

**SAN JUAN COUNTY, CO**

**HOUSING MARKET STUDY**

**2015**

**Prepared for  
San Juan County**

**and**

**The Region 9 Economic Development District**

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## **San Juan County – Housing Market Study 2015**

### **BACKGROUND**

San Juan County is seeking proposals to build single and multi-family housing for all or part of the Anvil Mountain property, a 16 acre development that includes affordable/attainable housing. This Rose/Walsh Smelter site was selected for redevelopment in 2003 due to its close proximity to the Town of Silverton.

To inform prospective bidders on the project, Information Services was asked to provide a current market study that would include: 1) a summary of existing residential housing unit types, distribution and ownership; 2) an overview of current market conditions; 3) estimates of housing demand based on population projections; and 4) an evaluation of survey responses received from current residents of the County.

### **METHODOLOGY**

Information regarding existing housing types and price trends was provided by Kim Buck, the San Juan County Assessor. Population estimates and projections were obtained from the Colorado State Demographers office. A twelve question survey and cover letter was mailed to each occupied P.O. Box at the Silverton Post Office. All residents receive their mail at the Post Office as there is no residential delivery service in the town. It should be noted that some households and businesses retain more than one P.O. Box, so the 530 mailed surveys do not reflect the actual population of the county.

### **SUMMARY OF RESULTS**

Most (53%) of the 718 residential properties in San Juan County are single family dwellings located in the Town of Silverton, condominiums are also a large part (18%) of the housing stock, with almost all of these located at Cascade Village, a resort area located near Durango Mountain Resort/Purgatory Ski Area (in La Plata County). We have also included patented mining claims with residences / cabins in this study; they comprise 11% of the housing stock and most are located outside of Silverton. Other unit types include town homes (4%), manufactured homes (7%), and residential units that are located within retail or commercial buildings (5%). Multi family units (2%) are generally located in the town and provide 52 residential units located on 14 parcels.

Many (65%) of the residential units in the county are owned by people whose primary mailing address is outside of the county – 2<sup>nd</sup> Homeowners. A large number (81) of the 424 homeowners from Colorado are from Durango (in La Plata County). There are 36 registered units that are used seasonally as vacation rentals. These are primarily single family homes located in Silverton but owned by homeowners that live elsewhere for most of the year. For the time being there is a moratorium that limits the number of these types of units.

## **Estimate of Housing Demand Based on Population Projections**

In 2015 the county's resident population is estimated to be 705, with slow growth forecast through 2035, when it is expected to reach 765 people. The number of households is projected to grow from 350 to 371 by 2035, about one household per year. There is an average of two people per household.

## **Market Conditions**

Survey results for this project indicate that average rents are around \$695 but that does not include utilities, which can be quite high in Silverton during the winter months. Median (\$265,000) and average (\$236,000) sales prices are on the rise in the Town of Silverton for single family residential homes. Townhomes sales are relatively rare, and we did not include other unit types such as condos or cabins because they are not common within the town.

## **Survey Results**

There were 145 responses (representing 274 people in responding households) to the survey.

- Most respondents (96%) live in Silverton, the only incorporated town in the county.
- Most respondents (76%) are year round residents.
- Most respondents (67%) have lived in the county ten or more years, and an additional 20% have lived there from 5-9 years.
- Most respondents (58%) are employed year round, while another 28% were not in the workforce, i.e. retired or home maker.
- The average household size was 2 people.
- The most common household types were couples with no children (37%), followed by adults living alone (31%).
- Most residences were owned by the respondent or a family member (74%).
- The average rent was \$695 per month, and the average mortgage was \$565 per month.
- The average household income was \$55,700.
- Most respondents had not bought a home because they thought the costs were too high (75%), and the housing available was not what they wanted to buy (48%).
- 39% of respondents that were business owners did not offer housing or a rent allowance.
- Most respondents (69%) favored a mix of rental units and homes for sale.

Perceptions of housing needs varied, but several themes emerged. Some favored more rental units for seasonal workers, i.e. apartment complexes, though there were numerous complaints about the condition of the multi family housing that is already available. Weekly vacation rentals are thought to be impacting housing availability.

Quality affordable housing (ownership) is desirable for many residents. Small townhomes and condos were mentioned as desirable unit types, especially if they were energy efficient. Many respondents noted that a lot of the housing available for rent or sale is in very poor condition. A number of respondents felt that a lack of year round employment was the real problem.

## MARKET STUDY RESULTS

### Unit Types, Distribution and Ownership

Most (53%) of the 718 residential properties in San Juan County are single family dwellings located in the Town of Silverton, condominiums are also a large part (18%) of the housing stock, with almost all of these located at Cascade Village, a resort area located near Durango Mountain Resort/Purgatory Ski Area (in La Plata County). We have also included patented mining claims with residences / cabins in this study; they comprise 11% of the housing stock and most are located outside of Silverton. Other unit types include town homes (4%), manufactured homes (7%), and residential units (apartments) that are located within retail or commercial buildings (5%). According to the assessor many of these apartments are occupied by the building owners, or in some cases, by employees at the business.

	Number of Improved Residential Parcels by Type and Location 2015								# Property Ownership 2015	
	Single Family	Condo	Townhome	Cabin	Multi Family	Residential w/Retail	Manufactured	Total	# In County	# Out County
<b>San Juan County - All</b>	384	126	27	80	14	38	49	718	253	465
Tax District 101	0	0	0	80	1	1	0	82	15	67
Outside of Silverton										
Tax District 103	39	126	11	0	0	0	0	176	1	175
South County - Cascade Village Area										
Tax District 112	345	0	16	0	13	37	49	460	237	223
Town of Silverton										

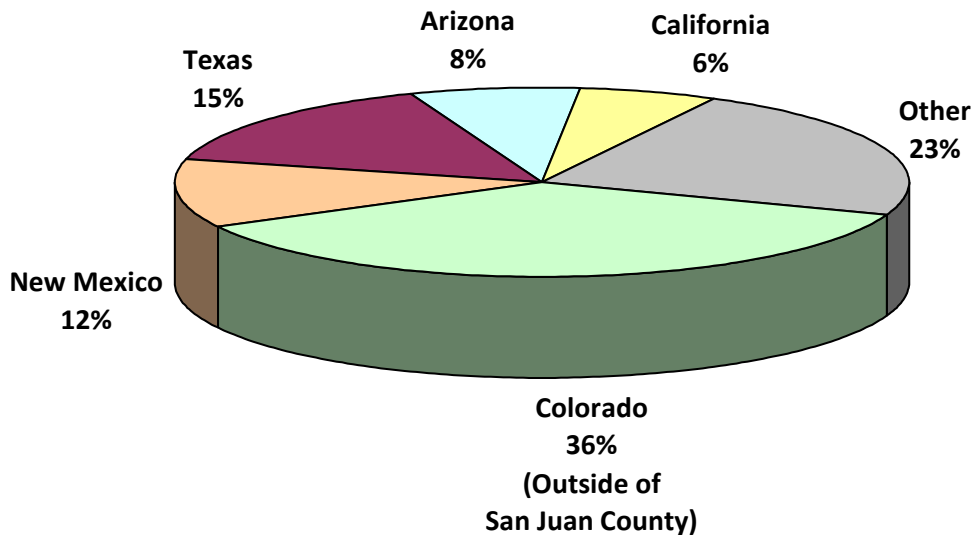
	Percent of Improved Residential Parcels by Type and Location 2015								% Property Ownership 2015	
	Single Family	Condo	Townhome	Cabin	Multi Family	Residential w/Retail	Manufactured	Total	% In County	% Out County
<b>San Juan County - All</b>	53%	18%	4%	11%	2%	5%	7%	718	35%	65%
Tax District 101	0%	0%	0%	98%	1%	1%	0%	82	18%	82%
Outside of Silverton										
Tax District 103	22%	72%	6%	0%	0%	0%	0%	176	1%	99%
South County - Cascade Village Area										
Tax District 112	75%	0%	3%	0%	3%	8%	11%	460	52%	48%
Town of Silverton										

Multi family units (2%) are generally located in the town and provide 52 residential units located on 14 parcels.

Multi Family		
Unit Type	# of Parcels	# of Units
Duplex	6	12
Multi 3	2	6
Multi 4	4	16
Multi 8	1	8
Multi 10	1	10
<b>Total</b>	<b>14</b>	<b>52</b>

Many (65%) of the residential units in the county are owned by people whose primary mailing address is outside of the county – 2<sup>nd</sup> homeowners. A large number (81) of the 424 homeowners from Colorado are from Durango, in La Plata County. Most (99%) of the residential units and condominiums located in the south county (Cascade Village area) are owned primarily by 2<sup>nd</sup> homeowners.

**Non-Local Ownership by State  
San Juan County (N=465)**



## Market Conditions

It is difficult to collect rental information for San Juan County for a variety of reasons. For most purposes we use estimates of Fair Market Rent (FMR) which are drawn from surveys conducted by the Department of Housing and Urban Development (HUD). Those rental costs include utilities. Survey results for this project indicate that average rents are around \$695 but that does not include utilities, which can be quite high in Silverton during the winter months.

San Juan County		
Units	Silverton	
	Rent	Income
1 Bedroom	\$ 759	\$ 30,360
2 Bedroom	\$ 1,027	\$ 41,080
3 Bedroom	\$ 1,513	\$ 60,520

The calculation used to figure the required income is fairly simple. A generally used guideline is that a person can spend 30% of their monthly income on rent, so  $(\text{Rent} / .30) \times 12 = \text{Required Income}$ .

Required Income =  $(\text{rent} / 0.3) \times 12$

Median (\$265,000) and average (\$236,000) sales prices are on the rise in the Town of Silverton for single family residential homes. Townhomes sales are relatively rare, and we did not include other unit types such as condos or cabins because they are not common within the town. The **median** is the midway point between all sales.

Median Sales Prices for In Town Silverton SF Residences and Townhomes					
	2010	2011	2012	2013	2014
Single Family	\$ 170,000	\$ 220,000	\$ 212,500	\$ 170,000	\$ 265,000
Townhome	\$ 143,500	\$ -	\$ 199,000	\$ 137,500	\$ -

Average Sales Prices for In Town Silverton SF Residences and Townhomes					
	2010	2011	2012	2013	2014
Single Family	\$ 188,667	\$ 284,000	\$ 185,275	\$ 186,227	\$ 236,444
Townhome	\$ 143,500	\$ -	\$ 199,000	\$ 137,500	\$ -

In the Anvil Mountain development proposal approximately 34 lots are available for a combination of approximately 50 single-family and multi-family dwellings. The Area Median Income was \$56,400 for San Juan County in 2014. A minimum of 60%, (approximately 30 units), of the resulting residential units will be occupied by households with incomes at or below 125% of area median income, and at least one-third of those, (approximately 10 units), will be affordable to households with incomes at or below 80% of area median income. As many as 40%, (approximately 20 units) of the resulting residential units may be sold at market rate.

Currently, incomes at or below 125% median income, range from \$53,125 to \$94,125 depending on household size. Incomes "at or below 80% median income", required for 30% of units, range from \$34,000 to \$56,400 depending on size of household.

## Population Forecasts

In 2015 the county's resident population is estimated to be 705, with slow growth forecast through 2035, when it is expected to reach 765 people. The number of households is projected to grow from 350 to 371 by 2035, about one household per year. There is an average of two people per household.

	2015	2020	2025	2030	2035
<b># of Households</b>	350	357	367	370	371
<b>Average Annual % Change</b>		0.4%	0.6%	0.2%	0.1%
<b>Population</b>	705	729	748	753	765
<b>Average Annual % Change</b>		0.7%	0.6%	0.1%	0.3%

The discrepancy between the number of housing units (718) and the number of households (350) is attributed to the large number of 2<sup>nd</sup> homeowners in the county, who are not included in population figures.

## Survey Results

A twelve question survey and cover letter was mailed to each occupied P.O. Box at the Silverton Post Office. All residents receive their mail at the Post Office as there is no residential delivery service in the county. It should be noted that some households and businesses retain more than one P.O. Box, so the 530 mailed surveys do not reflect the actual population of the county. A total of 145 surveys (representing 274 individual in households) were returned.

### 1) Where do you live?

Answer Options	Response Percent	Response Count
Silverton	95.7%	135
Unincorporated area of San Juan County	4.3%	6
Outside of county		5
	<i>answered question</i>	<b>141</b>
	<i>skipped question</i>	<b>4</b>

### 2) Please describe your local status.

Answer Options	Response Percent	Response Count
Year round resident	76.1%	108
Part time resident	23.9%	34
Zip Code of primary residence		56
	<i>answered question</i>	<b>142</b>
	<i>skipped question</i>	<b>3</b>



3) How long have you lived in San Juan County?

Answer Options	Response Percent	Response Count
Less than one year	4.3%	6
1 to 4 years	9.2%	13
5 to 9 years	19.9%	28
10 years or more	66.7%	94
	<i>answered question</i>	<b>141</b>
	<i>skipped question</i>	<b>4</b>

4) Please describe your employment status:

Answer Options	Response Percent	Response Count
Employed year round	58.2%	82
Seasonal worker	13.5%	19
Does not apply (retired, homemaker, etc.)	28.4%	40
	<i>answered question</i>	<b>141</b>
	<i>skipped question</i>	<b>4</b>

5) How many people live in your household?

Answer Options	Response Average	Response Total	Response Count
# of people	2.01	274	136
		<i>answered question</i>	<b>136</b>
		<i>skipped question</i>	<b>9</b>

6) Which of the following best describes your household?

Answer Options	Response Percent	Response Count
Adult living alone	30.7%	43
Single parent with children	2.9%	4
Couple no children	38.6%	54
Couple with children	17.9%	25
Unrelated roommates	2.1%	3
Immediate family plus extended family members	7.9%	11
	<i>answered question</i>	<b>140</b>
	<i>skipped question</i>	<b>5</b>

7) Is your residence:

Answer Options	Response Percent	Response Count
Owned by you or a family member	73.7%	101
Rented from a landlord	26.3%	36
	<i>answered question</i>	137
	<i>skipped question</i>	8

8) What is your total monthly rent or mortgage payment?

Answer Options	Response Average	Response Total	Response Count
\$ Monthly	610.96	72,093	118
		<i>answered question</i>	118
		<i>skipped question</i>	27

9) What is your annual household income?

Answer Options	Response Average	Response Total	Response Count
\$ Annual income	55,700.68	6,182,775	111
		<i>answered question</i>	111
		<i>skipped question</i>	34

10) If you have wanted to buy a home but have not done so, why not? (Mark all that apply)

Answer Options	Response Percent	Response Count
Total cost too high	75.0%	33
Lack down payment	47.7%	21
Can't qualify for a loan	25.0%	11
Housing that I can afford is not what I want to buy	47.7%	21
Cheaper to rent	27.3%	12
Other (please specify)		22
	<i>answered question</i>	44
	<i>skipped question</i>	101

**11) If you are a business owner in San Juan County do you offer housing or a rent allowance to your employees?**

<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Business owner, do not offer housing or rent allowance	39.0%	41
Not a business owner	57.1%	60
Housing	3.8%	4
Rent allowance	0.0%	0
	<b><i>answered question</i></b>	<b>105</b>
	<b><i>skipped question</i></b>	<b>40</b>

**12) What housing needs do you see in the community?**

<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Rental units	28.5%	39
Ownership housing	2.9%	4
Both	68.6%	94
Other (please specify)		39
	<b><i>answered question</i></b>	<b>137</b>
	<b><i>skipped question</i></b>	<b>8</b>

Many of the comments received around this question favored more rental units for seasonal workers, i.e. apartment complexes, though there were numerous complaints about the condition of the multi family housing that is already available to rent.

*Most renters and low cost housing owners do not take care of their dwellings. Look at the low cost housing near the entrance to Silverton. It only adds to the unsightly first impression of our town.*

*Owners of rentals should keep up the property better. Paint, clean away trash, etc.*

*Need new units for rental market. Rentals are run down so hard to keep seasonal staff coming back and comfortable as they get older.*

Less weekly rentals.

*Is there any cap on "weekly rentals"? I feel they are impacting housing availability [sic], without any real economic benefit.*

Available housing is in poor condition

*The housing for sale seems affordable except that many houses are old and need a lot of work. So a 250,000 house needs 50,000+ in new insulation and such.*

*Seem to be lots of properties for sale and not moving very quickly, prices dropping. Lots of properties in the core of the town are pretty derelict. Is there a way to help renovate these properties within the core and to ease the crunch?*

*Housing becomes a prohibitive factor for people who move here and want to stay, particularly families. Houses available to buy are out of the price range for people who live here year round, and many of them are more than "fixer-uppers." Vacant lots are inaccessible and lack utilities, making them impossible to develop for the average Silverton resident. Quality affordable housing is the number one factor in attracting people to our town and developing our economy.*

A number of respondents felt that a lack of year round employment was the real problem.

*The lack of good year around employment is killing the housing market, rent or buy.*