occupancy level of 91% and a leased occupancy of 93%. This increased to 96% by February, which was in keeping with the experience of prior years.

Buffalo Ridge is a mixed income development that includes units priced to be affordable to households earning 60% of the AMI. There are 176 tax credit units, with the balance financed to be affordable to households earning up to 80% of the AMI. In an unusual twist, the units for higher income households were the first to lease, followed by tax credit units. This is because, a one-person household earning \$15 per hour makes 60% of the AMI. For a two-person household to qualify for a tax credit unit priced at 60% of the AMI, individuals can only earn \$8.50 per hour. Starting wages at Wal-Mart, City Market and comparable retailers is \$9.00 per hour. With a higher starting wage, two person households exceed the \$17 per hour allowed under the program. Units without income restrictions, or higher income restrictions were performing better. While off to a slow start, Buffalo Ridge is almost fully occupied and provides an indication of the importance of rental housing being available in the area for seasonal workers. It also provides an important lesson about the difficulty of finding households who meet tax credit income requirements in light of higher wages in Eagle County.

- Timber Ridge is an older property located in Vail that was recently acquired by the town. Historically, this property has provided housing for seasonal employees, with four employees sharing a two-bedroom unit. Master leasing units was a common practice. Today, all but 12 out of 120 units have been leased.

**Middle Creek**

Middle Creek was introduced into the Vail market in the fall of 2004. Initial lease up was brisk, with studios leasing the fastest. This was attributed to a combination of price (\$544 to \$731 per month) and ability to live alone. There has been a lot of interest in one-bedroom units, which are renting for \$597. There was a lot of interest in two-bedrooms, which will lease for \$915; however, there was also a similar concern about finding qualified two-person households as was voiced for Buffalo Ridge. A limited number of three-bedroom units carry income restrictions. Despite these concerns, Middle Creek leased all but three units during the winter season.

## Rents

Information from the Vacancy Study indicates that there have been very modest increases in rent since the third quarter of 2001. Average rents dropped slightly from the first quarter of 2002 and began to rise slightly in the third quarter of 2003. There has only been a 3% increase in average rent since the third quarter of 2003 to the first quarter of 2004, reflecting a very slow market. Median rent information was only available for two quarters. The fact that the median rents is very close to the average rent indicates that there is not a wide variance in rents in the market area.

<b>Time Period</b>	<b>Average Rent</b>	<b>Median Rent</b>
2001Q3	\$984	
2002Q1	\$985	
2002Q3	\$969	
2003Q1	\$983	
2003Q3	\$1,010	\$1,101
2004Q1	\$1,018	\$1,000

*Source: Division of Housing Vacancy Survey*

Rents for the following properties have not changed significantly since 2001. These eight properties offer housing to seasonal workers as well as long term residents. They are mix of income restricted and market rate units. It is important to note Middle Creek Rents are among the lowest found in the Valley for two-bedrooms.

	Lake Creek	Buffalo Creek	Middle Creek	Timber Ridge	Mountain Glen	Eagle Bend	Kayak Crossing	Eagle Villas	TOTAL
Year Built	1994	2004	2004	1976	2002	1991	1999	2002	
Total Units	270	176	142	198	72	294	50	120	1322
Studio		44	45						89
Rent		\$525	\$544; \$597; \$731						
One Bedroom	30	44	29			100			203
Rent	\$650 - \$750	\$830	\$766			\$650- \$725			
Two Bedroom	152	52	24	198	54	164	2	48	694
Rent	\$885- \$990	\$996	\$915	\$1,050	\$990- \$1,150	\$835- \$1,010	\$1,050	\$795	
Three Bedroom	88	36	44		18	30	21	68	305
Rent	\$1,050 - \$1,150	\$1,396	\$1,634- \$1,792		\$1,325	\$1,030- \$1,375	\$1,375	\$895	
Four & Five Bedroom							27	4	31
Rent							\$1,600- \$1,825	\$1,015	

## FOR SALE TRENDS

### Factors Affecting Supply

Information provided by the Vail Housing Office on average sale prices in Vail for modestly priced condominiums and town homes revealed an average sales price for one bedrooms of \$215,735; two bedrooms were \$314,000 and three-bedrooms were \$370,000. It was noted that HOA dues are increasing as older condominium and town home projects begin making improvements that have been delayed for some time. Some HOA dues run as high as \$400 per month.

### Second Home Buyers

According to the recently completed study of second home ownership in Eagle County, about 49% of homes in the area are used as second homes. Of the estimated 4,800 homes valued at \$100,000 to \$199,999 about 39% are used as second homes. Another 45% of the homes valued at \$200,000 to \$299,999 are also used as second homes.

### Vail Home Buying Trends

Eagle County Assessor's data was reviewed to ascertain trends in local and out of county buyers for Vail. A review of this information found:

- About one-third (32 percent) of homeowners in East Vail are residents of Eagle County. The highest percentage of East Vail homeowners is from the Colorado Front Range (39 percent), with less influence from out-of-state/country owners (28 percent). These ratios are fairly consistent with home purchases between 2000 and 2004.
- Just over one-half (56 percent) of homeowners in West Vail are Eagle County residents. Out-of-state/country owners hold another 26 percent of units and Colorado Front Range owners are much lower at 17 percent. The percentage of home sales between 2000 and September 2004 that went to Eagle County residents was slightly lower than their current ownership ratio (50 percent), with an increase in Front Range interest (21 percent) and a slight increase in out-of-state/country purchasers.
- A higher percentage of sales went to Eagle County locals in West Vail (44 to 56%) than in East Vail (33 to 36%) between 2000 and September 2004.
- Sales to Eagle County residents jumped from 44 percent in 2000 to a high of 56 percent in 2001 in West Vail. The percentage of sales to locals has declined since 2001, but still remain above 2000 levels. The largest percentage of sales in West Vail have consistently gone to Eagle County residents since 2000, as compared to buyers from the Front Range, other areas of Colorado and other states/countries. The out-of-state/country market tends to out-purchase Front Range residents in West Vail as a percentage of sales.
- The percentage of sales to Eagle County residents in East Vail have remained more consistent than West Vail sales, averaging about 34 percent of all sales from 2000 through September 2004. Front Range buyers purchased the largest percentage of units in East Vail from 2000 through September 2004 (36 to 44 percent), as compared to residents of Eagle County, other areas of Colorado and other states/countries.

**Primary Residence of Residential Owners in  
East Vail and West Vail: 2004**

Owners	East Vail	West Vail
Eagle County	32%	56%
Front Range	39%	17%
Other Colorado	1%	1%
Other State/Country	28%	26%
TOTAL	100%	100%
TOTAL (#)	1,581	2,202

**East Vail Sales By Residence Of Purchaser:  
2000 Through September 2004**

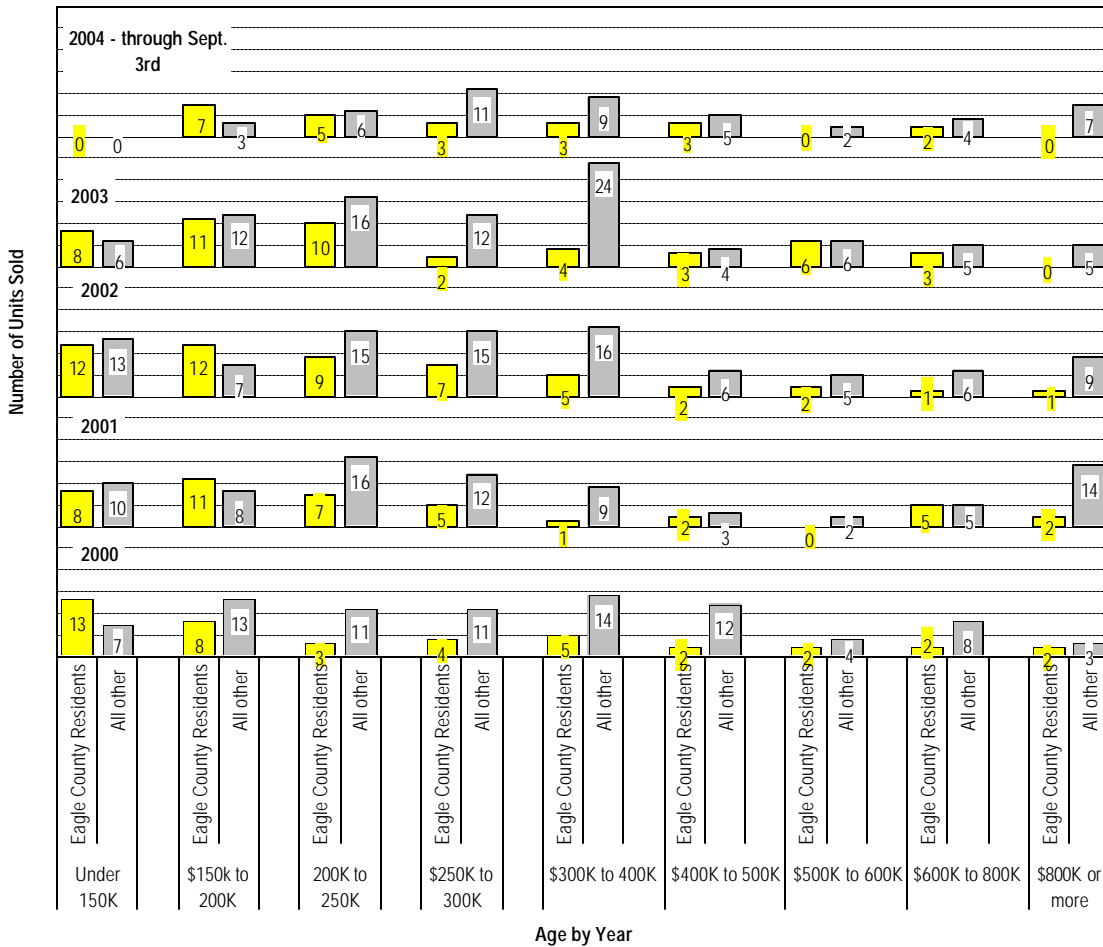
East Vail	2000	2001	2002	2003	2004	Total
Total Sales	124	120	143	137	70	594
Eagle County	33%	34%	36%	34%	33%	34%
CO Front Range	44%	38%	37%	42%	37%	40%
Other CO	1%	3%	3%	1%	0%	2%
Other State/Country	23%	25%	24%	23%	30%	25%
TOTAL	100%	100%	100%	100%	100%	100%

**West Vail Sales By Residence Of Purchaser:  
2000 Through September 2004**

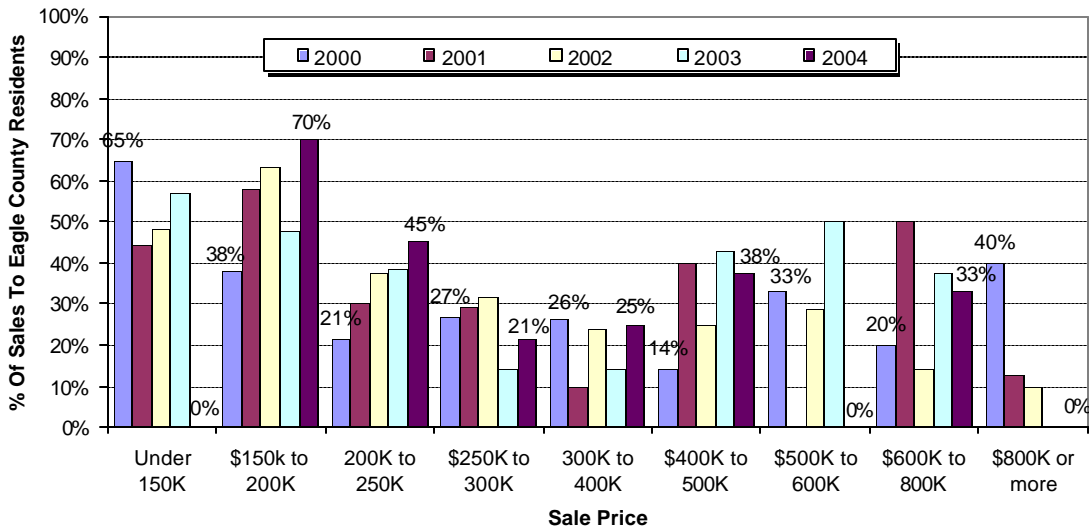
West Vail	2000	2001	2002	2003	2004	Total
Total Sales (#)	148	138	143	161	98	688
Eagle County (%)	44%	56%	52%	48%	51%	50%
Front Range (%)	24%	21%	17%	22%	18%	21%
Other Colorado (%)	1%	1%	1%	2%	0%	1%
Other state/country (%)	31%	22%	31%	27%	31%	28%
Total (%)	100%	100%	100%	100%	100%	100%

- The largest number of residences sold to Eagle County residents in East Vail are generally priced under \$250,000.
- The percentage of East Vail homes sold to Eagle County residents in each price range shows two “peaks.” One for homes priced under \$250,000 (53 percent of homes under \$200K and 36 percent between \$200 and \$250K) and another for homes priced between \$500,000 and \$800,000 (between 32 to 34 percent).
- The percentage of East Vail homes sold to Eagle County residents priced between \$150,000 and \$250,000 has generally been increasing between 2000 and September 2004.

### Number Of Units Sold To Eagle County Residents And Other Purchasers: East Vail, 2000 through September 2004

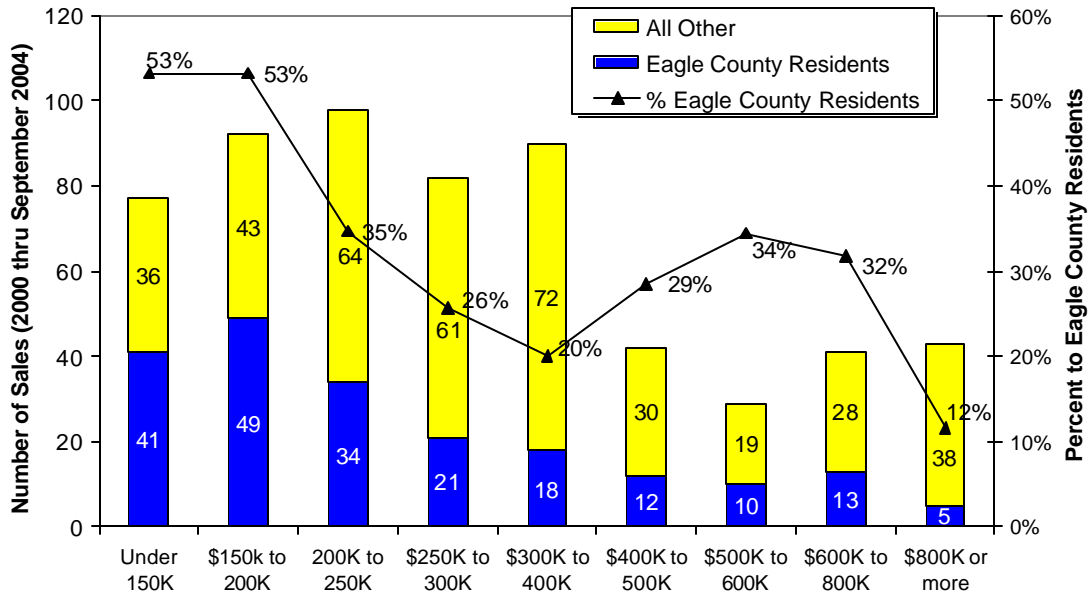


### % Of Sales To Eagle County Residents In Each Price Range: East Vail



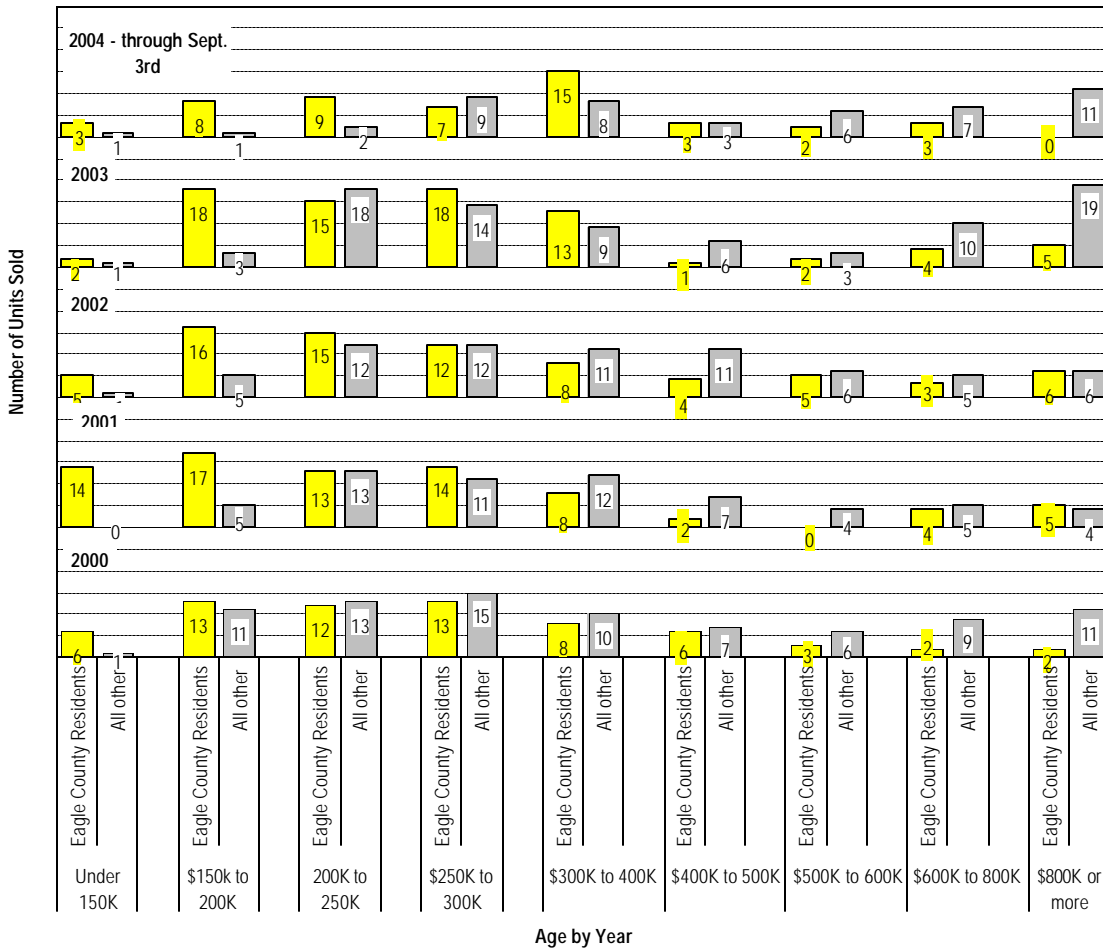


**Total Number And Percent Of Residential Sales To Eagle County Residents:  
East Vail, 2000 through September 2004**

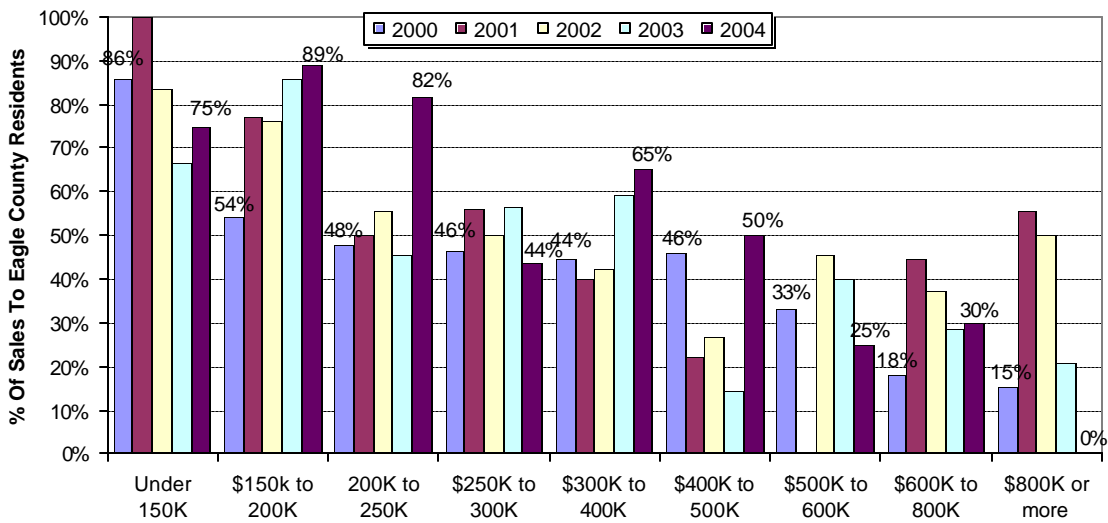


- The largest number of residences sold to Eagle County residents in West Vail are generally priced under \$350,000.
- The percentage of West Vail homes sold to Eagle County residents in each price range shows a “declining” trend. Over 75 percent of homes priced under \$200K were sold to locals, declining to about 51 percent of homes priced between \$200K and \$350K, 31 percent of homes between \$350K and \$800K and 26 percent of homes over \$800,000. Locals are most active in purchasing homes under \$350,000.
- Locals are more active in purchasing homes in West Vail than in East Vail over all price ranges, both in terms of numbers and percentage of homes sold, with the exception of homes priced between \$500,000 and \$800,000. Locals purchased a similar number of homes in West Vail and East Vail in this price range, but comprised a slightly higher percentage of purchasers in East Vail (between 32 and 34 percent) than West Vail (about 31 percent).
- The percentages of West Vail homes sold to locals and priced between \$150K to \$200K and \$300K to \$400K have generally increased since the year 2000. With the exception of 2004, the percentage of homes sold to locals and priced between \$200K and \$300K has remained fairly flat, at about 50 percent on average.

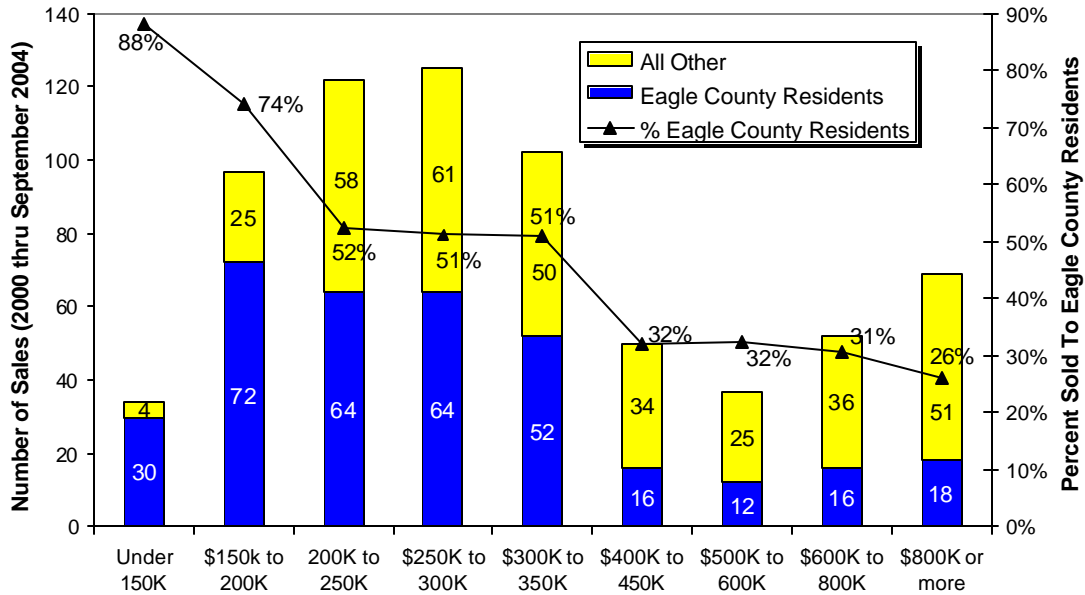
### Number Of Units Sold To Eagle County Residents And Other Purchasers: West Vail, 2000 through September 2004



### % Of Sales To Eagle County Residents In Each Price Range: West Vail



**Total Number And Percent Of Residential Sales To Eagle County Residents:  
West Vail, 2000 through September 2004**



Four projects were reviewed to understand sales patterns. Pitkin Creek located in Vail and purported to be an “affordable housing development”, Miller Ranch, Homestead and Eagle Ranch.

- Between 2002 to September 2004, there were 44 sales in Pitkin Creek. Of these, 17 were made to households with Vail addresses and the balance was to households outside of Eagle County. The average sales price of all units in this development was \$227,000 for a 3BR, 2.5 baths home. By comparison, homes sold to locals were substantially lower and smaller. The average sales price was \$198,000 for a 2.5 BR/1.75 bath unit. At Pitkin Creek, sales prices have increased, on average by 13% since 2002.
- Miller Ranch is restricted to Eagle County residents who earn 75% of their income in the county. Because of this, all 74 sales were to Eagle County residents. Of these sales, 22 sold for less than \$200,000 (including Miller Ranch Lofts) and 43 sold for \$200,000 to \$300,000. The average sales price of all homes was \$216,140.
- Homestead is another residential development located in the Edwards area. Since 2002, there have been 106 sales in this subdivision. Out of these 106 sales, 24 had prices of \$300,000 or less. Of homes sold in these price ranges, seven were to buyers outside of Eagle County. One home was sold for less than \$200,000 and five with prices of \$200,000 to \$300,000 were sold to out-of county residents.
- At Eagle Ranch, 96 sales of homes (excluding buildable lots) were made and only 10 were to households outside of Eagle County. It appeared; however, that a substantial number of lot sales were made to out of county owners as well as developers such as Village Homes.

## CURRENT LISTINGS

### Eagle County

Homes listed for sale in Eagle County and Vail were examined to understand the potential supply of units that local employees and residents could purchase. In January 2005, there were 609 homes listed for sale. Over half were detached units. Of current listings, 72% had prices of \$500,000 or more. About 9% (44) of listings were \$300,000 or less, which is considered entry level home prices in Eagle County. Most of the homes in the entry-level price ranges are attached units.

	Attached	Detached	TOTAL	% OF TOTAL
<\$100,000	4	1	5	0.8%
\$100,000 - \$150,000	4		4	0.7%
\$151,000 - \$200,000	12	4	16	2.6%
\$201,000 - \$250,000	17	2	19	3.1%
\$251,000 - \$300,000	11	9	20	3.3%
\$301,000 - \$350,000	12	12	24	3.9%
\$351,000- \$400,000	11	21	32	5.3%
\$401,000 - \$450,000	19	13	32	5.3%
\$451,000 - \$500,000	11	9	20	3.3%
\$500,000+	132	305	437	71.8%
	233	376	609	100.0%

Source: Eagle County MLS

Of the attached units available for sale, most are located in Beaver Creek, followed by Vail and Edwards. Of units priced below \$300,000 about an equal number are found in Vail as Avon/Beaver Creek, with most located in Eagle.

### Attached Listing by Price and Location

	Vail	Avon/ Beaver Creek	Gypsum	Eagle	Edwards	Other
<\$100,000	2	1				1
\$100,000 - \$150,000	2	2				
\$151,000 - \$200,000	2	4	3	3		
\$201,000 - \$250,000	1		3	13		
\$251,000 - \$300,000	1	3		4	1	
\$301,000 - \$350,000	2	9		1		
\$351,000- \$400,000	3	5		1	2	
\$401,000 - \$450,000	1	17				
\$451,000 - \$500,000	3	5				2
\$500,000+	44	66			20	4
TOTAL	60	112	6	22	23	7

Most of the single family homes available for sale in Eagle County are priced above \$1 Million. Of the lower priced homes, most are located in Gypsum, followed by Eagle. There is a clear trend toward higher priced homes in Eagle County. While in the past, the trend was to find higher priced homes in Vail, it appears that Edwards has a significant portion of its single family homes listed above the \$1 million mark. This suggests that Edwards may not be as favorable an option for potential entry-level buyers as it was in the past.

**Single Family Listings by Location**

	Vail	Avon/Beaver Creek	Gypsum	Eagle	Edwards	Other
<\$100,000			1			
\$100,000 - \$150,000						
\$151,000 - \$200,000			2			2
\$201,000 - \$250,000			1	1		
\$251,000 - \$300,000			8	1		
\$301,000 - \$350,000			7	4		1
\$351,000- \$400,000			10	11		
\$401,000 - \$450,000		3	3	4		2
\$451,000 - \$500,000		1	1	4	1	1
\$500,000 - \$1M	10	8	7	37	21	3
\$1M+	46	49	1	4	114	11

**Vail**

Listings of homes for sale in Vail as of January 2005 were examined to understand the potential to meet housing demand that will be generated from current buyers and potential new buyers coming to Vail to work. This information provides some insight into current market conditions.

In January, there were 116 units listed for sale in Vail. Of these, 7.8% were priced at or below \$300,000 and would be in the range of affordability for some entry level buyers in Vail. None were single-family units. The starting price for a single family home, built in 1978 with three bedrooms and 2.5 baths was \$625,000. The most expensive single-family unit was listed for close to \$16 million. Of the single-family homes listed for sale, seven were priced below \$1 million.

**Comparison of Asking Price Ranges**

	<b>Attached</b>	<b>Detached</b>
<\$300,000	9	
\$301,000 - \$400,000	3	
\$401,000 - \$500,000	4	
\$501,000 - \$600,000	12	
\$601,000 - \$800,000	1	6
\$801,000 - \$1M	10	1
\$1M+	22	47
<b>TOTAL</b>	<b>61</b>	<b>54</b>

Sales prices of roughly \$300,000 or less are more likely to be affordable to Vail employees. Because all single-family homes were outside this price point, only attached for sale units were analyzed.

Over half of the attached units were listed at prices at or above \$500,000. There were nine priced at or below \$300,000.

**Sales Price Range – Attached Units**

<b>Price Ranges</b>	<b>Attached</b>	<b>%age of Total</b>
<\$100,000	2	4.7%
\$100,000 - \$150,000	2	4.7%
\$151,000 - \$200,000	2	4.7%
\$201,000 - \$250,000	1	2.3%
\$251,000 - \$300,000	2	4.7%
\$301,000 - \$350,000	2	4.7%
\$351,000- \$400,000	3	7.0%
\$401,000 - \$450,000	1	2.3%
\$451,000 - \$500,000	3	7.0%
\$500,000+	43	100.0%
	<b>61</b>	

Source: Eagle Valley MLS

Among the homes listed for sale for \$300,000 or less there, over two-thirds were one-bedrooms. Only one was a two-bedroom unit.

**Bedroom Configuration**

	<b>Attached</b>
Studio	2
1BR	6
2BR	1
3BR	
4+BR	

Of the homes for sale for under \$300,000, most were quite old, with eight being built prior to 1979. No attached product was available that had been built within the last ten years.

**Age of Listings**

<b>Year Built</b>	<b># of Units</b>
Prior to 1979	8
1980-1984	1
1985-1989	
1990-1994	
1995-1999	
2000-2005	