

The background of the entire page is a photograph of a house. The upper portion shows a white gabled roof with a dormer window containing three small panes. Below the dormer is a red roof section. The lower portion shows a brown porch with a central support post and a bird feeder hanging from the eaves. A large, faint, stylized 'X' watermark is overlaid across the center of the image.

THRIVE *Laramie* **HOUSING**

PRELIMINARY FINDINGS SUMMARY JANUARY 2020

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Community Builders is a non-profit that works hand-in-hand with local partners to shape strong, livable communities. Community Builders understands that housing is a major issue within the Rocky Mountain region and our primary goal is to provide support through research and technical assistance to develop clear strategies and approaches for communities to tackle difficult issues.



THE

BACKGROUND

Thrive Laramie is an initiative to design the future of the Laramie community by addressing issues around economic development, planning and housing. The goal of Thrive Laramie Housing is to bring together the community to take action on expanding housing choices and affordability.

BACKGROUND

about the project

WHY NOW?

The Laramie community's lack of quality housing choices is hurting the economy. Not only is housing unaffordable to some people, there is a lack of the types of housing choices to meet the needs of people who want to live in Laramie. Existing businesses are growing and new businesses are coming, but employers struggle to attract and retain talent. The cost of housing is high and household incomes are low so people struggle to find quality housing that meets their needs. Students don't stick around to make Laramie their home. While there have been previous efforts, progress has not been made to address this important issue.

WHAT ARE WE HOPING TO LEARN?

Through this project we are looking to understand the issues around housing and to respond with strategic actions. Building on the Housing Study from 2015, we will identify the barriers to meet gaps in the market and study specific opportunity sites to why housing isn't being built. We will work with the local development community to educate and empower them with the tools to bring housing into Laramie.

APPROACH

GOALS

01

MARKET STUDY
UNDERSTANDING
THE ISSUES

WHAT IS

THE STORY AROUND HOUSING IN LARAMIE?

This phase will explore the community's values around housing and market data to understand trends, gaps and demand for housing.

02

CODE AUDIT
IDENTIFY BARRIERS
TO DEVELOPMENT

WHAT IS

HOLDING BACK HOUSING IN LARAMIE?

Identify policy inhibitors and barriers to development and provide recommendations for specific changes.

03

**OPPORTUNITIES
ASSESSMENT**
STRATEGIES

HOW

WILL WE GET THERE?

Explore, test, and refine ideas around strategies to identify market feasible housing opportunities in Laramie.

04

**DEVELOPER
BOOTCAMP**
IDEAS TO ACTION

WHERE AND HOW

DO WE START?

Transfer lessons to the public and private sector partners to take the necessary steps to move towards on the ground projects.

PROJECT OUTCOMES

This project will work with the community, local leaders and developers on achievable, action-oriented strategies to increase the diversity, availability and quality of housing in Laramie. This process will strive to;

01

Understand the issues that are driving the current housing challenge and unite the community around shared housing goals.

02

Identify specific strategies to get housing built through code changes and proforma analysis of housing projects.

03

Empower private and public partners with the tools and resources to take on projects and address housing goals.



**HOW DO WE
ADDRESS ISSUES
AROUND HOUSING
COST, QUALITY, AND
DIVERSITY TO BUILD
THE ECONOMIC
VITALITY OF LARAMIE?**

IN THIS DOCUMENT

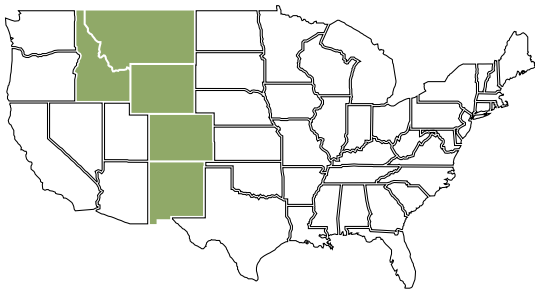
The purpose of this document is to summarize findings from public input, market assessment and code audit interviews to provide a snapshot understanding of housing in Laramie and strategies to guide the next phases of work.

This internal document is meant to align project team members and stakeholders about preliminary issues and findings.

BACKGROUND

the big picture

Across the Rocky Mountain West- including Idaho, Wyoming, Montana, Colorado and New Mexico- housing is increasingly unaffordable for average working people. Housing that local residents and the workforce can afford is essential to strong communities and healthy economies. Communities that aren't affordable suffer from depressed job and business growth, increased regional traffic, and diminished character. The people in these communities suffer from decreased economic mobility, longer and more expensive commutes, and less time with family. The most fundamental challenge to communities today is remaining affordable for people of different backgrounds and incomes to call home.



THE ROCKY MOUNTAIN REGION INCLUDES IDAHO, WYOMING, MONTANA, COLORADO AND NEW MEXICO. THIS REGION IS CURRENTLY THE FASTEST GROWING IN THE UNITED STATES.

WHAT IS DRIVING THE AFFORDABILITY ISSUE?

Communities experiencing housing issues are impacted by local market forces around cost and supply. Because of this market imbalance housing quality is sacrificed, land costs drive new growth to the edge, and choices become more limited. As the gap between supply of diverse housing choices and demand for livable places grows- more people are priced out and the community and the economy suffers.

IMPACTS ON PEOPLE AND COMMUNITIES

What are the consequences when working families don't have affordable housing choices near their jobs? People will choose to stay and live in unstable and financially stressful living situations, move further out of town where housing is more affordable accepting longer commutes, or move away. The impacts of these choices result increased traffic and loss of business vitality. But most at risk is the loss of an authentic community- because it is people that make places great.



GREAT PLACES MATTER

Building a strong and resilient economy is tied to creating great community for people to live and work. Based on a survey of nearly 1,000 employers and community members in Colorado, Idaho, Montana and Wyoming, both business owners and community members prioritize community quality. People are attracted to great neighborhoods that offer diversity in amenities, housing options and transportation choices. In many Rocky Mountain communities, people will make trade offs such as salary and home size to live in a place that offers a great quality of life. But affordability is an issue, there is not enough housing in many Rocky Mountain communities to meet the needs of people at a diversity of income levels. Some key findings include;

- 01 JOBS FOLLOW PEOPLE** 70% of business owners established their residence in a community first, then decide to start a business.
- 02 COMMUNITY QUALITY IT A TOP PRIORITY FOR BUSINESSES AND RESIDENTS** 4.5 out of 5 people surveyed considered overall quality of the community as the most important factor in selecting a location to live.
- 03 BEING A PLACE THAT CAN ATTRACT TALENTED EMPLOYEES IS IMPORTANT TO GROWING BUSINESSES** 68% of business owners state the ability to attract or retain employees is an important factor in choosing a location.
- 04 PEOPLE ON THE MOVE ARE LOOKING FOR GREAT PLACES** 39% of people will consider community over job opportunities. 44% consider job and community are equally important. Only 17% of people consider only job opportunities when looking for a place to live.
- 05 PEOPLE ARE WILLING TO SACRIFICE SALARY FOR THE IDEAL COMMUNITY** 83% of respondents favored living in an ideal community with a lesser salary.
- 06 HOUSING COSTS ARE A CONCERN FOR BUSINESSES AND EMPLOYEES.** 68% of respondents felt there are not enough housing options for the range of incomes in the community- and that has an impact on businesses ability to attract and retain employees.



BACKGROUND

why isn't housing affordable?



DEMAND FOR HOUSING

As demand for housing outpaces supply, prices increase. The West has been, and continues to be the fastest growing region in the nation, and with this escalating demand comes higher housing prices.

There is a surplus of rentals and a shortage of for sale housing in Laramie which creates an imbalance in the market.

The high demand for housing has resulted in a lack of quality housing choices, which is one of the primary concerns expressed by the residents in Laramie.



LACK OF HOUSING DIVERSITY

Choice is increasingly important in today's market. There is a pattern of economic mobility that fuels housing supply at each stage of life- and this supply of housing types is not meeting the demand. Economic and demographic trends include a generation of smaller households and an aging population looking to downsize. In addition, more people are seeking neighborhoods that offer convenience, accessibility, and a sense of place.

Housing diversity in Laramie is limited and development has focused primarily on 3-4 BR single family homes and large multi-family housing projects.

There is a high demand for smaller housing products under \$300K.



JOBS AND INCOME

When the cost of housing does not match the income of the community of local residents get priced out of the market. Emerging professionals are crippled with high housing costs and student loan debt- saving up 20% for a home can be near impossible.

Incomes in Laramie are lower than average and the cost of housing is higher than average- creating financial strain for many local residents.

Additionally, there is a shortage of prime working age residents and the student population leaves the community after graduation which has significant impact to the economy.



HIGH BUILDING COST

Housing prices are deeply influenced by the cost of development and high costs create a gap between the cost to build and what people can afford. Escalating labor, materials and land costs all contribute to a higher cost of construction.

In Laramie, high land costs and lack of infrastructure impact development feasibility for new projects. The average cost to build is around \$150 per SF, resulting in higher price points on new product.

Labor and materials costs are on average 25% higher in Laramie since materials and skilled labor needs to be brought in from Cheyenne or the Front Range of Colorado. There is limited redevelopment of existing homes as costs to renovate are high.



LOCAL POLICIES AND POLITICS

Local land use policies, such as land use and building codes, should be tools to facilitate and encourage housing supply. Restrictive policies often include inflexible zoning codes, lengthy review processes, and excessive fees that make a project infeasible or too expensive. Local policies may disallow or have codes that make it impossible for certain housing types to be built. Political opposition to housing, from either neighbors or city officials, are a barrier to increasing supply.

Politically, Laramie is not highly charged when it comes to housing. Local Land use codes in Laramie impact the urban form as well as limited infill development opportunities



HIGH MARKET VALUES

Our current pattern of very low interest rates for mortgages is driving home appreciation. The lower the interest rate on the loan, the lower the monthly payments, which means that the amount people can borrow is much greater. The more money people can borrow, the higher the market will climb.

While home values are high, borrowing trends do not seem to be a driver of affordability in Laramie.

However, many young residents are cost burdened by high housing costs and student loan debt and are challenged to enter the housing market.



WHAT IS HAPPENING IN LARAMIE

In order to address issues around housing in Laramie we need to explore the root cause of the problem. Housing markets typically responds to a variety of conditions, such as employment and population growth. The following section will explore the current market in Laramie to understand the needs of the community. The data has been collected through quantitative means such as the American Community Survey (ACS) and qualitative means such as community questionnaires and interviews.

LARAMIE

demographics

Demographics present a snapshot of who lives in Laramie. By understanding who lives in Laramie we can better understand their housing needs.

WHO ARE THE PEOPLE THAT LIVE IN LARAMIE?



32,178

2018 population

38% of the population is students

+4%

Laramie growth
since 2012

+6%

Rocky Mountain
Region growth
since 2012

+4%

National growth
since 2012

POPULATION TOTALS	National	Rocky Mountain	City of Laramie
Children Living at Home: Under 17	23%	25%	16%
Student Age: 18-24	10%	10%	32% 16%*
Young Working Age: 25-45	26%	27%	28% 29%*
Mid-career Age: 45-65	26%	24%	16%
Seniors: 65+	15%	13%	8%

Data source: ACS 2017

*Assumed calculation is student population is removed.

WHY DOES THIS MATTER?

Population growth in Laramie has been slower than other areas in the Rocky Mountain Region, but consistent with national trends.

Laramie has a large young workforce in the 18-24 age group, which represents 32% of the total population. However, there is an out-migration of the 25-34 age group indicated by a decrease of 14%. By comparison, the Rocky Mountain has experienced a 4% increase in the 25-34 age group.

This can be understood by students from the University of Wyoming that leave Laramie to find higher paying jobs. Retaining this population is important to creating a vibrant economy in Laramie.

HOW HAS AGE CHANGED SINCE 2012?

YOUTH POPULATION

The youth population between 15-24 has increased by 1%.

WORKING POPULATION

The working population between 25-54 have increased by 4%.

SENIOR POPULATION

The largest age growth in Laramie is seniors 55+ by 15%.

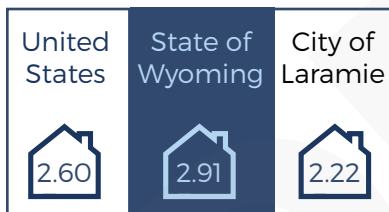
WHY DOES THIS MATTER?

Although Laramie's population is aging, these numbers are consistent with regional and national aging trends.

Only marginal growth can be seen in younger demographics and the prime working ages. This indicates a community that is holding steady, but not thriving economically.

WHAT TYPE OF HOUSEHOLDS ARE IN LARAMIE?

Average household size



56%
Non-family

44%
Families

LARAMIE HOUSING MAKEUP

WHY DOES THIS MATTER?

According to the Census Bureau a non-family householder is a 'householder living alone or with non-relatives only'. A Family household is a 'householder living with one or more people related to him or her by birth, marriage, or adoption'.

56% of households are non-families which is 20% greater than the National average. Household size is also significantly smaller than state and national averages. This is likely due to the high student population.

While the primary household in Laramie is non-family or smaller families, the type of housing being developed is large scale single-family. This is indicative that the market is not meeting the housing needs of the entire community. The focus on large scale multi-family units should not be the universal solution to produce housing for smaller families or non-families.

LARAMIE

income

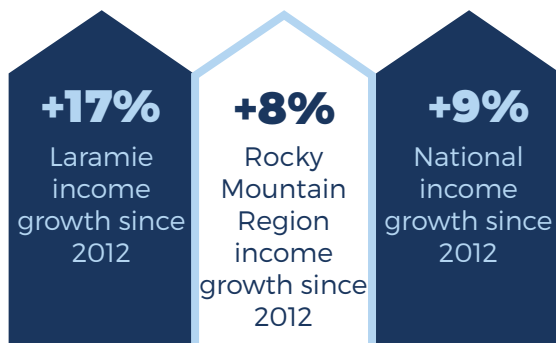
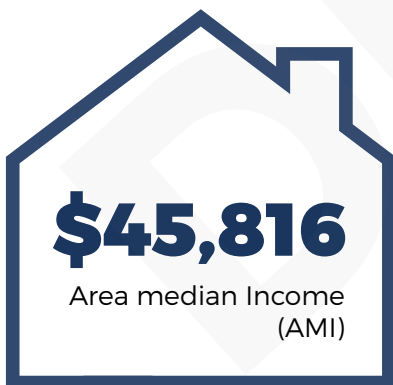
Housing costs are generally the largest household expense. The amount of income available to allocate towards housing directly relates to housing choice. 72% of survey respondents suggested that affordable and quality housing options could be improved upon in Laramie. By understanding what people in Laramie can spend on housing we can identify where there are gaps.

WHAT INCOME DO PEOPLE IN LARAMIE HAVE AVAILABLE?

Area Median Income (AMI) is a metric calculated by the U.S. Department of Housing and Urban Development (HUD) to determine the income eligibility requirements of federal housing programs.

	Median Household Income	Median Home Value
Rocky Mountain Region	\$55,962	\$207,000
City of Laramie	\$45,816	\$210,600
Cheyenne	\$62,879	\$202,800
Ft. Collins, CO	\$64,980	\$306,600

Data source: ACS 2017



WHY DOES THIS MATTER?

The Rocky Mountain Region AMI is \$55,962 which is significantly higher when compared to the City of Laramie AMI of \$45,816. Laramie has less available income towards housing compared to regional and state averages, yet housing costs are higher in Laramie than regional and state averages. This creates an imbalance in the market.

However, AMI in Laramie has grown by 17% since 2012, outpacing both the Rocky Mountain region and the Nation by at least 6%. This indicates a positive upward trend for Laramie's economy.

From 2012 to 2019, the two largest income segments that experienced growth are those between \$35k-44,999, by 26% and \$75k-\$199,999, by 34%.

WHAT LARGEST EMPLOYMENT SECTOR IN LARAMIE?



1:3

Education is the largest employment sector and representing the majority of the population in Laramie.

WHY DOES THIS MATTER?

Education is a lower paid industry on a national standard and could contribute to a lower the AML in Laramie.

The largest employment sector in Wyoming, mining and extraction, which is typically higher paying than education, is not present in Laramie. Wyoming has the seventh-highest GDP per capita (\$58,821) in the United States, largely due to mining and extraction industries.

Laramie highest educational attainment levels in the region and is also high by national standards. Laramie is situated to cultivate a more robust economy by attracting industries required an educated workforce.

DEFINING TERMS | COST BURDEN



A cost burdened household is spending more than 30% of their income on housing costs. A severe cost burden is over 50%.



When transportation is considered in addition to housing costs a household spending more than 45% of their yearly income is considered cost



Cost Burden has become a recognized standard for determining what is 'affordable' for housing by HUD (US Department of Housing and Urban Development).

ARE LARAMIE RESIDENTS COST BURDENED?

30%

About 30% of Homeowners are Cost Burdened which is on par with national averages. This has remained constant since 2012.

54%

54% of renters are cost burdened or severely cost burdened. This is 10% higher than the Rocky Mountain region.

27%

On average, residents in Laramie spend about 27% of their income on transportation costs. The average cost of transportation is 15%.

AVERAGE COST FOR A LARAMIE RESIDENT	Laramie Resident Non-cost Burdened (max amount a year)	Laramie Resident Cost Burdened
Income (Laramie AMI)	\$45,816	\$45,816
Housing	\$13,744 (\$1,145/month)	\$22,908 (\$1,909)
Transportation	\$6,872	\$12,370
Disposable Income (Removing Housing and Transportation)	\$25,200	\$10,538

Data source: ACS 2017

WHY DOES THIS MATTER?

Cost burden is a major issue throughout the Rocky Mountain Region where housing costs exceed incomes. As of 2017, 45% renters in the Rocky Mountain region are cost burdened. Comparatively 54% of renters in Laramie are cost burdened. 32% of renters in Laramie are severely cost burdened, paying more than 50% of their income to housing.

Having high levels of cost burden has a significant impact to small communities. This limits housing mobility for renters to work towards saving for a home and increasing their personal wealth. When residents have less disposable income they tend not to spend money by supporting local businesses. To support this idea, sales tax revenue in Laramie has remained flat since 2008.

Although this number is high, some of the cost burden can be understood by University student population not having a full time income.

What do you think IS the biggest CHALLENGE on the cost of living in Laramie?

We asked the residents of Laramie...



We asked the residents of Laramie...

WHEN LOOKING FOR A HOME WHAT AFFECTS YOUR CHOICES?

95%

of Laramie residents surveyed choose housing based upon cost.

50%

50% are unsatisfied with their current cost of living.

38%

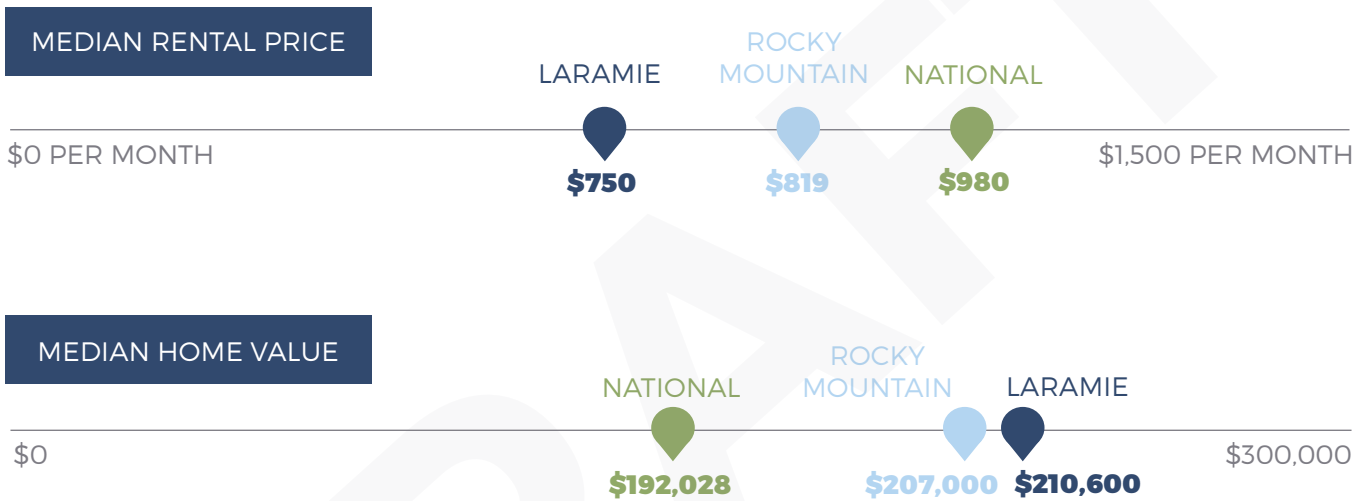
38% are dissatisfied with the quality of their current housing.

LARAMIE

housing

Housing affordability is directly related to the housing choices people make. When people are overspending on housing, it can lead to negative impacts on the economic health and quality of life in a community. By understanding the current housing supply at what price points we can identify what is missing in the current market.

HOW DOES LARAMIE LINE UP REGIONALLY AND NATIONALLY?



How have prices changed since 2012?

Median HOME PRICES have increased by 11% since 2012 which follows National and Regional trends.

RENTAL HOUSING has increased by 8% which follows National and Regional trends.

WHY DOES THIS MATTER?

Rentals in Laramie are lower than average and the cost of housing is slightly higher than average. This indicates an imbalance in the rental and housing market as typically rents should align more closely with housing prices.

The median value of a household is priced relatively the same as the Rocky Mountain region, but both are higher than national averages. This is explained by the growth of the West creating a demand for housing. Nationally, trends show housing values growing in upper- and middle-income price ranges.

WHAT CAN LARAMIE ACTUALLY AFFORD?

We asked the residents of Laramie...

HOW MUCH DO YOU FEEL COMFORTABLE SPENDING ON HOUSING?

45%

About 45% of the survey respondents of the population feel comfortable spending less than \$1000/mo on mortgage or rent.

38%

feel comfortable spending \$1,000-\$1,500.

\$875-\$1,375

Target per month for RENT

\$175k-\$280k

Target HOME/SALE price

WHY DOES THIS MATTER?

Based on data, survey feedback and interviews, the target rental price range is between \$875-\$1,375 and home sale is between \$175,000-\$280,000. This range can be used as a benchmark for if the market is meeting demand.

BREAK DOWN OF ATTAINABLE HOUSING BY INCOME	Percent of Households in Laramie	Rental Affordability Range	Home Price Affordability Maximum
Low Income Households: 1-\$29,000	39% 14%* of the population	can afford... \$249- \$749 25% of Supply	can afford... \$65,000 11% of Supply
Middle Income Households: \$30,000-\$59,000	26% of the population	can afford... \$750- \$1249 62% of Supply	can afford... \$165,000 27% of Supply
Upper Middle Income Households: \$60,000- \$99,000	18% of the population	can afford... \$1,250- \$2,499 10% of Supply	can afford... \$400,000 44% of Supply
High-Income Households: Over \$100,000	16% of the population	can afford... \$2,500+ .05% of Supply	can afford... \$400,000+ 15% of Supply

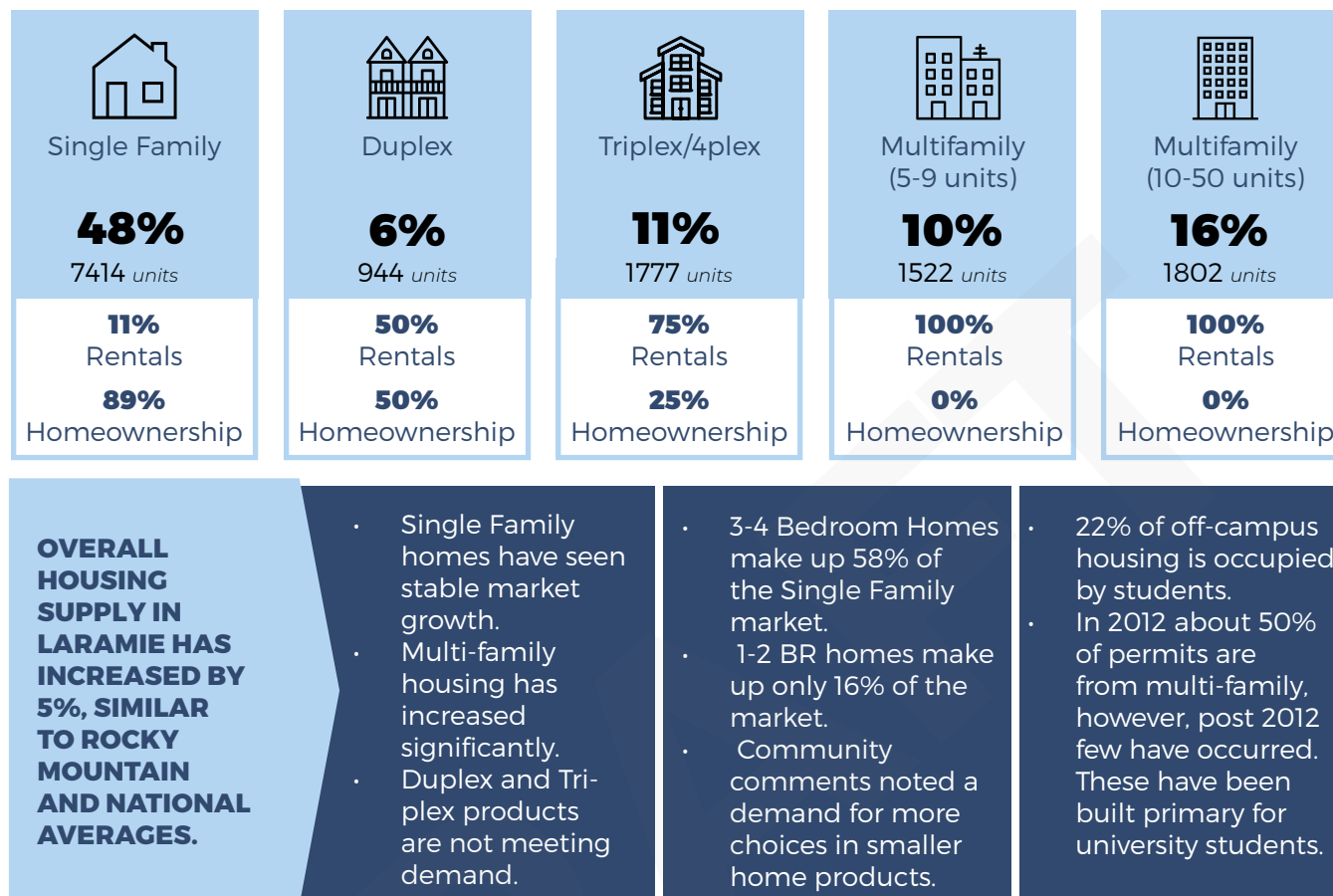
WHY DOES THIS MATTER?

When looking at the percent of the population within a certain income bracket and the amount of housing available at an affordable price there is an over supply of rentals between \$750-1250 and of homes above \$400,000.

Low income households require affordable housing assistance through state and national programs as it would not be possible to build housing to be available at this price point without subsidies.

The student population likely represents a significant percentage of lower income households in Laramie.

WHAT TYPE OF HOUSING IS AVAILABLE IN LARAMIE?



HOUSING GROWTH IN LAST 5 YEARS

# of housing permits	Single Family	Duplexes	Triplex/Fourplex	Multi-Family
2014	51			
2015	65			20
2016	60	4		24
2017	40			8
2018	51			47

15,176
Total
HOUSING
UNITS IN
LARAMIE
(2018)
OF UNITS

WHY DOES THIS MATTER?

Single family homes represent nearly half of the housing supply in Laramie and are being built at a steady pace. Large scale multi-family is the second largest housing supply and is also being built consistently. Duplexes, triplexes and fourplexes are the lowest housing supply on the market and have not been built over the past 5 years.

This indicates a lack of small-scale housing options and that smaller products are much older than single family and large-scale multifamily. Interviews and the survey suggest a desire for small scale residential products such as 1 and 2 BR homes as starter homes and homes for empty-nesters to downsize.



THE MARKET

The following will define the housing market to understand their market drivers of supply and cost that are impacting housing choices in Laramie. In order to achieve the housing choices the community desires it will analyze current rental and homeownership product in Laramie through quality, typology, and location and identify what is needed to expand choices.

THE MARKET

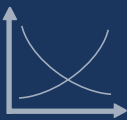
problem

The section provides analysis specific to Laramie's housing market. This information has been derived from three different data sets, (1) community surveys, (2) census data and (3) stakeholder interviews. Through this analysis it is clear that imbalance in the market is affecting housing choices in Laramie.

WHAT IS A BALANCED MARKET?

A balanced market is one where supply is meeting the demand, housing prices are stable and there are enough homes on the market to provide choices for buyers. Beyond providing sufficient housing, a quality of life is also important to maintaining a sense of community. People are attracted to great neighborhoods that offer diversity in amenities, housing options and transportation choices. Laramie has a great sense of community, nearly 40% of survey respondents note the community, lifestyle and peace and quiet as reasons for what makes living in Laramie great. However, when asked about what challenges are to living in Laramie, 15% of survey respondents also note that the high cost of housing and limited supply of quality housing choices is impacting their daily life.

KEY ELEMENTS OF A BALANCED MARKET



SUPPLY AND DIVERSITY

A wide range of housing types at different price points is key to providing choices for buyers of different levels of income, age, and interests. Meeting the housing needs of a diverse community is a critical component of civic health and vibrant economies.



LOCATION

The places people live, work and play are at the core of a strong community. Increasing housing supply in the right places is key to supporting a great place to live- which in turn supports broader economic shifts. People tend to shop and recreate within the proximity of where they live. Therefore, bringing more housing to a certain area can help to build the local economy.



PATTERN

In addition to location, good urban form is important to creating strong neighborhoods. This includes building a diversity of housing types, connected street networks, walkable development patterns, and access amenities to enhance the local community.



BUILDING AFFORDABILITY

Even in a balanced market, some people at the lower end of the income spectrum are going to be left behind. The goal of finding balance within the free market to allow for subsidized interventions in providing housing choices and quality of life for the lower income community.

HOW DO WE BEGIN TO DEPICT THE MARKET?

Laramie has two key market drivers impacting the balance of the market, cost and supply of housing.

SUPPLY

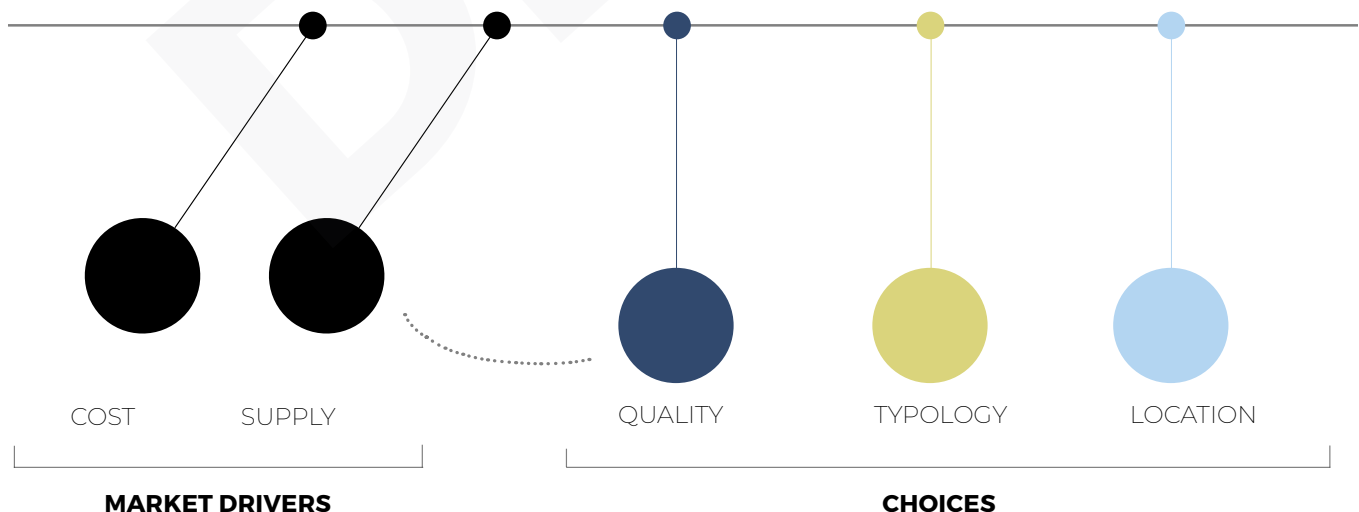
Supply and demand is a basic driving economic principle. People are moving west, and to Laramie, because of the quality of life. This demand has had a significant impact to the supply of homes throughout the west and many communities are struggling to provide affordable housing choices for their new and existing workforce. In Laramie, this issue is further complicated by the additional demand for student housing.

COST

Cost is a key driver of affordability. In Laramie, high costs of construction, high land costs, availability of materials and labor all impact the ability of developers and builders to meet specific price points while making projects feasible. This issue is compounded by low incomes in the community. The current housing market is only meeting the needs of the upper segment of the community and missing housing product that is attainable for lower wage and entry level employees.

Cost and supply are major market drivers in Laramie which are affecting limited choices of housing by (1) low and available quality, (2) diverse typology options to meet the demand and (3) location options for a variety of lifestyle choices. Laramie is experiencing a pendulum effect- where market drivers (supply and cost) are directly affecting housing choices (quality, typology, and location).

LARAMIE'S HOUSING PENDULUM

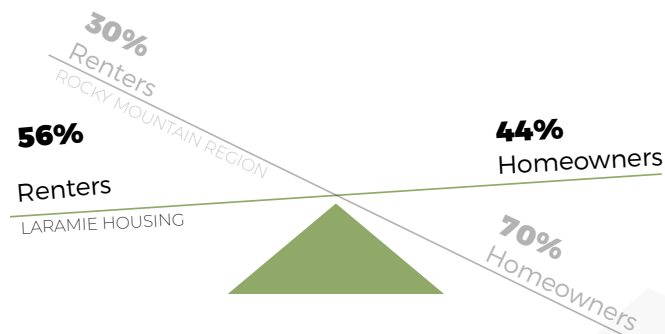


HOW TO UNDERSTAND THE MARKET

Two indicators of an imbalance in the Laramie market are the higher amounts of rentals in the housing market and higher levels of vacancy within these rentals.

Laramie's housing market consists of a greater number of rental units (56%) than the US average (30%). Compounding this imbalance is a high vacancy rate of rental units and low vacancy of for-sale units. This indicates that rental and homeownership are vastly different markets in Laramie.

RENTER/HOMEOWNER

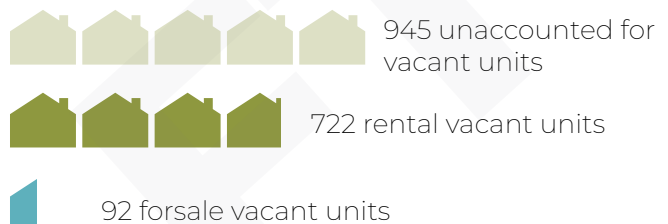


As of 2018, 56% of the housing market are renters, compared to 30% of the housing market are renters in the Rocky Mountain West. The US average and the Rocky Mountain region is about 70% homeownership to 30%.

Laramie's high rental market is likely due to the university student population. This population will continue to impact housing demand in the community. Since the University does have a significant impact to the local economy, it will be important to address the issues around student housing and the impacts to the community.

VACANCY RATE

11% VACANCY RATE (1,759 VACANT UNITS)



A healthy housing market should have between 7%-8% vacancy rate. Laramie's vacancy rate as of 2018 is 11% (1,759 vacant units) indicating an imbalance in the market.

Of the 11%, 41% of vacancies are rentals, or 722 of the 1,759 vacant units. Comparatively, only 5% of vacancies are for sale/homeownership products on the market, or 92 of the 1,759 vacant units. Of the 1,759 vacant units, 945 of vacant units (54%) are unaccounted for per the data available.

These vacancies demonstrate there is an unhealthy rental market and a tight for sale market of homeownership.

The number of vacant units has decreased by 10% since 2012, compared to the Rocky Mountain region which has increased by 4%. This shows an increasing demand for housing within Laramie, however, primarily through homeownership compared to the rental market.

HOW TO EVALUATE THE RENTAL AND HOMEOWNERSHIP MARKETS?

It is important to evaluate the unique factors that impact housing in Laramie. This section will explore what is driving the market and how these drivers are affecting housing choices in Laramie. Looking at the market drivers behind the rental and homeownership market will help identify issues around the quality, typology and location of housing that will offer solutions.

THE MARKET

rentals

8,499 RENTAL HOUSING UNITS IN LARAMIE (2018) (OF 15,176 Total Units)

OF UNITS

56%

Of the
Total
Units are
Rentals

Compared to national standards, Laramie has a extremely large rental market. University students have a significant impact to the rental housing demand. Some of the key issues identified through interviews and survey responses include;

- Poor quality of rentals.
- High cost of rentals.
- Lack of rental housing choices.
- Limited type of rentals housing (ie: primarily apartments and condos).
- Rental housing is located further from school or jobs.

In the past 5 years, a large amount of multifamily buildings have been built to respond to the great demand of rentals and student population. This new development has primary been built on the outskirts of the community.

In order to respond to these issues in the rental market, the next section will look at drivers around supply and cost specific to the rental market. Analyzing the market drivers will take a deep look into the data including, vacancy, existing typology, cost of rentals.

WHY DOES VACANCY MATTER?

+37%

Since 2012 vacant rental units have increased by 37%

41%

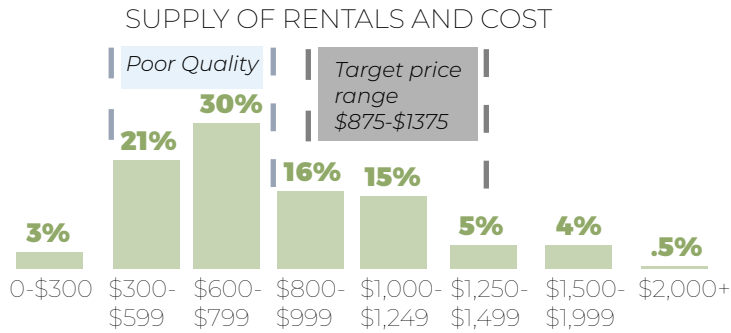
There are 1,759 vacant units in Laramie and 41%(722 units) are vacant rental units as of 2018.

WHY DOES THIS MATTER?

Since 2012 Laramie's overall vacant housing units have decreased by 10%. However, rental vacancy has increased by 37%. In 2018, rentals were the primary contributor to vacant units.

A healthy vacancy rate is between 7% -8%. The current vacancy rate of rentals at 11% depicts a large supply of rental housing in the area, but it is not meeting the needs for the market. Based on interviews and focus group conversations the quality of the available vacancies does not meet the standards of living for much of the community.

WHERE ARE RENTAL COST NOW?



\$1,000- \$1,499

rent between \$1000 - \$1499 has increase by 70% since 2012

**THE
GREATEST
PRICE
GROWTH
FOR
RENTALS**

71%

of rentals are below \$1,000/month in Laramie as of 2017

**WHO CAN
AFFORD
WHAT IN
LARAMIE?**

53%

↑ \$1,000/
month

47%

↓ \$1,000/
month

We asked the residents of Laramie...

45%

Survey results indicate feeling comfortable spending less than \$1,000/month

WHY DOES THIS MATTER?

53% of the population can afford above \$1,000/month on housing yet 71% of the rental market is below \$1,000/month. Nearly half the rental supply is of a low quality.

There has been an 8% increase of rental vacancy since 2012. Conversations with local developers support this assessment. Vacancies are specifically increasing for lower cost rentals of poor quality.

However, rental properties that are new and of high quality between \$1000-\$1499/month often have a wait list. Residents are choosing to live in higher cost rentals because they want a higher level of quality than the lower cost housing provides. As such, there has been a major influx of units between \$1,000-\$1,499 since 2012.

IS THERE A PROBLEM WITH ATTAINABLE RENTAL HOUSING?

54%

of renters are cost burdened in Laramie.

44%

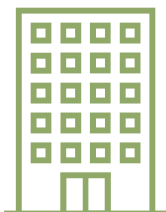
of renters are cost burdened in the Rocky Mountain region.

WHY DOES THIS MATTER?

54% of renters are cost burdened meaning they are paying more than 30% of their income to housing, which is 10% higher than the Rocky Mountain region. Unlike the Rocky Mountain region there is an over supply of affordable rental product.

Since there are low-cost rentals available in Laramie renters should be able to find housing that meets their price point criteria and not be cost burdened. However, the desire for newer, quality housing means Laramie renters are choosing to have a cost burden or pay outside of their price range for housing in order to get the quality, location and typology for their lifestyle.

WHAT KIND OF PRODUCT IS GETTING BUILT TO SUPPORT RENTALS?



Multifamily
(10-50 units)

16%

A total of 1802 units are large scale multifamily as of 2018.

50%

In 2012 about 50% of permits were for multifamily housing. However, post 2012 few have been permitted.

WHY DOES THIS MATTER?

Although large scale multifamily is an important housing type in communities, it should not be the only choice available in the rental market. Previous multifamily projects have been built for the student population, but does not represent the needs of post graduates or working population.

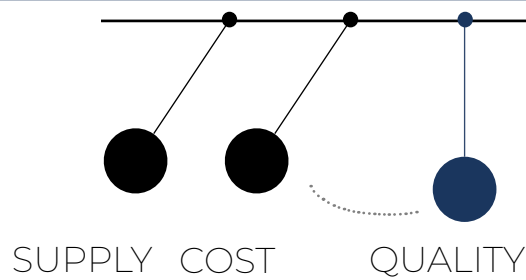
WHAT AREA IN LARAMIE NEEDS RENTALS?

**DOWN-
TOWN**

WHY DOES THIS MATTER?

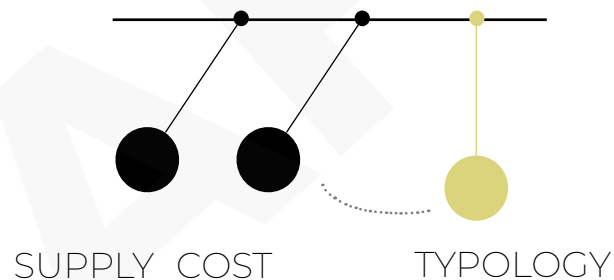
Housing in downtown brings more people to the area and is a key component of revitalization. Laramie downtown rentals cost significantly less than the City of Laramie. It difficult for builders and developers to receive financing to build these type of products because they lack strong comparables in the market.

If affordable product is available in the rental market why are 54% of renters cost burdened?



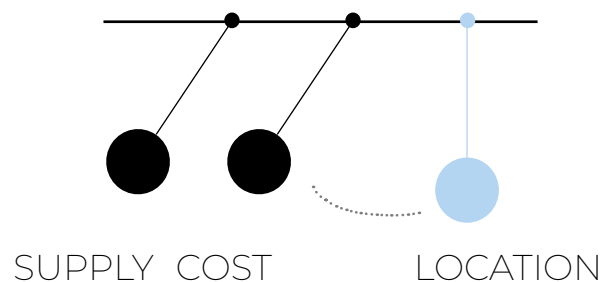
Affordable product is available and people are choosing to rent above their price range for new/higher quality housing. The newest rental prices on the market are between \$1,000 - \$1,499. These products cost higher than the current supply but there is high demand for these rentals.

Laramie's vacancy is primary rentals, with available product why is the rental market beginning to become unhealthy?



Laramie historically has a strong rental market compared to US averages. The a small town population size and number of university students has created major competition with college students for rentals. However, there is not a lack of supply of rentals in the community. Choice within the current of supply of housing is limited to large multi-family apartmentas a major influencer in the rental market

Rentals are primary large scale mutli-family which is occurring at the edge. However, is that where people want to live?



People are choosing to rent above their income, presumably because of the limited choices available. In addition to cost and quality, 81% of residents in Laramie choose a desirable neighborhood as an important factor when making housing choices. The majority of rentals are historically large multifamily buildings on the edge of town, however, these places lack the character and authenticity that make Laramie desirable to live.

THE MARKET

homeownership

6,677 FOR SALE HOUSING UNITS IN LARAMIE (2018) (OF 15,176 Total Units)

OF UNITS

44% Of the
Total
Units are
Owners

The median value of a household is priced relatively the same as the Rocky Mountain region. However, greater than the national median by \$18,000. The homeownership/for sale market in housing is an extremely tight market. Some of the key issues identified through interviews

- Homes are not on the market for long and a lot of times homes are sold before going on the market.
- It is becoming increasingly difficult to enter into the market especially for first time homeowners.
- The predominant product being built is 3-4 BR single family homes between \$300k-\$499k.
- Post graduation students leave the community.
- Laramie has a limited inventory of smaller housing options for-sale specifically for first time home buyers and retirees looking to downsize.
- The largest housing stock value in Laramie is between \$150k-\$299k but often these do not have the quality people desire .

In order to respond to these issues in the homeownership housing market, the next section will look at drivers around supply and cost. Analyzing the market drivers will take a deep look into the data including, vacancy, existing typology, cost of rentals.

WHY DOES VACANCY MATTER?

-11%

Since 2012 vacant for sale units have decreased by 11%

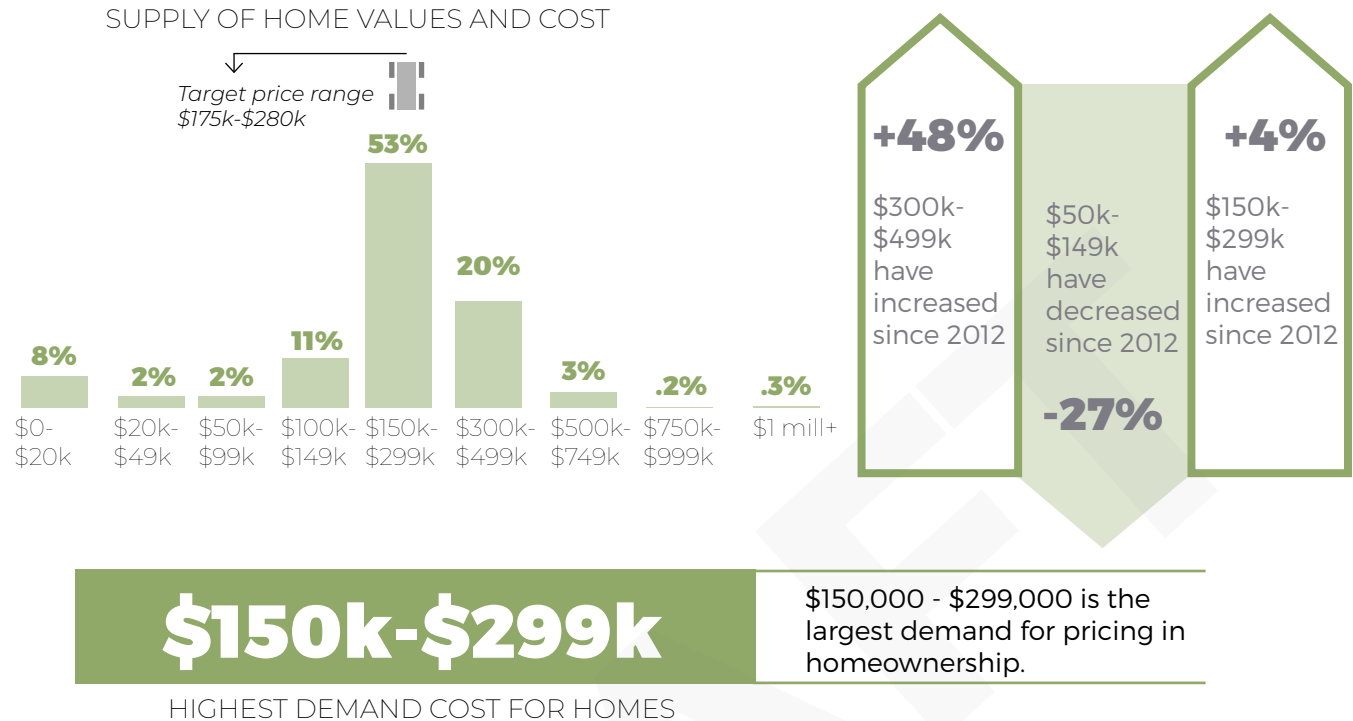
5%

There are 1,759 vacant units in Laramie and 5%(87 units) are vacant rental units as of 2018.

WHY DOES THIS MATTER?

For-sale and homeownership has been decreasing the past 5 years. A low amount of vacancy in units means this is a sellers' market for homeownership. It has become such a tight market housing that housing is becoming unattainable for people to find suitable choices to match their lifestyle. These trade-offs are resulting in a loss of character and dissatisfaction among residents.

WHERE ARE HOME VALUES NOW?



WHY DOES THIS MATTER?

Home values have grown by 11% which is slightly lower than the Rocky Mountain region, but 4% higher than National housing values. Laramie housing values are escalating compared to the nation but indicative to what is happening regionally. Housing values are growing in upper- and middle-income price ranges, meaning starter homes have decreased by about 21%.

44% of housing stock is within the price ranges of \$166k-\$400k. When we look at this data to exclude the student population, 29% of the Laramie residents can afford this price range, meaning there is an oversupply of housing stock.

The largest housing stock value range is between \$150k-\$299k and was noted as the most desirable- and the tightest market. An under-supplied market is the high-income bracket making above \$100K who can afford product above \$400k.

WHERE CAN HOMEOWNERSHIP BE SUPPORTED?

DOWN-TOWN

WHY DOES THIS MATTER?

A major demand is not being met through people making above \$100k annually. This price level are primary people who are baby boomers and looking to down size. Downtown condominiums offers a great opportunity to build upon this market of who can afford these type of homes as well as being to revitalize downtown.

WHAT KIND OF PRODUCT IS GETTING BUILT TO SUPPORT HOMEOWNERSHIP?



Single Family

48%

of Laramie housing stock are single family homes as of 2018. A total of 7,414 units.

WHY DOES THIS MATTER?

Large scale single family housing stock is the primary typology in Laramie. Through growing price escalation Laramie is beginning to price people out of homeownership opportunities.

Building homeownership opportunities is key to creating a great place. A common theme heard from the community was to build for smaller typologies that cost between \$250k-\$299k that have a higher quality of finishes.

WHY ARE HOUSING COSTS GROWING?

High land Cost

Lack of infrastructure

Materials and Labor Cost

Currently the most available opportunities for homeownership on the market in Laramie are large detached single-family homes

WHY DOES THIS MATTER?

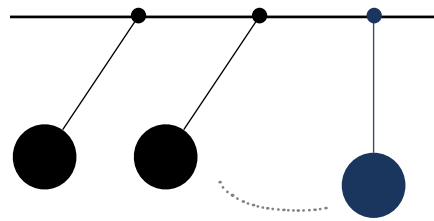
Based upon interviews within the housing industry there are three key issues that affect housing cost for homeownership (1) high land cost, (2) lack and cost of infrastructure, (3) high cost of materials and labor. High land costs make it difficult to build single family housing below \$300k and as a result, new development is occurring on the outskirts of the community where large amount of land is still available. Based upon community feed back residents are interested in smaller typologies. Smaller typologies would allow more housing projects that can support high land cost and develop attainable housing prices.

New Infrastructure paid in full by the developer. Since new product is primary being built on the edge, where land is available, there are significant infrastructure costs. This is rolled into total lot costs, creating expensive lots. There infrastructure within the core areas of Laramie are also lacking in quality and condition. Private investment often follows public investment. The current condition of public sidewalks, roads and utilities needs to be addressed to encourage private investment in housing.

In addition, many builders are paying on average 25% more for materials and subcontractors which significantly impacts the bottom line. The lack of a local skilled labor force increases costs and timelines of projects. Materials often have to come from the front range which increases cost as well as availability.

Currently, developers understand and can make a profit building high quality homes, targeting blue collar workers between 35-55 age group. Creative solutions will need to bring local partners and regional developers to think differently about how housing is built to make it both affordable and profitable. The opportunity sites assessment will look to prove the market that Laramie residents would support housing types outside what is considered the norm in the community.

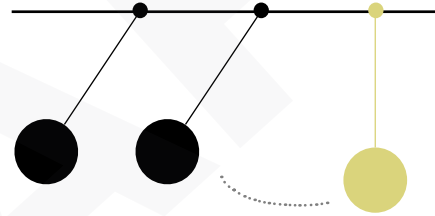
The homeownership market is tight and healthy, however, what is selling?



SUPPLY COST QUALITY

Homes are selling and in great need in Laramie. Turn-Key, or properties that have all improvements completed, sells most quickly. People want nice finishes, which is only available in detached single family above \$300k in the past 5 years. There is a gap of homes between \$200k-\$300K, but people's desire for nicer interior finishes make it challenging to develop home products at lower market prices.

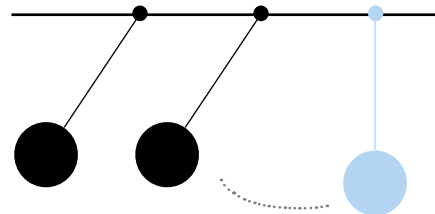
Who is getting left out of housing market when trying to own a home?



SUPPLY COST TYPOLOGY

The market is not providing enough housing to meet the demand for product below \$300k. This affects population in Laramie just starting out in their career and looking for their first home. However, the only product on the market are single-family homes. People are buying, but people are limited by what is available in the market.

What type of homes are available to own that is move-in ready?



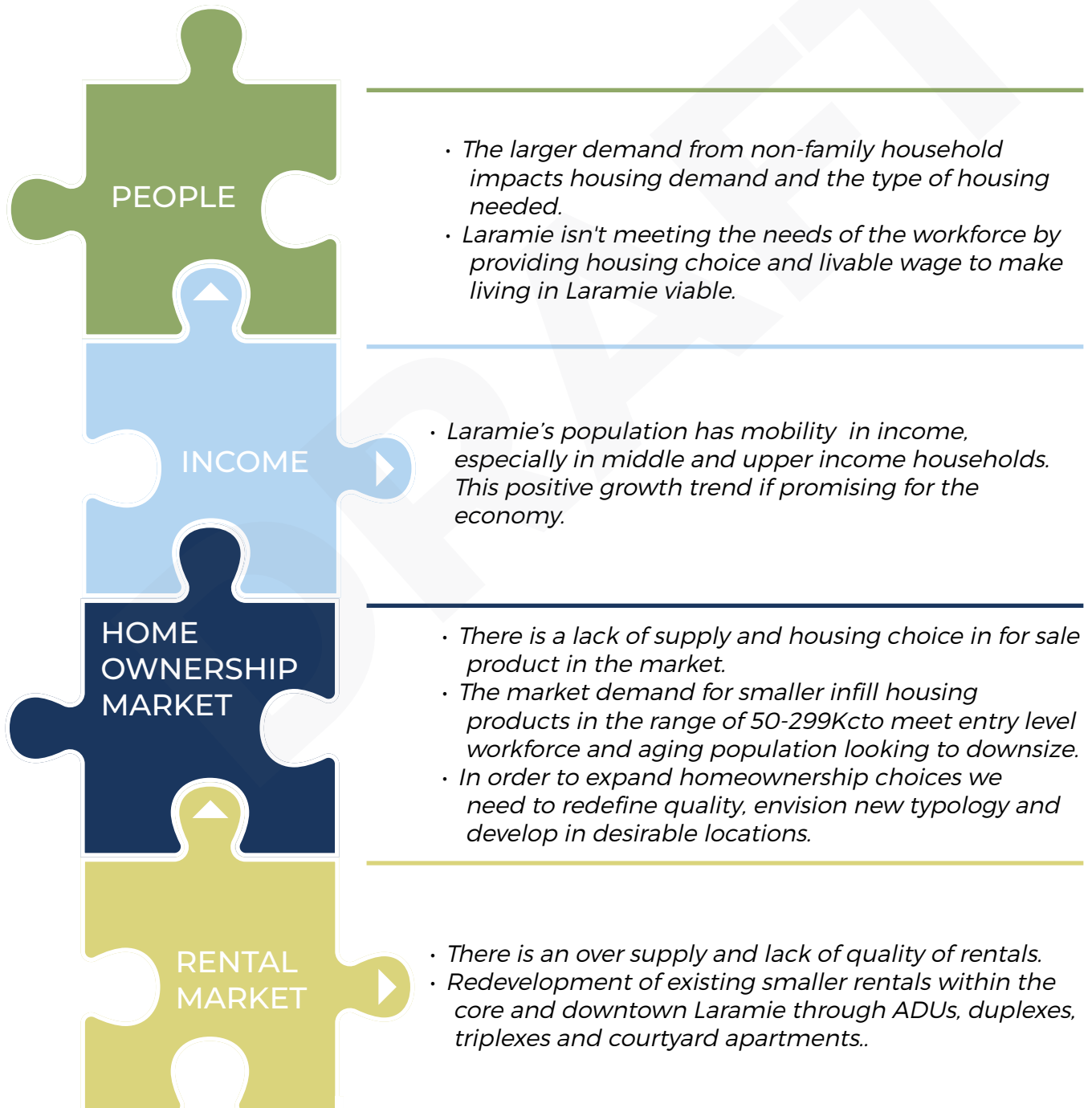
SUPPLY COST LOCATION

Homeownership is mostly available on the outskirts of Laramie due to available land for new construction product. However, high land costs result in a market that supports large, high value, single family homes for developers to make a profit. Infill development offers lower land and infrastructure costs that can help make building smaller homes at lower price points more viable for developers.

THE MARKET

putting the pieces together

Laramie housing has a direct cause and effect. Market drivers directly affect the choices that are available to the community when renting or owning a home. The cost of housing and the available supply decreases the housing options current or permanent residents are able to choose including the quality, typology and location that people desire.





THE STRATEGIES

Synthesizing the data to understand the market, some clear issues have been defined. The following section will identify strategies and best practices around housing to serve as a guide for the next phase of work.

STRATEGIES

to address housing

Laramie is at a crucial point to address issues around a stagnant economic market. Analysis of the data shows a community that is holding steady with marginal upward trends in population, growth-holding pace or slightly below regional and national trends. Housing offers an opportunity for a lead investment to spark economic revitalization in the market. However, housing needs to be built to contribute towards creating a vibrant economy. The following strategies and best practices are aimed to encourage reinvestment in housing as well as incentivize economic investment in the community.

Diversify Housing Choices. Laramie's housing stock is not meeting the needs of a large segment of the market. Expand the availability of types of housing a diversity of price points for both rental and ownership.



Remove Barriers. To make a major shift, housing in Laramie cannot be addressed the way it has been in the past. To enable a mix of housing code changes and funding opportunities for infrastructure need to be addressed.



STRATEGY 01



STRATEGY 02

Create Great Places. People are willing to make sacrifices and trade-offs, such as salary and smaller lot sizes, to live walkable, bikable, mixed use neighborhoods. Housing that builds on the a sense of community in Laramie will also contribute to the economic success of local businesses.

STRATEGY 03



STRATEGY 04

Prove the Market. An exploration of how to integrate diverse housing types within the existing fabric and code of Laramie will enable the private sector to respond to gaps in the market and build partnerships to get things done.



STRATEGIES

best practices



01

DIVERSIFY HOUSING CHOICES

Expand the range of available housing types for both rental and ownership.

Only 20% of survey respondents are satisfied with their current housing.

54% would like to move to a single family home.

16% would like to move to a townhome or condo.



02

CREATE GREAT PLACES

83% of People will sacrifice salary for ideal community

58% of people will choose walkability over lot size.

In Laramie 61% of survey respondents noted the ability to walk or bike as important or very important.

In Laramie 81% of survey respondents noted desirable neighborhood as important or very important.



03

PROVE THE MARKET

Identify strategic catalytic projects that align with a community vision.

Build partnerships, public support and political will.

Identify fees, incentives, and policies that support getting projects off the ground.



04

REMOVE BARRIERS

Find a balance of parking required to support economic vitality and also create a great place.

7% of survey respondents commented on a need for improved streets, sidewalks and infrastructure.

Revise lot standards to allow for a diversity of housing types such as ADUs, Courtyard and townhomes.

DEFINING TERMS | **MISSING MIDDLE HOUSING**

'Missing Middle Housing' refers to smaller footprint housing such as duplexes, four-plexes, bungalow courts and many others. These are generally integrated into existing neighborhoods with a mix of housing types to provide more choices in housing within a walkable area. Missing middle is a response to shifting demographics in the US from primarily single family housing to the growing demand for smaller, walkable housing.

BENEFITS OF 'MISSING MIDDLE

- Increase the housing supply by increasing diversity and choice in the market.
- Smaller units are more cost-effective and less risky to build to offer a lower price point without compromising lifestyle.
- Designed to fit within existing neighborhoods.
- Opportunity to live-in and rent home which creates more "local" landlords and/or supports can help offset mortgages.
- Helps family shifts through "aging in place"- with kids moving out, or parents moving in.



DEFINING TERMS | **HOUSING ECOSYSTEM**

A housing ecosystem, or a housing ladder, can be thought of as the system of stages in homeownership- moving upward to increase personal wealth through homeownership.



DEFINING TERMS | **AFFORDABLE VS. ATTAINABLE HOUSING**



AFFORDABLE is housing priced to be affordable to certain income levels and is commonly achieved through regulations and/or tools like deed restrictions, housing credits, vouchers and other subsidized programs.



ATTAINABLE is housing that is affordable through planning or design. Commonly achieved through a decrease of regulation to enable more cost effective building practices such as allowing Accessory Dwelling Units (ADUs) or converting a single family home into a duplex.

STRATEGY 01



WORKSHEET

diversify housing choices

To address potentially mis-aligned codes, it is important to first understand what you want your codes to do--the types of buildings it should allow, not allow, or allow conditionally in each neighborhood. The following worksheet explains some of the types of housing that are common in many traditional residential neighborhoods, and then asks you to visualize each in your local neighborhoods. This worksheet should be used as a conversational aid.

SINGLE FAMILY HOME  Lot size: 1,200-3,000 sf (or two sf homes on 6,000 sf) Density: ~36 u/a, on a 1,200 sf lot ~15 u/a, on a 3,000 sf lot	ADDITIONAL DWELLING UNIT  Lot size: 4,000-6,000 Density: ~22 u/a, single adu on 4,000 ~15 u/a, single adu on 6,000 ~33 u/a, two adu's on a 4,000	DUPLEX  Lot size: 4,000-6,000 Density: ~22 u/a, on a 4,000 sf lot ~15 u/a, on a 6,000 sf lot
FOUR-PLEX/TRI-PLEX  Lot size: 4,000-8,000 Density: ~44 u/a, on a 4,000 sf lot ~22 u/a, on a 8,000 sf lot	BUNGALOW COURT  Lot size: 5,000-10,000 Density: ~35 u/a, 4 units on a 5,000 sf ~38 u/a, 6 units on 6,800 sf ~44 u/a, 10 units on a 10,000 sf	COURTYARD APARTMENT  Lot size: 5,000-10,000 Density: ~35 u/a, 4 units on a 5,000 sf ~46 u/a, 8 units on 7,500 sf ~52 u/a, 12 units on a 10,000 sf
TOWNHOUSE/ROW HOUSE  Lot size: 1,200 - 2,500 Density: ~36 u/a, 1 unit on a 1,000 sf lot ~17 u/a, 1 unit on a 2,500 sf lot	MIXED-USE HOUSING  Lot size: 2,500 Density: ~70 u/a, 2 stories, 4 units over retail on a 2,500 sf lot	MID-RISE/HIGH-RISE  Lot size, units, & density vary greatly

WHAT ARE THE RIGHT TYPES OF HOMES FOR LARAMIE?

EXERCISE:

The following are 3 portraits of people living in Laramie. Circle the types of homes that would be appropriate for each person.



SIERRA

Sierra is a young graduate of UW. She is looking to start her career in Laramie. She would like to rent a place where she can walk to her new job downtown to save money.

- INCOME: \$32,000/yr.
- HOUSEHOLD SIZE: 1



Single Family



ADU



Duplex, Triplex/4plex



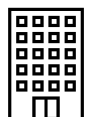
Bungalow Courthomes,
Courtyard Apartments



Townhomes



Mixed-Use
Housing



Mid-rise or High-rise
Apartments or Condos



MATTHEW

Matthew is a 10 yr. ER nurse who grew up in Laramie and wants to raise his family. He enjoys being outside with his family and wants to own a home with a space for the kids to play.

- INCOME: \$65,000/yr.
- HOUSEHOLD SIZE: 3.5 and a dog



Single Family



ADU



Duplex, Triplex/4plex



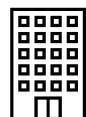
Bungalow Courthomes,
Courtyard Apartments



Townhomes



Mixed-Use
Housing



Mid-rise or High-rise
Apartments or Condos



MARY

Mary is recently retired and lives with her husband and special needs son. She is looking to sell their larger home for something smaller- without compromising amenities, with a space her son can live semi-independent

- INCOME: \$1,200/mo.
- HOUSEHOLD SIZE: 2



Single Family



ADU



Duplex, Triplex/4plex



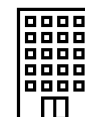
Bungalow Courthomes,
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Townhomes



Mixed-Use
Housing



Mid-rise or High-rise
Apartments or Condos



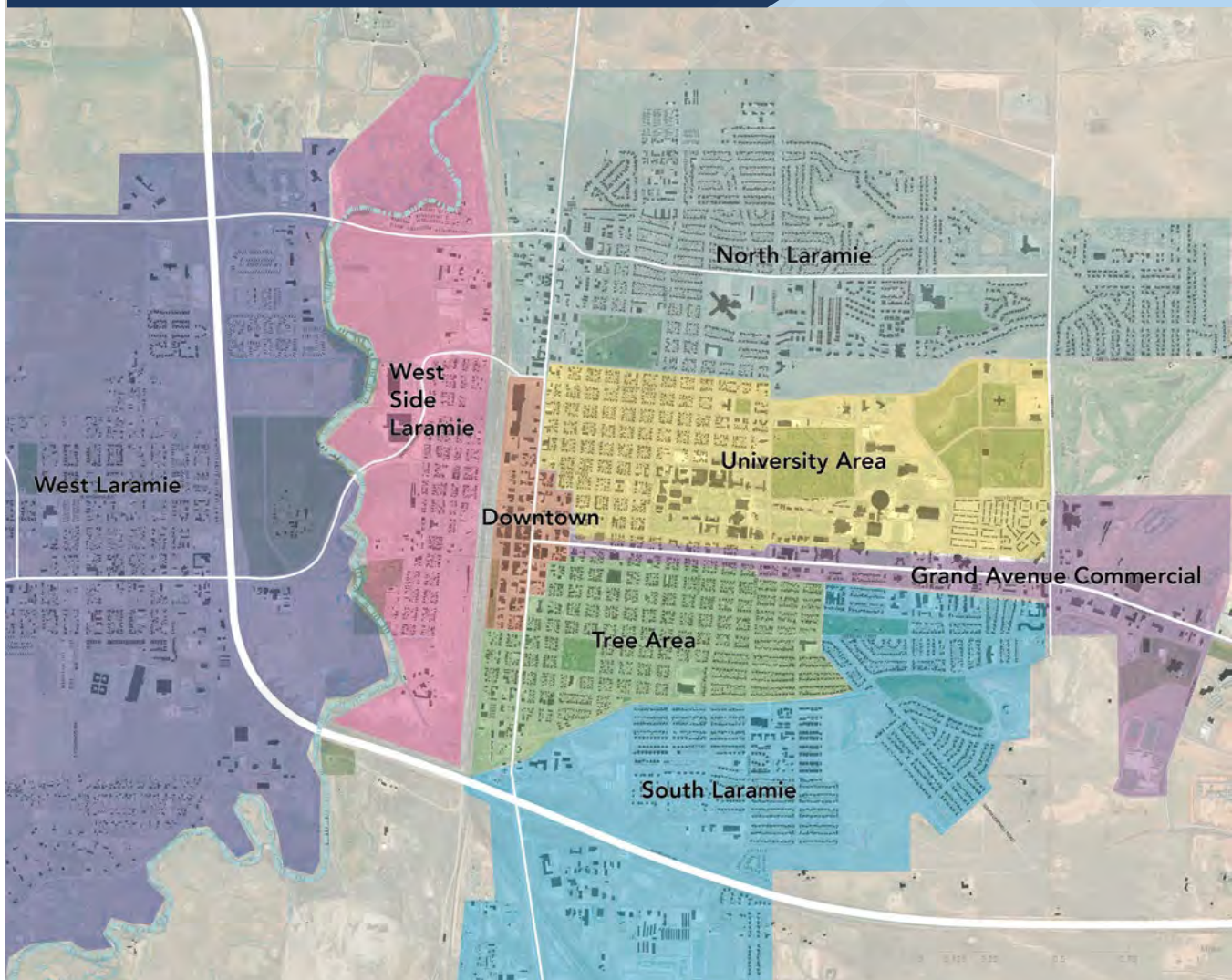
WORKSHEET

create great places

When housing is located in the right places, it can catalyze economic reinvestment in an area. Housing brings more people shopping, recreating and utilizing services to the City, which in turn attracts more economic diversity. The following worksheet is meant to encourage you to think about where some locations are in Laramie that can spur additional reinvestment.

WHAT LOCATIONS IN LARAMIE ARE PRIME FOR REINVESTMENT?

EXERCISE:
Identify on the map below where reinvestment could happen.



Things to think about...

- Are there certain corridors that are connected to retail opportunities?
- Are there bikable/walkable connections nearby?
- Are there certain properties prime for reinvestment?

NEXT STEPS

How might we apply these strategies to improve housing in a way that is right Laramie?

The next steps in the process will explore strategies 3 and 4 in detail. The Opportunities Sites Workshop will explore how these could be applied to improve housing affordability and spark the economy.



STRATEGY 03



Existing Zoning	Proposed Zoning	% Change
6,250	6,250	-
2 35 ft	2 35 ft	-
3,431	5,144	+50%
0.63	0.94	+49%
2	4	+100%
1,420	1,065	-25%
34	28	+100%
\$374,000	\$250,000	-33%
\$92,500	\$62,000	-33%

\$48,000
2015 Gunnison Co. Median Income

More affordable housing is possible

CODE AUDIT

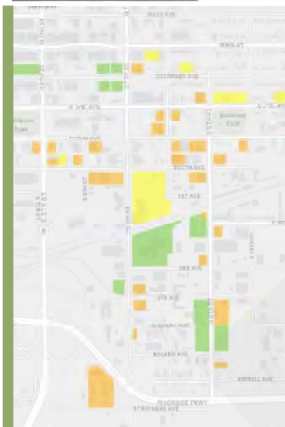
Utilize pro-forma tools to model existing code standards
Evaluate the performance of the existing code in terms of building form, financial feasibility of development, and housing affordability.

OUTCOMES

Initial assessment of code allows and potential barriers.



STRATEGY 04



OPPORTUNITY SITES ASSESSMENT

Coordinate potential opportunities for redevelopment based on market demand and development typologies.
Test one (1) building prototype for each of the three (3) zones to be studied.

OUTCOMES

Identify key sites to provide housing in strategic locations.

Identify inhibitors based on zoning or other standards.



PROFORMA ASSESSMENT

3-Day workshop to examine identify market feasible project opportunities on selected sites.
Perform sensitivity testing to understand the individual and cumulative impact of the potential code changes.

OUTCOMES

Explore, test and refine housing strategies on specific sites.

Recommendations for specific code changes.

IMPLEMENTATION



DEVELOPER BOOTCAMP

Transfer the lessons learned to public and private sector development partners. Work alongside local partners to discuss potential projects and the steps necessary to move towards development.

OUTCOMES

Build connections and partnerships.

Empower local developer with tools & resources to take on projects.

WOULD YOU LIKE MORE INFORMATION?

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Love **IT.**
BUILD IT.
GROW IT.

