

# TCSD Housing Needs and Demand

October 8, 2021

The purpose of this analysis is to understand the housing needs and preferences of district employees to inform housing development scenarios on District owned property that are consistent with housing objectives.

This report will begin answering the following questions:

- Number – how many units to rent and/or purchase would be supported by District employees?
- Size – what size of homes need to be built?
- Type – what type of units (townhome, condo, single-family) would District employees be willing to rent or purchase?
- Features - what are the necessary features to create marketable product?
- Price points - what are the price points that employees are able to pay?

Information for this analysis was obtained from the 2021 TCSD Employee Housing Survey, a meeting with the Supervisor Advisory Council (SAC) and interviews.

## Employee Household Characteristics

Understanding the household characteristics of TCSD employees is necessary to understand varying housing needs.

### Length of Time Employed

The differences in length of employment between owners and renters is telling.

- The majority of TCSD employees that have worked for the organization more than 10 years own their homes. Employees that are able to get established in stable housing are more likely to stay.
- Employees that have worked for the District less than 5 years are much more likely to rent. These employees are also more likely to consider leaving their employment due to housing concerns and are more likely to be cost-burdened (pay more than 30% of their income for rent and utilities) than longer-term employees.

All of these factors suggest that having rentals available for newer employees would be beneficial.

<b>"How many years have you worked for the District?"</b>			
	<b>Own</b>	<b>Rent</b>	<b>Total</b>
1 to 5 years	25%	62%	37%
6 to 10 years	28%	24%	27%
11 to 15 years	24%	5%	18%
16 to 20 years	14%	2%	10%
More than 20	10%	7%	9%

Source: 2021 TCSD Employee Housing Survey

## Rent / Own

District employees are more likely to own homes than Teton County households overall.

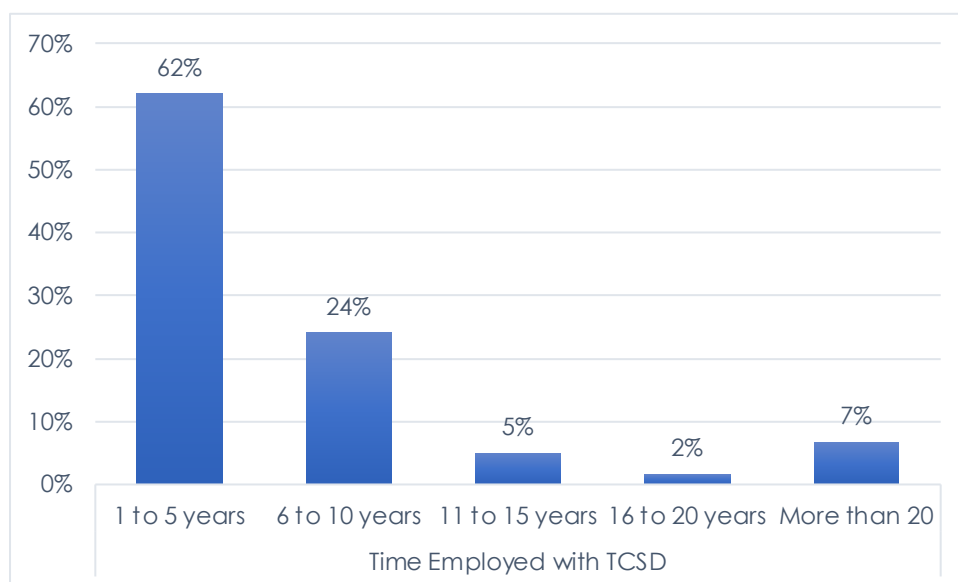
	TCSD Survey Respondents	Teton County, WY Households
Own	67%	60%
Rent	33%	40%
Total	100%	100%

Source: 2021 TCSD Employee Housing Survey; ACS 2015-2019

As illustrated below, new employees that rent seek to move into ownership within five years of their employment.

- 62% percent of employees working for the District between one to five years rent.
- This falls to 24% between six to ten years as employees either begin moving into ownership or leave.

### Percentage of District Employees that Rent by Length of Employment



Source: 2021 TCSD Employee Housing Survey

## Where Employees Live

The largest percentage of employees live in the Town of Jackson, where a higher percentage rent than own.

17% of employees live outside the valley, with a slightly higher percentage of owners compared to renters.

Most of the employees that own homes within the unincorporated county live in areas where workforce neighborhoods were built in the last few decades.

### Where TCSC Employees Live

	Own	Rent	Total Survey Responses
Town of Jackson	49%	64%	54%
South of Town (includes Rafter J, Melody Ranch, Game Creek, Hoback)	15%	6%	12%
North of Town (includes Kelly, Moose, Moran)	2%	4%	3%
Wilson	12%	9%	11%
Teton Village	1%	1%	1%
Other Teton County, WY	2%	2%	2%
Outside of Teton County, WY	19%	14%	17%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: 2021 TCSD Employee Housing Survey

### Household Size

The largest percentage of District employee households is 4 or more persons, and the average household size is 3.1 persons.

### Household Size

	Own	Rent	Total Survey Responses
1-person	5%	13%	8%
2-person	19%	35%	25%
3-person	23%	26%	24%
4-person or more	52%	26%	43%
<b>Average Household Size</b>			<b>3.1</b>

Source: 2021 TCSD Employee Housing Survey

### Housing Cost Burden

Cost-burden indicates the extent to which housing costs exceed what households can afford. Households are considered to be cost burdened if their housing payment<sup>1</sup> exceeds 30% of their gross income and extremely cost burdened if it exceeds 50%. Cost burdened households often have insufficient income left over for other life necessities including food, clothing, transportation and health care.

<sup>1</sup> The US Census defines "housing payment" to include rent and mortgage plus utilities.

### Cost Burden by Years Working – Employees Interested in District Housing

	1 to 5 years	6 to 10 years	11 to 15 years	16 to 20 years	More than 20
30% or less	38%	35%	53%	40%	50%
40%	34%	31%	33%	50%	50%
50%	16%	16%	13%	10%	0%
60%	6%	14%	0%	0%	0%
70% or more	7%	0%	0%	0%	0%
n/a	0%	4%	0%	0%	0%
Total	100%	100%	100%	100%	100%

Source: 2021 TCSD Employee Housing Survey

Cost-burden affects all employees but is particularly acute with new employees that have worked for up to five years (63% cost-burdened). This makes sense when market conditions are considered

- The sharp rise in rents and for sale prices of homes in recent years.
- Wages have not kept up with this increase. Newer employees searching for housing are facing much higher housing costs than employees hired just a few years ago.

Housing is the largest expense for many households. In a community in which everything is expensive – utilities, groceries, gas, services – it takes just a slight rise in housing costs to disrupt household finances. In this case, the rise in housing prices has been substantial.

### Demand and Preferences for District Housing Units

In evaluating various options to develop housing on District owned property, it is important to understand if there would be demand for housing provided by the District; either for rent or purchase.

Characteristics including where units should be located, number of bedrooms, features, and unit prices are also presented to clarify the potential market for such homes.

### Willingness to Rent or Purchase

Existing employee households that rent comprise the primary market for employees interested in either renting or purchasing a home from the District. Many owners are established in their housing. Owners looking to purchase are primarily those who are not satisfied with their current home, location, or cost.

#### “Would you be interested in renting a District owned housing unit?”

	Own	Rent	Total
Yes - would rent	5%	49%	20%
No - only interested in purchasing a housing unit from the District	23%	41%	29%
No - not interested in District Housing options	71%	9%	51%
Total Survey Responses	231	116	347

**“Would you be interested in purchasing a housing unit from the District?”**

	<b>Own</b>	<b>Rent</b>	<b>Total</b>
Yes - would purchase	27%	79%	45%
No - only interested in renting a housing unit from the District	1%	11%	5%
No - not interested in District Housing options	71%	9%	51%
Total Survey Responses	231	116	347

Source: 2021 TCSD Employee Housing Survey

## Demographics of Interested Renters and Buyers

Understanding who desires housing is important to ensure that product design and function serve household needs.

- Households that have been employed by TCSD for less than 5 years express the most interest in ownership or rentals. These employees are less likely to be established in stable housing than longer-term employees.
- Larger households are more interested in purchasing.
- Smaller households (One and two person) show a proportionately high interest in renting.

### Households Interested in Units

HOUSEHOLD SIZE	Interested in renting	Interested in buying	All survey responses
1 person household	15%	11%	8%
2 person household	36%	28%	25%
3 person household	25%	22%	24%
4 or more person household	25%	39%	43%
LENGTH OF EMPLOYMENT			
1 to 5 years	64%	51%	37%
6 to 10 years	29%	30%	27%
11 to 15 years	1%	10%	18%
16 to 20 years	3%	6%	10%
More than 20	3%	3%	9%

Source: 2021 TCSD Employee Housing Survey

## Preferred Location

If all costs were equal, the most preferred location for employees that are interested in either renting or buying a District housing unit is the Town of Jackson, followed by Wilson and South of Town. There was not much desire expressed for living in Teton Village, and members of SAC expressed traffic concerns with living in Teton Village.

### Where Employees Want to Live

	Interested in Renting	Interested in Buying
Town of Jackson	69%	64%
South of Town (includes Hoback)	10%	7%
North of Town (Includes Kelly and Moran)	2%	3%
Wilson	15%	21%
Teton Village	0%	1%
Outside of Teton County, WY	3%	3%
Total	100%	100%

Source: 2021 TCSD Employee Housing Survey

## Preferred Number of Bedrooms

Employees that are interested in renting want fewer bedrooms than employees interested in buying.

### Size of Home Employees Want

	Interested in Renting	Interested in Buying
1-bedroom	20%	8%
2-bedroom	51%	29%
3-bedroom	28%	55%
4-bedroom +	1%	8%
Total	100%	100%

Source: 2021 TCSD Employee Housing Survey

Note: The survey question allowed for multiple choices, this data represents selecting the lowest number of bedrooms.

## Preferred Housing Features

Comparable research on housing-related tradeoffs in mountain towns has shown that employees are most willing to compromise on unit type and size, but are least flexible on price – they need something they can afford. This is also supported by the priorities identified by survey respondents.

### Features that Employees Want

	Interested in Renting	Interested in Buying
Stability	72%	68%
Price	88%	90%
# of Bedrooms	30%	46%
Location	46%	50%
Garage	46%	54%
Land/yard	45%	50%

Source: 2021 TCSD Employee Housing Survey

## Price Able to Pay

Housing affordability is used to measure whether housing is stable and secure or whether it is causing stress and discomfort. Housing affordability is a function of both the cost of housing and household income. The rule of thumb is that a household is cost burdened, or the housing is not affordable, if housing costs (rent or mortgage plus utilities) exceed 30% of the household's income.

About half of employees interested in renting or purchasing have household incomes between \$40,000 and \$80,000.

### Household Incomes of Employees Interested in District Housing

	Interested in Renting	Interested in Buying
Under \$40,000	15%	10%
\$40,000 - \$59,999	38%	27%
\$60,000 - \$79,999	22%	31%
\$80,000 - \$99,999	10%	14%
\$100,000 - \$119,999	13%	13%
\$120,000 - \$159,999	0%	3%
Over \$160,000	1%	1%

Source: 2021 TCSD Employee Housing Survey

The charts below show the distribution of households by income based on what they can afford to pay using the 30% standard.

#### Could Pay: Potential Renters

Monthly Rent	Could afford to pay*
Under \$750	15%
\$750 to \$1,249	38%
\$1,250 to \$1,749	22%
\$1,750 to \$2,249	10%
\$2,250 to \$2,749	13%
Over \$2,750	1%

\*Assumes no more than 30% of household income for rent plus utilities.  
Utilities are estimated to be \$250 per month on average.

Source: 2021 TCSD Employee Housing Survey

#### Could Pay: Potential Buyers

Home Purchase Price	Could afford to pay*
Under \$166,000	10%
\$166,000 to \$249,999	27%
\$250,000 to \$331,999	31%
\$332,000 to \$414,999	14%
\$415,000 to \$499,999	13%
Over \$500,000	4%

\*Assumes 30-year loan with 4.5% interest rate, 5% down, and 20% payment for HOA, insurance, and taxes.

Source: 2021 TCSD Employee Housing Survey

## Recommendations

Below are draft recommendations to inform development scenarios on District owned land. These will continue to be further refined with feedback from the Board of Trustees, identification of opportunities and challenges, and carrying capacity of District owned land.

### Number of Units

The current demand for District housing is approximately 170 units. This does not consider unfilled positions. Applying these percentage to the 524 current employees, over 250 employees could be interested in either purchasing or renting a home from the District.



### Interest in District Housing Options

<b>Interested</b>	<b>171</b>	<b>49%</b>
Purchase	102	29%
Rent	16	5%
Both: purchase or rent	53	15%
<b>Not interested</b>	<b>176</b>	<b>51%</b>

Source: 2021 TCSD Employee Housing Survey

Demand does not directly relate to number of units the District should build to produce a sufficient inventory of homes to stabilize the employment base.

Consider starting with a long-term rental product to create stable and more affordable options for employees that are currently renting.

### Size of Housing

A range of housing sizes are needed, from small rental units to recruit new employees through entry level ownership to retain young families at the District. More specifically,

- Employees that would rent want smaller units on average than owners. 20% want a 1-bedroom and 51% want a 2-bedroom.
- Employees that prefer to own mostly want 2- and 3-bedroom homes.

### Type of Units

Build attached units (e.g., side-by-side townhomes, stacked-flats condominiums) to utilize land efficiently while mitigating the concerns of sharing walls and living more communally. Invest in unit and site design to optimize land and ensure livability of the units and functionality of the site. Ensuring quality construction to lessen sound transmission between units.

### Features

Create desirable places to live for employees that meet their needs to encourage them to stay with the District. Employees understand that tradeoffs will need to be made in order to live in this valley and generally are willing to compromise on type of home, size of home, and attached garage. To maintain livability and marketability in concentrated living conditions, include:

- Indoor and outdoor storage, including a covered area for a vehicle (e.g., shared garage stall, carport, under unit)
- Connections to the outdoors with private patios, porches or balconies and shared active green spaces
- Clear distinction between private and public spaces

## Price Points

Price is the number one priority of employees interested in renting or purchasing, and in turn deciding to stay. There are few housing options for employees in the valley, and to reduce the investment in housing it can be attractive to charge more than what employees are genuinely able to pay in order to reduce their stress and discomfort and maintain their financial health and well-being.

The below ranges are starting points and will vary based on product type, number of bedrooms, and household incomes targeted.

Monthly Rental rates: \$750 to \$2,500

Sales prices: \$250,000 to \$500,000