

Summit County
HOUSING DEMAND ANALYSIS
2007

---- FINAL DRAFT ----

June 2007

Prepared for:
Summit County Housing Authority

Prepared by:
RRC Associates, Inc.
and
Rees Consulting, Inc.

TABLE OF CONTENTS

INTRODUCTION5

 Organization of the Report 5

 Methodology 6

 Area Covered 6

 Primary Research 8

 Household Survey 8

 Interviews 8

 Definitions 9

KEY FINDINGS AND CONSIDERATIONS10

 Housing Trends Update 10

 Housing Demand 11

 Housing Preferences 11

 Regional Housing Demand Map 13

 Policy Considerations 13

1 - POPULATION AND HOUSEHOLD PROJECTIONS15

 Population Estimates 15

 Housing Unit and Household Estimates 15

 Tenure 16

 Household Demographics 16

 Household Type and Size 17

 Households with Children 17

 Change in Households Over Next 5 Years 17

 Residence Type and Size 18

 Length of Residency 19

 Household Income 20

 Housing Costs 21

 Household Area Median Income (AMI) 22

 Affordability Level - Illustrated as a Housing Continuum 23

2 - EMPLOYMENT AND COMMUTING26

 Number of Jobs 26

 Seasonality in Employment 26

 Commute Patterns 27

3 - HOUSING INVENTORY29

 Unit Type 29

 Ownership Housing 29

 Value Of Units 29

 Locals Versus Second Homeowners 31

 Employee Ownership Units 33

Rental Housing	35
Average Rents	36
Vacancy Rates	36
Employee Rental Units.....	36
4 - HOUSING SALES.....	38
Sales Volume by Basin.....	38
Sales By Type Of Unit	39
Sales Prices.....	40
Sale Prices and Local Incomes	41
Sales by AMI Affordability.....	42
Local Realtor Interviews	43
5 - HOUSING DEMAND	44
Overview – 2005 Demand Calculation	44
Homeownership Demand Generated by Renters.....	45
Rental Unit Demand	46
Homeownership Demand Generated by Existing Owners.....	47
Homeownership Demand from In-commuters.....	47
Demand from New Jobs	48
Demand for Senior Housing	49
Housing Demand Summarized.....	52
Allocation of Demand by Basin.....	53
Homeownership Demand by AMI and Purchase Price.....	54
Homeownership Demand Addressed by the Free Market.....	56
Number of Listings	56
Months Inventory.....	57
Prices	57
Availability by Price and AMI.....	58
Comparison – Availability to Demand.....	61
6 - HOUSING PREFERENCES	64
Location.....	64
Where Residents Want to Live.....	64
Location Considerations.....	65
Rental Housing	68
Unit Type Preferred.....	68
Lease Terms	69
Homeownership.....	70
Reasons for Wanting to Buy	70
Unit Type.....	71
Bedrooms and Bathrooms	72
Price	73
Amenities.....	74
Other Home Characteristics	75
Deed Restrictions	77
Down Payment Availability	77
Trade Offs.....	78

Senior Housing78
 Location.....78

7 - REGIONAL HOUSING DEMAND MAPS82

 Single-Family Property Ownership by Basin82
 Current Deed Restricted Properties.....82
 Town- and County-Owned Land.....82
 Snake River Basin Maps85
 Lower Blue Basin Maps.....87
 Tenmile Basin Maps89
 Upper Blue Basin Maps.....91

Appendix A - Housing Preference Basin Profiles93

INTRODUCTION

The 2007 Summit County Regional Housing Demand Study was undertaken by the Summit County Housing Authority and other participating local government partners in an effort to more effectively target local housing programs. The study builds upon the 2005 Summit County Housing Needs Assessment Update by providing additional information concerning housing trends and needs, but it goes further in terms of determining housing opportunities by identifying locations, types, amenities and price points that would be attractive and attainable within the Summit County market.

The study was based upon surveys conducted within Summit County that were designed to go beyond previous research efforts by providing specific feedback on household needs and preferences. The surveys were fielded to households throughout the County with the intent to develop a sufficiently large sampling to permit analyses to occur at both the County level and at the level of the four drainage “basins” that are used for purposes of regional planning in Summit County. In addition, the data was also collected in a manner that permits conditions in the incorporated towns in the County to be profiled, and while a town-level analysis was not a primary focus of this study, the database is sufficiently large to permit some findings to be developed at town levels, and the data from this study will provide a starting point for additional analysis by the towns concerning conditions in the individual municipalities.

This report is organized into eight sections. Each section begins with an introduction to the topics contained in the section. These sections are described briefly below:

Organization of the Report

Key Findings and Recommendations – This section provides an overview of key findings and conclusions of the report, along with recommendations for suggested actions and options for meeting current and future housing demand of residents and employees of Summit County.

Population and Demographics Profile – Describes the population, households, income, age distribution, and length of residence and tenure of those living in Summit County. This information was derived primarily from the 2007 Household Survey and provides a context for understanding housing demand and supply in the community. This section also provides population projections through 2012 and estimated households by Area Median Income.

Employment and Commuting – A brief review of employment patterns in Summit County is provided, including the number of jobs and employees, seasonality, projected changes in employment and commuting. This section is not a comprehensive analysis of employment and commuting in Summit County but is meant to be an update to the 2005 Needs Assessment.

Housing Inventory – A review of the existing housing stock is provided as an update to the 2005 Needs Assessment. This section of the report addresses the number and location of units, growth rates, ownership by primary residents and second homeowners, unit type, value of owner housing, rental rates and occupancies and an assessment of existing employee-restricted ownership and rental units and pending projects.

Housing Sales – A summary of housing sales between 2004 and April 2007 is provided as an update to the 2005 Housing Needs Assessment, which evaluated sales between 2001 and 2004. Sales by type of unit, location, and price of unit are evaluated.

Housing Demand –Housing demand is comprehensively examined and allocated to the county's four river basins. The market is segmented into ownership and rental unit demand based on preferences of Summit County's residents; prices are determined at which housing will be affordable.

Housing Preferences – Housing preferences are analyzed for use in the planning, design and development of housing in each of the four river basins. It considers the preferences of Summit County's residents in terms of where they want to live, the type and size of homes they want to live in, the amount they want to pay and the amenities they want provided.

Regional Housing Demand Map – A series of maps are provided, showing existing deed-restricted housing locations throughout the county, as well as public-owned lands that could be targeted for future housing development. The map is designed to help further discussions with respect to the provision of housing in the county.

Methodology

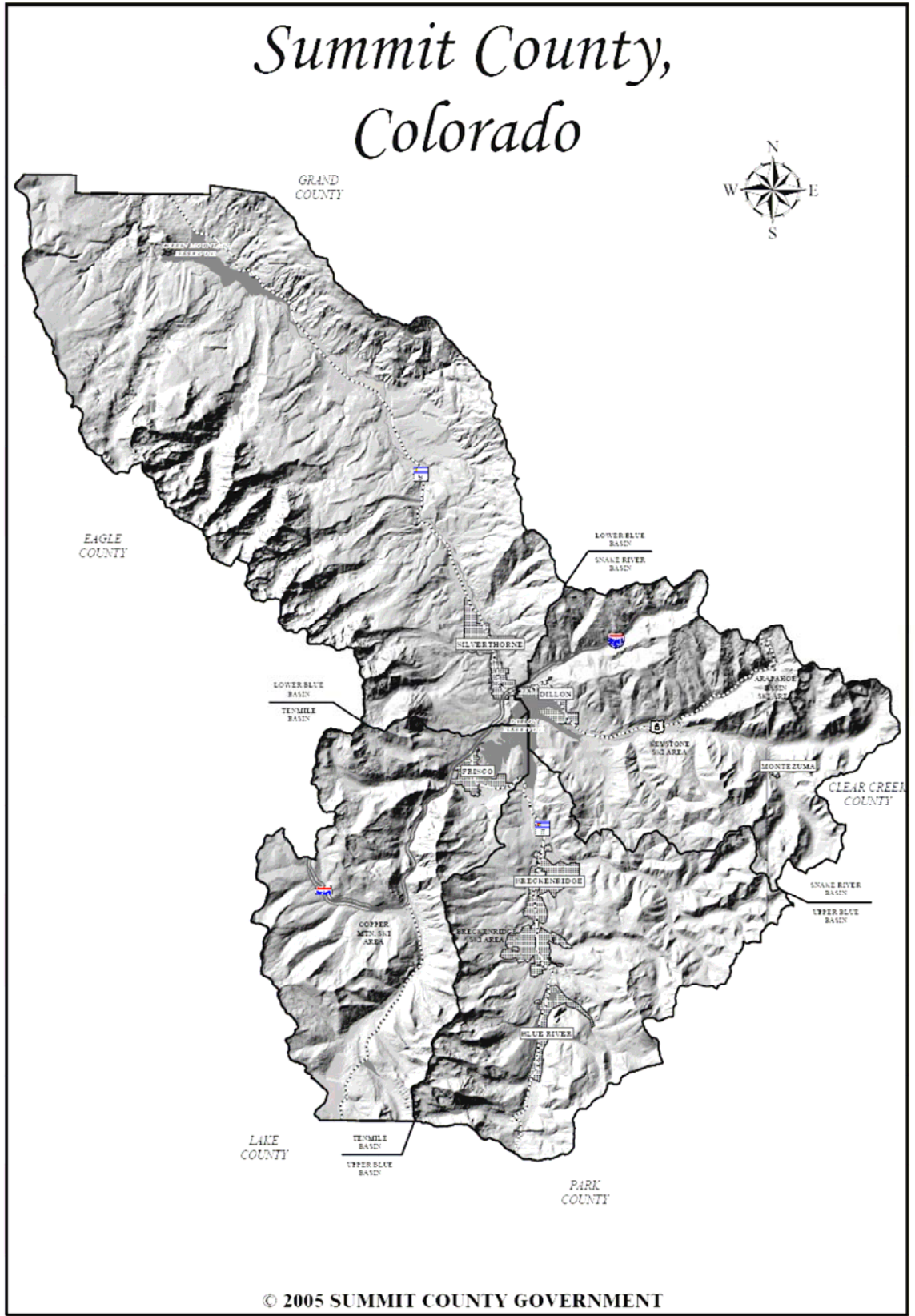
This Demand Study used a combination of publicly available information together with surveys that were designed to obtain current information that goes beyond what is available through the Census, the State of Colorado and other sources that may be accurate but are often out of date by this point in the decade (the US Census occurred in 2000). Primary information was collected through interviews with community and county planning staff regarding development since the last study and pending future development in Summit County.

Data sources used in this study include:

- 2000 US Census – population and demographic information
- Department of Local Affairs – population and job projections
- Center for Business and Economic Forecasting – Quarterly Census of Employment and Wages
- Summit County Assessor data – ownership and property information and sales trends
- Summit County GIS data - county shape layers provided for the regional housing demand map
- Department of Housing and Urban Development – area median incomes
- Multiple Listing Service – current available for-sale units
- 2001 and 2005 Summit County Housing Needs Assessments and related household and employer surveys
- Local planning department interviews – development since 2005 and potential developable land

Area Covered

This study covers Summit County and includes information on workers that in-commute to the county for jobs. Given the diversity of the county, the report discusses differences among four primary regions of Summit County identified in the basin map below, including the Lower Blue, Snake River, Upper Blue and Tenmile basins. These regions follow the boundaries of the four census tracts in Summit County.



Primary Research

Primary research was conducted to generate information beyond that available from existing public sources. This research included a paper version of the household survey distributed to Summit County Households, and an online version of the household survey distributed through local employers. Additionally, interviews were conducted with local realtors and discussions were held with the town planning departments.

Household Survey

The Household Survey was mailed to 3,500 random homes in Summit County. The online survey was distributed mainly to county and town employees, Vail resorts employees, fire district employees and hospital employees. A total of 1,055 completed household surveys were returned, for an average response rate of about 30 percent.

Responses from the household survey represent a total of 1,055 households, 2,356 total persons in households and 1,724 employed adults. The primary purpose of the survey was to generate information on demographics of residents and their respective current housing conditions; housing demand and preferences; and employment and commuting patterns among Summit County residents.

Representation and Weighting of the Sample

Two levels of weighting were applied to the Household Survey data to ensure that the survey is representative of the general Summit County population.

First, the survey data were weighted to better reflect the owner/renter mix as projected forward from the 2000 Census. As typically occurs with household surveys, the raw survey results under-represented renters – about 20 percent of responses received were from renters. As of the 2000 Census, about 41.1 percent of households in Summit County rented. It is expected that the percentage of renters declined slightly given the purchase opportunities provided with low interest rates, condominium conversions and affordable housing development. After weighting the survey data, renters represented about 36 percent of households.

Finally, as is typical with survey results, lower income households (particularly those earning under 50 percent of the Area Median Income (AMI)) were underrepresented in the raw survey results. About 4 percent of survey respondents who own their home and 12.6 percent of renters earned in this very low-income range compared to about 9 percent of owner households and 28 percent of renter households reported by the 2000 US Census. After weighting the data, about 9 percent of renters and 28 percent of owners earn within that income range.

Statistical Validity

The margin of error for household survey tabulations is generally within 3.5 percent at the 95 percent confidence level. This means that, for tabulations involving the entire sample, there is 95 percent confidence that any given percent reported is no more than plus or minus 3 to 4 percentage points from what is actually the case. When estimates are provided for sub-groups, such as household type, owners and renters, etc., the tabulations are less precise.

Interviews

Several realtors are interviewed to gain an understanding of the residential real estate market in the county, specifically as it relates to local resident affordability and housing preferences.

Town and Planning Department Discussions. Discussions were held with towns and town planning departments to understand the current housing goals and regulations as well as to obtain data for the regional housing demand map.

Definitions

The following definitions are applicable for the terms used in this report.

Affordable Housing -- when the amount spent on rent or mortgage payments (excluding utilities) does not exceed 30% of the combined gross income of all household members. There is no single amount that is "affordable." The term is not synonymous with low-income housing, where, under most Federal programs for low-income housing, occupants pay 30 percent of their gross income for rent and utilities.

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

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

Overcrowded Conditions -- the standard definition is where more than one person *per room* resides within a dwelling unit. For example, six people living in a five-room home would be living in overcrowded conditions.

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

Median - the middle point in a data set.

Certificate of Occupancy -- the official document issued by the City to a developer or general contractor upon completion of a dwelling unit, signifying the construction conforms to safety standards, such as the Uniform Building Code, as well as other applicable local standards, such as land use regulations and zoning.

Income Limits -- most communities establish income limits for the programs they administer based on the area median income (AMI) for the area according to household size, which are adjusted annually by the Department of Housing and Urban Development (HUD). Four different income categories are defined for various programs and policies. The dollar amounts associated with each household size are provided in the Very Low, Low, Moderate and Middle Income section of this report:

1. *Very low income*, which is less than 30% of the median family income;
2. *Low income*, which is between 30% and 49% of the median family income;
3. *Moderate income*, which is between 50% and 79% of the median family income; and,
4. *Middle Income*, which is between 80% and 120% of the median family income.

KEY FINDINGS AND CONSIDERATIONS

This section provides a brief overview of the key findings and considerations identified in the report, along with recommendations concerning appropriate conclusions from the study and suggestions regarding options and next steps toward using the information collected to address the challenges of regional housing policies and programs.

This report does not provide all of the information that would be desirable to have when finalizing designs for the construction of specific projects. However, 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 general design recommendations. The data compiled from this study will be available through the Summit County Regional Housing Authority.

Housing Trends Update

Ownership Housing Trends

- The median household income in Summit County increased by 24 percent between 1999 (\$56,587) and 2007 (\$70,000), compared to a 66 percent increase in average sales prices in Summit County.
- The median home price of single-family homes in 1999 (\$317,500) was about 491 percent higher than the median household income (\$64,600). The median price of a single-family home in 2007 (\$670,300) is about 851 percent higher than the median household income (\$78,800). Households can typically afford to purchase homes priced between about 300 and 400 percent higher than their household income, depending on the size of their down payment and other factors.
- Availability of lower-priced homes on the market is declining. Comparing current listings to sales last year, there is a lower percentage of homes currently on the market that are affordable to a person make between 80 and 180 percent of the AMI than were sold last year (32 percent compared to 42 percent).
- Realtors supported the statistic that homes priced under \$300,000 are scarce on the market, yet are the price points at which most locals can qualify and are looking to buy. First-time homebuyers moving into the area who can only qualify for \$250,000 to \$400,000 have few choices - mostly small two-bedroom units in disrepair with high renovation costs. Second homeowners compete directly with locals to purchase these units. In other words, for-sale homes in Summit County are beyond the reach of locally employed residents.

Rental Housing Trends

- Average rents have increased about 10.6 percent between 1999 and 2007, from \$818 as of the 2000 Census to \$905 based on current household surveys. Renter incomes increased 16.8 percent during the same time period, indicating that rental properties are becoming more affordable to residents.
- Typically, vacancy rates around 5 percent suggest some equilibrium in the market, meaning there is sufficient supply to provide renters with a choice of product. Vacancy rates below this threshold indicate under-supply, whereas rates above this level suggest over-supply of housing. Vacancy rates in the first quarter of 2006 became extremely tight, with only 1.6 percent vacancy, but then increased to 7 percent in the third quarter of 2006. This is typical of an area with a winter seasonal workforce. The rental housing situation is not as difficult as the for-sale market for local residents.

Housing Demand

Housing demand is a function of desires as well as needs. In total, demand currently exists for approximately 4,468 units. By 2012, new jobs and an increase in senior households will generate demand for roughly 2,706 additional units, which brings the total to approximately 7,174 housing units (5,656 ownership and 1,518 rental) for which demand will be generated by 2012. This estimate covers all income and price ranges, not just the demand for affordable units, and includes:

- Renters who would like to buy homes in Summit County;
- Renters who would like to continue to rent or who want to buy but will likely be unable to;
- Homeowners who would like to purchase a new or different home;
- In-commuters who would like to move into Summit County to be closer to work;
- Employees needed to fill jobs that will be created in the next five years; and,
- Seniors, who are one of the fastest growing population groups in the county.

Also, it includes only units that will be occupied as primary residences – the demand for vacation homes and accommodations has not been considered.

Comprehensive Estimate of Housing Demand		
Source of Demand	Ownership	Rental
<i>Existing / Catch-Up Demand</i>		
Renters Wanting to Buy	1,970	-
Homeowners Wanting New/Different Home	1,807	-
In Commuters Wanting to Live in Summit County	691	-
<i>Forecasted / Keep-Up Demand</i>		
New Jobs 2007 - 2012	888	1,418
Additional Senior Households 2007 - 2012	300	100
Total	5,656	1,518

Housing Preferences

A comprehensive survey was conducted to evaluate a variety of housing topics, including “preferences” of local resident households.

Location

- Based on the survey data, when Summit County’s residents look for places to live, they most value community character. Character, which included family orientation and neighborhood appeal, rated the highest among location considerations followed by place of employment, proximity to skiing/recreation and proximity to services. These findings suggest that when planning ways to address demand for housing, emphasis should be as great on building neighborhood as building units.

- For most potential homebuyers, location and price are more important than unit type and size. Residents are willing to trade off unit type and size to live where they want to live and pay a price they can afford.

Unit Type

- Approximately three-fourths of the residents who would like to buy a home in Summit County, both renters who want to move into ownership and owners who would like to buy a new or different home, would like to buy a small single-family house with a base price of about \$200,000. Of these, the majority (60 percent) desire and would be willing to pay for only two-bedrooms, which suggest small, compact designs appropriate for year-round living would be popular.
- While there is little townhome product in Summit County (only 9 percent of units owned by Summit County residents are legally townhomes with deeded lots, although some condominiums feature some townhome-like features), survey results indicate that many would willingly compromise on their desire to purchase a single-family home if highly-rated amenities like a yard and two-car garage are provided in desirable locations.

Amenities

- Approximately 85 percent of potential homebuyers selected one or more of the optional design features offered in the survey, which increased costs on average from \$35,000 for condominiums with a base price of \$100,000 to \$50,000 for single-family homes. A balcony or deck was the most often selected amenity, followed closely by a two-car garage with a private yard ranking third. Green building/energy efficiency, which would enhance the long-term affordability of homes, ranked fourth out of the 10 options offered.

Incomes and Affordability

- A comparison of incomes to the prices of the units designed by survey participants revealed that most residents interested in purchasing homes should be able to afford what they want to buy. Households with incomes less than 100 percent AMI are about the only ones who should have difficulty affording the homes they selected through the survey.

Deed Restrictions

- Deed restrictions with resale price caps that would limit appreciation or remove them for a cost of \$100,000 were evaluated throughout the survey. Overall, just over half indicated they would pay an additional \$100,000 to remove the restriction. Those already owning a home and looking to buy a new or different home were more interested than renters in removing the restriction although 30 percent indicated they would accept a deed restriction in order to keep price the same. Approximately 62 percent of renters who would like to buy would accept a deed restriction. In other words, about one half of all buyers and about 60 percent of renters accept the imposition of deed restrictions.

Senior Housing

- Seniors are a fast-growing segment of Summit County's population and are expected to generate demand for 400 additional housing units in the next five years. In addition to free market housing, their needs and desires could be addressed through a variety of options designed specifically for seniors.

Demand appears to be greatest for purchasing cottages in retirement communities, although there is also modest demand for senior rentals, assisted living and skilled nursing homes.

Rental Housing

- Providing homeownership opportunities that substantially address the first-time homebuyer market should free up a sufficient number of existing rental units for the 12 percent of renters who want to continue to rent. Rental demand will grow in the future, however, with forecasted demand for approximately 1,400 units by 2012, fueled by new jobs.
- The desire of renters to live alone is a design consideration. Approximately 40 percent of renters who want to continue to rent would like to lease a small apartment in which they can live alone. Only 22 percent of renter households now consist of one person living alone; many renters are forced to live with unrelated roommates when living alone is preferred.

Regional Housing Demand Map

As part of the Demand Analysis, an inventory of public lands was conducted. Based on an analysis of town and county owned land, the Snake River basin has the largest acreage of potentially developable land, followed by the Lower Blue basin, Tenmile basin and the Upper Blue basins. The acreages represented below are only estimates, and do not discount for zoning regulations or natural obstacles. They provide a rough measure of land availability in relation to demand.

Potentially Developable Acres; Summit County Basins 2007				
	Snake River Basin	Lower Blue Basin	Tenmile Basin	Upper Blue Basin
Town-Owned Land (acres)	139	84	44	398
County-Owned Land (acres)	1,040	1,237	95	144

Source: Summit County Assessor, Summit County GIS Department, RRC Associates, Inc.

Policy Considerations

Given limited land availability and financial resources, the communities in Summit County and the Housing Authority will find it challenging to meet all of the demand for housing that now exists and will grow in the future. Detailed estimates of demand for population groups were provided to support policy development since there are separate issues and implications associated with serving the various segments like:

- Should addressing catch-up needs be given priority over keep-up needs or vice versa?
- Should priority for units be based on length of residency when establishing priorities? Should length of employment in the county be a selection factor?
- Should growth be required to pay its own way through the provision of housing for employees needed to fill new jobs?
- How important is it to provide housing not only for retiring employees to stay in the county but also for seniors to move in who want to live near family?

- Should residents who already own homes be given the same consideration as those who want to move from rentals into ownership and should efforts be made to preserve the units owners now occupy for other year-round residents?

1 - POPULATION AND HOUSEHOLD PROJECTIONS

This section evaluates population and household growth, household area median income (AMI) and households with housing problems. Affordability levels for Summit County residents are also evaluated. This section is meant to be an update to the 2005 Housing Needs Assessment.

Population Estimates

The Department of Local Affairs projects that the population in Summit County will increase by about 15 percent between 2007 and 2012. The Summit County Planning Department estimates that in 2006, about 24 percent of the county’s population resided in the Lower Blue basin, 29.5 percent in the Snake River basin, 14 percent in the Tenmile basin and 32.5 percent resided in the Upper Blue basin¹. Based on population estimates from the Colorado Department of Local Affairs (DOLA), it is estimated that the number of housing units will increase about 15 percent between 2007 and 2012 to a total of 37,161 units in 2012.² Applying the Summit County Planning Department’s percent distribution of the population to the Colorado Department of Local Affairs’ (DOLA’s) projected 2007 and 2012 County population, the Lower Blue basin will add 1,069 people in the next 5 years, the Snake River basin will add 1,306 people, Tenmile will add 618 people and Upper Blue will add 1,439.

	2007		2012	
	#	%	#	%
SUMMIT COUNTY	29,068	100%	33,499	100%
Lower Blue	7,013	24.1%	8,082	24.1%
Snake River	8,563	29.5%	9,869	29.5%
Tenmile	4,055	14.0%	4,673	14.0%
Upper Blue	9,436	32.5%	10,875	32.5%

Source: Summit County Planning Department; Department of Local Affairs; RRC Associates, Inc.

Housing Unit and Household Estimates

There were an estimated 32,245 housing units in Summit County in 2007. Of the total units, about 35.7 percent are estimated to be occupied by residents (11,512 total).

Assuming the persons per household remain constant from 2005, and the vacancy rate remains at 64.3 percent, there are an estimated 10,468 households in the Upper Blue basin, 9,499 in the Snake River basin, 7,779 units in the Blue River basin, and 4,499 in the Ten Mile basin.

¹ The categories for the 2006 population estimates by region provided by the Summit County Planning Department included a “Dillon-Silverthorne” category. For purposes of this estimate, the population in the “Dillon-Silverthorne” category was split between the Snake River Basin and the Lower Blue Basin.

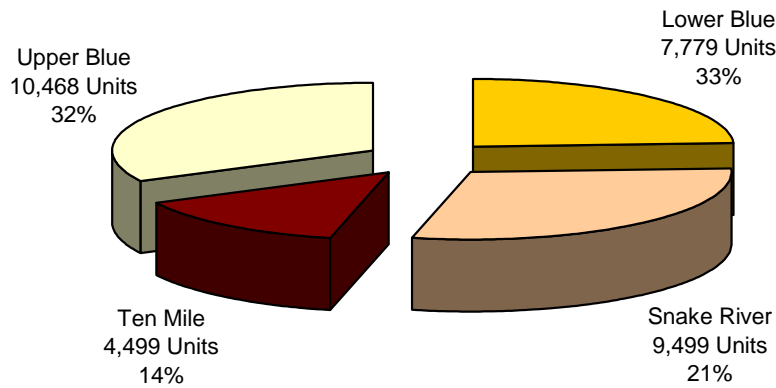
² Housing unit estimates for 2007 assume the same percentage of the population resides in households in 2007 as in 2005 (96.6%), that households are the same size as in 2005 (2.44 persons on average) and that the occupancy rate is the same as that in 2005 (35.7 percent). 2005 household size and occupancy estimates were provided by DOLA.

Housing Units and Households: Summit County Basins, 2007 to 2012

	2007 Housing Units	2007 Households	2012 Housing Units	2012 Households	Change in Households 2007 to 2012
Summit County	32,245	11,512	37,161	13,266	1,754
Lower Blue	7,779	2,777	8,965	3,201	424
Snake River	9,499	3,391	10,948	3,908	517
Ten Mile	4,499	1,606	5,184	1,851	245
Upper Blue	10,468	3,737	12,064	4,307	570

Source: Summit County Planning Department; Department of Local Affairs; RRC Associates, Inc.

Summit County, Housing Units by Basin 2007 (est.)



Source: Department of Local Affairs; Summit County Planning Department; RRC Associates, Inc.

Tenure

Taking the DOLA estimate for change in owner renter mix for Region 12 and applying it forward to Summit County only, about 63.3 percent of occupied units in 2007 are owner-occupied (7,287 total) and 36.7 percent are renter-occupied (4,225 total).

Summit County Housing Units: 2000 and 2007

	2000	2007
Housing Units	24,201	32,245
% Occupied	37.7%	35.7%
# Occupied	9,120	11,512
Owners	5,375	7,287
Renters	3,745	4,225

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

Household Demographics

The 2000 US Census provides the primary baseline from which household demographics in Summit County can best be understood. This survey is based on a 100 percent sample of households so is generally the best available data on household characteristics in an area. However, this information is also seven years old. The below section identifies household demographics as determined from a current Household Survey administered by RRC Associates, Inc., in March of 2007. As described in the "Methodology" section of this

report, this data has been weighted on key demographic variables to ensure responses are representative of the population as a whole. The below demographic relationships are used in other sections of this report, as needed.

Household Type and Size

About 35.1 percent of households in Summit County are comprised of couples with no children, including 43.1 percent of owners and 20.7 percent of renters. Another 20.4 percent of households in Summit County are couples with children, including 26.2 percent of owner households and 9.9 percent of renter households. Of other types of households, about 20.3 percent are adults living alone, 13.2 percent are unrelated roommates, 6.9 percent are single parents with children at home and 2.3 have immediate and extended family members.

	Total	Own	Rent
Couple, no child(ren)	35.1	43.1	20.7
Couple with child(ren)	20.4	26.2	9.9
Adult living alone	20.3	19.5	21.9
Unrelated roommates	13.2	4.6	28.5
Single parent with child(ren)	6.9	3.7	12.5
Immediate and extended family members	2.3	1.4	3.8
Other	1.9	1.4	2.7
Total	100%	100%	100%

Source: 2007 Household Survey; RRC Associates, Inc.

The average household size is about 2.35 persons in Summit County, with owner households having a slightly higher average (2.36) than renter households (2.33).

	Total	Own	Rent
Average number	2.35	2.36	2.33

Source: 2007 Household Survey; RRC Associates, Inc.

Households with Children

As shown above, about 20.4 percent of households have children, including about 26.2 percent of owner households and 9.9 percent of renter households. Persons residing in the Lower Blue basin (25.1 percent) and the Snake River basin (20.1 percent) are more likely to have children in their household than those residing in the Upper Blue basin (18.0 percent) and Tenmile basin (15.3 percent).

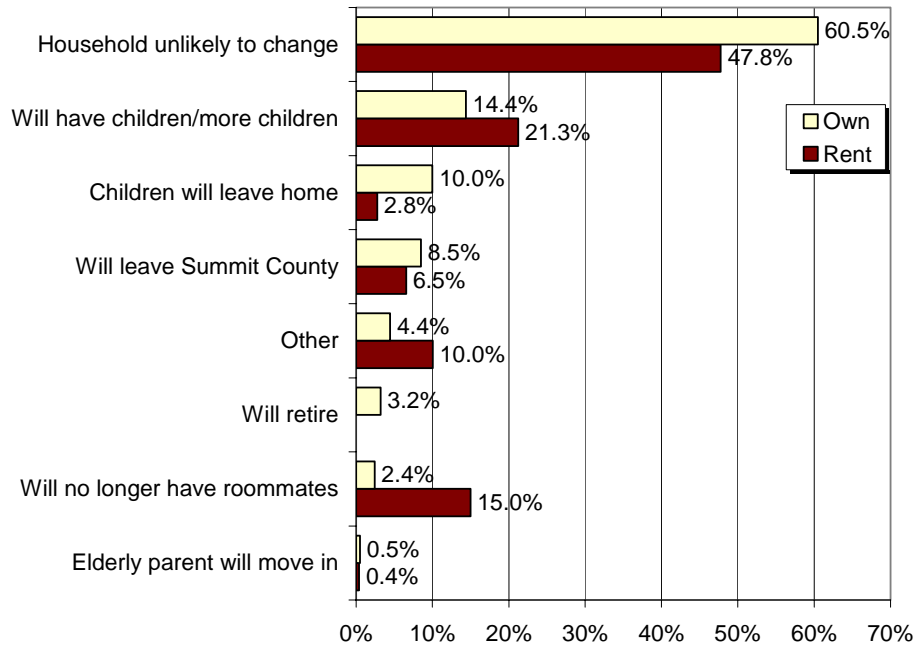
Change in Households Over Next 5 Years

Survey respondents were asked how their household is likely to change over the next 5 years. As shown below, about 56 percent of households do not expect their household to change. This includes 60.5 percent of owners and 47.8 percent of renters. Of households that will change:

- Owner households are likely to have children/more children (14.4 percent), have their children leave home (10.0 percent) and leave Summit County (8.5 percent).

- A relatively higher percentage of renter households stated they are most likely to have children/more children (21.3 percent) within 5 years. The next higher percentage reported they no longer have roommates (15.0 percent). About 6.5 percent of renters stated they will leave Summit County in the next five years.

**“How is your household likely to change over the next 5 years?”
Summit County Households, 2007**



Source: 2007 Household; RRC Associates, Inc.
Sorted in descending order of owner households.

Residence Type and Size

About 47.5 percent of occupied units in Summit County are single-family homes/cabins, including 59.1 percent of owned homes and 26.6 percent of rented homes. Another 37.7 percent of occupied units are condos/townhomes/duplexes, 11.6 percent are apartments and 1.5 percent are mobile homes. “Other” types of homes listed (1.4 percent), included guest home and rustic home/cabin.

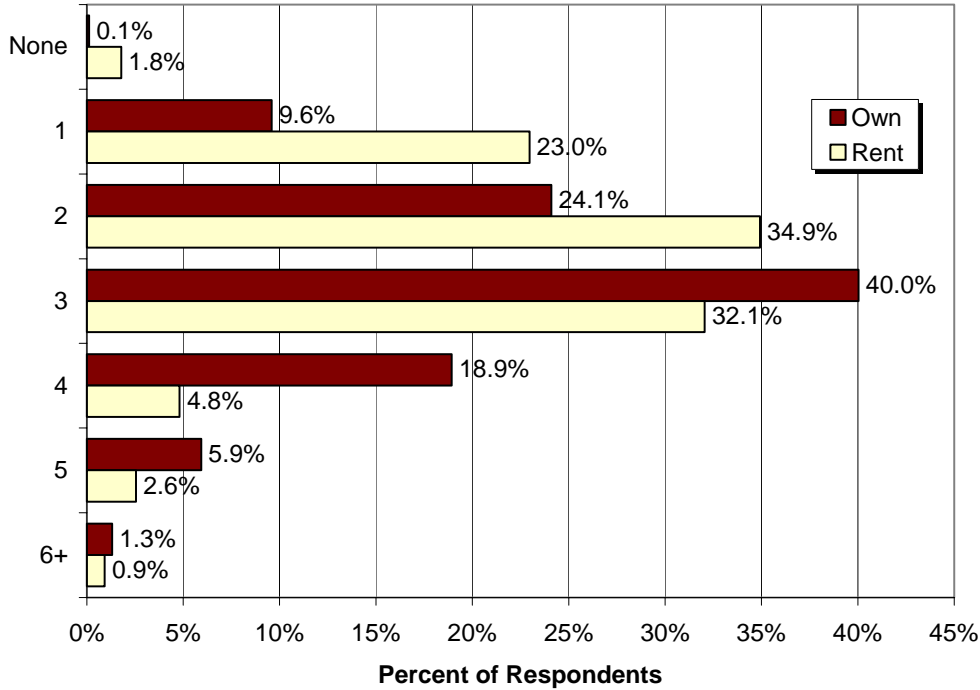
Occupied Residence Type by Tenure: Summit County Households, 2007

Type of Residence	Total	Own	Rent
Single-family home/cabin	47.5	59.1	26.6
Condo/townhome/duplex	37.7	38.7	36.0
Apartment	11.6	1.3	29.9
Mobile home	1.5	0.5	3.2
Other	1.4	0.3	3.4
Total	100%	100%	100%

Source: 2007 Household; RRC Associates, Inc.

Residences on average have about 2.7 bedrooms – 2.9 in owner households and 2.3 in renter households. Renter households are likely to have 2-or-fewer bedrooms (60 percent), with about 40 percent of owner households having 3-bedrooms.

Number of Bedrooms by Tenure: Summit County Households, 2007

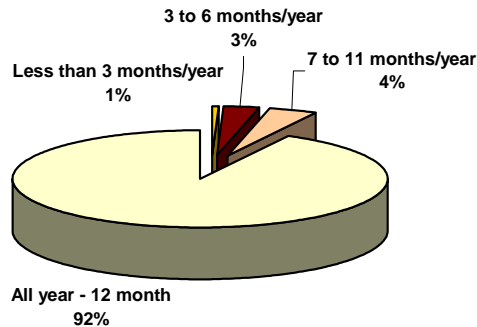


Source: 2007 Household; RRC Associates, Inc.

Length of Residency

About 92 percent of survey respondents indicated they reside in Summit County year-round. This varied slightly by tenure, with 91 percent of owners residing in the area year-round compared to 95 percent of renters.³

Yearly Residency in the County: 2007



Source: 2007 Household Survey; RRC Associates, Inc.

³ It is important to note that the household survey was mailed to primary residents of Summit County only and intentionally did not get mailed to second homeowners.

Survey respondents were asked how long they have lived in Summit County. About 44.6 percent have lived in Summit County for 10 or more years, including about 55.2 percent of owners and 27.1 percent of renters.

Length of Time in Summit County, 2007

	Total Households	Tenure	
		Own	Rent
Less than 6 months	2.4	0.6	5.4
6 months to 1 year	6.8	3.9	11.5
1 up to 2 years	7.3	4.0	12.6
2 up to 3 years	6.9	4.4	11.1
3 up to 5 years	11.9	9.1	16.5
5 up to 10 years	20.2	22.8	15.9
10 years or more	44.6	55.2	27.1
Total	100%	100%	100%

Source: 2007 Household Survey; RRC Associates, Inc.

Household Income

Survey results indicate about a 23.7 percent increase in median household incomes between 1999 and 2007. The median household income reported on the surveys is about \$70,000. The median income of owner households is about 60 percent higher (\$80,000) than renter households (\$50,000).

Median Household Income by Tenure: Summit County, 1999 and 2007

	1999 (census)	2007 (survey)	% change
All Households	\$56,587	\$70,000	23.7%
Owner	\$66,467	\$80,000	20.4%
Renter	\$42,807	\$50,000	16.8%

Source: 2000 Census; 2007 Household Survey; RRC Associates, Inc.

Household incomes are highest in the Upper Blue basin, followed by the Lower Blue, Tenmile and Snake River basins.

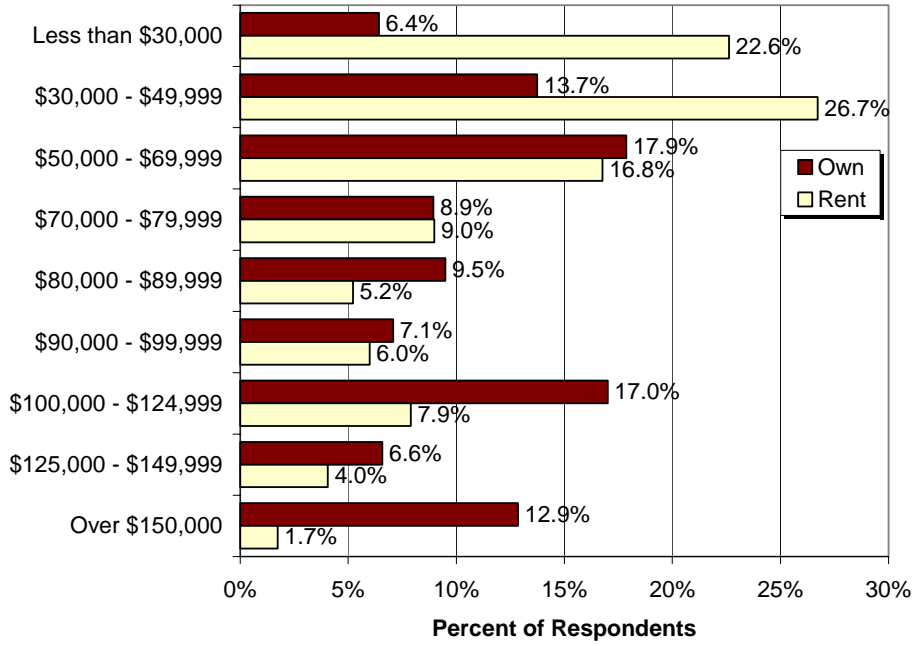
Average and Median Household Income by Summit County

	Average	Median
SUMMIT COUNTY	\$81,703	\$70,000
Upper Blue River	\$88,928	\$72,648
Lower Blue	\$80,193	\$75,000
Tenmile	\$79,756	\$70,000
Snake River	\$71,797	\$60,000

Source: 2007 Household Survey; RRC Associates, Inc.

Income distributions show that about 22.6 percent of renter households earn less than \$30,000 per year, compared to only about 6.4 percent of owner households. In general, a higher percentage of owner households earn over \$80,000 per year than renter households, with significant differences seen in the \$100,000 to \$199,999 ranges. About 36.4 percent of owner households earn over \$100,000 per year compared to about 13.7 percent of renter households.

Annual Household Income: Summit County, 2007



Source: 2007 Household Survey; RRC Associates, Inc.

Housing Costs

Median mortgage payments decreased an estimated -12.9 percent between 1999 (\$1,492) and 2007 (\$1,300). Median rents increased about 10.6 percent between 1999 (\$818 Census) and 2007 (\$905 Household survey).

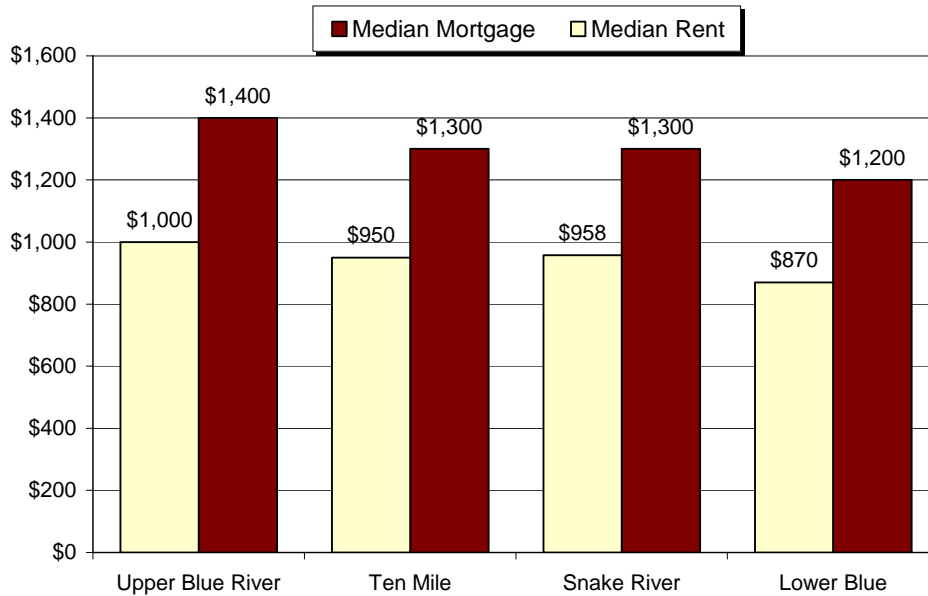
Median Housing Costs by Tenure: Summit County, 1999 to 2007

	1999	2006	% change (1999 to 2006)
Mortgage	\$1,492	\$1,300	-12.9%
Rent (contract)	\$818	\$905	10.6%

Source: 2000 Census; 2007 Household Survey; RRC Associates, Inc.

Evaluated by basin, the Upper Blue has the highest median mortgage (\$1,400) and median rent (\$1,000).

Summit County Median Mortgage and Median Rent by Basin: 2007



Source: 2007 Household Survey; RRC Associates, Inc.

Household Area Median Income (AMI)

The following table shows 2007 income limits for households earning 30 percent AMI up to 180 percent of the AMI. Limits are based on the median family income for Summit County, which is \$78,800 in 2007, as determined by the US Department of Housing and Urban Development (HUD). Typically, these income guidelines are used to establish housing targets and thresholds for different local housing programs, as well as for Private Activity Bond Allocations, Low-income Housing Tax Credits, Section 8 Rent Subsidy and related housing programs. The income limits are adjusted annually. The current figures are summarized in the chart below.

Area Median Income Limits By Household Size; Summit County 2007					
	1-person	2-persons	3-persons	4-persons	5-persons
30% AMI	\$16,550	\$18,900	\$21,300	\$23,650	\$25,550
50% AMI	\$27,600	\$31,500	\$35,450	\$39,400	\$42,550
60% AMI	\$33,120	\$37,800	\$42,540	\$47,280	\$51,060
80% AMI	\$41,700	\$47,700	\$53,650	\$59,600	\$64,350
100% AMI	\$55,200	\$63,000	\$70,900	\$78,800	\$85,100
120% AMI	\$66,240	\$75,600	\$85,080	\$94,560	\$102,120
150% AMI	\$82,800	\$94,500	\$106,350	\$118,200	\$127,650
180% AMI	\$99,360	\$113,400	\$127,620	\$141,840	\$153,180

Source: Department of Housing and Urban Development; RRC Associates, Inc.

Special tabulations of the 2000 US Census data (CHAS – Comprehensive Housing Affordability Strategy) were used to determine the number and percentage of Summit County households within each AMI category shown above and to weight the 2007 survey data results to ensure representation of the population as a whole. Based on final survey results, about 29.5 percent of Summit County’s households earn less than 80 percent AMI, 30 percent earn between 100 and 120 percent AMI, 24.8 percent earn between 120

and 180 percent AMI and 15.7 percent earn over 180 percent AMI. This varies by tenure; renters are more likely than owners to earn less than 80 percent AMI (46.5 percent of renters; 20.3 percent of owners).

**Income Distribution Of Summit County Resident Households By Tenure:
2007 Household Survey**

	Renters		Owners		Total	
	#	%	#	%	#	%
50% AMI or less	1,166	27.6%	641	8.8%	1,784	15.5%
50.1-80% AMI	799	18.9%	838	11.5%	1,612	14.0%
80.1-100% AMI	866	20.5%	1,232	16.9%	2,118	18.4%
100.1-120% AMI	439	10.4%	911	12.5%	1,335	11.6%
120.1-150% AMI	515	12.2%	1,268	17.4%	1,784	15.5%
150.1-180% AMI	245	5.8%	802	11.0%	1,071	9.3%
Over 180% AMI	199	4.7%	1,603	22.0%	1,807	15.7%
TOTAL	4,225	100%	7,287	100%	11,512	100%

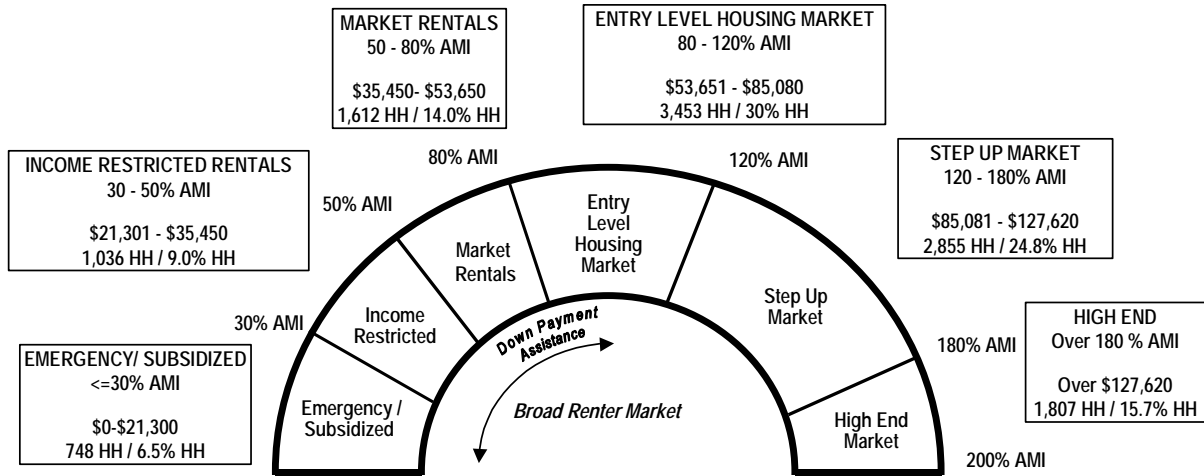
Source: 2007 Household Survey; CHAS; Colorado Department of Local Affairs; RRC Associates, Inc.

Affordability Level - Illustrated as a Housing Continuum

The Housing Continuum, portrayed below, can be helpful in moving from aggregate estimates of housing units needed to specific programs and policies that target the housing needs within the community. The Continuum shows the percentage and number of households in Summit County that fall into each AMI category, based on 2006 household estimates, along with a spectrum of housing that is affordable and most likely to be sought out by households in each AMI group. The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different economic levels, thus supporting an economically balanced community. As shown:

- **Up to 80 percent AMI:** At the lowest income levels, homelessness and the threat of homelessness are important issues. Additionally, special populations who are unable to work (e.g., seniors and the disabled) may require assistance at the lower income levels. Affordability problems, especially for renters, may also be present among the working poor. As shown, about 6.5 percent of Summit County households fall into this category (less than 30 percent AMI). An additional 9.0 percent of households earn between 30 and 50 percent of the AMI and about 14.0 percent earning in the low-income range (50 to 80 percent AMI).
- **80 to 120 percent AMI:** As incomes near the median, households begin to approach the point where they can buy their first home (80 to 120 percent AMI). Policies at this level are typically designed to help bring homeownership within reach, including down payment assistance, first-time homebuyer loans and deed-restricted housing. Approximately 30 percent of Summit County households fall within this income range.
- **Over 120 percent AMI:** Finally, at the highest levels, upper income groups fuel the market for step-up and high-end housing. About 24.8 percent of Summit County's households fall between 120 and 180 percent AMI with an additional 15.7 percent of households earning over 180 percent AMI.

Summit County Housing Continuum 2007



*Incomes are presented for a 3-person household in Summit County.

Source: 2007 Household Survey; Colorado Department of Local Affairs; The Housing Collaborative, LLC; RRC Associates, Inc.

The following table calculates the maximum affordable purchase price and the maximum affordable rent by AMI range for Summit County households.

- There are relatively few owner households making less than 80 percent AMI (20.3 percent) in Summit County. Households in this range are more likely to rent than to own. A larger percent of owners (29.4 percent) are in the first-time homebuyer and entry-level housing market (80 to 120 percent AMI). The maximum affordable purchase price for these households is \$265,751. The largest percentage of owner households in Summit County (50.4 percent) make over 120 percent of the AMI. These households can afford to purchase units over \$265,751.
- The largest percentage of renter households (46.5 percent) make 80 percent or less of the AMI. These households can afford up to \$1,341 a month for rent. Households earning between 80 and 100 percent AMI (20.5 percent) can afford up to \$1,773 a month for rent. Renter households earning between 100 and 120 percent AMI (10.4 percent) can afford up to \$2,127. Renter households earning over 120 percent AMI (22.7 percent) can afford rent over \$2,127.

Maximum Affordable Purchase Price and Rent by AMI; Summit County 2007

AMI Range	Income Range*	% Owner Households	Maximum Affordable Purchase Price**	% Renter Households	Maximum Affordable Rent***
50% AMI or less	\$35,450 or Less	8.8%	\$101,098	27.6%	\$886
50.1-80% AMI	\$35,451 to \$53,650	11.5%	\$173,417	18.9%	\$1,341
80.1-100% AMI	\$53,651 to \$70,900	16.9%	\$241,922	20.5%	\$1,773
100.1-120% AMI	\$70,901 to \$85,080	12.5%	\$298,271	10.4%	\$2,127
120.1-150% AMI	\$85,081 to \$106,350	17.4%	\$382,794	12.2%	\$2,659
150.1-180% AMI	\$106,351 to \$127,620	11.0%	\$467,270	5.8%	\$3,191
Over 180% AMI	Over \$127,620	22.0%	Over \$467,270	4.7%	Over \$3,191

*Calculated for a 3-person household.

**Assumes 10% down; 7.5% 30-year loan; \$250 of monthly payment for insurance, taxes, PMI, HOA.

*** Assumes no more than 30 percent of household income is used for rent.

2 - EMPLOYMENT AND COMMUTING

This section evaluates job growth, employment, wages paid, seasonality in employment and commuting patterns to understand the quantity and type of employee housing needed to support the local economy.

Number of Jobs

Estimates from the Colorado Department of Local Affairs (DOLA) and the Quarterly Census of Employment and Wages (QCEW, ES202) indicated in 2002 that there were 20,957 jobs in Summit County. Within the county, the Lower Blue basin had 18.1 percent of the jobs, the Snake River basin had 22.7 percent, the Tenmile basin had 24 percent and the Upper Blue basin had 35.2 percent. DOLA estimates that there are 24,690 jobs in Summit County, increasing to 29,158 in 2012. Assuming the percent of jobs held per basin remains constant through 2012, the Lower Blue Basin will add 4,468 jobs, Snake River will add 1,012 jobs, Tenmile will add 1,017 jobs and the Upper Blue will add 1,575 jobs.

Yearly Average Total Jobs; Summit County 2007, 2012

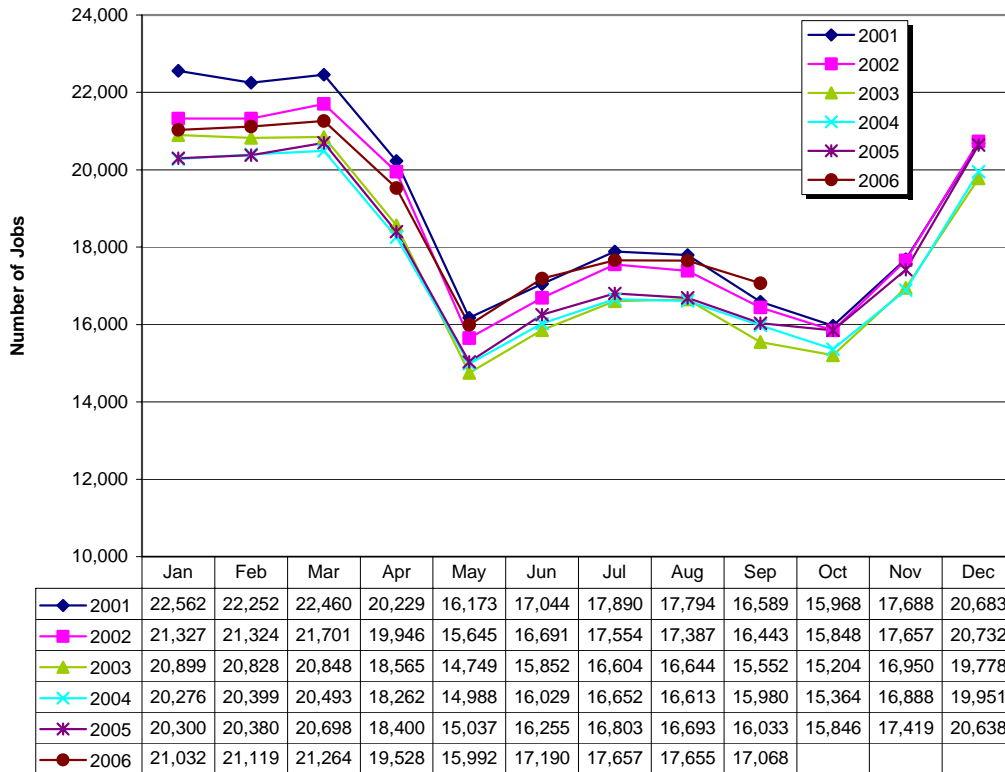
	2002 #	2002 %	2007	2012
Summit County	20,957	100%	24,690	29,158
Lower Blue Basin	3,803	18.1%	4,480	5,291
Snake River Basin	4,749	22.7%	5,596	6,608
Tenmile Basin	5,023	24.0%	5,918	6,989
Upper Blue Basin	7,382	35.2%	8,696	10,271

Source: Colorado Department of Local Affairs (DOLA); US Bureau of Economic Analysis (QCEW); RRC Associates, Inc.

Seasonality in Employment

The Quarterly Census of Employment and Wages (QCEW) reports jobs head by month through September of 2006. In general, this number is lower than the DOLA estimate because it includes workers covered by unemployment insurance and, therefore, does not generally include self-proprietors and many agricultural laborers. However, QCEW provides useful estimates for the seasonal fluctuation in jobs. As shown in the graph, there is seasonal fluctuation in employment by month in Summit County. The winter months have historically been the peak employment months in Summit County. The lowest, or base, employment months occur in May and October of each year.

**Summit County, Employment by Month
January 2001 thru September 2006**



Source: Colorado Department of Labor and Employment (QCEW); RRC Associates, Inc.

The estimated winter seasonal jobs for Summit County in 2005 are 3,528. This has fluctuated over the past five seasons with an overall decrease of about 541 jobs between 2001 and 2005. This is related to a lower increase in winter employment than in year round employment.

Summit County Estimated Winter Seasonal Employment

Year	Average Year-Round Employment (May and Oct.)	Average Winter Employment (Dec. through Mar.)	Estimated Winter Seasonal Jobs
2005	16,111	19,639	3,528
2004	15,938	19,378	3,441
2003	15,768	19,645	3,877
2002	16,595	20,448	3,853
2001	16,910	20,979	4,069

Source: Colorado Department of Labor and Employment (QCEW); RRC Associates, Inc.

Commute Patterns

DOLA provides estimates for total jobs in the county and total jobs held by residents. Per DOLA's estimates, about 17.5 percent of workers in Summit County commute in from a neighboring county. This estimate shows a slight decrease of in-commuting since the 2000 census (19.4 percent).

Change in Demand for In-Commuters: 2000 to 2012

	2000	2007	2012
Total Summit County Workers	18,668	21,658	25,577
In-commuters	3,623	3,791	5,266
% In-commuting	19.4%	17.5%	20.6%
Resident workers	15,045	17,867	20,311

Source: US Census Bureau; Department of Local Affairs

3 - HOUSING INVENTORY

In this section of the report, information about the housing inventory is provided, as an update to the 2005 Needs Assessment, including: unit type, ownership housing - value of units, locals versus second homeowners, employee ownership units; rental housing - average rents, vacancy rates, employee rental units and pending projects.

Unit Type

A profile unit mix in Summit County, broken down by basin, is presented below. It portrays single-family (SF), multi-family (MF) and mobile homes (MH). The multi-family category includes apartments. Based on the Summit County assessor data, about 35 percent of available housing units in Summit County are single-family units. The Lower Blue and Upper Blue basins have the highest percentage of single-family units (46.4 and 41.3 percent, respectively). Ten Mile and Snake River basins have the highest percentage of multi family units (79.8 and 72.9 percent, respectively). The majority of mobile homes lie in the Upper Blue basin, although they represent only 1.6 percent of all units in the county.

Unit Type By Basin: 2007

	Number of Units				Percent of Units			
	SF	MF	MH	TOTAL	SF	MF	MH	TOTAL
SUMMIT COUNTY TOTAL	11,125	20,605	516	32,245	34.5%	63.9%	1.6%	100%
Lower Blue	3,609	4,131	39	7,779	46.4%	53.1%	0.5%	100%
Snake River	2,432	6,925	142	9,499	25.6%	72.9%	1.5%	100%
Ten Mile	895	3,590	13	4,499	19.9%	79.8%	0.3%	100%
Upper Blue	4,323	5,873	272	10,468	41.3%	56.1%	2.6%	100%

Source: Department of Local Affairs; Summit County Assessor data (April 2007); RRC Associates, Inc.

Ownership Housing

This section evaluates the values and types of resident and non-resident owned housing units in Summit County as determined from the Summit County Assessor data. The value of owned units reported in this section represent the assessed value as reported by the Summit County Assessors office. The assessors' office revalues all properties every two years by an analysis of sales to determine what market conditions and property characteristics contribute to the value. 2007 is a reappraisal year in Colorado and the 2007 values given in this section of the report represent the re-appraised values.

This section provides information on the extent of overlap between resident and non-resident purchasers in the county to understand the level of competition between resident and non-resident buyers. Units restricted to occupancy by Summit County employees are also evaluated.

Value Of Units

Based on unit value estimated in the Summit County assessor records, the median value of single-family units (\$575,815) in Summit County is almost twice that of condominiums (\$285,281). Only about 8 percent of single-family homes are valued at under \$300,000, compared to about 54 percent of condominiums. The majority of mobile homes are valued under \$50,000, with the median price being \$19,827.

The distribution of units by value has changed since the 2004 needs assessment. Overall, in 2004, 15.8 percent of all units were valued over \$500,000, which has increased to 29 percent. Units priced between \$200,000 and \$300,000 (generally affordable to first-time homebuyers), decreased from 27.9 percent of all units in 2004 to 21.3 percent in 2007. The largest percent increase in value was in single-family units where the percent of units valued over \$500,000 increased from 36.2 percent to 61 percent in 2007.

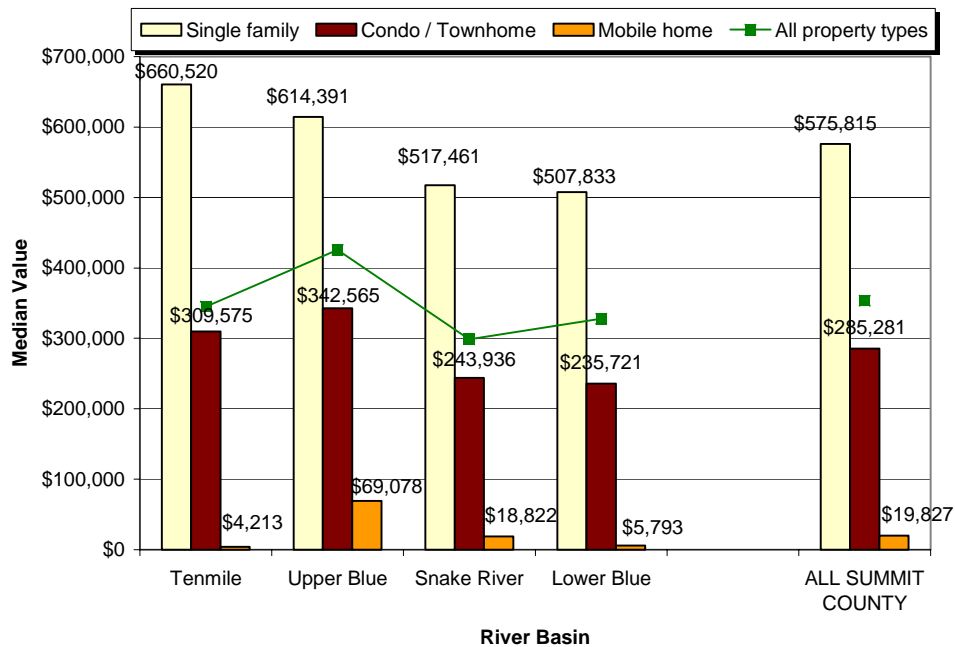
Value of Home By Unit Type: 2007

	All Units	SF	MF	MH
Under \$100,000	3.1%	0.4%	2.3%	97.4%
\$100 to \$149,999	6.4%	0.8%	9.5%	2.6%
\$150 to \$199,999	8.1%	1.0%	12.2%	0%
\$200 to \$249,999	10.4%	1.9%	15.2%	0%
\$250 to \$299,999	10.9%	4.2%	14.9%	0%
\$300 to \$349,999	10.2%	7.2%	12.1%	0%
\$350 to \$399,999	9.2%	8.1%	10.1%	0%
\$400 to \$499,999	12.7%	15.6%	11.4%	0%
\$500,000 or more	29.0%	61.0%	12.4%	0%
TOTAL	100%	100%	100%	100%
Mean	\$451,006	\$713,414	\$319,315	\$36,549
Median	\$353,546	\$575,815	\$285,281	\$19,827

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

The median value varies by basin, with Tenmile basin having the highest median value for a single-family home (\$660,520 median), followed by Upper Blue (\$614,391 median), Snake River (\$517,461 median) and the Lower Blue basin (\$507,833 median). Of condominiums and townhomes, the Upper Blue has the highest median value (\$342,565 median).

Median Value of Owned Units by Basin, 2007



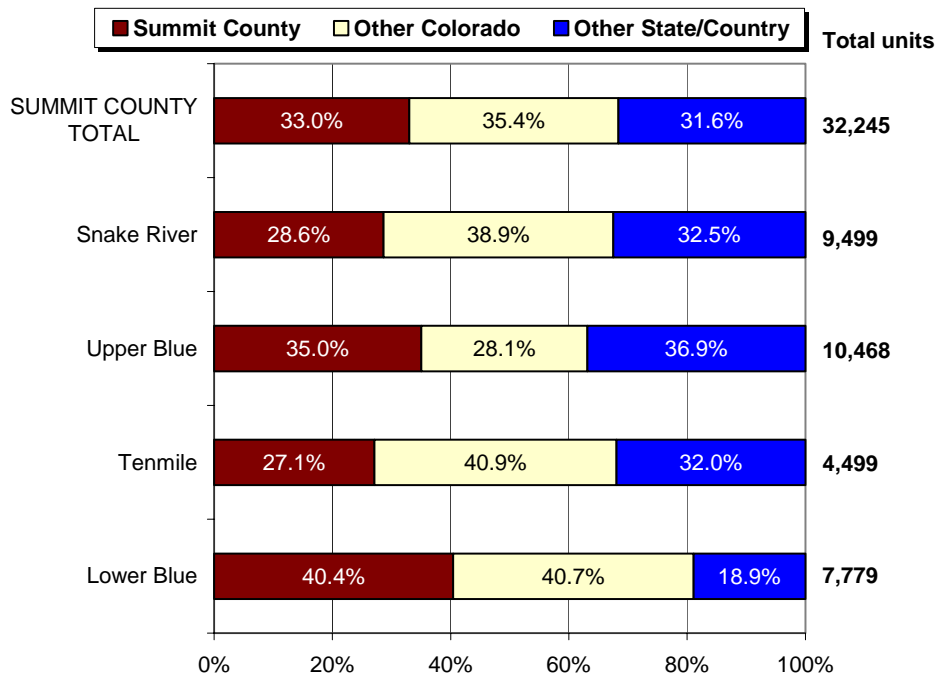
Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Locals Versus Second Homeowners

All residential units in the Summit County Assessor database were analyzed based on the mailing address location of their owners. This provides a good indication of the percentage of units in the County that are owned by Summit County locals, in contrast to ownership by persons residing in other parts of Colorado or other states. The following graph summarizes these results by basin.

- Ownership of units in Summit County is fairly evenly divided between locals (33 percent), other Colorado (36 percent) and out-of-state/country residents (32 percent). The vast majority of “other Colorado residents” are from the Front Range.
- The percentage of units owned by locals is lowest in the Tenmile (27 percent) and Snake River basins (29 percent).
- The percentage of units owned by locals is highest in the Lower Blue basin (40 percent) and the Upper Blue basin (35 percent). However, even in the Lower Blue, where Summit County ownership is highest, about 60 percent of units are absentee-owned.
- The Lower Blue and Tenmile Basins have the highest percentage of “Other Colorado” owners (41 percent each). Out-of-state/country owners are highest in the Upper Blue Basin (37 percent).

Summit County, Ownership of Units, April 2007



Source: Summit County Assessor Data (April 2007), RRC Associates, Inc.

The largest percentage of units owned by locals are single-family residences (55 percent), with 35 percent owning condominiums and 9 percent owning townhomes. Only 2 percent own mobile homes. The largest percentage of units owned by non-Summit County residents are condominiums (63 to 65 percent), followed

by single-family homes (24 to 86 percent). This indicates the historic preference for single-family residences by locals and condominiums by second homeowners.

Type Of Unit By Residence Of Owner: 2007

	Summit County Residents	Colorado Front Range	Other Colorado	Other State/Country
Single-family	54.5%	25.6%	27.6%	24.3%
Townhome	9.0%	9.6%	7.4%	9.1%
Condominium	34.5%	63.5%	62.8%	65.1%
Mobile Home	2.0%	1.3%	2.2%	1.4%
TOTAL	100%	100%	100%	100%

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

About 52 percent of all single-family residences and 42 percent of mobile homes in Summit County are owned by locals. Locals own only about 21 percent of condominiums. Condominiums are predominately owned by Colorado Front Range residents (40 percent) and other state/country residents (38 percent).

Type Of Unit By Residence Of Owner: 2007

Residence of Owner	Single-family	Townhome	Condominium	Mobile Home	All Units
Summit County	51.8%	32.2%	20.9%	42.0%	33.0%
CO Front Range	25.0%	35.4%	39.7%	28.1%	34.0%
Other Colorado	1.1%	1.1%	1.5%	1.8%	1.3%
Other State/Country	22.1%	31.3%	37.9%	28.1%	31.6%
TOTAL	100%	100%	100%	100%	100%

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

The following table shows the value of homes owned by Summit County locals versus other Colorado owners and out-of-state/country owners. As shown, a slightly higher percentage of units priced under \$100,000 are owned by locals than other owners and a slightly higher percentage of properties owned by other state/country residents have properties valued over \$500,000 than other owners. This is the same pattern that was observed in the 2005 Needs Assessment. One change to note, however, is that the median value of units owned by locals increased by 36 percent since the 2005 Needs Assessment. In comparison, the median value of units owned by second homeowners increased by between 13 percent (other Colorado) and 30 percent (Colorado Front Range).

Value Of Home By Residence Of Owner: 2007

	Summit County Residents	Colorado Front Range	Other Colorado	Other State/Country	Total
Under \$100,000	3.9	2.8	7.4	2.4	2.9
\$100 to \$149,999	7.1	7.6	14.2	4.2	6.1
\$150 to \$199,999	8.7	9.3	7.7	6.3	7.7
\$200 to \$249,999	7.3	13.2	15.2	10.2	9.8
\$250 to \$299,999	8.5	12.8	14.9	11.3	10.7
\$300 to \$349,999	8.9	11.3	13.0	10.2	10.8
\$350 to \$399,999	8.7	9.3	6.2	9.8	9.5
\$400 to \$499,999	12.9	12.7	8.4	12.7	13.5
\$500,000 or more	34.1	21.0	13.0	32.8	29.0
TOTAL	100%	100%	100%	100%	100%
Mean	\$472,343	\$395,434	\$298,793	\$494,472	\$451,511
Median	\$383,484	\$318,280	\$257,970	\$371,538	\$359,298

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

It is also helpful to understand the total number of homes represented by the percentages. This breakdown is presented in the table below.

Value Of Home By Residence Of Owner: 2007

	Summit County Residents	Colorado Front Range	Other Colorado	Other State/Country	Total
Under \$100,000	423	305	32	242	935
\$100 to \$149,999	770	828	61	423	1,967
\$150 to \$199,999	943	1,013	33	635	2,483
\$200 to \$249,999	791	1,438	65	1,028	3,160
\$250 to \$299,999	922	1,394	64	1,139	3,450
\$300 to \$349,999	965	1,231	56	1,028	3,482
\$350 to \$399,999	943	1,013	27	988	3,063
\$400 to \$499,999	1,399	1,383	36	1,280	4,353
\$500,000 or more	3,697	2,288	56	3,307	9,351
TOTAL	10,842	10,893	428	10,082	32,245
Mean	\$472,343	\$395,434	\$298,793	\$494,472	\$451,511
Median	\$383,484	\$318,280	\$257,970	\$371,538	\$359,298

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Employee Ownership Units

Based on Summit County Assessor records, there are an estimated 552 "restricted" ownership units in Summit County. The types of restrictions vary based on the deed provisions that have been imposed. In general, these units are restricted to ownership by Summit County employees, while some units are also restricted to certain AMI ranges and rates of appreciation. As shown below, the largest percentage of restricted units is located in the Upper Blue basin (57.1 percent) and the Tenmile basin (30.4 percent). The Snake River basin has 10.3 percent of all restricted units (57 total) and the Lower Blue basin has 2.2 percent of all restricted units.

**Number And Location Of
Employee-Restricted Units: April, 2007**

	#	%
Upper Blue Basin	315	57.1
Tenmile Basin	168	30.4
Snake River Basin	57	10.3
Lower Blue Basin	12	2.2
TOTAL	552	100%

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Over half of deed-restricted units are condominiums (57 percent), with about 33 percent (183 total) being single-family homes. Worth noting is that the median value of restricted single-family units (\$341,414) is about \$234,401 lower than the median value of all single-family units in the county. Similarly, the median restricted townhome value is about \$178,999 lower and the median restricted value for a condominium is \$158,469 times lower than the value of all condominium units in the county.

**Type And Median Value Of
Employee-Restricted Units: April, 2007**

	#	%	Median Value of Deed Restricted Units	Median Value of All Units	Difference
Single-family	183	33.2	\$341,414	\$575,815	\$234,401
Townhome	56	10.1	\$213,138	\$392,137	\$178,999
Condominium	313	56.7	\$137,500	\$295,969	\$158,469
TOTAL	552	100%	\$188,613	\$353,546	\$164,933

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

The value of employee-restricted units was grouped into ranges that would be affordable to a three person household by AMI range. The calculated affordable purchase price assumes a 30-year loan at a rate of 7.5 percent with 10 percent down. Prices assume \$250 per month for taxes and insurance and any utilities and HOA fees. This shows that the majority of units are valued at prices affordable to households earning below 120% AMI (61 percent). However, affordability varies by unit type, where:

- The largest percentage of single-family homes are affordable to households earning over 120% AMI (73 percent), which is generally considered the “move-up” housing price range. About 49 total units are affordable to households earning between 80 and 120% AMI, which are typically first-time owners.
- The majority of condominiums are priced for households earning less than 80% AMI (76 percent). However, this does not include monthly homeowner’s association (HOA) dues, which would effectively increase the “price” of the condominium to the owner. Provided HOA fees are and remain reasonable, these units would provide first-purchase opportunities for residents.

Restricted Units Affordable Within Different AMI Ranges: 2007

	Max Affordable Purchase Price	Single-family		Condominium		All Units*	
		#	%	#	%	#	%
50% AMI or below	\$101,098	-	-	62	19.8	62	11.2
50 to 80% AMI	\$173,417	-	-	177	56.5	192	34.8
80 to 100% AMI	\$241,922	13	7.1	53	16.9	83	15.0
100 to 120% AMI	\$298,271	36	19.7	13	4.2	69	12.5
120 to 150% AMI	\$382,794	90	49.2	7	2.2	99	17.9
150 to 180% AMI	\$467,270	20	10.9	1	0.3	21	3.8
Over 180%	Over \$467,270	24	13.1	-	-	26	4.7
TOTAL	-	183	100.00%	313	100.00%	552	100.00%

Source: Summit County Assessor data (April 2007); Department of Housing and Urban Development; RRC Associates, Inc.

*all units include Townhomes and other attached units not included under "single-family" and "condominium" categories.

**Minimum affordable purchase price to households earning over 180% AMI.

The majority of restricted units have been built since 1996 (60 percent, 329 units), in large part due to the relatively recent recognition of the need for and benefit of affordable housing for locals. Of these, 65 units have been built since the 2005 Needs Assessment and include the following properties:

Restricted Employee Units Built Since 2003/2004

	#	%
Wellington Neighborhood Subdivision (Breckenridge)	40	61.5
Wellington 2 Subdivision (Breckenridge)	12	18.5
South End Village Condo (Frisco)	6	9.2
South End Village (Frisco)	2	3.1
Placer Ridge Townhomes/Condos (Breckenridge)	1	1.5
Shock Hill Homes/Condos (Breckenridge)	1	1.5
Vista Point Subdivision (Breckenridge)	1	1.5
Highland Greens (Breckenridge)	1	1.5
Settlers Creek (County)	1	1.5
TOTAL	65	100%

Source: Summit County Assessor data (April 2007)

Rental Housing

There are an estimated 4,225 renters in Summit County in 2007. As of the 2000 US Census, 75 percent resided in multi-family units (primarily apartments and condominiums), 22 percent in single-family homes and 2 percent in mobile homes.

Average Rents

Based on survey responses to the "Colorado Division of Housing Multi-Family Vacancy and Rental Survey," rents showed a general pattern of increase; however, the highest average rents were reached during the first quarter of 2005 (\$939), with a decline to \$902 in 2006. The largest increase occurred in 2004, showing a 25 percent rise from average rents in 2001.

Quarter	2001	2002	2003	2004	2005	2006
First-quarter	\$722.40	\$749.52	\$769.44	\$833.61	\$939.59	\$902.36
Third-quarter	\$734.31	\$805.41	\$770.95	\$921.45	\$878.27	\$814.72

Source: "Colorado Division of Housing Multi-Family Vacancy and Rental Survey."

Average rents for multi-family properties vary by size. The first-quarter of 2006 is the first survey season in which rents for three-bedroom units are less than rents for 2-bedroom/2-bath units.

Apartment Type	2004 Q1	2004 Q3	2005 Q1	2005 Q3	2006 Q1	2006 Q3
Efficiency	\$688	-	-	-	-	-
1-bedroom	\$702	\$710	\$774	\$581	\$772	\$574
2-bedroom/1-bath	\$792	\$907	\$870	\$933	\$839	\$839
2-bedroom/2-bath	\$845	\$921	\$954	\$978	\$1,113	\$1,113
3-bedroom	\$981	\$1,040	\$1,055	\$1,043	\$976	\$970

Source: Colorado Division of Housing "Multi-family Housing Vacancy and Rental Survey".

Vacancy Rates

Vacancy rates provide another measure of the health of the rental market. Typically, vacancy rates around 5 percent suggest some equilibrium in the market, meaning that there is sufficient supply to provide renters with a choice of product. Vacancy rates below this threshold indicate under-supply, whereas rates above this level suggest over-supply of housing. Due to the winter seasonal workforce in Summit County, rental vacancies are expected to be higher in the third quarter of each year (July through September) than during the first quarter of each year (January through March), as shown in the following table. First quarter conditions in 2006 became extremely tight, with only 1.6 percent vacancy.

Quarter	2001	2002	2003	2004	2005	2006
First-quarter	0.3%	0.3%	5.0%	7.4%	5.9%	1.6%
Third-quarter	4.4%	5.3%	7.3%	14.5%	8.4%	7.0%

Source: "Colorado Division of Housing Multi-Family Vacancy and Rental Survey."

Employee Rental Units

The following apartment properties offer restricted units for Summit County employees.

Apartment Properties in Summit County

	Number of Units	Year Built	Location	Income Restriction
Blue River	78	1995	Silverthorne	All <=60%
Breckenridge Terrace	180	1999-2000	Breckenridge	36 units <=80%
Mountain Creek	30	1982	Dillon	All <=60%
Pinewood Village	74	1996-1997	Breckenridge	20% <=50% 20% 50-80% 60% 80-100%
Villa Sierra Madre	60	1994	Silverthorne	All <=60%

Source: 2005 Needs Assessment

In addition to those projects listed above, there are other scattered employee rental units throughout the county that have been constructed either through the necessity of business owners to attract and keep employees or new construction requirements and negotiations.

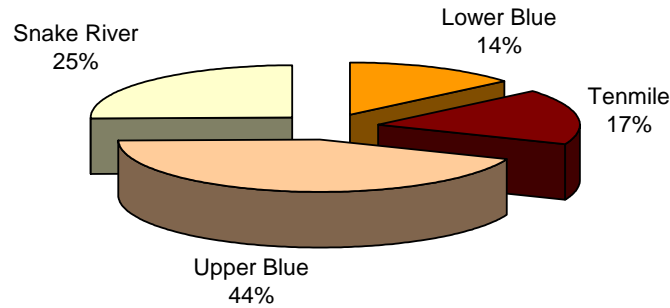
4 - HOUSING SALES

This section evaluates housing sales trends as determined from the Summit County Assessor database from 2004 through April, 2007. Sales by unit type, sales volumes, sale prices are evaluated as an update to the 2005 Needs Assessment.

Sales Volume by Basin

Between 2004 and 2007, about 44 percent of residential sales occurred in the Upper Blue basin, 25 percent in the Snake River basin, 17 percent in Tenmile basin and 14 percent in the Lower Blue basin.

Residential Sales by Location: 2004 to 2007 YTD average

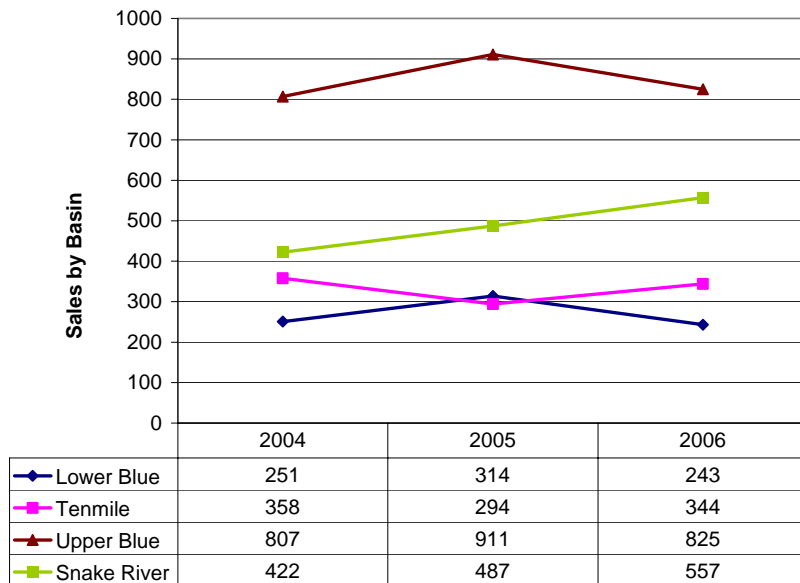


*excludes dup/tri-plex sales

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Analyzing sales volume by basin over the last three years, both the Upper Blue and Lower Blue basins show similar patterns, experiencing a slight spike in sales in 2005, which then decreased in 2006 to a similar sales volume as in 2004. Tenmile basin showed an opposite trend, with lower sales in 2005, increasing in 2006. Snake River has shown a steady increase in sales volume since 2004.

Total Number of Residential Sales: 2004 to 2006



*excludes dup/tri-plex sales

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Sales By Type Of Unit

As shown in the table below, the percentage of sales comprised of single-family homes has remained relatively constant between 2004 and 2007, varying between 28 and 29 percent of all sales. Condominium sales have also remained fairly constant with townhome sales decreasing slightly since 2004.

The median sale price of all units increased 44 percent between 2004 and 2007. In comparison, the 2005 Housing Needs Assessment found that average sale prices between 2001 and September 2004 increased by 2.7 percent.

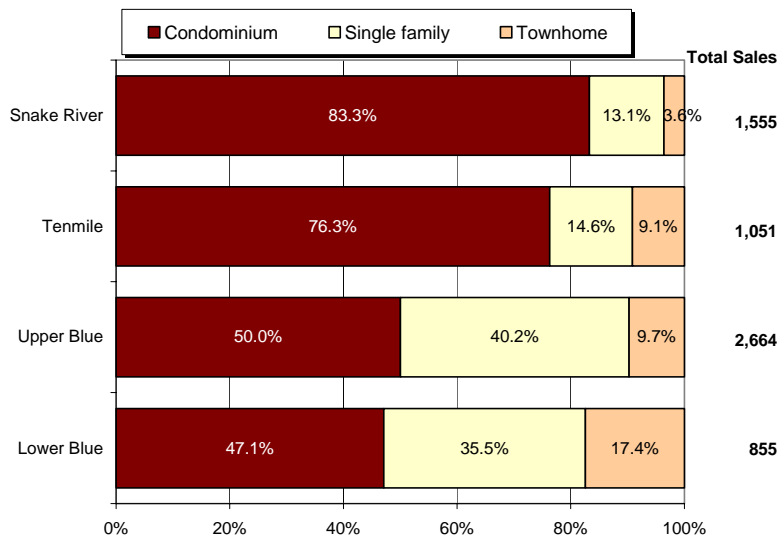
Residential Sales By Type: Summit County 2004 to 2007 (YTD)

	2004	2005	2006	2007 (YTD)
TOTAL SALES	1,838	2,006	1,969	312
Single-family	29.0%	27.8%	28.7%	27.8%
Townhome	11.4%	8.4%	9.8%	9.2%
Condominium	59.6%	63.8%	61.5%	63.0%
Mobile Homes	0.0%	27.8%	28.7%	27.8%
Total %	100%	100%	100%	100%
Mean Sale Price	\$345,370	\$401,857	\$446,757	\$485,775
Median Sale Price	\$252,750	\$286,750	\$320,000	\$365,000

Source: Summit County Assessor data

The Snake River basin had the largest percentage of its sales in condominiums (83.3 percent) between 2004 and 2007 YTD, followed by Tenmile (76.3 percent), the Upper Blue (50.0 percent) and the Lower Blue (47.1 percent). The Upper Blue and the Lower Blue had a similar percentage of their sales in single-family units (40.2 and 35.5 percent respectively).

Residential Sales by Type of Unit: Summit County Basins 2004 to 2007 (YTD)



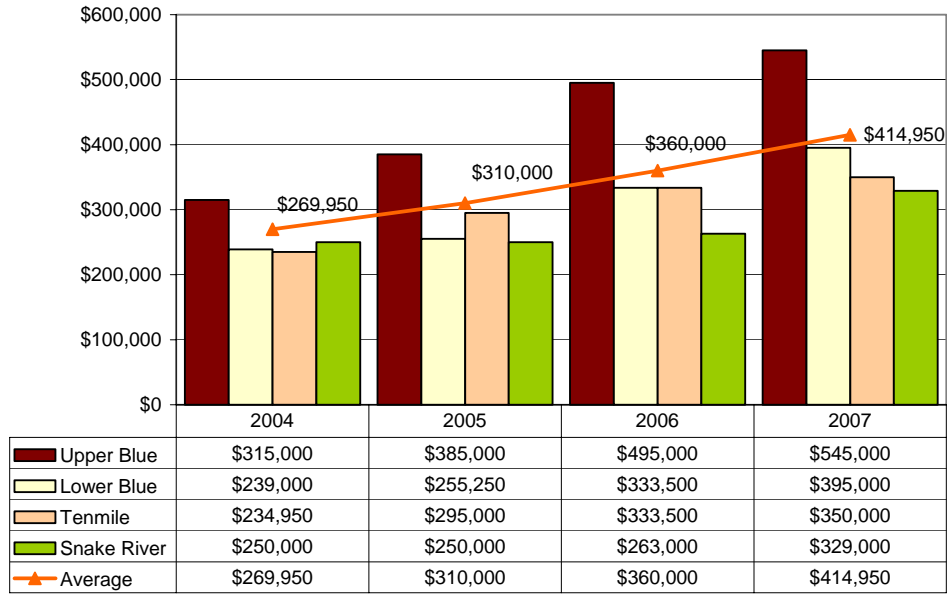
*excludes dup/tri-plex sales

Source: Summit County Assessor data (April 2007); RRC Associates, Inc.

Sales Prices

Evaluating median sales by basin, the Upper Blue basin has consistently had higher median sales prices between 2004 and 2007. The Lower Blue and Tenmile basins have varied, with a relatively similar median sales price in 2004 and 2006. Snake River's median sales price remained relatively constant until a recent spike in 2007.

Median Sales Price of all Sales: Summit County Basins 2004 to 2007 (YTD)



Source: Summit County Assessor data

Not surprisingly, the price distribution of units varies by location in the County. Sales in Victor and Cripple Creek were primarily properties priced under \$100,000 (89 and 54 percent, respectively). The Lower Blue and the Snake River Basins had the highest percentage of their sales priced under \$200,000 (30.8 and 32.8 percent respectively) in comparison to Tenmile (25.0 percent) and the Upper Blue (15.8 percent). For all of the basins, the majority of the sales were between \$200,000 and \$399,000. The Upper Blue Basin had the largest percentage of sales over \$1 million (8 percent).

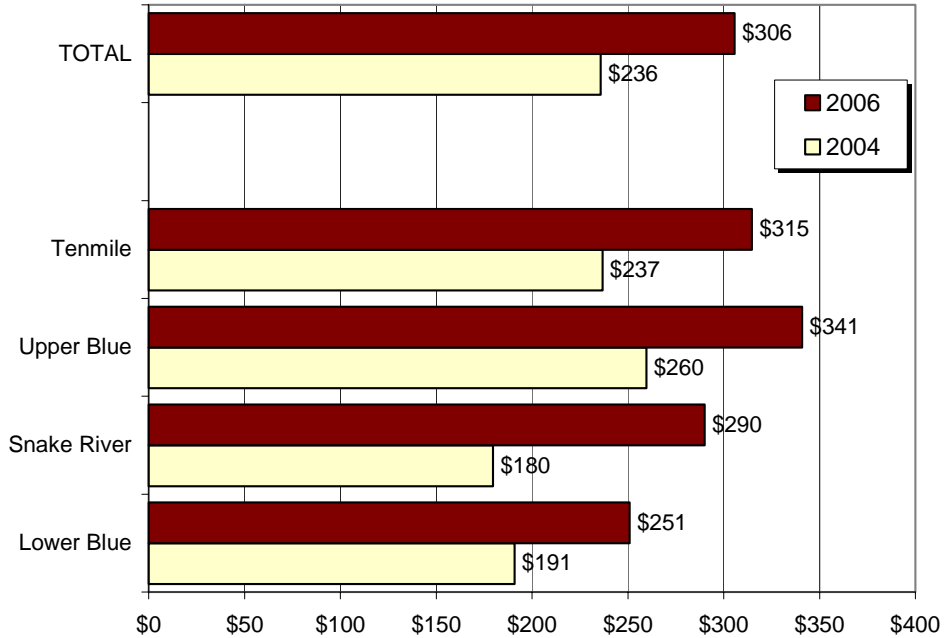
Price Distribution of Units Sold: Summit County Basins 2004 to 2007 (YTD)

	Lower Blue	Tenmile	Upper Blue	Snake River	Total
<\$100k	3.7	5.3	2.4	6.1	4.0
\$100 to \$199,999	27.1	19.7	13.4	26.7	19.8
\$200 to \$399,999	41.5	50.4	34.1	44.4	40.5
\$400 to \$599,999	15.9	13.6	24.3	12.0	18.2
\$600 to \$799,999	5.7	5.0	12.2	5.4	8.4
\$800 to \$999,999	2.5	3.1	5.5	2.2	3.8
\$1 mil or more	3.6	3.0	8.0	3.2	5.3
Total %	100.0%	100.0%	100.0%	100.0%	100.0%
Total #	856	1,048	2,670	1,556	6,130

Source: Summit County Assessor data

The median sales price per square foot increased by about 30 percent between 2004 and 2006. The percent increase varies by basin, with the Snake River Basin having the largest percent increase (38 percent).

Median Sales Price per Square Foot of all Sales; 2004 and 2006



Source: Summit County Assessor data; RRC Associates, Inc.
 *excludes dup/tri-plex units

Sale Prices and Local Incomes

As shown below, median family incomes (as defined by the Department of Housing and Urban Development for Eagle County) increased about 22 percent between 2000 and 2007, compared to a much higher 64 percent increase in median sales prices in Summit County. The median price of homes in 2000 was about 344 percent higher than the median family income and this has increased to a 463 percent difference in 2007. A household earning \$78,800 in 2007 could generally afford a home priced at about \$250,000, or 317 percent more than the income. Incomes in Summit County are not keeping pace with rising home prices.

Median Price of Homes vs. Median Family Income: 2000 thru 2007

Year of Sale	Median Price (sales)	Median Family Income* (HUD - Summit County)	Median price as a % of median income
2000	\$268,800	\$64,600	416%
2001	\$274,500	\$67,400	407%
2002	\$270,000	\$72,700	371%
2003	\$272,000	\$72,700	374%
2004	\$252,750	\$76,100	332%
2005	\$286,750	\$78,400	366%
2006	\$320,000	\$78,400	408%
2007	\$365,000	\$78,800	463%
% increase (2000 to 2007)			
	64.3%	22.0%	-

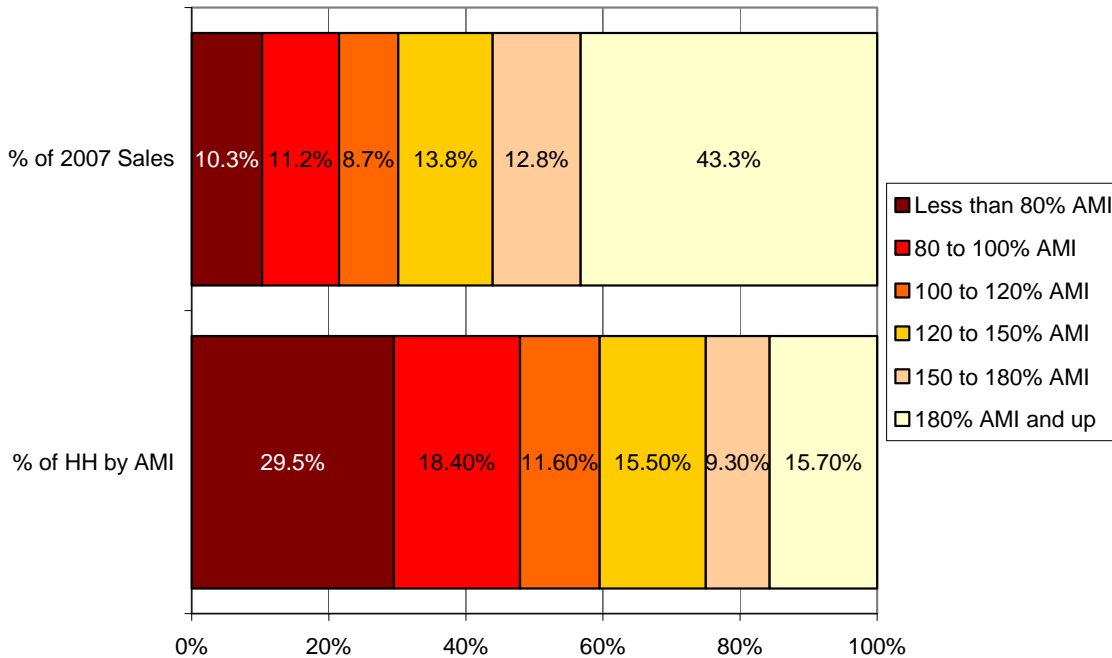
Source: Summit County Assessor records; Department of Housing and Urban Development; RRC Associates, Inc.

*Median Income reflects the 100% area median income (AMI) for a 4-person family household in Summit County, or what is commonly referred to as the median family income for an area.

Sales by AMI Affordability

A comparison of sales in 2007 (YTD) to current affordability levels by AMI shows that the majority of the sales (43.3 percent) were affordable to a 3-person household making over 80 percent AMI, while only 15.7 percent of all households in Summit County are in that income category. Similarly, 19.9 percent of the sales were affordable to a household making between 80 than 120 percent AMI (entry level homeownership), while 30 percent of all household fall into this income category.

2007 Sales by AMI Affordability Levels



Source: Summit County Assessor data; RRC Associates, Inc.

*excludes dup/tri-plex units

Evaluating sales by basin, the Snake River and Tenmile Basins had the largest percentage of their sales priced below 100 percent AMI (27.3 and 30.4 respectively).

Sales by Basin: 2007 YTD

	Lower Blue	Tenmile	Upper Blue	Snake River	Total
Less than 80% AMI	8.5	16.4	2.5	18.0	10.3
80 to 100% AMI	17.0	10.9	8.3	12.4	11.2
100 to 120% AMI	8.5	10.9	1.7	16.9	8.7
120 to 150% AMI	10.6	21.8	14.0	10.1	13.8
150 to 180% AMI	17.0	16.4	11.6	10.1	12.8
180% AMI and up	38.3	23.6	62.0	32.6	43.3
Total %	100.0%	100.0%	100.0%	100.0%	100.0%
Total #	47	55	121	89	312

Source: Summit County Assessor data; RRC Associates, Inc.

Local Realtor Interviews

Several local realtors were interviewed to better understand trends and needs in the local real estate market. Some observations from the interviews are summarized below.

- Most homebuyers in Summit County are second homeowners. Estimates for second home purchases range between 80 and 90 percent.
- Locals are just looking for affordable housing where they can raise their kids, and they are willing to make tradeoffs to do so. The hard to find properties that locals want to buy are, virtually, anything that is affordable. Generally they can afford places, which have no amenities and low homeowners association dues. Many locals are cramming into two-bedroom units, when they really need three or four bedrooms.
- First-time homebuyers have the most difficulty purchasing housing because it is a resort market. If anything affordable (2 bedroom under \$300k) comes on the market, locals have to compete with second homeowners for the property. They often need 100 percent financing which puts them at a disadvantage.
- Locals can stay in Summit County, but they have to move to Dillon or Silverthorne where it is cheaper. Locals who have been able to enter the market are now selling to realize the return on their property and to either downgrade or move out of the area. This has especially been happening in Frisco because of the high demand for housing. A lot of young local families are starting to move to the Front Range, as well as to Alma, Fairplay and Georgetown.
- The realtors interviewed had mixed feelings on deed restrictions. A couple felt that the deed-restricted housing is working very well, and that locals like the deed restricted housing because it gives them an opportunity to get a "leg up". Others felt that the deed-restricted housing is not working and it is a disservice to the whole community because it is very short term focused and does not allow people to profit from the market increases.

5 - HOUSING DEMAND

This section of the report comprehensively examines the overall demand for housing in Summit County and allocates that demand to the county's four river basins. It segments the market into homeownership and rental demand based on the preferences of Summit County's residents, and it determines the prices at which housing will be affordable. It then compares information on the prices of homes available for purchase to determine what portion of demand the free market is likely to address.

Housing demand is a function not only of needs but also desires. For example, a family living in a townhome might have their physical needs met and have an affordable payment but desire to move into a single-family house. Households with desires for housing other than that in which they now live compete with residents who have measurable needs and as such should be taken into consideration when estimating the total demand for housing. In this section of the report, quantitative estimates of demand generated from all significant sources are provided including:

- Renters who would like to buy homes in Summit County;
- Renters who would like to continue to rent or who want to buy but will likely be unable to;
- Homeowners who would like to purchase a new or different home;
- In-commuters who would like to move into Summit County to be closer to work;
- Employees needed to fill jobs that will be created in the next five years; and,
- Seniors, who are one of the fastest growing population groups in the county.

The estimates of demand generated herein are based on annual average household population and employment. They do not represent demand for housing during peak season. Demand for seasonal worker housing was analyzed as part of the 2005 Summit County Housing Needs Assessment. This section also does not directly address overcrowding, a need quantified by the 2005 report, since it estimates demand generated by preferences to live in larger units, often the result of overcrowding.

The demand for residential units in Summit County generated by vacation home buyers and visitors seeking short-term accommodations will influence competition and the supply of units available to meet the demand for housing (primary residences) that is quantified by this section of the report. While analyzing the demand that will be generated by buyers and visitors from outside of the county is beyond the scope of this study, it is reasonable to expect that the percentage of new units occupied only occasionally for seasonal/recreation use will at least equal today's 64.3 percent.

Overview – 2005 Demand Calculation

The 2005 Housing Needs Assessment for Summit County focused on demand driven by needs that could be quantified using secondary sources of information including the 2000 Census and population and employment estimates from the Colorado Department of Local Affairs. It found that between 533 and 884 units were needed to address the deficiency (catch-up need) that existed between the demand for and supply of housing needed to accommodate the county's workforce. The study also forecasted that between 2,867 and 3,040 additional units would be needed by 2010 to keep up with the demand for housing generated by new jobs.

2005 Calculation of Housing Needed in Summit County by 2010

Source of Demand	# Additional Units
Commuters (catch up)	351 - 702
Overcrowding (catch up)	182
New Jobs (keep up)	2,867 - 3,040
Total	3,400 - 3,924

Source: 2005 Summit County Housing Needs Assessment, RRC Associates

Since information on preferences obtainable only through primary research was not available at the time, it was assumed that between 25 percent and 50 percent of the employees who commute into Summit County for work would move into the county if affordable housing which met their needs and desires became available. This assumption was responsible for the 524-unit range in the estimate of total units needed.

Since the 2005 study was prepared, the Department of Local Affairs increased their 2005 job estimate and lowered their 2010 estimate. As a result, the demand that will be generated by new jobs is now lower than previously estimated.

Homeownership Demand Generated by Renters

The vast majority of renters (88 percent) currently living in or commuting into Summit County would like to buy a home. The percentage is lowest among renters living in the Snake River basin and highest in the Tenmile basin but the range is minimal with widespread desire among renters for ownership. All in-commuters who rent would like to buy.

Renter Desires to Buy or Rent, by Basin

	Overall	Lower Blue	Snake River	Tenmile	Upper Blue	Other (commuters)
Buy a home	88.0	87.7	81.3	90.8	93.1	100.0
Continue to rent/care take	12.0	12.3	18.7	9.2	6.9	0.0
TOTAL	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

Approximately 4,225 of Summit County's housing units are lived in by renter households, which equates to 36.7 percent of all occupied units. A total of 3,718 units would be needed to move all of the 88 percent who desire it into ownership. It is unrealistic to consider that all of these renter households are part of the demand for ownership, however, since many would be unable to qualify for mortgages even if prices are subsidized. Insufficient or poor credit, insufficient savings for a down payment and closing costs, seasonality in employment, and high debt-to-income ratios from living in high-cost communities are some of the reasons that make it especially difficult to move households with incomes less than 80 percent AMI into ownership. Even though a small number of ownership units might be produced for low-income renters through programs like Self Help Build, only the 1,970 renter households with incomes greater than 80 percent AMI are part of the demand for homeownership in Summit County. This conservative approach is balanced by the assumption that all households with incomes over 80 percent AMI who want to buy will be able to qualify.

**Calculation of Homeownership Demand
by Renter Households, 2007**

	Households
Total Households	11,512
% Renters	36.7%
# Renter Households	4,225
% Want to Buy	88%
# Want to Buy	3,718
80%+ AMI	53%
Demand for Ownership Units	1,970

Source: RRC/Rees calculation

Rental Unit Demand

Approximately 12 percent of renter households want to continue to rent, which currently equates to about 507 households. The demand for additional rental units in Summit County will to a great degree vary, however, depending upon the extent to which new units are produced for purchase by existing renters. Nearly half of renters in Summit County who want to buy have incomes equal to or less than 80 percent AMI (47 percent or 1,747 households). These households are not strong candidates for homeownership.

Combined, these two groups – renters who want to continue to rent and renters who want to buy but have incomes below 80 percent AMI, generate demand for 2,254 rental units. This is the minimum inventory of rental units that should be maintained for the existing population; future growth will generate demand for additional units as calculated later in this section of the report.

There are currently 4,225 renter occupied units, which indicates that the existing demand for rentals is adequately addressed if homeownership product is produced for all of those who want to buy and can potentially afford to (incomes greater than 80 percent AMI). It does not appear that more should be produced to house Summit County's *current* population unless the existing supply of long-term rentals dwindles from conversion into the short-term rental pool or owner occupancy.

Demand for Rental Units, 2007

	Households
Households	
Renter Occupied (36.7%)	4,225
% Want to Continue to Rent	12%
# Want to Continue to Rent	507
Want to Buy but Income < 80% AMI (47%)	1,747
Current Demand for Rental Units	2,254

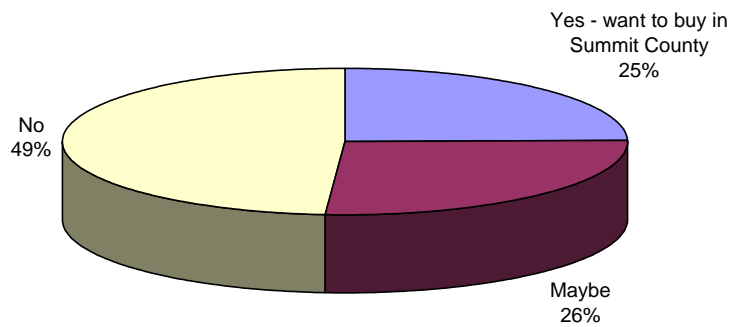
The demand for additional rental units to house the county's projected growth in employees is covered later in this section of the report.

Homeownership Demand Generated by Existing Owners

Households who already own are typically a large segment of the demand for additional for-sale units, especially in a market area like Summit County where the homes they now occupy are often sold to out-of-county buyers rather than to employees who need entry-level ownership.

The 2007 Household Survey asked homeowners if they would like to buy a new or different home in the next five years. One-quarter (24.8 percent) indicated they would. Another 26 percent indicated they might be interested. Just under half have no intention of buying a different home in Summit County within five years. Owners who would like to buy a new/different home but would like to live somewhere other than Summit County were considered part of the “no” responses.

Owners Interested in Buying a New or Different Home



Source: 2007 Household Survey

To avoid over estimation of the demand that owners will generate for additional homeownership housing, only those who indicated “yes” they would like to buy a new or different home are considered to be part of the demand equation. The 26 percent of owners who indicated “maybe” are not included but may influence the market in future years as additional housing opportunities are developed that they may find attractive.

Calculation of Homeownership Demand by Owners, 2007

	Households
Total Households	11,512
% Owners	63.30%
# Owners	7,287
<hr/>	
% Want to buy new/different home	24.8%
# Want to buy new/different home	1,807

Source: 2007 Household Survey

Homeownership Demand from In-commuters

In order to understand the desires of employees who commute into Summit County for work, the 2007 Household Survey was made available on a web site and commuting employees were requested to complete it through their place of work. Responses indicate that 31 percent would like to live in Summit County. This is in the 25 to 50 percent range used as an assumption in the 2005 Housing Needs Assessment. All commuters who would like to move into Summit County would like to buy homes, not rent.

According to DOLA estimates, approximately 3,790 employees commute into Summit County for work. The 31 percent who would like to live in Summit County generate demand for 691 additional housing units.

Housing Demand Generated by In-commuters

	2007
# In-commuters	3,790
% Want to Live in Summit County	31%
# Want to Live in Summit County	1,175
Employees per Household	1.7
Demand for Units	691

This is not a net estimate; residents who commute to jobs outside of Summit County have not been subtracted since there is no indication that they plan to move from the county, and out commuting may grow with additional advances in communication technology and transportation.

The demand generated by in-commuters has been allocated among the four basins based on location of jobs with 35 percent in the Upper Blue, 24 percent in the Tenmile basin, 23 percent in the Snake River basin and 18 percent in the Lower Blue.

Estimate of In-commuters, by Basin

	Lower Blue	Snake River	Tenmile	Upper Blue	County Total
Jobs in 2007	4,480	5,596	5,918	8,696	24,690
Employees 2007	3,930	4,909	5,191	7,628	21,658
% In-commute	17.5%	17.5%	17.5%	17.5%	17.5%
# In-commute	688	859	909	1,335	3,791
Percent in each basin	18.1%	22.7%	24.0%	35.2%	100.0%

Demand from New Jobs

DOLA estimates that 4,468 additional jobs will be created in the next five years in Summit County. These employees will generate demand for approximately 2,300 additional housing units. This estimate was derived by taking into account multiple job holding (1.14 jobs on average per employee – DOLA) and multiple employees per housing unit (1.7 on average – Census). The 2007 Household Survey found an average of 1.87 employees per household, which would result in a slightly lower estimate of demand for 2,095 units. Because the 2005 Housing Needs Assessment identified the need for 182 additional units to address overcrowding, and overcrowding is not separately forecasted for the next five years, the lower Census estimate of employees per unit was used.

Calculation of Housing Demand Generated by New Jobs, by Basin

	Lower Blue	Snake River	Tenmile	Upper Blue	County Total
Jobs in 2007	4,480	5,596	5,918	8,696	24,690
Jobs in 2012	5,291	6,608	6,989	10,271	29,158
Gain in Jobs	811	1,013	1,070	1,574	4,468
Jobs per Employee	1.14	1.14	1.14	1.14	1.14
New Employees	711	888	939	1,381	3,919
Employees per Unit	1.7	1.7	1.7	1.7	1.7
Demand for Units	418	522	552	812	2,306

Sources: DOLA, Census, RRC/Rees calculations

The demand has been allocated among the four basins according to where it is generated – the location of the job. While demand generated by existing residents is distributed around the county based on where these residents most want to live, it is not known where the employees moving into Summit County over the next five years will want to reside. Also, this methodology supports public policy decisions aimed at reducing in-county commuting, traffic congestion and the cost to employees of traveling long distances between home and work.

It has been assumed that all of the demand generated by new jobs in Summit County is for housing within Summit County. No adjustment has been made for in commuting. Some employees may want to live elsewhere but housing opportunities in neighboring counties are becoming increasingly limited with the re-opening of the Climax mine in Lake County, a housing crunch in Summit County exacerbated by oil/gas development in Garfield County, and job growth in Grand County. It has been balanced by excluding demand that might be generated in Summit County from job growth in nearby areas.

Some of the new employees who move to Summit County will want to and be able to buy while others will rent. The owner/renter mix among households that have lived in the area for five years or less is very different from the overall owner/renter mix in the county – 38.5 percent own and 61.5 percent rent. It is likely that the employees moving into Summit County within the next five years will be similar with the majority renting for at least some period before purchasing a home. It has therefore been assumed that 61.5 percent of the housing demand generated by jobs that will be created between now and 2012 will at least initially be for rentals.

Demand for Senior Housing

Although there are proportionately few seniors in Summit County compared to urban areas or rural communities in warmer climates, seniors are a very fast-growing segment of the population. Between 1990 and 2000, the number of senior households in Summit County increased by 146 percent.

Growth has continued with the rate of growth in the senior population out pacing the population as a whole. Currently, approximately 7.1 percent of the county's households have a householder age 65 or older, up from 5.3 percent in 2000. This equates to a current countywide total of 820 households, with one-third living in the Snake River basin. The others are roughly equally divided among the other three basins. It should be noted that these estimates cover only households with a senior householder and do not include others in which a person age 65 or older is a member, like when an elderly parent moves in with their adult children.

Estimates and Forecasts of Senior Households

2000 Census	Lower Blue	Snake River	Tenmile	Upper Blue	Total
All Households	2,266	2,459	1,397	2,998	9,120
Senior Headed	108	147	114	115	484
% Senior Headed	4.8%	6.0%	8.2%	3.8%	5.3%
2007 Estimate					
All Households	2,777	3,391	1,606	3,737	11,512
Senior Headed	178	272	176	192	820
% Senior Headed	6.4%	8.0%	11.0%	5.1%	7.1%
2012 Forecast					
All Households	3,201	3,908	1,851	4,307	13,266
Senior Headed	264	405	262	286	1,220
% Senior Headed	8.3%	10.4%	14.1%	6.6%	9.2%

Source: DOLA and RRC calculation

Forecasts indicate that, by 2012, Summit County will be home to 400 additional senior-headed households bringing the county's total to 1,220 senior households. The demand for the 400 units they generate is part of the total demand for primary homes in Summit County.

The growth in the senior population and the demand for housing they generate will continue due to a combination of factors including:

- Aging of the work force and the desire of residents to stay in their communities upon retirement;
- A surge in the size of the senior population throughout the county as baby boomers reach retirement; 1957 was the peak year for births during the post WWII boom which means that the rate of growth in senior households will continue to increase through 2022.
- Increasing numbers of second homeowners who are retiring in Summit County and making Summit County their only, or primary, home and, in turn, placing new demands on a variety of services desired by the senior population.
- The western migration in the United States, particularly of retirees, with many now opting to live in high amenity mountain communities.

Household basic jobs (base jobs attributed to retirees or other expenditures of outside income from property, pensions or government payments) are forecasted to grow faster than other types of jobs in the county, another indication of the continued growth in the senior segment of the population expected by the State's demographers and economists.

As they age, many seniors will need housing that meets their unique physical needs. The household survey asked households with at least one member age 65 or older for an indication about their interest in moving into various types of senior-specific housing or using services that would enable them to stay in their homes. Respondents were asked to indicate their likelihood for utilizing senior housing and housing-related services on a scale where 1 = "would not use" and 5 = "would definitely use".

Interest in Senior Housing and Housing-Related Services

	Senior Apt.	Assisted Living	Cottage in Retirement Community	Reverse Mortgage	Make Home Accessible	Skilled Nursing Home
1 = Would not use	53.1	49.4	39.9	58.2	39.0	43.3
2	5.7	7.5	5.5	6.7	11.5	9.0
3	8.7	10.2	15.6	9.3	12.5	12.6
4	5.8	4.9	6.4	2.7	10.6	2.8
5 = Would definitely use	6.4	4.7	6.5	3.6	7.2	5.6
Don't know	20.4	23.2	26.2	19.5	19.1	26.6
TOTAL	100%	100%	100%	100%	100%	100%
Average Rating	2.7	2.8	3.1	2.5	2.9	3.0

Source: 2007 Household Survey

Responses of 4 and 5 are used as an indication of demand for each of the six options offered. While this analysis is not intended to be sufficiently in depth to finalize plans for and finance senior housing projects or programs, it can be used to prioritize the potential options and proceed with preliminary planning. Ultimately, a site and project specific market study would be needed to determine the number of units, pricing and services to be provided.

By 2012:

- Approximately 150 households (12.2 percent) would like to rent in a senior apartment building;
- 117 households (9.6 percent) will be candidates for moving into assisted living. In most market areas, assisted living facilities attract between 25 percent and 50 percent of their residents from elsewhere who move to be closer to family members. This suggests that there could be demand for assisted living facilities to serve 150 to 230 residents.
- 157 households (12.9 percent) would like to own a cottage in a retirement community. If ownership units specifically designed for seniors are developed, it would likely draw residents from outside of the county which suggests that more than 157 units could be sold.
- Relatively few seniors (5.3 percent or 65 households) are interested in obtaining a reverse mortgage to access equity in their current homes. Although seniors who own homes in Summit County likely have considerable equity, survey findings suggest that they either will not need it to cover their expenses or would rather sell and use the funds to move into housing more suitable for their needs as they age.
- A relatively high number of seniors (17.8 percent or 217 households) will likely want to make their current home more accessible. With the architecture common in Summit County, stairs, large single-family designs, and snow shed/snow removal problems make many units difficult for persons to live in who are physically frail.
- 102 households (8.4 percent) will likely need to move into or temporarily stay in a skilled nursing home. Development of a skilled nursing home in Summit County would best be embarked upon after senior independent living and assisted living facilities are in place since these facilities enhance the market for nursing homes.

Please note that the term household refers to seniors living alone as well as households with two or more members.

Most seniors in Summit County (96 percent) now own. While some would like to rent a senior apartment, more would like ownership options. With senior housing, the distinction between renting and owning is often blurred, however, with membership fees, up-front deposits, monthly payments for part of the cost, etc. For purposes of this study, it is assumed that 75 percent of senior housing demand is for ownership product and 25 percent is for rentals.

Housing Demand Summarized

In total, demand currently exists for approximately 4,468 units. By 2012, new jobs and an increase in senior households will generate demand for roughly 2,706 additional units, which brings the total to approximately 7,174 housing units for which demand will be generated by 2012. This estimate covers all income and price ranges, not just the demand for affordable units. Also, it includes only units that will be occupied as primary residences – the demand for vacation homes and accommodations has not been considered.

Comprehensive Estimate of Housing Demand		
Source of Demand	Ownership	Rental
<i>Existing / Catch-Up Demand</i>		
Renters Wanting to Buy	1,970	
Homeowners Wanting New/Different Home	1,807	
In-commuters Wanting to Live in Summit County	691	
<i>Forecasted / Keep-Up Demand</i>		
New Jobs 2007 - 2012	888	1,418
Additional Senior Households 2007 - 2012	300	100
Total	5,656	1,518

This estimate should be considered balanced by a methodology that includes both conservative and aggressive assumptions as follows.

- None of the renter households with incomes equal to or less than 80 percent AMI were considered part of the demand for homeownership even though many would like to buy.
- All of the renter households who want to buy with incomes above 80 percent AMI even though some will not be able to qualify.
- The lower Census estimate of employees per household was used rather than the ratio from the 2007 Housing Survey.
- Overcrowding was not measured as a separate source of demand since it would be largely addressed by the providing additional homeownership opportunities in response to the desire for larger units.

Given limited land availability and financial resources, the communities in Summit County and the Housing Authority will find it challenging to meet all of the demand for housing that now exists and will grow in the future. Providing estimates for each source of demand separately supports policy development. There are implications associated with serving each segment of the population. Quantifying the number of units for which demand is generated by each group supports consideration of questions like:

- Should addressing catch up needs be given priority over keep up needs or vice versa?

- Should priority for units be based on length of residency when establishing priorities? Should length of employment in the county be a selection factor?
- Should growth be required to pay its own way through the provision of housing for employees needed to fill new jobs?
- How important it is to provide housing not only for retiring employees to stay in the county but also for seniors to move in who want to live near family?
- Should residents who already own homes be given the same consideration as those who want to move from rentals into ownership and should efforts be made to preserve the units owners now occupy for other year-round residents?

Allocation of Demand by Basin

The total demand for 7,174 units can be assigned or allocated to each of Summit County's four river basins using a methodology that most closely matches demand with known preferences or with the location where it is generated. Specifically:

- Homeownership demand generated by renters who want to buy and owners who are interested in buying a new/different home has been allocated based on where these potential buyers most want to live.
- Demand from in-commuters who want to move into Summit County has been allocated based on where they work.
- The demand for ownership and rental housing to support job growth between now and 2012 has been assigned to the four basins based on where the additional jobs will be created.
- Demand for senior housing, both rental and ownership, that will be generated in the next five years has been allocated based on where seniors who are already residents of Summit County most want to live.

Allocation of Total Demand by Basin

Source of Demand	Total	Lower Blue	Snake River	Tenmile	Upper Blue
<i>Existing/Catch-Up Demand</i>					
Renters Wanting to Buy	1,970	148	593	567	662
Homeowners Wanting New/Different Home	1,807	186	323	636	661
In-commuters Wanting to Live in Summit County	691	125	157	166	243
<i>Forecasted Keep-Up Demand</i>					
New Jobs 2007 - 2012: Ownership	888	162	201	213	313
New Jobs 2007 - 2012: Rental	1,418	258	320	340	501
New Senior Households 2007 - 2012: Ownership	300	62	119	37	83
New Senior Households 2007 - 2012: Rental	100	21	40	12	28
Total Demand for Housing	7,174	962	1,753	1,971	2,491
Percent of Total	100%	13.4%	24.4%	27.5%	34.7%

Source: 2007 Household Survey, RRC/Rees Calculations

Homeownership Demand by AMI and Purchase Price

Affordability is a function of income, which is typically expressed as a percentage of the area median income (AMI). It is not a constant but varies as incomes change, usually increasing incrementally each year. Affordability is when households spend no more than 30% of their gross income on their housing payment. In 2007, the maximum amount that low-income households with incomes at 80% AMI can afford to pay for a home is approximately \$173,000.

Affordable Purchase Prices by AMI, 2007

	80%	100%	120%	150%	180%
Max. Monthly Income	\$4,471	\$5,908	\$7,090	\$8,863	\$10,635
Affordable Housing Pmt.	\$1,341	\$1,773	\$2,127	\$2,659	\$3,191
Taxes/Ins/HOA	\$250	\$250	\$250	\$250	\$250
Principal & Interest	\$1,091	\$1,523	\$1,877	\$2,409	\$2,941
Amt Can Borrow	\$156,075	\$217,730	\$268,444	\$344,515	\$420,543
10% Down Payment	\$17,342	\$24,192	\$29,827	\$38,279	\$46,727
Max. Purchase Price	\$173,417	\$241,922	\$298,271	\$382,794	\$467,270

Sources: HUD and RRC calculations

The maximum amount that households within each income category ranging from 80% AMI to 180% AMI have been estimated based on a series of assumptions:

- Mortgages are available for 30 years with a fixed interest rate of 7.5%. Interest rates are currently lower but easing up slowly. Borrowers with imperfect credit, as is often the case in high-cost communities, may not be able to obtain the best interest rates. Using a rate that is slightly higher than the current rate results in understated purchase prices but is appropriate for long-term planning purposes.

- The monthly cost of property taxes, homeowner's insurance and homeowner's association fees is constant at \$250, as done by the Department of Housing and Urban Development (HUD) for homeownership programs they fund. This amount is low, however, for Summit County given typical condominium association fees, which means that the amounts shown are higher than what would be affordable for purchasers. The average HOA payment for condominiums listed through the Summit Association of Realtors' MLS was \$448 as of May 31, 2007. The dues for the two deed restricted units listed then were \$172 and \$439.
- The amounts shown are for three-person households since the average household size in Summit County is 2.35. The purchase prices are lower for smaller households and higher for larger households.
- Down payments of 10 percent will be provided. Programs for first-time buyers have lower down payment requirements but income restrictions limit their use by most of the potential homebuyers in Summit County.

It is crucial to note and take into consideration that the purchase prices shown in this section are *maximums*. They represent the most that households in each AMI category can afford. To be responsive to market demand, units must be priced to serve all households within the range. If restrictions limit incomes to a specific range but the price is set to be affordable only for those with incomes at the maximum, few potential buyers will qualify. If the market segment is too narrow, the units will not sell. For example, units targeted to serve households with incomes no greater than 100 percent AMI should be priced from around \$173,000, the amount affordable at 80% AMI to \$242,000, the maximum affordable for 100% AMI.

Demand by Source and AMI

Percent	Renters want to Buy	Owners want to Buy	In- commuters	New Seniors	New Jobs Renters	New Jobs Owners	Total
≤ 30%	0.0	2.3	5.1	3.8	12.0	3.6	4.1
31% - 50%	0.0	6.3	5.1	12.8	15.8	4.8	6.5
51% - 80%	0.0	14.8	15.4	10.3	18.4	11.3	10.8
81% - 100%	36.7	13.3	28.2	19.2	20.6	17.0	23.4
101% - 120%	20.0	14.1	17.9	9.0	10.4	13.0	14.9
121% - 150%	22.7	21.1	5.1	15.4	12.3	18.2	17.6
151% - 180%	12.7	13.3	17.9	9.0	5.7	11.5	11.6
181+%	8.0	14.8	5.1	20.5	4.7	20.5	11.0
	100.0%	100.0%	100%	100%	100%	100%	100.0%

Number							
≤ 30%	0	42	35	15	171	32	295
31% - 50%	0	113	35	51	224	43	466
51% - 80%	0	268	106	41	260	101	776
81% - 100%	722	240	195	77	292	151	1,677
101% - 120%	394	254	124	36	148	115	1,071
121% - 150%	447	381	35	62	175	162	1,262
151% - 180%	250	240	124	36	81	102	833
181+%	158	268	35	82	67	182	792
	1970	1807	691	400	1,418	888	7,174

New senior households and new employees with incomes less than 80 percent AMI will generate demand for ownership housing. While low income renters already living in the county who want to buy have been excluded from homeownership demand estimates, seniors and new employees have been included since many are now owners and will have down payments from the sale of owns that will increase their purchasing power.

Homeownership Demand Addressed by the Free Market

Number of Listings

As of May 31st, 981 residential units were listed for sale through the Summit Association of Realtors' Multiple Listing Service (MLS). Of these, roughly half were single-family homes and half were condominiums or townhomes. The number of listings in May is typically representative of the year-round average. Listings are lower during the winter months then increase in the late spring as sellers prepare for the summer months when the rate of sales is at its' highest.

Summit County MLS Listings, May 31, 2007

Single-family	County Wide	Lower Blue	Snake River	Tenmile	Upper Blue
# Listings	497	127	67	54	249
% of Total	100%	25.6%	13.5%	10.9%	50.1%
Average Price	\$1,293,559	\$1,073,679	\$1,151,526	\$1,508,961	\$1,397,211
Average Price/SF	\$375	\$324	\$341	\$517	\$379
Median Price	\$995,000	\$935,000	\$994,900	\$1,189,500	\$1,024,900
Median Price/SF	\$342	\$307	\$332	\$422	\$352

Condo/TH

# Listings	484	48	168	111	157
% of Total	100%	9.9%	34.7%	22.9%	32.4%
Average Price	\$491,648	\$377,319	\$418,098	\$522,819	\$583,266
Average Price/SF	\$423	\$267	\$366	\$404	\$546
Median Price	\$419,000	\$344,250	\$385,250	480,000	\$469,000
Median Price/SF	\$385	\$271	\$356	\$375	\$524

Source: Summit Association of Realtors' MLS and RRC/Rees calculations.

Roughly one-third of the condominiums and townhomes listed as of May 31st were under contract but had not closed, which reflects a brisk rate of sales. Relatively fewer single-family homes were under contract (20%), which suggests that the market for houses is not as tight as for lower-priced condominiums and townhomes.

Net Listings by Unit Type

	Single-family	Condos/TH's
Total Listings – 5/31/07	497	484
Under Contract	99	173
Available Listings	398	311

Source: Summit Association of Realtors' MLS and RRC/Rees calculations.

In 2006, the MLS reported sales of 747 single-family homes and 1,732 condominiums or townhomes. Based on last year's activity, available listings (units under contract excluded) represented nearly a 6.4

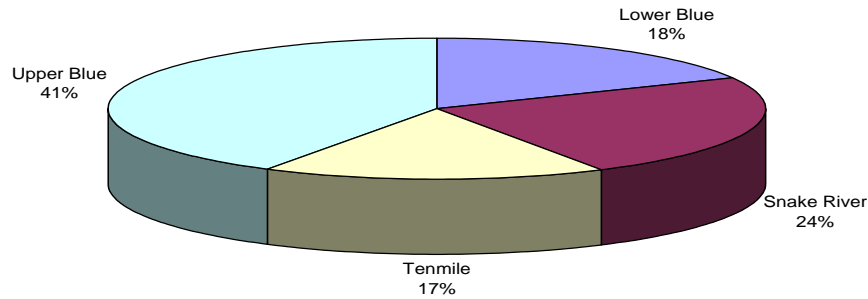
month inventory for single-family homes and a 2.2 month inventory for condominiums and townhomes. The inventory for attached product is extremely low reflecting a very tight market.

Months Inventory

Months Inventory by Unit Type		
	Single-family	Condos/TH's
# Sold in 2006	747	1,732
Sales per Month	62.25	144.33
Total Listings - 5/31/07	497	484
Under Contract	99	173
Available Listings	398	311
Months Inventory	6.39	2.16

The Upper Blue basin had more listings than any of the other three with 41 percent of the total.

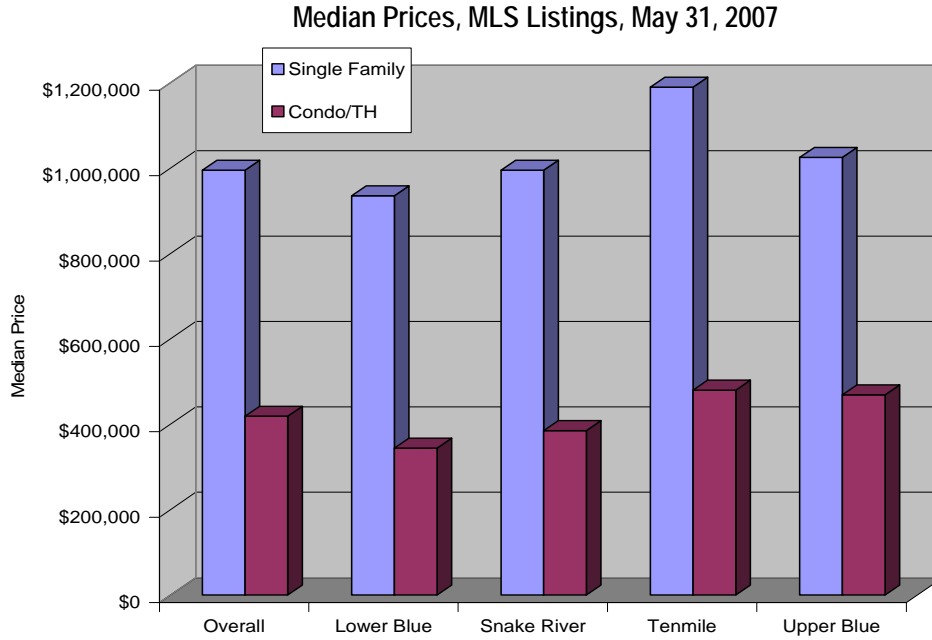
Listings by Basin, May 31, 2007



Source: Summit Association of Realtors' MLS and RRC/Rees calculations.

Prices

The median price for single-family homes in Summit County is nearly \$1 million. The median price exceeds \$1 million in both the Tenmile and Upper Blue basins. Condominiums and townhomes tend to be priced at about 40 percent of the cost of single-family homes. The prices for both condominiums/townhomes and single-family homes are highest in the Tenmile basin and lowest in the Lower Blue basin.



Source: Summit Association of Realtors' MLS

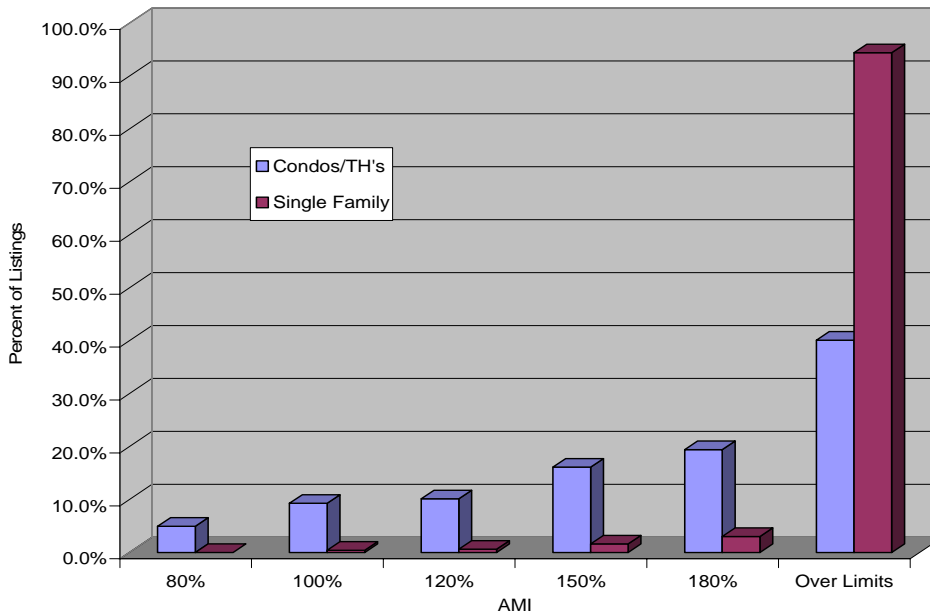
Average prices were consistently higher than median prices reflecting a few "outliers" at the upper end of the price spectrum -- homes that were priced unusually high for the market area. Because of this, the medians are more representative of the typical or mid-range price and are used for comparisons among the four basins.

Availability by Price and AMI

List/contract prices were compared to the maximum purchase prices that are affordable for households with incomes ranging from 80 to 180percent AMI. Many of the condominiums/townhomes (40 percent) and almost all of the single-family homes (94 percent) that are now listed for sale in Summit County are priced above what is affordable for households with incomes at 180 percent AMI. Listings that were under contract as of May 31st were included since these sales will partially address the 2007 demand for housing.

Choices are limited. Residents face more obstacles than high prices when trying to purchase homes in Summit County including limited product and location choice. There is little variation in unit type and design with condominiums and townhome product that is dated and designed primary to function as vacation accommodations. Lower priced units are not dispersed throughout the county but located primary in one basin. HOA dues are high, often the result of amenities and services that are neither needed nor desired by year-round residents. The number of units listed for sale is small compared previous sales volume and to demand with many if not most of the units priced to be affordable at or less than 180 percent AMI under contract shortly after being listed.

Affordability of Listings by AMI



Source: Summit Association of Realtors' MLS; RRC/Rees Calculations

Of the units that are potentially affordable for households with incomes less than or equal to 80 percent AMI, all are condominiums, over half are under contract, approximately 70 percent are in the Snake River basin, and their HOA dues average \$257 per month.

Choices are still limited for households in the 81 to 120 percent ranges. All but five of the 99 listings are condominiums/townhomes, just over 40 percent are in the Snake River basin, nearly half are under contract and HOA dues average \$390 per month. Fees of this amount mean that many of the units are not as affordable as their prices suggest.

Above \$300,000, availability and choice improve although nearly 90 percent of the units affordable for households with incomes in the 121 to 180 percent price range are condominiums and townhomes. The Upper Blue has almost as many listings in this price range as the Snake River basin.

Listings by Unit Type and AMI

AMI	Max. Price	Condos/TH's		Single-family		Total	
		#	%	#	%	#	%
80%	\$173,417	24	5.0%	0	0.0%	24	2.4%
100%	\$241,922	45	9.3%	2	0.4%	47	4.8%
120%	\$298,271	49	10.1%	3	0.6%	52	5.3%
150%	\$382,794	78	16.1%	8	1.6%	86	8.8%
180%	\$467,270	94	19.4%	15	3.0%	109	11.1%
Over	N/A	194	40.1%	469	94.4%	663	67.6%
Total	-	484	100.0%	497	100.0%	981	100.0%

Source: Summit Association of Realtors' MLS; RRC/Rees Calculations

Two deed restricted units were listed for sale as of May 31st, a two-bedroom condo at Towers at Lakepoint in Dillon for \$225,000 and a three-bedroom townhome at Dillon Valley East for \$154,900. The Dillon Valley

East unit had been on the market for over 300 days likely due in part to its pricing, which was only about 19 percent lower than comparable free-market units that were under contract with four days of listing. Two additional units, both in Breckenridge (one at Kings Ridge and one at Wellington) were placed on the market in early June. Agents must be familiar with properties and search by sales price in order to identify deed restricted units for sale since the MLS does not have separate codes or fields for deed restrictions.

MLS Listings by Unit Type, AMI and Basin

Condos/TH's	Lower Blue	Snake River	Tenmile	Upper Blue	Total
80% AMI	1	17	2	4	24
100% AMI	6	20	10	9	45
120% AMI	13	22	6	8	49
150% AMI	8	25	14	31	78
180% AMI	10	38	21	25	94
181% + AMI	10	46	58	80	194
Total	48	168	111	157	484
Single-family					
80% AMI	1	0	0	0	1
100% AMI	2	0	0	0	2
120% AMI	0	0	0	3	3
150% AMI	4	1	0	3	8
180% AMI	4	5	0	6	15
181%+ AMI	116	61	54	237	468
Total	127	67	54	249	497
Total Units					
80% AMI	2	17	2	4	25
100% AMI	8	20	10	9	47
120% AMI	13	22	6	11	52
150% AMI	12	26	14	34	86
180% AMI	14	43	21	31	109
181%+ AMI	126	107	112	317	662
Total	175	235	165	406	981

Source: Summit Association of Realtors' MLS; RRC/Rees Calculations

Residents who want to buy a home in Summit County face limited choice not only with price, location and unit type but also number of bedrooms. Most of the units priced to be affordable for households with incomes up to 120 percent AMI are studios or have only one bedroom. While these small units might well serve vacationers they are not suitable for families. In the price range affordable for 120 to 180 percent AMI, more units have two bedrooms but very few (about 20 percent) have three bedrooms, which is the size most desired by residents who want to buy a home in Summit County. As with location and product type, there is little choice in number of bedrooms until reaching the price point that is affordable for households with incomes at or above 180 percent AMI (\$470,000 plus).

Listings by AMI and Bedrooms						
	Bedrooms					
	Studio	One	Two	Three	Four	Five+
80% AMI						
Condo/TH's	5	16	2	1		
Single-family						
81 - 100% AMI						
Condo/TH's	7	23	13	2		
Single-family			3			
101 - 120% AMI						
Condo/TH's	6	24	13	6		
Single-family			2	1		
121 - 150% AMI						
Condo/TH's	5	17	47	9		
Single-family		1	6	1		
151 - 180% AMI						
Condo/TH's		10	62	22		
Single-family			6	7	2	
181%+ AMI						
Condo/TH's		9	71	90	23	1
Single-family		2	14	126	203	123

Source: Summit Association of Realtors' MLS; RRC/Rees Calculations

Comparison – Availability to Demand

There is a significant gap between the current demand (catch-up) units and the number of units available as of May 31, 2007. The difference of 3,487 units between current demand for 4,468 units and 981 current listings represents the magnitude of the gap between what residents and in commuting employees want for housing and what the free market is providing (only two deed restricted units are included in current listings). The difference for each AMI category represents the net demand between what residents and in-commuters can afford and the free market price of units.

Households with incomes greater than 180 percent AMI comprise the only group now adequately served by the free market. The gap is largest in the 81 to 100 percent AMI range. These figures are dynamic; additional units will be placed on the market during 2007 that will slightly lower the gap. With two-thirds of the current listings affordable only for households with incomes greater than 180 percent AMI, the change should not significantly impact planning for solutions to address catch-up demand.

Net Demand for Housing

AMI	Max. Affordable Price	% MLS Listings	% Current Demand	# MLS Listings	# Units - Current Demand	Gap/ Net Demand
≤30%	\$44,891	0	1.7%	0	77	(77)
31 - 50%	\$101,098	0	3.7%	0	148	(148)
51 - 80%	\$173,417	2.4%	8.2%	24	374	(350)
81 -100%	\$241,922	4.8%	26.5%	47	1157	(1,110)
101 -120%	\$298,271	5.3%	16.4%	52	772	(720)
121 -150%	\$382,794	8.8%	19.3%	86	863	(777)
151 -180%	\$467,270	11.1%	13.2%	109	614	(505)
Over Limits	N/A	67.6%	11.0%	663	461	202
Total		100%	100.0%	981	4,468	(3,487)

Source: Summit Association of Realtors' MLS; RRC/Rees Calculations

Allocation of Net Demand by AMI Level: Summit County Basins 2007

Net Demand for Housing Lower Blue

AMI	Max. Affordable Price	% MLS Listings	% Current Demand	# MLS Listings	# Units - Current Demand	Gap/ Net Demand
≤30%	\$44,891	0.0%	1.4%	0	6	(6)
31 - 50%	\$101,098	0.0%	7.6%	0	35	(35)
51 - 80%	\$173,417	1.1%	7.3%	2	34	(32)
81 -100%	\$241,922	4.6%	21.5%	8	99	(91)
101 -120%	\$298,271	7.4%	21.9%	13	100	(87)
121 -150%	\$382,794	6.9%	18.4%	12	84	(72)
151 -180%	\$467,270	8.0%	8.0%	14	37	(23)
Over Limits	N/A	72.0%	13.9%	126	64	62
Total		100.0%	100.0%	175	459	(284)

Net Demand for Housing Snake River

AMI	Max. Affordable Price	% MLS Listings	% Current Demand	# MLS Listings	# Units - Current Demand	Gap/ Net Demand
≤30%	\$44,891	0.0%	0.0%	0	8	(8)
31 - 50%	\$101,098	0.0%	2.5%	0	35	(35)
51 - 80%	\$173,417	7.2%	7.5%	17	105	(88)
81 -100%	\$241,922	8.5%	30.5%	20	327	(307)
101 -120%	\$298,271	9.4%	15.2%	22	163	(141)
121 -150%	\$382,794	11.1%	18.3%	26	197	(171)
151 -180%	\$467,270	18.3%	12.7%	43	136	(93)
Over Limits	N/A	45.5%	9.5%	107	102	5
Total		100.0%	100.0%	235	1,073	(838)

Net Demand for Housing Tenmile

AMI	Max.	% MLS Listings	% Current Demand	# MLS Listings	# Units - Current Demand	Gap/ Net Demand
	Affordable Price					
≤30%	\$44,891	0.0%	3.0%	0	50	(50)
31 - 50%	\$101,098	0.0%	0.0%	0	8	(8)
51 - 80%	\$173,417	1.2%	5.0%	2	95	(93)
81 -100%	\$241,922	6.1%	28.4%	10	389	(379)
101 -120%	\$298,271	3.6%	15.6%	6	214	(208)
121 -150%	\$382,794	8.5%	13.5%	14	184	(170)
151 -180%	\$467,270	12.7%	17.9%	21	245	(224)
Over Limits	N/A	67.9%	13.3%	112	183	(71)
Total		100.0%	100.0%	165	1,369	(1,204)

Net Demand for Housing Upper Blue

AMI	Max.	% MLS Listings	% Current Demand	# MLS Listings	# Units - Current Demand	Gap/ Net Demand
	Affordable Price					
≤30%	\$44,891	0.0%	0.8%	0	12	(12)
31 - 50%	\$101,098	0.0%	4.5%	0	71	(71)
51 - 80%	\$173,417	1.0%	9.0%	4	140	(136)
81 -100%	\$241,922	2.2%	21.7%	9	341	(332)
101 -120%	\$298,271	2.7%	18.7%	11	293	(282)
121 -150%	\$382,794	8.4%	25.5%	34	399	(365)
151 -180%	\$467,270	7.6%	12.5%	31	196	(165)
Over Limits	N/A	78.1%	7.2%	317	112	205
Total		100.0%	100.0%	406	1,566	(1,160)

The extent to which the free market will satisfy the demand for the 2,700 additional units that will be generated by job creation and an increase in senior households by 2012 is unknown. If trends continue, the free market will only serve the upper end of demand. The 2005 Housing Needs Assessment found gaps in housing in the 50 to 120 percent AMI range with the free market serving demand above 120 percent AMI. With the escalation in real estate prices in the past two years, the free market now provides relatively few homeownership opportunities that are affordable for households with incomes less than 180 percent AMI. There is no indication that this trend is going to slow or reverse. Given the current gap in demand and the increase in demand likely from job creation and growth in senior households, it appears that public resources should be allocated for housing that will serve a broad range of incomes up to 180 percent AMI if all segments of demand are going to be addressed. Monitoring of the free market over the next five years could be done to determine if income targets and corresponding price points should be adjusted.

6 - HOUSING PREFERENCES

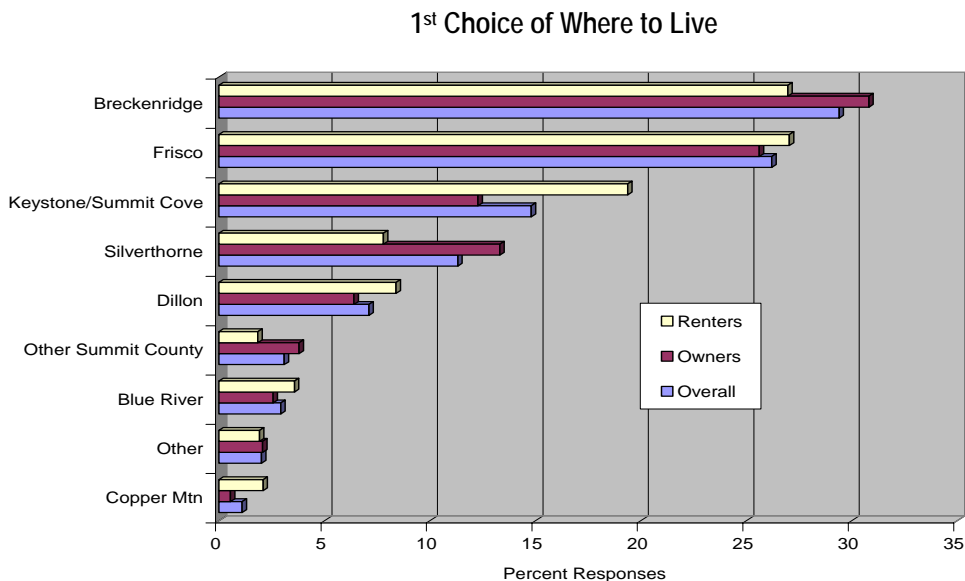
This section of the report provides information for use in the planning, design and development of housing in Summit County. It considers the preferences of Summit County's residents in terms of the type, size of home and price of home they want. It also examines location-related issues and neighborhood considerations to support the selection and planning of sites for housing development. Specifically, it:

- Analyzes location considerations including where residents want to live and the importance they place on various location attributes, like proximity to work;
- provides information to aid in the future development of rental housing including the type of units and lease terms desired,
- examines the preferences of potential homebuyers including both renters who want to buy and owners who are interested in purchasing a different home;
- assesses the marketability of deed restrictions;
- examines the preferences of the county's residents regarding the amenities they seek in their home and neighborhood; and,
- contains information specific to the design and development of housing for seniors.

Location

Where Residents Want to Live

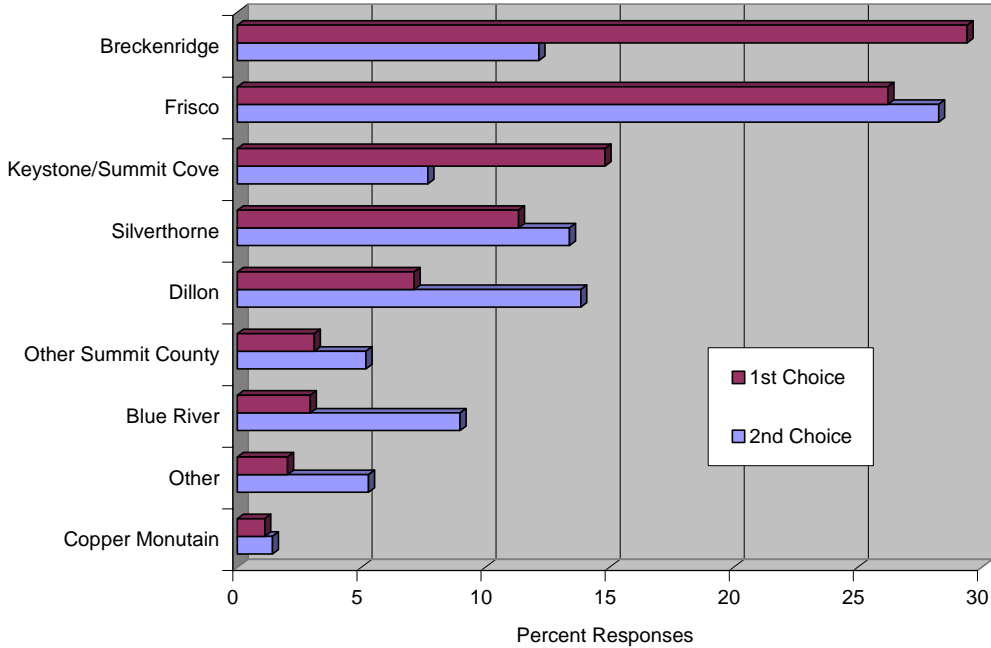
Among the communities in Summit County, Breckenridge is the most preferred location to live followed by Frisco. Renters and owners are generally similar in terms of where they most want to live although there are some exceptions. Renters are more interested in living in the Keystone/Summit Cove area than are owners and owners are more likely to prefer living in Silverthorne than are renters.



Source: 2007 Household Survey

A comparison of first and second choice responses shows a shift from Breckenridge and Keystone to Dillon, Silverthorne and the Blue River area with Frisco remaining a strong preference.

Where Want to Live, 1st and 2nd Choice Responses Compared



Source: 2007 Household Survey

A comparison of where residents now live to where they want to live, by basin, reveals that the majority now live where they most want to live. Approximately 84 percent of residents living in the Upper Blue basin indicated it was their first choice. The Lower Blue basin is home to the highest percentage of residents who would rather live elsewhere – 30 percent would prefer to live in the Tenmile basin and another 30 percent would rather live elsewhere.

Where Want to Live by Where Now Live

Shading denotes residents living in their 1st choice area.

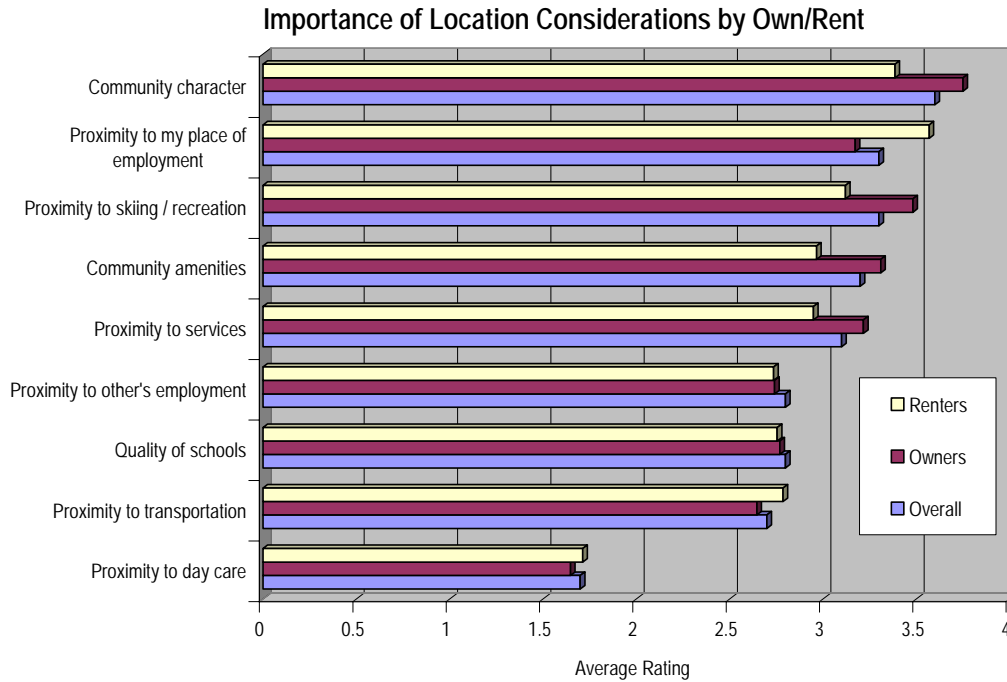
Where Want to Live	Where Now Live			
	Lower Blue	Snake River	Tenmile	Upper Blue
Lower Blue	40.8	5.4	2.1	1.0
Snake River	11.8	69.7	7.6	3.6
Tenmile	29.4	15.8	77.9	9.2
Upper Blue	7.6	4.1	8.3	84.2
Other	10.4	5.0	4.1	2.0
Total	100%	100%	100%	100%

Source: 2007 Household Survey

Location Considerations

Survey participants were asked to rate the importance when looking for a place to live of nine location-related variables on a scale where 1 = not at all important and 5 = extremely important. Community

character, which was defined as family oriented, neighborhood appeal, etc., received the highest overall rating. Proximity to skiing and other recreation and proximity to place of employment tied for second in terms of average overall importance followed closely by community amenities, which were defined as schools, parks, libraries, etc.



Source: 2007 Household Survey

A comparison of owners to renters reveals some differences in terms of how they regard location. Owners place greater importance on community character, community amenities, and proximity to recreation and services while renters tend to most highly value proximity to employment and transportation. This finding supports the conclusions of past studies done throughout the state that find renters are generally not willing to commute the distance that homeowners are.

Proximity to day care was ranked the lowest by both renters and owners of the nine issues presented, with an average rating of only 1.7 out of 5. Quality of schools ranked significantly higher but still received only a moderate rating of 2.8. Regarding day care, households without young children do not look upon it as a community asset important to have nearby; almost 70 percent of residents consider proximity to day care to be not at all important. Quality of schools is important in varying degrees to a much larger segment of the population; only 40 percent considered quality of schools to be unimportant when looking for a place to live.

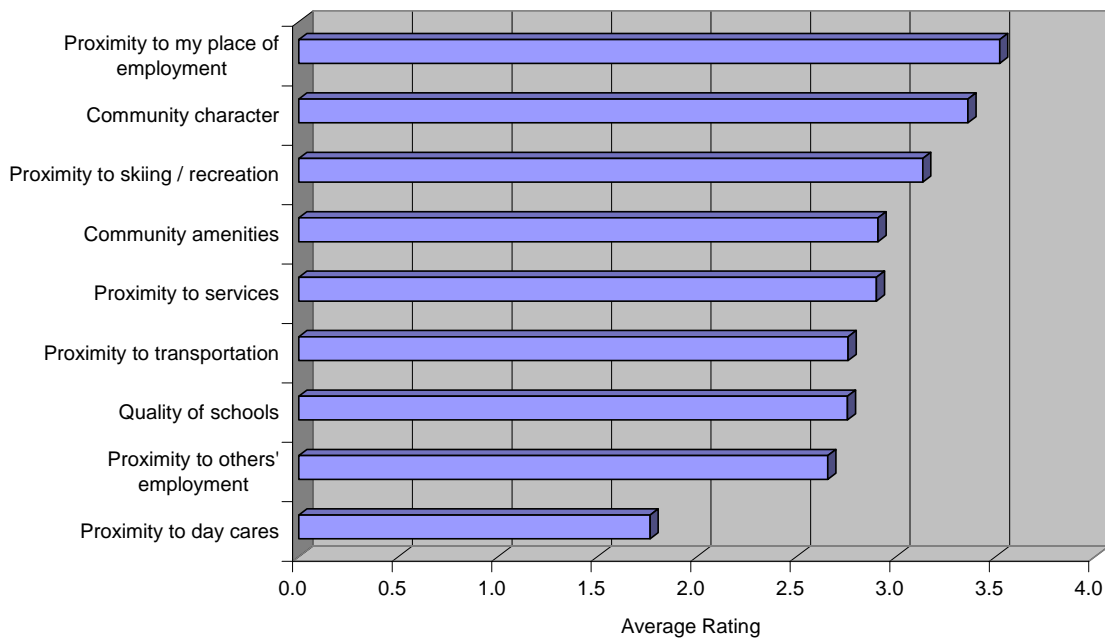
Importance of Day Care and Schools

	Proximity to Day Care	Quality of Schools
1 = Not at all important	69.2	39.3
2	8.2	8.0
3	11.8	12.8
4	6.5	16.5
5 = Extremely important	4.3	23.4
	100%	100%
Average Rating	1.7	2.8

Source: 2007 Household Survey

Potential homebuyers (renters who want to buy and owners who want to buy a new/different home) differ slightly from residents who want to continue living in the homes they now own with regards to location – potential homeowners rated proximity to their place of employment as their most important location consideration.

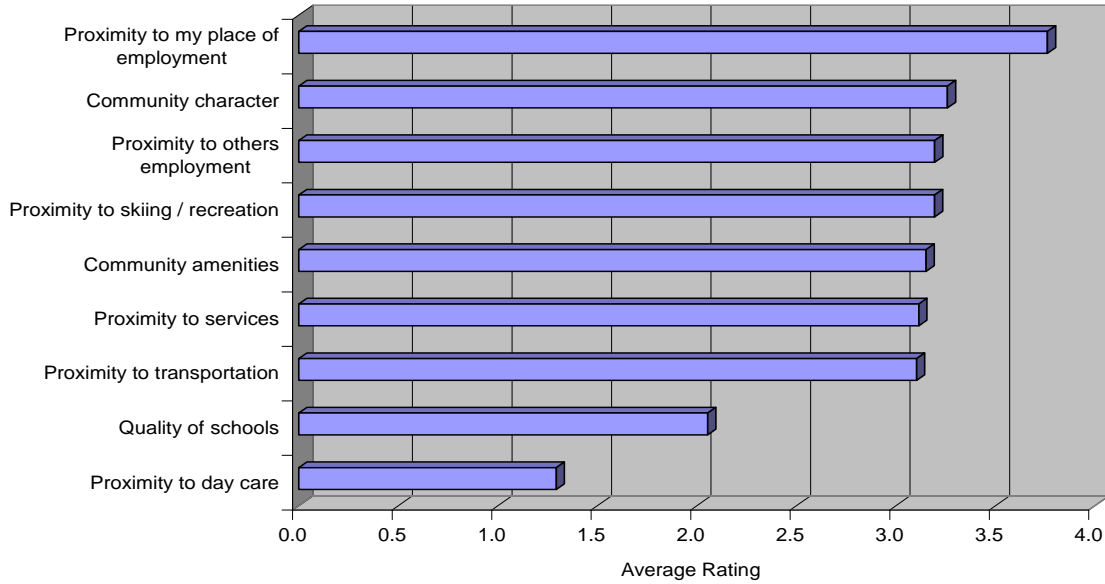
Importance of Location Considerations – Potential Homebuyers



Source: 2007 Household Survey

Renters who want to continue to rent also value most living near their place of employment. They rated proximity to the place of employment of others in their household higher than potential homeowners, however.

Importance of Location Considerations – Renters Who Want to Rent



Source: 2007 Household Survey

Rental Housing

As shown in the Demand Analysis section of this report, the demand generated by renters who already live in Summit County and want to continue to rent should be satisfied by the existing supply of rental units if homeownership opportunities are created for renters who want to buy. It is important, however, to consider the preferences of renters who want to continue to rent and to compare it to the supply of rental units to determine if their desires are met and to determine how to best meet rental demand that will be generated by job growth.

Unit Type Preferred

Of renters who would like to continue to rent:

- Approximately 40 percent want to lease a small apartment in which they can live alone. Only 22 percent of renter households now consist of one person living alone; many renters are forced to live with unrelated roommates when living alone is preferred.
- Nearly one-third would like to rent a larger apartment that they can share with family members or roommates.
- 28 percent would like to rent a house that they can share with others.
- None selected the option for renting a lock off, or a room in a house without a kitchen.

Renter Preferences - Unit Type

Unit Type Preferred		Unit Type Now Occupied	
Small apartment to live in alone	39.9	Single-family home/cabin	26.6
Larger apartment to share w/ family/roommates	31.7	Condo/townhome/duplex	36.0
House to share with family/roommates	28.3	Apartment	29.9
	100%	Mobile home	3.2
		Other	3.4
		Caretaker unit	0.9
			100%

Source: 2007 Household Survey

The mix of units now lived in by renters is not far different from the mix that would most meet their desires. Condominiums, townhomes and duplexes house approximately 36 percent of renters. While these types of units were not offered as a survey option, they physically resemble apartments, both large and small. There is a close match between the percentage who live in single-family homes and those who want to rent single-family homes.

Lease Terms

Nearly half of the renters who indicated they want to continue to rent for the next five years would like to lease with the option to buy.

Renters Who Want to Continue to Rent

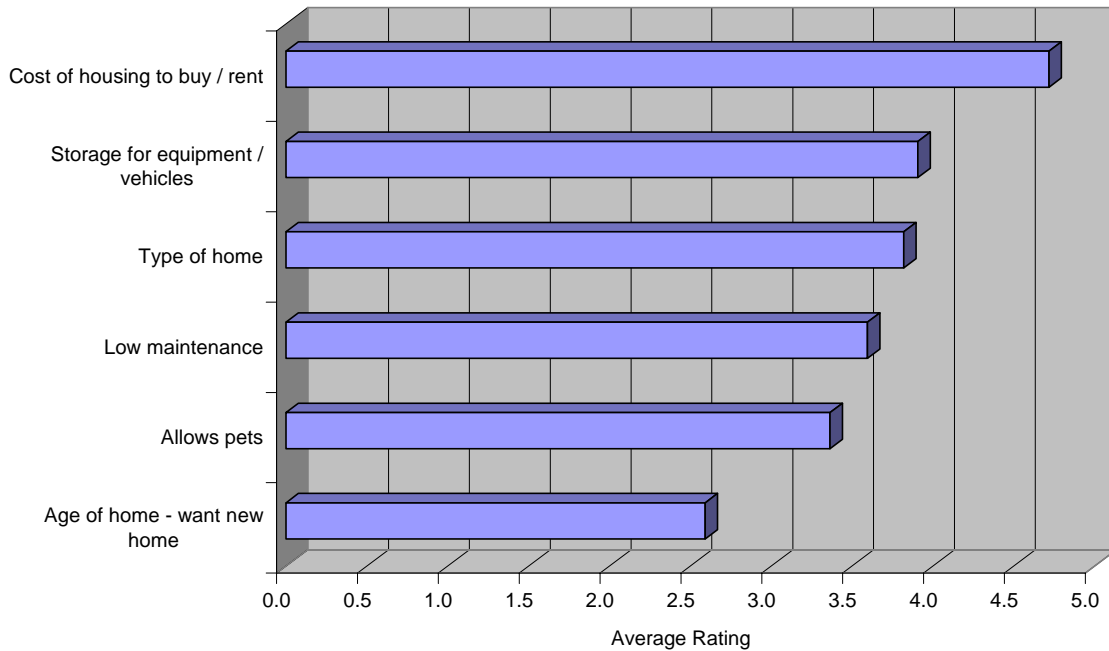
Terms

Seasonal lease	15.1
Long-term lease	35.9
Lease with option to buy	48.9
	100%

Source: 2007 Household Survey

When looking for a place to live, renters who want to continue to rent will focus foremost on the cost of housing. Among the six home characteristics they were asked to rate in terms of importance, cost rated considerably higher than other options. Storage for equipment and vehicles was second, rating higher than unit type as a consideration. Exterior storage for bicycles, kayaks, skis and other items too large to fit well inside, and garages are particularly important in mountain communities yet too often overlooked when developing low cost rental housing or units primarily designed to function as vacation accommodations.

Importance of Home Characteristics – Renters Who Want to Rent



Source: 2007 Household Survey

Homeownership

Reasons for Wanting to Buy

The reason most frequently cited by homeowners for wanting to buy a new or different home was to move up in size. Over half of the owners surveyed cited it as one of their reasons for wanting to buy. To be closer to work was the second most often selected specific reason though it, like the other options, received far fewer responses than did wanting to find a larger home.

Renters are more diversified in their reasons for wanting to buy a home. While finding a larger home and wanting to be closer to work were also the most frequently cited reasons, renters were more likely to cite to live in a less expensive home and living in town more often than owners.

A total of 85 written responses were received on “other” reasons for wanting to purchase a home, of which 17 or 20 percent were reasons directly related to return on investment, a consideration relevant to deed restrictions. The most frequently cited reason, however, was the desire to stop paying rent. Other often-cited reasons included wanting to live in a new home, to be able to remodel and upgrade, and to be responsible for less maintenance.

Few residents are interested in downsizing. This is not surprising given that many residential units in the county were designed primarily as vacation homes/accommodations and that there are relatively few seniors in the county.

Reasons to Buy Home			
	Overall	Owners Who Want to Buy	Renters Who Want to Buy
To find a larger home	46.0	52.9	36.0
Other	26.8	17.8	39.3
To be closer to work	21.2	17.1	26.2
To live in a more rural setting	17.8	15.9	19.5
To find a less expensive home	16.9	14.9	20.4
To live in a different community	13.3	16.4	9.5
To live closer to city/town services	11.3	8.5	13.3
To find a smaller home	6.0	7.4	4.7
Total	159.3%	150.8%	168.8%

Source: 2007 Household Survey

*Note, this is a multiple response question so the total is greater than 100 percent.

Unit Type

Potential homebuyers, both owners looking to buy a new or different home and renters who would like to buy, were given three choices for type of unit, each with number of bedrooms, bathrooms, square footage and price specified. The choices were intended to be the base designs or “shells” from which potential buyers would design their homes choosing additional bedrooms, bathrooms and amenities taking into consideration the price for each additional option. The base designs offered are as follows:

- Condominium with 1 bedroom, 1 bathroom, 700 square feet for \$100,000
- Townhome with 1 bedroom, 1 bathroom, 850 square feet for \$150,000
- House with 2 bedrooms, 1 bathroom, 1,000 square feet for \$200,000

Overall, nearly three-fourths of respondents selected the house for \$200,000. Renters who would like to buy were more likely to select the condominium or townhome (one third combined) than were owners (only 13 percent).

Unit Type Preferences			
	Overall	Renters	Owners
Condominium -- 1 BR, 1 BA, 700 SF for \$100K	11.9	16.1	4.7
Townhome -- 1 BR, 1 BA, 850 SF for \$150K	14.0	17.1	8.2
House -- 2 BR, 1 BA, 1,000 SF for \$200K	74.1	66.8	87.1
Total	100%	100%	100%

Source: 2007 Household Survey

Many residents live in homes that are not the type they most prefer. The type of home now occupied is little indication of the type of home potential buyers would like to purchase. It is interesting to note the buyers who would like to down size or move into lower maintenance homes. Of those interested in buying a condominium, 28 percent now live in single-family homes or cabins. Over one-fourth of buyers who would most prefer a townhome now live in a house or cabin.

Housing Type Preferred by Type Now Lived In

	Condominium	Townhome	House
Apartment	35.0	29.8	11.5
Mobile home	1.7	0.0	2.2
Single-family home/cabin	28.3	26.2	38.4
Condo/townhome/duplex	30.0	42.9	44.9
Caretaker unit	0.0	0.0	0.9
Other	5.0	1.2	2.0
Total	100%	100%	100%

Source: 2007 Household Survey

Bedrooms and Bathrooms

Survey participants interested in buying a home were given the option of adding bedrooms and bathrooms to the basic units for the cost of \$25,000 per bedroom, \$10,000 for a half bathroom and \$20,000 for a full bathroom. Most of the potential homebuyers interested in purchasing a condominium or townhome added at least one additional bedroom to the one-bedroom base option although a sizeable percentage (47 percent for condo buyers and 44 percent of townhome buyers) were interested in purchasing units with only one bedroom. Also significant is the finding that 60 percent of those who would like to buy a house selected the two-bedroom base option without any additional bedrooms.

Number of Bedrooms Desired by Unit Type

Bedrooms	Condominium	Townhome	House
One	47.2	43.5	0.0
Two	47.2	46.8	59.9
Three	5.7	9.7	30.6
Four+	0.0	0.0	9.5
Total	100%	100%	100%

Source: 2007 Household Survey

Overall, potential buyers want as many or more bathrooms than bedrooms. Some interested in purchasing a condominium or townhome indicated they want three bathrooms. It is significant that 30 percent of those who want to buy a house, the largest portion of the potential homebuyer market, would like one bathroom and another 11 percent added only a half base to the basic design.

Number of Bathrooms Desired by Unit Type

Bathrooms	Condominium	Townhome	House
One	41.5	30.6	30.0
One & ½	5.7	9.7	11.0
Two	11.3	14.5	20.5
Two & ½	22.6	19.4	3.1
Three or more	18.9	25.8	35.5
Total	100%	100%	100%

Source: 2007 Household Survey

Price

For each type of unit, approximately 85 percent of potential buyers elected optional amenities and features that increased the purchase price above the base amount. The average price buyers want to pay for condominiums is about \$35,000 above the base price of \$100,000. On average, those interested in buying townhomes would like to pay about \$40,000 more than the \$150,000 base price. The optional increase over the \$200,000 base price for a single-family house averaged \$50,000.

Price Want to Pay by Unit Type
Shading represents selecting base price.

	Condominium	Townhome	House
Base Price	\$100,000	\$150,000	\$200,000
\$100,000	13.2		
\$100,001 - \$150,000	67.9	14.5	
\$150,001 - \$200,000	17.0	56.5	15.3
\$200,001 - \$250,000	1.9	27.4	43.4
\$250,001 - \$300,000		1.6	29.7
\$300,001 - \$350,000			9.8
\$350,001 or more			1.8
Total	100%	100%	100%
Average	\$134,878	\$190,141	\$250,066
Median	\$135,000	\$193,000	\$242,508

The prices of the units that potential homebuyers designed were grouped according to the amounts affordable for each AMI category. Generally, the prices for the base units and amenities selected by potential homebuyers are affordable given the income distribution of potential homebuyers.

Incomes and Prices Compared by AMI

AMI	Max. Affordable Price	Designed Prices	Potential Homebuyers
≤ 80%	\$173,417	16.2	11.4
81 - 100%	\$241,922	45.7	26.1
101 - 120%	\$298,271	28.9	16.2
121 - 150%	\$382,794	8.7	21.9
151 - 180%	\$467,270	0.5	12.3
181%+	N/A	0.0	12.1
System		100.0%	100.0%

Source: 2007 Household Survey

Another type of comparison of AMI and pricing shows in greater detail the households that designed homes they should be able to afford and those who may need further financial assistance in order to purchase the homes they desire. Given the prices posed by the survey, households with incomes less than 100 percent AMI are about the only ones who should have difficulty affording the homes they selected through the survey.

Affordability of Prices by AMI
Shading denotes affordable price ranges.

AMI of Designed Prices	AMI – Potential Homebuyers					
	≤80%	80.1 - 100%	100.1 - 120%	120.1 - 150%	150.1 - 180%	>180%
≤ 80%	23.6	15.8	12.8	11.3	12.1	
81 - 100%	59.0	48.7	42.6	35.5	27.3	26.7
101 - 120%	13.9	31.6	36.2	38.7	33.3	43.3
121 - 150%	2.8	3.9	8.5	12.9	27.3	26.7
151 - 180%	0.7			1.6		3.3
	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

Amenities

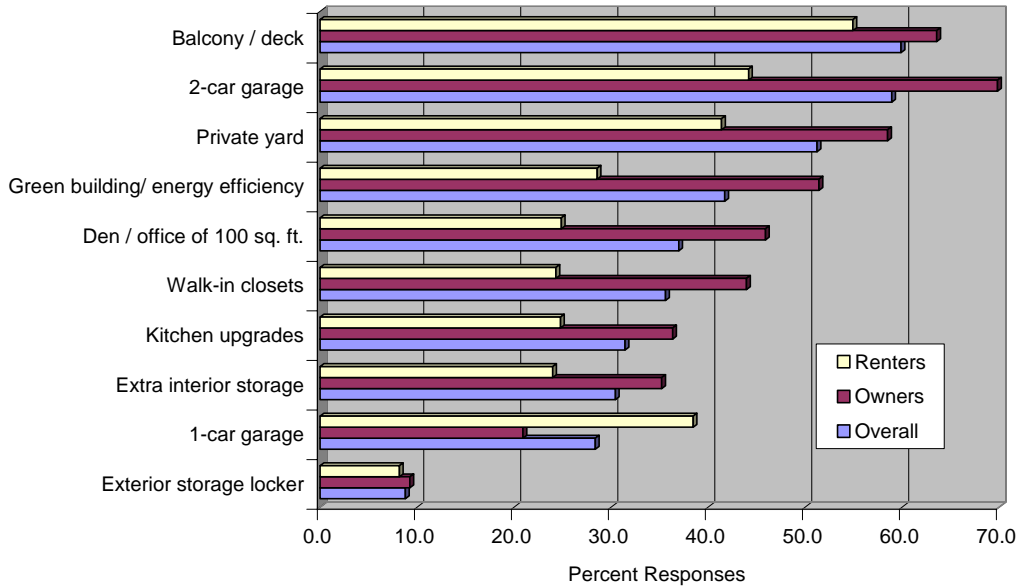
Potential homebuyers were asked to indicate optional design features or amenities they would select to add to the base unit they chose. The additional cost for each option was listed ranging from \$18,000 for a den/office or a two-car garage to \$2,000 for an exterior storage locker.

Optional Amenities Offered to Potential Homebuyers	
Optional Amenity	Additional Cost
Den/office of 100 SF	\$18,000
1-car garage	\$10,000
2-car garage	\$18,000
Kitchen upgrades	\$15,000
Walk-in closets	\$4,000
Extra interior storage	\$4,000
Exterior storage locker	\$2,000
Private yard	\$5,000
Balcony/deck	\$3,000
Green building/energy efficiency	\$10,000

Source: 2007 Household Survey

Most potential homebuyers selected one or more of the optional design features offered. A balcony or deck was the most often selected amenity followed closely by a two-car garage. A private yard was the third ranked amenity. Green building/energy efficiency, which would enhance the long-term affordability of homes, was selected more frequently than many of the lower-priced options ranking fourth out of the 10 options offered.

Amenities Desired by Potential Homebuyers



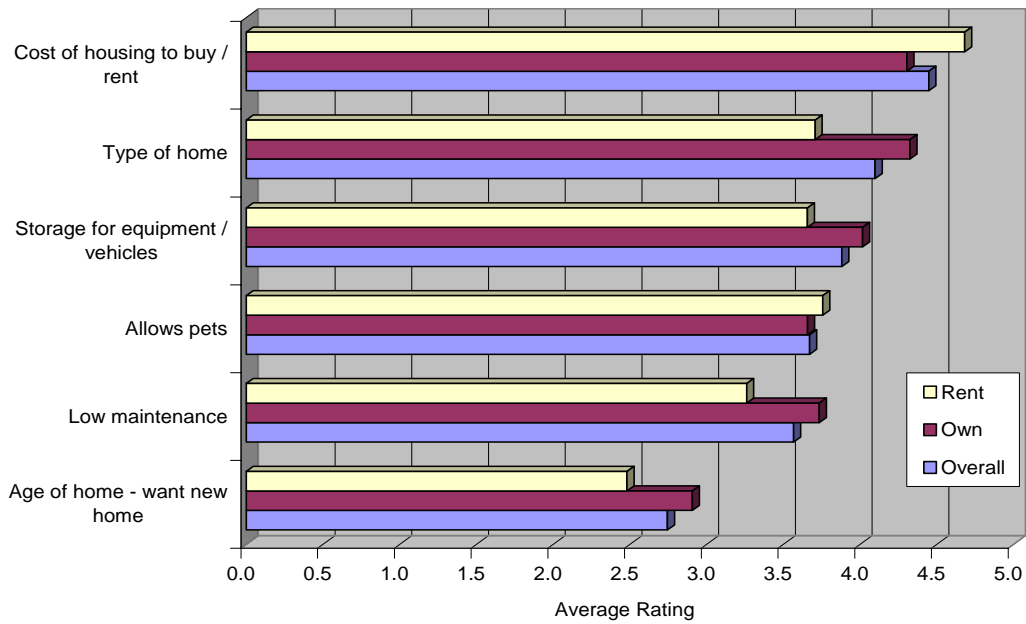
Source: 2007 Household Survey

Renters who would like to buy selected fewer amenities than did owners who are looking to buy a new or different home though they tended to select the same options. The only exception was the one-car garage, which was selected by only 20 percent of owners but 38 percent of renters who want to own.

Other Home Characteristics

All survey participants were asked to rate the importance of various home characteristics when looking for a place to live on a scale where 1 = not important and 5 = extremely important. The cost of housing rated the highest among both owners and renters followed by the type of home. While allowing pets ranked fourth in importance overall, being able to have dogs, cats and other pets received the second highest percentage of "extremely important" responses behind cost of housing but above size of housing. Wanting a new home rated the lowest of the six characteristics offered but still received a moderately high rating of 2.8.

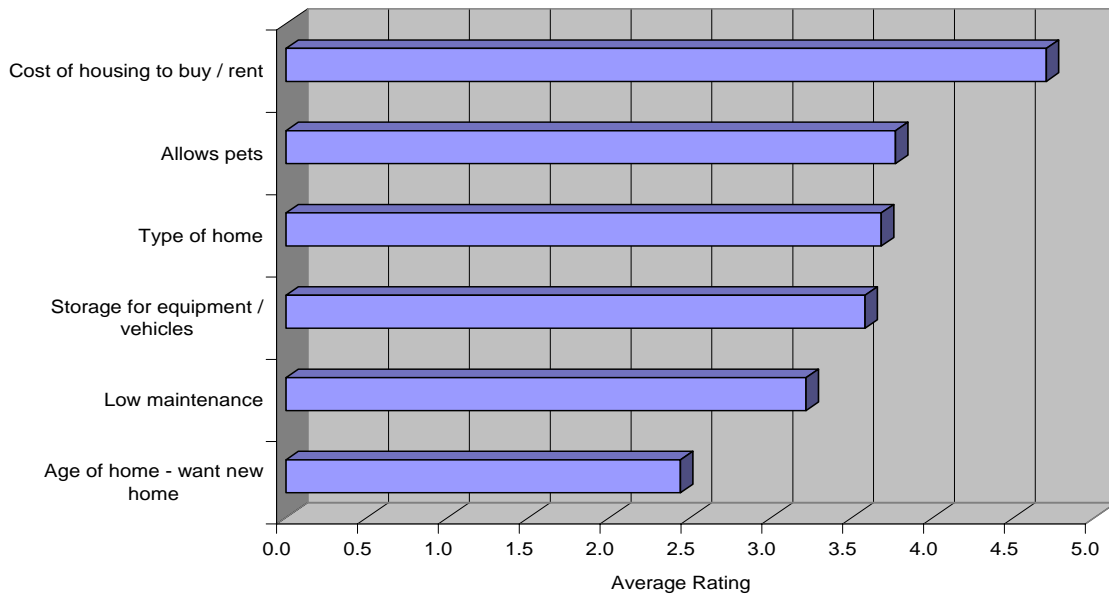
Importance of Home Characteristics by Own/Rent



Source: 2007 Household Survey

The ratings assigned by potential homebuyers varied from renters and owners in general. While cost remained the most important consideration, allowing pets ranked second.

Importance of Home Characteristics – Potential Homebuyers



Source: 2007 Household Survey

Deed Restrictions

Potential homebuyers were asked to consider whether or not they would accept deed restrictions with resale price caps that would limit appreciation or remove them for a cost of \$100,000. Overall, just over half indicated they would pay an additional \$100,000 to remove the restriction. Those already owning a home and looking to buy a new or different home were more interested than renters in removing the restriction although 30 percent indicated they would accept a deed restriction in order to keep price the same. Approximately 62 percent of renters who would like to buy would accept a deed restriction.

Would Remove Deed Restriction			
	Overall	Renters	Owners
Yes, add \$100,000	53.8	38.2	69.9
No, keep the same price	46.2	61.8	30.1
Total	100%	100%	100%

Source: 2007 Household Survey

Down Payment Availability

The affordability calculations presented in the Demand Analysis section of this report were based on the assumption that home purchases would require down payments of 10%. This would require a minimum of \$10,000 to purchase the least expensive option offered at its' base price of \$100,000. Approximately 60 percent of renters who would like to buy do not have \$10,000 available for a down payment and therefore could potentially benefit from a down payment assistance program. The median amount that homeowners who are looking to buy have available is \$75,000, which suggests that many could afford to move up into the homes they desire if priced like the options presented by the survey.

Down Payment Availability			
	Overall	Owners	Renters
None	13.6	4.7	22.0
\$1 - \$4,999	11.4	0.9	21.5
\$5,000 - \$9,999	9.8	3.0	16.6
\$10,000 - \$14,999	7.7	5.1	10.4
\$15,000 - \$19,999	3.0	2.1	3.2
\$20,000 - \$24,999	6.6	3.4	9.8
\$25,000 - \$49,999	11.2	14.9	8.0
\$50,000 - \$74,999	8.4	15.6	1.9
\$75,000 - \$99,999	2.6	4.2	1.1
\$100,000 - \$124,999	8.0	14.1	2.3
\$125,000 - \$149,999	0.7	1.5	
\$150,000 - \$199,999	3.9	6.8	1.3
\$200,000 - \$224,999	4.0	7.6	0.6
\$250,000 - \$274,999	2.6	4.0	
\$275,000 - \$299,999	0.1	0.3	
\$300,000 or more	6.3	11.8	1.3
	100%	100%	100%
Average	\$75,095	\$132,436	\$18,949
Median	\$20,000	\$75,000	\$5,000

Source: 2007 Household Survey

Moving owners into larger homes could be a component of housing strategy that would support mixed income developments and focus on building neighborhoods. Preserving the homes that will be sold as primary residences when providing step-up opportunities should be considered, including perhaps providing below market pricing on the new home for a deed restriction on the smaller homes being sold.

Trade Offs

Potential homebuyers were asked to rank the importance of four considerations when purchasing a home – price, location, type and size, in light of the need for trade offs due to expensive land, limited sites and high construction costs in Summit County. A key finding is that type of home and size of home is relatively unimportant for potential buyers compared to location and price. This suggests that there is flexibility in terms of the type of units to be developed in response to demand. If priced appropriately and located where desired, condominiums and townhomes should be acceptable to many who prefer to buy a single-family house. If housing can not be developed where buyers want to live or prices are not considered to be a good value, it will be more important to provide the type of units that buyers most want to own.

Most Important Home Purchase Consideration

	Overall	Owners	Renters
Price	43.9	27.8	58.3
Location	34.0	44.4	24.6
Type	14.1	17.5	11.5
Size	8.0	10.2	5.7
	100%	100%	100%

Source: 2007 Household Survey

The trade offs that potential homebuyers are willing to make is reflected in types of homes they would like to buy. Of those who would like to buy a condominium, 71 percent indicated that price was the most important consideration when buying a home. In contrast, only 38 percent of those who want to buy a house selected price as the most important consideration.

Trade Offs by Unit Type Preferred

	Condominium	Townhome	House
Location	17.9	25.9	37.2
Price	71.4	60.5	37.9
Size	0.0	4.9	9.5
Type	10.7	8.6	15.3
	100%	100%	100%

Source: 2007 Household Survey

Senior Housing

The sample generated by the 2007 Household Survey includes 107 cases from households with at least one member age 65 or older. These households provide valuable insights as to the unique preferences of seniors, a fast growing segment of Summit County's population.

Location

More seniors selected the Snake River basin as where they would most like to live over other locations including outside of Summit County.

Senior Households -- Where Most Want to Live

Basin	%
Snake River	34.6
Upper Blue River	24.2
Lower Blue	17.9
Other	12.6
Ten Mile	10.8
Total	100%

Source: 2007 Household Survey

For the most part, seniors now live where they want to live. Seniors living in the Tenmile basin are the exception; most would rather live in the Snake River basin or the Upper Blue basin.

Where Now Live Compared to Where Want to Live – Senior Households

Shading denotes wanting to live where now live.

Where Now Live	Where Want to Live					Total
	Lower Blue	Snake River	Tenmile	Upper Blue	Other	
Lower Blue	51.6%	16.0%	6.5%		25.8%	100%
Snake River	5.0%	50.0%	30.0%		15.0%	100%
Tenmile		73.3%	13.3%	13.3%		100%
Upper Blue		5.0%		95.0%		100%
Other		44.4%		33.3%	22.2%	100%

Source: 2007 Household Survey

Seniors differ from the population as a whole. They rate type of home more important than cost of home. They consider the ability to have pets less important than other characteristics including the age of housing. They consider low maintenance to be more important than non-seniors. While they rate community character as their most important location consideration as do other households, they place greater importance on proximity to services, like medical care and groceries.

Importance Ratings – Senior Households

	Average Rating
Neighborhood Characteristics	
Type of home (single-family, condo, etc.)	4.25
Cost of housing to buy / rent	4.02
Storage for equipment / vehicles	4.01
Low maintenance	3.94
Age of home - want new home	3.01
Allows pets (dogs, cats, etc.)	2.67
Location Considerations	
Community character (family-oriented, neighborhood appeal, etc.)	3.78
Proximity to services (medical, groceries, etc.)	3.64
Proximity to skiing / recreation	3.52
Community amenities (schools, parks, libraries, etc.)	3.44
Proximity to transportation	2.67
Proximity to my place of employment	2.02
Quality of schools	2.02
Proximity to others' employment	1.78
Proximity to day care	1.12

Source: 2007 Household Survey

The Demand Analysis section of this report analyzed the interest in six types of senior housing or housing-related services. Consistently, seniors who now rent are more likely to indicate they would move into or utilize senior housing services than seniors who now own the homes in which they reside.

Likelihood of Moving into Senior Housing

Average Rating: 1 = would not use, 5 = would definitely use

	Overall	Owners	Renters
Rent in senior apartment building	2.7	2.5	3.2
Move into assisted living	2.8	2.7	2.9
Own cottage in retirement community	3.1	2.9	3.5
Obtain reverse mortgage to access equity in home	2.5	2.1	3.5
Make current home more accessible	2.9	2.7	3.7
Move into or temporarily stay in a skilled nursing home	3.0	2.9	3.3

Source: 2007 Household Survey

There is some variation depending on where the seniors most want to live but the pattern is similar with more interest in buying a cottage in a retirement community than any of the other options offered.

**Interest in Senior Housing
Average Ratings by Where Want to Live**

	Senior Apartment	Assisted Living	Cottage in Retirement Community	Reverse Mortgage	Home Accessible	Skilled Nursing Home
Lower Blue	2.1	2.5	2.6	2.0	2.1	2.3
Snake River	2.7	2.5	2.7	2.3	2.7	3.1
Ten Mile	3.8	3.9	4.4	3.6	4.2	4.0
Upper Blue River	2.6	3.0	3.0	2.5	3.0	3.0

Source: 2007 Household Survey

Seniors often live on fixed incomes or incomes that are less than what they earned prior to retirement. Their incomes are not a good indication of what they can afford to pay for housing, however. With savings and home equity for a down payment, many seniors can afford to spend more than their incomes indicate. The median amount that senior households interested in buying a home have available for a down payment is \$200,000, which compares with \$20,000 among potential homebuyers overall.

Down Payment Availability, Senior Households

Amount	Percent
\$25,000 - \$49,999	17.3
\$50,000 - \$74,999	10.8
\$75,000 - \$99,999	7.1
\$100,000 - \$124,999	5.2
\$200,000 - \$224,999	22.6
\$300,000 or more	37.0
Total	100%
Average	\$229,975
Median	\$200,000

Source: 2007 Household Survey

7 - REGIONAL HOUSING DEMAND MAPS

This section of the report includes maps of each basin, identifying local versus out-of-area ownership, deed-restricted and other affordable employee/resident housing, and current public undeveloped land that could potentially be available for housing. The intent of the maps is to promote further discussion on each region's role with respect to helping residents and employees afford housing in the county. The Summit County GIS department provided county spatial reference data. Additional data was obtained from the Summit County's assessor office and individual town governments.

Single-Family Property Ownership by Basin

Ownership of single-family residences was evaluated to determine the areas of each basin which have the highest local ownership. For purposes of this analysis, condominiums, townhomes and other multi family properties were excluded due to the multiple layers of ownership by floor level. As demonstrated on the following maps, ownership of single-family properties among the basins varies between about 48 and 58 percent local ownership. There is not a clear pattern of local versus non-local ownership, with some areas having higher occurrences of second homeownership.

Current Deed Restricted Properties

The County Assessors database identifies "employee" single-family, townhome, condominium and other multi-family properties. Note that units owned by Keystone Resort and Copper Mountain Resort are not included in these figures. Based on an analysis of the current database, there are 552 employee units in the county, with the largest percentage being located in the Upper Blue Basin. In 2006, the Summit County Housing Authority managed a total of 485 units. Of those units, 344 were in the Town of Breckenridge.

Employee Units: Summit County Basins 2007

Basin	Employee Units	
	#	%
Lower Blue	12	2.2
Tenmile	168	30.4
Upper Blue	315	57.1
Snake River	57	10.3
Total	552	100.0%

Source: Summit County Assessor

Town- and County-Owned Land

The purpose of the following land use maps is to identify any town- or county-owned parcels that could potentially be utilized for future housing development. For the purposes of these maps, current zoning regulations have not been taken into consideration in order to provide a comprehensive demonstration of potential developable land. These maps should be used to foster discussion among the towns, basins and county as to where housing development might occur, but should not be taken as an indication that development can or will actually happen on any particular parcel. It is anticipated that these maps may change as discussions progress on the developable parcels identified.

A combination of data from the County GIS Department and the County Assessor was used to compile the maps. County Assessor's data use abstract codes to identify town-owned and county-owned land. The codes do not, however, identify whether the property has a conservation easement, is open space or is

otherwise un-developable. The legal description for some parcels included this information and if subject to easements they were removed from the developable land category. Other parcels removed were mining claims with 50 percent ownership, parcels located in flood plains and parcels too small to develop.

An estimate of acres needed to meet the current net demand and the forecasted keep-up demand to 2012 is provided below. It was assumed for the estimate that 30 percent of the land would be dedicated to roads, sidewalks, right of ways and open space. Additionally, an estimate has been made for development occurring at 10 residential units per acre and at 5 residential units per acre. It is important to keep in mind though, that the majority of the county owned land is zoned for lower densities and is located in sending areas for basin specific transfer of development rights programs.

As demonstrated below, a total of between 1,033 and 2,065 acres are needed to meet current and keep-up demand, with the Upper Blue needing between 348 and 695, Tenmile between 301 and 602, Snake River between 506 and 253 and the Lower Blue between 131 and 262.

Estimate of Developable Acres Needed to Meet Current Net Demand

ASSUMING DEVELOPMENT AT 10 UNITS PER ACRE	Snake River Basin	Lower Blue Basin	Tenmile Basin	Upper Blue Basin
Units	838	284	1,204	1,160
Density	10/du	10/du	10/du	10/du
Developed Acres	84	28	120	116
30% Open Space and Roads	56	19	80	77
TOTAL ACRES NEEDED	140	47	201	193
ASSUMING DEVELOPMENT AT 5 UNITS PER ACRE				
Units	838	284	1,204	1,160
Density	5/du	5/du	5/du	5/du
Developed Acres	168	57	241	232
30% Open Space and Roads	112	38	161	155
TOTAL ACRES NEEDED	279	95	401	387

Source: Summit County Assessor, Summit County GIS Department, RRC Associates, Inc.

Estimate of Developable Acres Needed to Meet Forecasted Keep-Up Demand; 2012

ASSUMING DEVELOPMENT AT 10 UNITS PER ACRE	Snake River Basin	Lower Blue Basin	Tenmile Basin	Upper Blue Basin
Units	680	503	602	925
Density	10	10	10	10
Developed Acres	68	50	60	93
30% Open Space and Roads	45	34	40	62
TOTAL ACRES NEEDED	113	84	100	154
ASSUMING DEVELOPMENT AT 5 UNITS PER ACRE				
Units	680	503	602	925
Density	5	5	5	5
Developed Acres	136	101	120	185
30% Open Space and Roads	91	67	80	123
TOTAL ACRES NEEDED	227	168	201	308

Source: Summit County Assessor, Summit County GIS Department, RRC Associates, Inc.

The chart below demonstrates potentially developable acres based on the parcels identified in the land use maps. The total acres do not discount for zoning regulations or natural obstacles.

Potentially Developable Acres; Summit County Basins 2007

	Snake River Basin (acres)	Lower Blue Basin (acres)	Tenmile Basin (acres)	Upper Blue Basin (acres)
Town-Owned Land	139	84	44	398
County-Owned Land	1,040	1,237	95	144
NET ACRES	1,179	1,321	139	542
Net Acres Demanded				
10 du/acre (est.)	253	131	301	348
5 du/acre (est.)	506	262	602	695

Source: Summit County Assessor, Summit County GIS Department, RRC Associates, Inc.

In evaluating the demand for housing and the potential density and location of housing, it is important to consider the desired character of the region and to be realistic about the actual potential for development on many of the parcels identified. Focusing density in areas where services are currently provided will advance the goals of the transfer of development rights programs and meet the needs of buyers to live closer to their place of work.

APPENDIX A - HOUSING PREFERENCE BASIN PROFILES

First Choice Residence Location:
 LOWER BLUE BASIN
 2007 Summit County Housing Demand Study
 Net Demand for Housing - 284 Units
 Forecasted Keep-Up Demand - 503 Units

Category	Options	%
Type	Condo	4%
	Townhome	14%
	Single-family	81%
	N=	49
Bedrooms	1 BR	6%
	2 BR	38%
	3 BR	40%
	4+ BR	16%
Baths	1 Bathroom	14%
	1.5 Bathrooms	0%
	2 Bathrooms	29%
	2.5 Bathrooms	0%
	3+ Bathrooms	57%
	N=	49
Amenities	Den/office	69%
	1 car garage	13%
	2 car garage	84%
	Kitchen upgrades	47%
	Walk in closets	53%
	Interior storage	47%
	Exterior storage	6%
	Private yard	72%
	Balcony/deck	81%
	Green building	47%
	N=	35
Deed Restriction	Yes, add \$100,000 to remove restriction	65%
	No, keep price same	35%
	N=	48

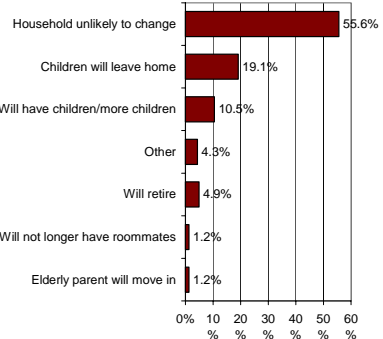
Category	Options	%																
Tradeoffs	Location	55%																
	Price	14%																
	Size	23%																
	Type	11%																
	N=	108																
Household Composition	Adult Living Alone	15%																
	Single parent w/ child(ren)	8%																
	Couple, no children	40%																
	Couple w/ children	25%																
	Unrelated roommates	4%																
	Extended family	1%																
	Other	7%																
	N=	108																
Household Change	<table border="1"> <thead> <tr> <th>Reason</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Household unlikely to change</td> <td>68.0%</td> </tr> <tr> <td>Children will leave home</td> <td>11.7%</td> </tr> <tr> <td>Will have children/more children</td> <td>8.7%</td> </tr> <tr> <td>Other</td> <td>3.9%</td> </tr> <tr> <td>Will retire</td> <td>2.9%</td> </tr> <tr> <td>Will not longer have roommates</td> <td>1.9%</td> </tr> <tr> <td>Elderly parent will move in</td> <td>1.9%</td> </tr> </tbody> </table>		Reason	%	Household unlikely to change	68.0%	Children will leave home	11.7%	Will have children/more children	8.7%	Other	3.9%	Will retire	2.9%	Will not longer have roommates	1.9%	Elderly parent will move in	1.9%
Reason	%																	
Household unlikely to change	68.0%																	
Children will leave home	11.7%																	
Will have children/more children	8.7%																	
Other	3.9%																	
Will retire	2.9%																	
Will not longer have roommates	1.9%																	
Elderly parent will move in	1.9%																	
Why Buy	To find a larger home	54%																
	Other	36%																
	To be closer to work	13%																
	To live in a more rural setting	18%																
	To find a less expensive home	25%																
	To live in a different community	17%																
	To live closer to city/town services	6%																
	To find a smaller home	7%																
	N=	45																
Household AMI	<80%	24%																
	81% - 100%	14%																
	101% - 120%	17%																
	121% - 150%	14%																
	150%+	30%																

Source: 2007 Household Survey, RRC Associates, Inc., Rees Consulting Inc.

First Choice Residence Location:
 SNAKE RIVER BASIN
 2007 Summit County Housing Demand Study
 Net Demand for Housing - 838 Units
 Forecasted Keep-Up Demand - 680 Units

Category	Options	%
Type	Condo	10%
	Townhome	21%
	Single-family	69%
	N=	126
Bedrooms	1 BR	14%
	2 BR	56%
	3 BR	22%
	4+ BR	8%
Baths	1 Bathroom	22%
	1.5 Bathrooms	0%
	2 Bathrooms	32%
	2.5 Bathrooms	0%
	3+ Bathrooms	46%
	N=	126
Amenities	Den/office	48%
	1 car garage	25%
	2 car garage	64%
	Kitchen upgrades	25%
	Walk in closets	39%
	Interior storage	29%
	Exterior storage	9%
	Private yard	52%
	Balcony/deck	57%
	Green building	43%
	N=	62
Deed Restriction	Yes, add \$100,000 to remove restriction	37%
	No, keep price same	63%
	N=	122

Category	Options	%
Tradeoffs	Location	23%
	Price	43%
	Size	18%
	Type	16%
	N=	179
Household Composition	Adult Living Alone	17%
	Single parent w/ child(ren)	9%
	Couple, no children	34%
	Couple w/ children	20%
	Unrelated roommates	18%
	Extended family	1%
	Other	1%
	N=	209
Household Change	Household unlikely to change	55.6%
	Children will leave home	19.1%
	Will have children/more children	10.5%
	Other	4.3%
	Will retire	4.9%
	Will not longer have roommates	1.2%
	Elderly parent will move in	1.2%
Why Buy	To find a larger home	43%
	Other	27%
	To be closer to work	13%
	To live in a more rural setting	13%
	To find a less expensive home	22%
	To live in a different community	10%
	To live closer to city/town services	9%
	To find a smaller home	10%
	N=	93
	Household AMI	<80%
81% - 100%		23%
101% - 120%		11%
121% - 150%		17%
150%+		19%



Source: 2007 Household Survey, RRC Associates, Inc., Rees Consulting Inc.

First Choice Residence Location:
 TEN MILE BASIN
 2007 Summit County Housing Demand Study
 Net Demand for Housing - 1,204 Units
 Forecasted Keep-Up Demand - 602 Units

Category	Options	%
Type	Condo	14%
	Townhome	11%
	Single-family	75%
	N=	173
Bedrooms	1 BR	10%
	2 BR	46%
	3 BR	33%
	4+ BR	11%
Baths	1 Bathroom	28%
	1.5 Bathrooms	0%
	2 Bathrooms	25%
	2.5 Bathrooms	0%
	3+ Bathrooms	46%
	N=	173
Amenities	Den/office	41%
	1 car garage	25%
	2 car garage	69%
	Kitchen upgrades	42%
	Walk in closets	44%
	Interior storage	33%
	Exterior storage	11%
	Private yard	55%
	Balcony/deck	61%
	Green building	47%
	N=	99
Deed Restriction	Yes, add \$100,000 to remove restriction	56%
	No, keep price same	44%
	N=	167

Category	Options	%																
Tradeoffs	Location	30%																
	Price	44%																
	Size	17%																
	Type	9%																
	N=	232																
Household Composition	Adult Living Alone	19%																
	Single parent w/ child(ren)	8%																
	Couple, no children	30%																
	Couple w/ children	22%																
	Unrelated roommates	14%																
	Extended family	4%																
	Other	2%																
	N=	259																
Household Change	<table border="1"> <caption>Household Change Data</caption> <thead> <tr> <th>Reason</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Household unlikely to change</td> <td>56.9%</td> </tr> <tr> <td>Children will leave home</td> <td>12.5%</td> </tr> <tr> <td>Will have children/more children</td> <td>10.6%</td> </tr> <tr> <td>Other</td> <td>5.6%</td> </tr> <tr> <td>Will retire</td> <td>5.1%</td> </tr> <tr> <td>Will not longer have roommates</td> <td>3.7%</td> </tr> <tr> <td>Elderly parent will move in</td> <td>3.7%</td> </tr> </tbody> </table>		Reason	%	Household unlikely to change	56.9%	Children will leave home	12.5%	Will have children/more children	10.6%	Other	5.6%	Will retire	5.1%	Will not longer have roommates	3.7%	Elderly parent will move in	3.7%
Reason	%																	
Household unlikely to change	56.9%																	
Children will leave home	12.5%																	
Will have children/more children	10.6%																	
Other	5.6%																	
Will retire	5.1%																	
Will not longer have roommates	3.7%																	
Elderly parent will move in	3.7%																	
Why Buy	To find a larger home	48.8%																
	Other	26.1%																
	To be closer to work	27.8%																
	To live in a more rural setting	17.1%																
	To find a less expensive home	16.4%																
	To live in a different community	14.8%																
	To live closer to city/town services	10.6%																
	To find a smaller home	5.3%																
	N=	158																
Household AMI	<80%	31%																
	81% - 100%	20%																
	101% - 120%	12%																
	121% - 150%	12%																
	150%+	25%																

Source: 2007 Household Survey, RRC Associates, Inc., Rees Consulting Inc.

First Choice Residence Location:
 UPPER BLUE BASIN
 2007 Summit County Housing Demand Study
 Net Demand for Housing - 1,160 Units
 Forecasted Keep-Up Demand - 925 Units

Category	Options	%
Type	Condo	10%
	Townhome	12%
	Single-family	78%
	N=	185
Bedrooms	1 BR	9%
	2 BR	57%
	3 BR	24%
	4+ BR	10%
Baths	1 Bathroom	30%
	1.5 Bathrooms	0%
	2 Bathrooms	26%
	2.5 Bathrooms	0%
	3+ Bathrooms	44%
	N=	185
Amenities	Den/office	35%
	1 car garage	29%
	2 car garage	56%
	Kitchen upgrades	32%
	Walk in closets	36%
	Interior storage	30%
	Exterior storage	10%
	Private yard	52%
	Balcony/deck	61%
	Green building	43%
	N=	111
Deed Restriction	Yes, add \$100,000 to remove restriction	56%
	No, keep price same	44%
	N=	179

Category	Options	%																
Tradeoffs	Location	40%																
	Price	32%																
	Size	16%																
	Type	11%																
	N=	293																
Household Composition	Adult Living Alone	21%																
	Single parent w/ child(ren)	6%																
	Couple, no children	38%																
	Couple w/ children	20%																
	Unrelated roommates	12%																
	Extended family	2%																
	Other	1%																
	N=	309																
Household Change	<table border="1"> <caption>Household Change Data</caption> <thead> <tr> <th>Reason</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Household unlikely to change</td> <td>56.2%</td> </tr> <tr> <td>Children will leave home</td> <td>21.7%</td> </tr> <tr> <td>Will have children/more children</td> <td>6.0%</td> </tr> <tr> <td>Other</td> <td>5.2%</td> </tr> <tr> <td>Will retire</td> <td>6.0%</td> </tr> <tr> <td>Will not longer have roommates</td> <td>2.2%</td> </tr> <tr> <td>Elderly parent will move in</td> <td>1.1%</td> </tr> </tbody> </table>		Reason	%	Household unlikely to change	56.2%	Children will leave home	21.7%	Will have children/more children	6.0%	Other	5.2%	Will retire	6.0%	Will not longer have roommates	2.2%	Elderly parent will move in	1.1%
Reason	%																	
Household unlikely to change	56.2%																	
Children will leave home	21.7%																	
Will have children/more children	6.0%																	
Other	5.2%																	
Will retire	6.0%																	
Will not longer have roommates	2.2%																	
Elderly parent will move in	1.1%																	
Why Buy	To find a larger home	48%																
	Other	28%																
	To be closer to work	22%																
	To live in a more rural setting	15%																
	To find a less expensive home	14%																
	To live in a different community	11%																
	To live closer to city/town services	14%																
	To find a smaller home	6%																
	N=	162																
Household AMI	<80%	28%																
	81% - 100%	14%																
	101% - 120%	10%																
	121% - 150%	19%																
	150%+	29%																

Source: 2007 Household Survey, RRC Associates, Inc., Rees Consulting Inc.