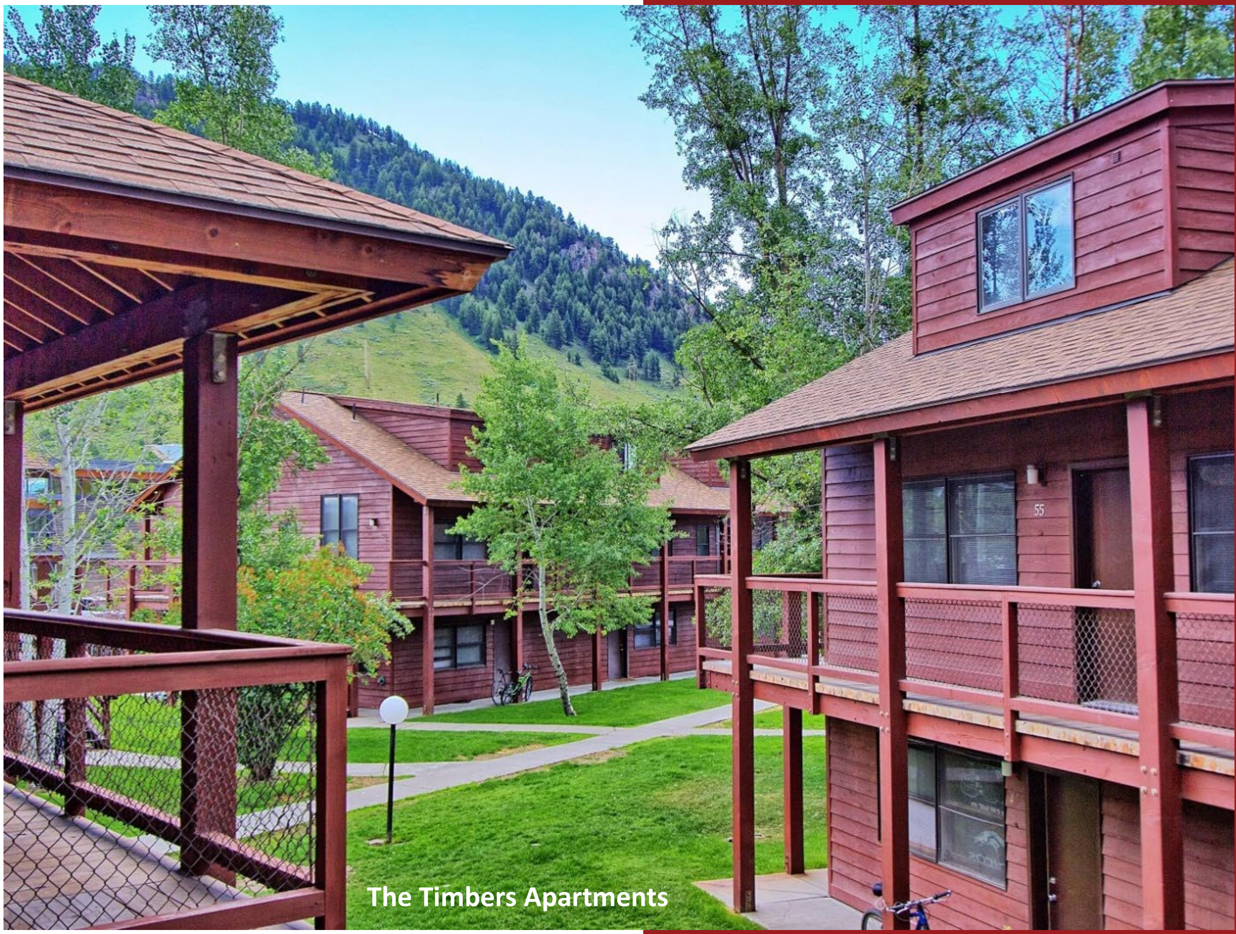
Market Apartment Rental Report



June 2022

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Summary

Four times per year, the Jackson/Teton County Affordable Housing Department (“Housing Department”) collects rental data on the Town of Jackson’s five largest market rate apartment complexes: Blair Place Apartments, Aspen Meadows Apartments, The Timbers Apartments, Hidden Hollow Apartments and Sagebrush Apartments. The data collected includes changes in rental rates and vacancy rates. This data is compiled and analyzed to understand changes in pricing, supply, and demand for rental units in the Town of Jackson. The data in this report is provided to Housing Department staff directly by the complexes’ management teams.

Highlights from this quarter:

- Market rent rates continue to climb as vacancies stay low and summer job growth picks up. Of note this quarter, both Blair Place Apartments and The Timbers raised 2-bedroom monthly rent rates by at least 30% to $4,400 per month.
- Out of 616 total market apartments, only four were vacant at the time of this report.
- Studio apartments and 1-bedroom apartments were affordable to three and four-person households earning at least median income. No other unit types were affordable to any other median income earning households.

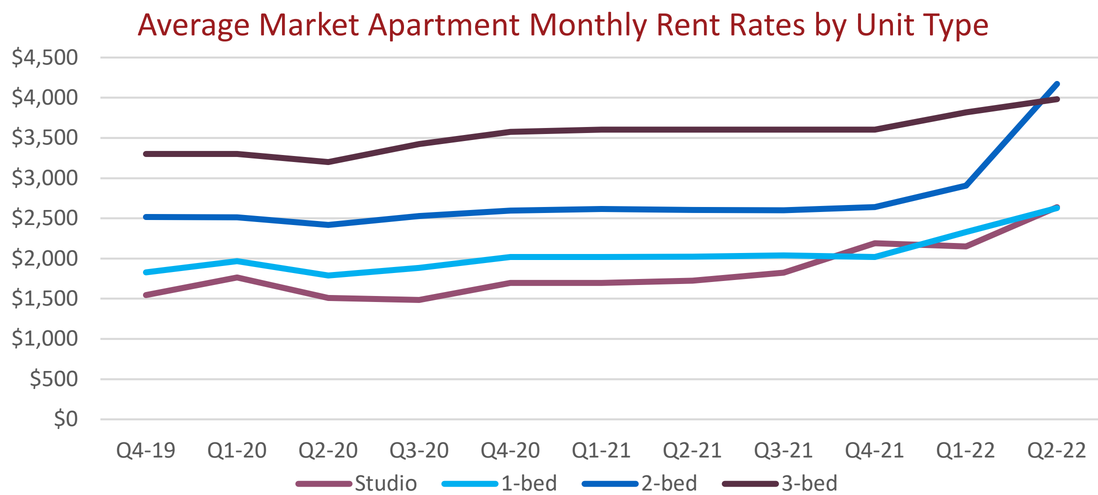
Apartment Complexes by Unit Type

Development	Studio	1-bed	2-bed	3-bed	Total
Aspen Meadows	0	107	0	8	115
Blair Place	0	111	183	0	294
Hidden Hollow*	0	14	29	21	64
Sagebrush*	9	39	10	0	58
The Timbers	31	30	24	0	85
Total	40	301	246	29	616

*Market units only, does not include deed restricted units located at the development

Market Rental Rates

All unit types saw rent rate increases from Q1 2022. Most notably, average two-bedroom rental rates increased by over an additional $1,200 per month. This increase was primarily driven by significant increases in rent rates at Blair Place Apartments (from $2,900/month in Q1 to $4,400/month in Q2) and The Timbers (from $3,200/month in Q1 to $4,400/month in Q2).



Average Market Apartment Monthly Rent Rate by Unit Type					
Unit Type	**Q2 2021**	**Q3 2021**	**Q4 2021**	**Q1 2022**	**Q2 2022**
Studio	$ 1,725.00	$ 1,825.00	$ 2,191.00	$ 2,152.25	$ 2,639.38
1-bed	$ 2,024.71	$ 2,039.41	$ 2,080.80	$ 2,327.53	$ 2,628.31
2-bed	$ 2,606.10	$ 2,602.03	$ 2,639.15	$ 2,907.14	$ 4,172.18
3-bed	$ 3,602.76	$ 3,602.76	$ 3,602.76	$ 3,817.07	$ 3,982.00

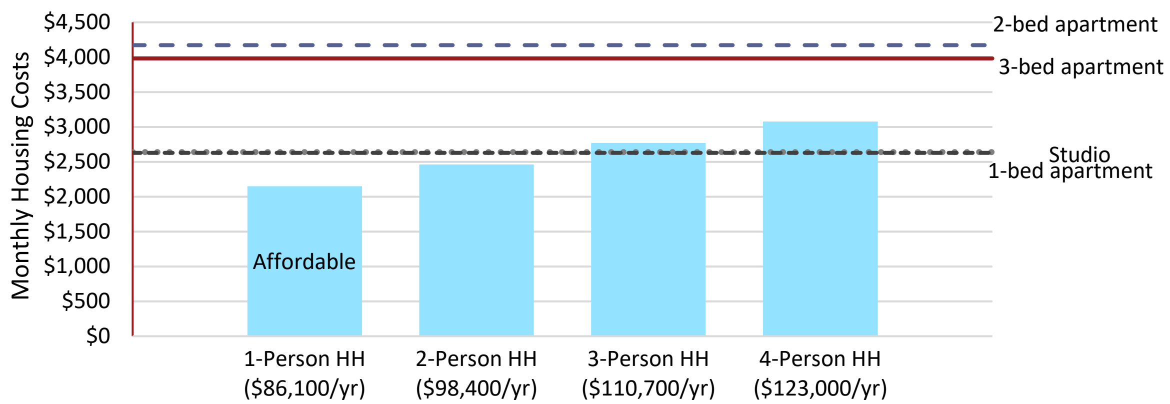
Affordability

Housing costs are "affordable" to a household if they do not exceed 30% of the household's income. This means that for a three-person family earning median income ($110,700/year), an "affordable" rent will not exceed $2,768 per month, *including* utilities. Households who pay more than 30% of their income towards housing may have difficulty affording other necessities such as food, clothing, transportation, childcare, and medical care.

Housing costs disproportionately affect lower income earning households who earn less than 80% of median income. These households are more likely to reside in poor quality housing at a much higher rate than higher income groups. The 2022 Teton Region Housing Needs Assessment found that 55% of renter households in Teton County, WY earn less than 80% of median income.

The chart below shows affordable monthly housing payments (blue columns) by household size. The horizontal lines represent the average monthly rent rates by unit type. For this quarter, studio and one-bedroom apartments were affordable to three and four-person households earning median income. No other size unit was affordable to any median-income-earning household.

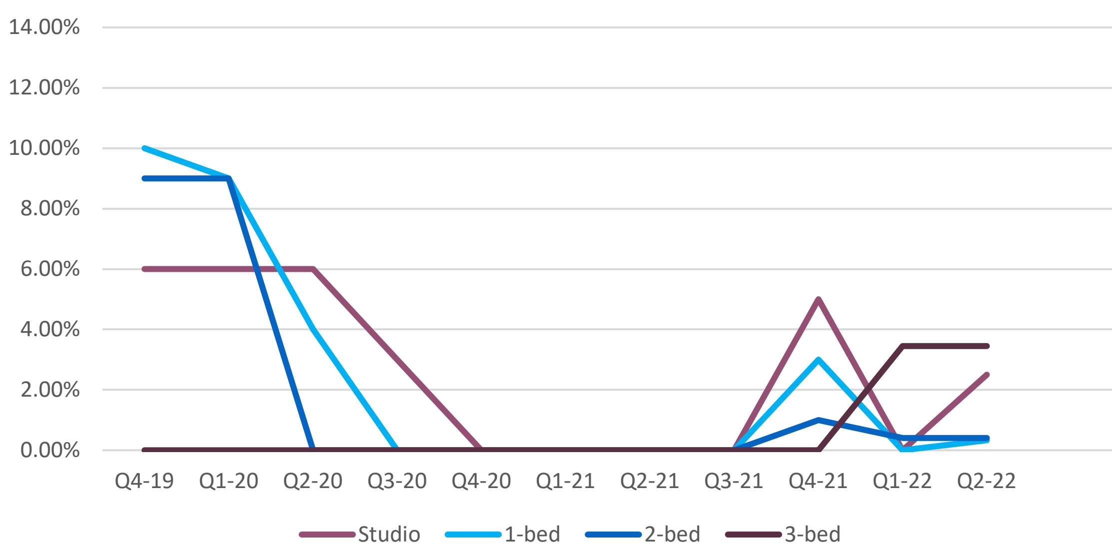
Monthly Housing Costs by Unit Type vs. Affordable Housing Costs at Median Income



Market Vacancy Rates

This quarter only four out of 616 total market rental apartments were vacant at the time of this report, equating to a less than 1% vacancy rate. Low vacancy rates create greater instability for renters in the community, lead to higher pricing, and limit renters' ability to move around in the marketplace.

Market Apartment Quarterly Vacancy Rate by Unit Type



Quarterly Vacancy Rate by Unit Type

Unit Type	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Studio	0.00%	0.00%	5.00%	0.00%	2.50%
1-bed	0.00%	0.00%	3.00%	0.00%	0.33%
2-bed	0.00%	0.00%	1.00%	0.41%	0.41%
3-bed	0.00%	0.00%	0.00%	3.45%	3.45%

Deed Restricted Apartments

Two types of deed restricted rental units exist: Affordable Rentals and Workforce Rentals.

Affordable Apartments

Affordable Rentals are restricted to serve households earning <120% Median Family Income. For those Affordable apartments with deed restrictions managed by the Housing Department, maximum rent rates by unit type are set annually and based on median income figures provided by the Department of Housing and Urban Development ("HUD").

Workforce Apartments

Workforce Rentals require tenants to earn 75% of their household income from Local Businesses, at least one tenant must work full-time for a Local Business, and the household may not own residential real estate within 150 miles of Teton County. These units are typically built using an incentive tool in the Town of Jackson Land Development Regulations that provides additional floor area in exchange for deed restrictions.

While the Affordable Program serves households earning <120% Median Family Income, the Workforce Program is intended to serve households who earn too much to qualify for the Affordable Program.

Maximum Monthly Rental Rates by Income Range & Unit Type				
Unit Size	**0-50%**	**50-80%**	**80-120%**	**Workforce**
Studio	$548/month	$915/month	$1,464/month	No Max Rate
1-bedroom	$646/month	$1,076/month	$1,722/month	No Max Rate
2-bedroom	$738/month	$1,230/month	$1,968/month	No Max Rate
3-bedroom	$830/month	$1,383/month	$2,214/month	No Max Rate