

Final Report

Rural Homes Project: Housing Market Study

The Economics of Land Use



Prepared for:
The Telluride Foundation

Prepared by:
Economic & Planning Systems, Inc.

EPS #213050

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*Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax*

*Denver
Los Angeles
Oakland
Sacramento*

www.epsys.com

Table of Contents

1.	Introduction and Firm Overview.....	1
	Introduction	1
	Firm Overview	3
2.	Executive Summary	4
3.	Economic & Demographic Framework.....	8
	Population and Households.....	8
	Employment and Wages.....	14
	Commuting	25
	Housing	31
	Population and Household Forecast.....	35
	Employment Forecast	39
4.	Housing Supply	41
	For-Sale Market Trends.....	41
	Rental Market.....	55
	Short-Term Rental Market	58
5.	Housing Demand	63
	Existing Household Demand	64
	In-Commuter Demand Estimate	67
	Employment Demand	69
	Total Demand Estimate and Stated Need.....	70

List of Tables

Table 1.	Target Income Groups and Affordable Home Prices, 2021	2
Table 2.	Population and Household Growth, 2000-2019	9
Table 3.	Housing Occupancy, 2000-2020	10
Table 4.	Growth in Wage and Salary Jobs, 2000-2020	14
Table 5.	San Miguel County Employment by Industry, 2000-2020	16
Table 6.	Ouray County Employment by Industry, 2000-2020	17
Table 7.	Montrose County Employment by Industry, 2000-2020.....	19
Table 8.	Montrose County Average Annual Wage, 2000-2020	21
Table 9.	Ouray County Average Annual Wage, 2000-2020.....	22
Table 10.	San Miguel County Average Annual Wage, 2000-2020	23
Table 11.	Major Employers, 2016 (Permanent Employees?)	24
Table 12.	Out-Commuting Patterns, 2002-2018	26
Table 13.	In-Commuting Patterns, 2002-2018	28
Table 14.	San Miguel County Commuting Locations, 2018.....	29
Table 15.	Ouray County Commuting Locations, 2018	30
Table 16.	Montrose County Commuting Locations, 2018	30
Table 17.	Monthly Rental Payments, 2019	32
Table 18.	Residential Building Permit Activity, 2000-2019.....	33
Table 19.	Residential Building Permits, 2015-2020.....	34
Table 20.	Population Forecast, 2021-2035	36
Table 21.	Household Forecast, 2021-2035	38
Table 22.	Employment Forecast, 2021-2035	40
Table 23.	Sales Volume, 2015-2020	41
Table 24.	Average Home Price, 2011-2020	43
Table 25.	Average Price per Square Foot, 2015-2020	44
Table 26.	Sale Price Distribution, 2015-2020	45
Table 27.	Price per Square Foot Distribution, 2015-2020	46
Table 28.	Sale Price Distribution New vs. Existing, 2015-2020.....	47
Table 29.	Recommended For-Sale Pricing	52
Table 30.	Existing Unit Mix and Preferred Number of Bedrooms	54

Table 31. Rental Rates, May 2020	55
Table 32. Households by AMI, 2019.....	65
Table 33. Existing Household Demand, 2021.....	66
Table 34. In-Commuter Housing Demand	68
Table 35. Employment Housing Demand, San Miguel County, 2021-2023.....	69
Table 36. Employment Housing Demand, Ouray County, 2021-2023	70
Table 37. Total Housing Demand, 2021	71

List of Figures

Figure 1. Site Locations.....	2
Figure 2. Housing Tenure, 2020	11
Figure 3. Montrose County Population by Age, 2000-2020.....	12
Figure 4. Ouray County Population by Age, 2000-2020	12
Figure 5. San Miguel County Population by Age, 2000-2020	13
Figure 6. Household Income, 2020	13
Figure 7. Employment Growth Index, 2000-2019	15
Figure 8. San Miguel County Top Employment Sectors, 2020	15
Figure 9. San Miguel County Employment Growth, 2010-2020	16
Figure 10. Ouray County Top Employment Sectors, 2020.....	17
Figure 11. Ouray County Employment Growth, 2010-2020.....	18
Figure 12. Montrose County Top Employment Sectors, 2020	19
Figure 13. Montrose County Employment Growth, 2010-2020	20
Figure 14. Average Annual Wage Growth Index, 2001-2019.....	20
Figure 15. Out-Commuting, 2018	25
Figure 16. In-Commuting, 2018	27
Figure 17. Housing by Unit Type, 2018.....	31
Figure 18. Housing Stock by Year Built, 2018	32
Figure 19. Residential Building Permits by County, 2000-2019.....	33
Figure 20. Population Forecast, 2020-2040	35
Figure 21. Household Forecast, 2020-2040	37
Figure 22. Employment Forecast, 2020-2040	39
Figure 23. Sales Volume, 2015-2020	42
Figure 24. Average Price, 2015-2020	43
Figure 25. Average Price per Square Foot, 2015-2020	44
Figure 26. Price Distribution by Unit Size, 2015-2020	45
Figure 27. Sales Price per Square Foot Distribution, 2015-2020	46
Figure 28. Sale Price Distribution New vs. Existing, 2015-2020	47
Figure 29. Available Homes for Sale in Norwood, May 2021.....	48
Figure 30. Available Homes for Sale in Nucla, May 2021	49

Figure 31. Available Homes for Sale in Ouray, May 2021	49
Figure 32. Available Homes for Sale in Ridgway, May 2021	50
Figure 33. Available Rental Units, May 2021	56
Figure 34. Short-Term Properties: Norwood	58
Figure 35. Short-Term Properties: Nucla	58
Figure 36. Short-Term Properties: Ouray.....	58
Figure 37. Short-Term Properties: Ridgway	58
Figure 38. Active Listing Summary: Norwood	59
Figure 39. Active Listing Summary: Nucla.....	59
Figure 40. Active Listing Summary: Ouray	60
Figure 41. Active Listing Summary: Ridgway.....	60
Figure 42. Booked Properties and Booked Listing Nights: Norwood	60
Figure 43. Booked Properties and Booked Listing Nights: Nucla	61
Figure 44. Booked Properties and Booked Listing Nights: Ouray.....	61
Figure 45. Booked Properties and Booked Listing Nights: Ridgway	61
Figure 46. Average Daily Rate: Norwood	62
Figure 47. Average Daily Rate: Nucla.....	62
Figure 48. Average Daily Rate: Ouray	62
Figure 49. Average Daily Rate: Ridgway	62

1. Introduction and Firm Overview

Introduction

Throughout Colorado and much of the country, communities face an affordable housing crisis. This issue is particularly acute in rural areas where it is increasingly difficult for developers and public agencies to identify viable options for developing affordable and workforce housing. Developing affordably priced homes in rural areas is often infeasible due to higher construction costs, low rents and sales prices, inability to compete for capital, and lack of development capacity from planning to property management. In addition, smaller rural development projects often need to be developed more incrementally (i.e., lower unit counts), which can limit their ability to compete for a range of federal funding options, such as low-income housing tax credits, that are targeted to larger projects.

In an effort to address this issue, the Telluride Foundation has assembled a statewide coalition of public, private, and philanthropic partners. These include such agencies as the Colorado Department of Local Affairs, Colorado Housing Financing Authority, Colorado Health Foundation, as well as private sector developers/home builders to help jump-start the construction of affordably priced housing in rural communities. This effort is currently focused on creating a development model that focuses on the planning, construction, financing, and management of new homes in rural communities. While the pilot program is currently focused on communities in southwest Colorado, the larger goal is to develop a program that can be applied statewide.

The current pilot program focuses on four communities that include Nucla, Norwood, Ouray, and Ridgway, as shown in **Figure 1**. In each of these communities, the Telluride Foundation is working closely with local partners to identify appropriate sites that may be able to accommodate 15 to 25 rental or ownership units affordable for households earning between 60 and 120 percent of local area median income (AMI). Current development concepts are centered at the middle of that range with the majority of units priced at levels affordable for households earning between 60 and 80 percent of local AMI.

Based on these targets and affordability limits established by the Colorado Housing and Finance Authority (CHFA), target income levels (2.5-person household size) range from \$43,620 to \$87,240 in San Miguel County; \$40,140 to \$80,820 in Ouray County; and \$37,500 to \$75,000 in Montrose County, as shown in **Table 1**. As noted, the focus of this program is on households earning between 60 and 80 percent AMI. For this group, target incomes range from roughly \$37,500 to \$50,890 depending on the specific affordability level and the community.

Figure 1. Site Locations



Table 1. Target Income Groups and Affordable Home Prices, 2021

Description	San Miguel County	Ouray County	Montrose County
Income Limit (2.5-Person)			
120% AMI	\$87,240	\$80,820	\$75,000
100% AMI	\$72,700	\$67,350	\$62,500
80% AMI	\$58,160	\$53,880	\$50,000
70% AMI	\$50,890	\$47,145	\$43,750
60% AMI	\$43,620	\$40,410	\$37,500

Source: CHFA; Economic & Planning Systems

In order to help define the demand and supportable price points for a range of unit types in these four communities, the Telluride Foundation has engaged Economic & Planning Systems to complete a market study that evaluates recent economic and demographic trends in the region, provides an overview of the potential demand for additional housing over the next three years, summarizes the remaining developable areas in the region, provides an overview of achievable home prices and rental rates for comparable projects, and identifies target price points based on target household incomes. This analysis will inform development feasibility in each of the four communities and allow the Foundation to identify a strategy to maximize the number of new affordably priced homes in each of the four communities.

Firm Overview

Economic & Planning Systems (EPS) is a land economics consulting firm experienced in the full spectrum of services related to real estate development, public finance, P3 feasibility, and market analysis.

EPS was founded on the principle that real estate development and land use-related public policy should be built on realistic assessment of market forces and economic trends, feasible implementation measures, and recognition of public policy objectives, including provisions for required public facilities and services. The firms' areas of expertise include:

- Real Estate Economics and Feasibility
- Public Finance
- Land Use and Transportation
- Economic Development and Revitalization
- Fiscal and Economic Impact Analysis
- Housing Policy
- Public-Private Partnership (P3)
- Parks and Open Space Economics

The Denver office has developed a niche consulting practice doing work in mountain resort communities. Having completed projects in nearly every resort community in Colorado as well as many throughout Wyoming, Montana, and Utah, EPS understands the issues and opportunities presented in these markets. Previous studies have focused on the layering of local, guest, and second homeowner expenditure; growth patterns and cycles; economic composition; and workforce housing.

2. Executive Summary

This section provides a summary of the key project findings and recommendations. Key findings focus on regional housing conditions, availability of affordable housing options, housing demand estimates, potential project capture, and target price points, and project differentiation.

Current Challenges

1. *Over the past decade, there has been a significant decrease in the number of new residential units constructed in the region.*

Between 2000 and 2010, there was an annual average of 191 units added per year in San Miguel County and Ouray County. Between 2010 and 2019, the annual average number of units decreased to 78 units per year, a decrease of nearly 60 percent. Given steady growth trends in employment and population, the increased demand relative to the limited supply put additional pressure on pricing. Housing units constructed between 2010 to 2018, represent only 7.2 percent of the total housing stock in Ouray County and 4.0 percent in San Miguel County. In addition, of the total home sales that occurred over the past five years, only 3.2 percent were new homes (i.e., homes sold within five years of construction).

2. *During this period, there has been a limited amount of new residential product constructed by local agencies and the private sector has focused on developing higher priced seasonal homes.*

The result is a lack of affordable housing options for local working families that has forced many families to choose between living in older, dilapidated, and often unsafe housing options or commuting out of the region to more affordable communities.

3. *Recent trends over the past year have further exacerbated the need for additional workforce housing options in each of the communities evaluated in this report.*

Based on interviews with local community leaders, real estate brokers, town managers, and business owners, there was a commonly stated need for additional workforce housing options throughout the region. These interviews indicate significant levels of demand for both rental and ownership housing at all price points, but especially highlighted the need for additional housing options that are affordable for the local workforce.

Regional Trends and Conditions

1. Over the past five years, housing prices have increased by over 11 percent per year.

Home price appreciation has been even more significant over the past year with year-over-year price increases of up to nearly 30 percent in the four communities evaluated in this report.

2. In contrast to significant increases in home prices, average wages in San Miguel County and Ouray County increased at 3.7 percent and 3.8 percent per year, respectively.

This disparity between the increase in home prices and wages make it increasingly difficult for local employees to continue to afford homes in the region.

3. Over the past decade employment growth in San Miguel and Ouray County has average 1.0 percent and 2.4 percent, respectively.

Combined total wage and salary employment in the two counties has increased by 884 jobs or 88 jobs per year.

4. Population growth has also kept pace with employment growth growing at a rate of 1.2 percent per year in both counties during this period.

Combined population growth during this period averaged 146 residents per year or 75 households per year.

5. During this same period, San Miguel County and Ouray County added a total of 776 new single family and multifamily units, which translates an additional 78 units per year.

It is important to note that the majority of these units are either rental units or seasonal units. In Ouray County there were only 27 new ownership units added to the market and the number of ownership units in San Miguel actually decreased by 9 units during this period.

6. As a percent of all MLS sales in the communities evaluated in this analysis, 'new' product only accounts for 3.2 percent of total sales.

This metric further illustrates the significant lack of new construction in the region, especially in the smaller communities.

7. Short-term rental units (Airbnb/VRBO/Home Away) are eating into the available supply.

Currently listed short-term rentals represent 18 percent of the current housing stock in Ouray and 22 percent of the current housing stock in Ridgway, the two communities with the highest concentration of short-term rentals.

8. The region needs housing, given the constraints on labor.

Local employers, like school districts and local municipalities, are very limited in their ability to hire new employees.

Rural Housing Solution

- 1. In order to address this issue, the Telluride Foundation, in cooperation with a number of local and regional partners, has developed the Rural Homes Project to help meet the regional need for workforce housing.**

The Foundation is currently working with a number of local partners, including the Town of Ouray, the Town of Ridgway, the Town of Nucla, and the Town of Norwood, to develop an approach to constructing workforce housing in each of these communities.

- 2. Based on the analysis outlined in this report, total demand for new affordably priced ownership units is estimated at 31 units in Norwood, 19 units in Nucla, 40 units Ouray, and 64 units in Ridgway.**

These estimates reflect pent-up demand for existing households, demand from in-commuters from Montrose, and employment growth between 2021 and 2023.

- 3. The specific unit mix in each community should reflect stated local preferences and the specific needs as outlined by local agencies or major employers.**

Based on the preferences stated in the most recently completed housing needs assessments and the Foundation's goal of providing new housing to local working households, EPS recommends a mix of roughly 40 percent 2-bed units, 40 percent 3-bed units, and the remainder as a mix of 1-bed or studio units based on the constraints of the site and local stated demand for specific bedroom types.

- 4. In addition to this estimated housing demand, local agencies and larger employers have stated a need for housing across the region.**

Initial conversations between the Telluride Foundation and these groups indicate a current demand for 60 to 70 units in the region. Total demand by community ranges from 5 homes in Nucla, 11 homes in Norwood, 6 to 8 homes in Ridgway, and 45 homes in Ouray.

- 5. Based on conversations with the Foundation and preliminary financial modeling, units are estimated to be priced at levels that are generally affordable for households earning between 60 and 80 percent of countywide area median income (AMI).**

Based on the contemplated AMI mix, average prices are estimated at roughly \$215,600 per unit in Norwood, \$185,325 per unit in Nucla, \$237,700 in Ouray, and \$250,000 per unit in Ridgway. In Ridgway and Ouray, these price points are well below current average sales prices. In Norwood and Nucla, due to the lack of recently constructed housing, these price points are slightly above recent averages. However, current average sales prices in these communities are reflective of the existing housing stock and less reflective of the market's willingness to pay for new housing.

6. While the focus of the Rural Homes Project is on ownership housing, there is also considerable demand for additional rental housing.

Interviews with local stakeholders and employers indicate that it is increasingly difficult to find rental options at any price point. A review of units listed for rent in May 2021 in the region confirms this, with just nine units listed for rent in the region. The majority of these units are located in Montrose and do not specifically meet the need for local rental housing options in each of the communities evaluated in this report. There is also considerable demand for additional rental housing from local undocumented workers and families. While the level of demand from these households is difficult to quantify, rough estimates indicate that demand from undocumented families could increase identified demand by a significant amount, with some estimates ranging between 20 and 30 percent.

7. Rental rates generally range from \$825 to \$2,500 per unit depending on the number of bedrooms and location of the unit within the region.

On a per bedroom basis, rents range from \$413 to \$1,250, with an average of \$790 per bed. Rents are generally higher in Ridgway and Ouray and lower in Montrose, Norwood, and Nucla. It is important to note that these estimates are based on a relatively small sample pool of units listed for rent but generally align with Census data for each of these communities. The quality of the available rental housing varies. Any newly constructed product would draw significant interest based on the differential in quality.

8. Based on the anticipated home values recommended in this report, monthly payments dedicated to principal and interest are estimated to range from \$800 to \$943 per month.

In the event that a portion of some of these units will need to be rented on a short-term basis to accelerate absorption, these principal and interest payments generally align with regional rental rates.

3. Economic & Demographic Framework

This chapter provides an overview of trends and conditions relating to overall demographics in Montrose County, Ouray County, and San Miguel County to provide regional context as well as town specific conditions for Norwood, Nucla, Ouray, and Ridgway. This includes population and household trends and forecasts, household type by age and tenure, average household income and growth trends, and a summary of trends and conditions in employment and wages.

Population and Households

Population Growth

In 2019, Montrose County had a total population of 42,765, as shown in **Table 2**. Since 2010, Montrose County gained nearly 1,500 residents or an average of 165 residents per year. Located within Montrose County, Nucla accounts for approximately 2 percent of the countywide population. Nucla had nearly 700 residents as of 2019 with an increase of 9 residents since 2010 or an average of 1 resident per year. Ouray County gained nearly 500 residents since 2010 to reach a total of nearly 5,000 residents in 2019. This was an average of 55 residents per year. Located within Ouray County, the City of Ouray accounts for 21 percent and Ridgway accounts for 22 percent of the countywide population. In 2019, the City of Ouray had 1,047 residents and grew by a total of 74 residents from 2010 to 2019, which is an average of 8 residents per year. Similarly, in 2019 the Town of Ridgway had a total of 1,083 residents. From 2010 to 2019, Ridgway gained 185 residents or an average of 21 residents per year. San Miguel County had 8,174 residents in 2019 with an increase of 815 residents from 2010 to 2019 or an average of 91 residents per year. Located within San Miguel County, Norwood accounts for 6 percent of the countywide population with 575 residents. From 2010 to 2019, Norwood gained 57 residents or an average of 6 residents per year.

Households often grow at a similar rate as population. From 2010 to 2019, Montrose County increased by over 600 households to reach a total of 17,086 households. This represents an average of 67 households per year. The number of households living in Nucla has been consistent over this time period with approximately 300 households. In 2019, Ouray County had 2,323 households and gained about 300 households since 2010, which is an average of 33 households per year. From 2010 to 2019, the City of Ouray gained 28 households or an average of 3 households per year and Ridgway gained 155 households or an average of 17 households per year. Over this timeframe, San Miguel County increased by 378 households to reach a total of 3,832 households. This represents an average of 42 households per year, of which includes approximately 3 households in Norwood. Norwood had a total of 239 households in 2019.

Table 2. Population and Household Growth, 2000-2019

Description	2000	2010	2019	2000-2010			2010-2019		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Montrose County	33,432	41,276	42,765	7,844	784	2.1%	1,489	165	0.4%
Ouray County	3,742	4,436	4,934	694	69	1.7%	498	55	1.2%
San Miguel County	6,594	7,359	8,174	765	77	1.1%	815	91	1.2%
Norwood	464	518	575	54	5	1.1%	57	6	1.2%
Nucla	703	685	694	-18	-2	-0.3%	9	1	0.1%
Ouray	854	973	1,047	119	12	1.3%	74	8	0.8%
Ridgway	779	898	1,083	119	12	1.4%	185	21	2.1%
Households									
Montrose County	13,043	16,484	17,086	3,441	344	2.4%	602	67	0.4%
Ouray County	1,576	2,022	2,323	446	45	2.5%	301	33	1.6%
San Miguel County	3,015	3,454	3,832	439	44	1.4%	378	42	1.2%
Norwood	185	215	239	30	3	1.5%	24	3	1.2%
Nucla	300	298	300	-2	0	-0.1%	2	0	0.1%
Ouray	376	450	478	74	7	1.8%	28	3	0.7%
Ridgway	318	394	549	76	8	2.2%	155	17	3.8%

Source: DOLA; U.S. Census; Economic & Planning Systems

Housing Occupancy and Tenure

From 2010 to 2020, Montrose County gained 1,540 units to reach a total 19,790 housing units, as shown in **Table 3**. Nearly all of these new units were renter occupied, as the number of owner-occupied homes remained nearly the same from 2010 to 2020. Renter households increased by an average of 168 units per year. Approximately 8 percent of the County's inventory is vacant units, which includes seasonal and recreational units. In 2020, Nucla had 380 housing units and over the past 10 years the Town gained 23 units, which includes 12 owner and 13 renter units.

In 2020, Ouray County had a total of 3,490 housing units including 1,116 vacant units. Majority of these vacant units, 79 percent, are seasonal or recreational units of second homeowners. From 2010 to 2020, the County gained over 400 housing units or an average of 41 units per year. Approximately 80.0 percent of these were renter units (325 units), 13.5 percent were second homes or vacant (55 units), and 6.5 percent were owner occupied units (27 units). The City of Ouray had 854 housing units in 2020 and gained 67 units since 2010 or an average of 7 units per year. These new units include 57 renter units, 13 second homes or vacant units, and a decline in owner occupied units. Similar to the County, the majority of the City's vacant units, 87 percent, are seasonal or recreational units. Ridgway had 587 units in 2020 and gained 87 units since 2010 or an average of 9 units per year. Ridgway experienced a decline in vacant units and an increase of 39 owner occupied units and 50 renter units. Ridgway has a lower proportion of second homeowners, which account for about 37 percent of the vacant inventory.

San Miguel County gained 432 housing units from 2010 to 2020 to reach a total of 7,070 units. This is an average of 43 units per year, which includes 41 renter units, 3 second homes or vacant units, and a decline of one owner occupied unit per year. As of 2020, the County had 3,216 vacant units and approximately 82 percent of these are seasonal or recreational units. The Town of Norwood had 264 units in 2020 and gained 33 owner occupied units since 2010 or an average of 3 owner occupied units per year. Over this timeframe renter and vacant units both declined by 9 and 8 units respectively.

Table 3. Housing Occupancy, 2000-2020

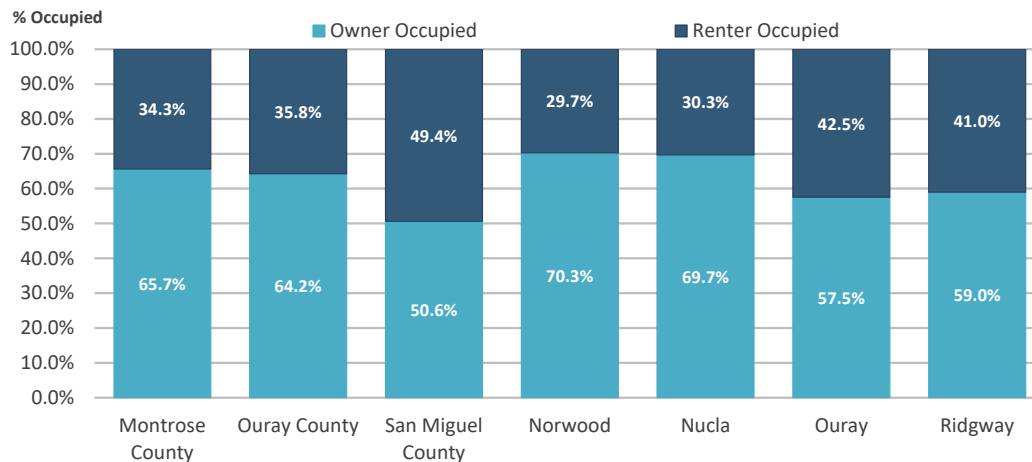
Housing Units	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Montrose County									
Owner Occupied	9,773	11,925	11,930	2,152	215	2.0%	5	1	0.0%
Renter Occupied	3,270	4,559	6,242	1,289	129	3.4%	1,683	168	3.2%
Vacant	<u>1,159</u>	<u>1,766</u>	<u>1,618</u>	<u>607</u>	<u>61</u>	<u>4.3%</u>	<u>-148</u>	<u>-15</u>	<u>-0.9%</u>
Total	14,202	18,250	19,790	4,048	405	2.5%	1,540	154	0.8%
Ouray County									
Owner Occupied	1,156	1,498	1,525	342	34	2.6%	27	3	0.2%
Renter Occupied	420	524	849	104	10	2.2%	325	33	4.9%
Vacant	<u>570</u>	<u>1,061</u>	<u>1,116</u>	<u>491</u>	<u>49</u>	<u>6.4%</u>	<u>55</u>	<u>6</u>	<u>0.5%</u>
Total	2,146	3,083	3,490	937	94	3.7%	407	41	1.2%
San Miguel County									
Owner Occupied	1,556	1,961	1,952	405	41	2.3%	-9	-1	0.0%
Renter Occupied	1,459	1,493	1,902	34	3	0.2%	409	41	2.5%
Vacant	2,182	<u>3,184</u>	<u>3,216</u>	<u>1,002</u>	<u>100</u>	<u>3.9%</u>	<u>32</u>	<u>3</u>	<u>0.1%</u>
Total	5,197	6,638	7,070	1,441	144	2.5%	432	43	0.6%
Norwood									
Owner Occupied	132	135	168	3	0	0.2%	33	3	2.2%
Renter Occupied	53	80	71	27	3	4.2%	-9	-1	-1.2%
Vacant	<u>43</u>	<u>34</u>	<u>26</u>	<u>-9</u>	<u>-1</u>	<u>-2.3%</u>	<u>-8</u>	<u>-1</u>	<u>-2.6%</u>
Total	228	249	264	21	2	0.9%	15	2	0.6%
Nucla									
Owner Occupied	233	213	225	-20	-2	-0.9%	12	1	0.5%
Renter Occupied	67	85	98	18	2	2.4%	13	1	1.4%
Vacant	<u>60</u>	<u>59</u>	<u>57</u>	<u>-1</u>	<u>0</u>	<u>-0.2%</u>	<u>-2</u>	<u>0</u>	<u>-0.3%</u>
Total	360	357	380	-3	0	-0.1%	23	2	0.6%
Ouray									
Owner Occupied	268	293	290	25	3	0.9%	-3	0	-0.1%
Renter Occupied	108	157	214	49	5	3.8%	57	6	3.1%
Vacant	<u>223</u>	<u>337</u>	<u>350</u>	<u>114</u>	<u>11</u>	<u>4.2%</u>	<u>13</u>	<u>1</u>	<u>0.4%</u>
Total	599	787	854	188	19	2.8%	67	7	0.8%
Ridgway									
Owner Occupied	221	246	285	25	3	1.1%	39	4	1.5%
Renter Occupied	97	148	198	51	5	4.3%	50	5	3.0%
Vacant	<u>28</u>	<u>106</u>	<u>104</u>	<u>78</u>	<u>8</u>	<u>14.2%</u>	<u>-2</u>	<u>0</u>	<u>-0.2%</u>
Total	346	500	587	154	15	3.8%	87	9	1.6%

Source: Esri Business Analyst; U.S. Census; Economic & Planning Systems

Overall, the region experienced large amounts of growth in renter occupied units over the past decade. Most of the communities had the majority of housing growth in renter units and minimal growth or a decline in homeownership units.

Montrose County and Ouray County both have approximately 65 percent of households that are homeowners and 35 percent are renters, shown in **Figure 2**. San Miguel County is nearly an even split between homeowners and renters. Norwood and Nucla has similar housing tenure with approximately 70 percent owner households and 30 percent renter households. Alternatively, the City of Ouray and the Town of Ridgway have a larger proportion of renter households compared to the other communities with 43 percent and 41 percent, respectively. Homeowners account for 58 percent of households in Ouray and 59 percent in Ridgway.

Figure 2. Housing Tenure, 2020

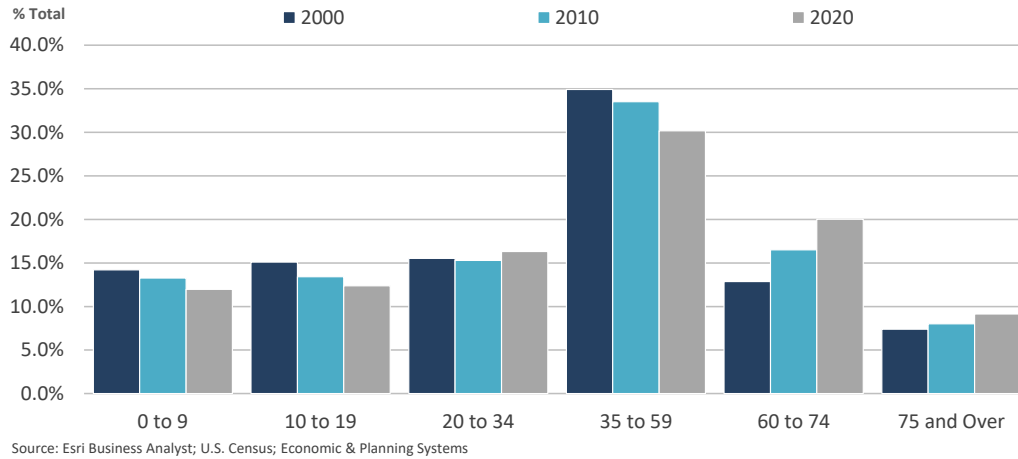


Population Growth by Age Cohort

Overall, the region has a significant number of residents between the ages of 35 and 59 years old. This age group accounts for a third or more of the population in each community and represents working adults. Additionally, based on the low proportion of children ages 19 and younger, there is not a significant number of households with children in each community.

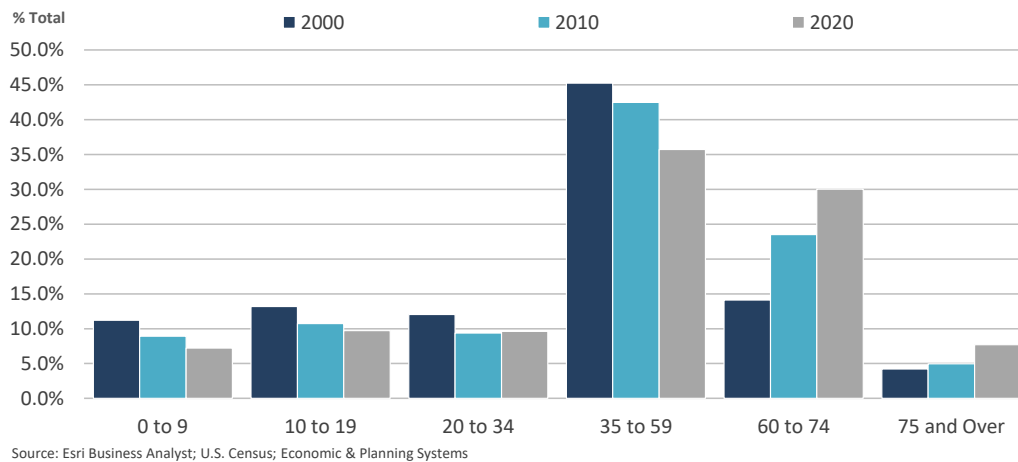
In 2020, approximately 30.2 percent of Montrose County’s population was between 35 and 59 years old and 20.0 percent between 60 and 74 years old, as shown in **Figure 3**. The proportion of older population in Montrose County has increased over time with ages 60 and older increasing by 8.9 percentage points since 2000. While the younger population, ages 19 and younger have declined over this time by 5.0 percentage points. Young adults, ages 20 to 34, stayed relatively constant accounting for approximately 16 percent of the population.

Figure 3. Montrose County Population by Age, 2000-2020



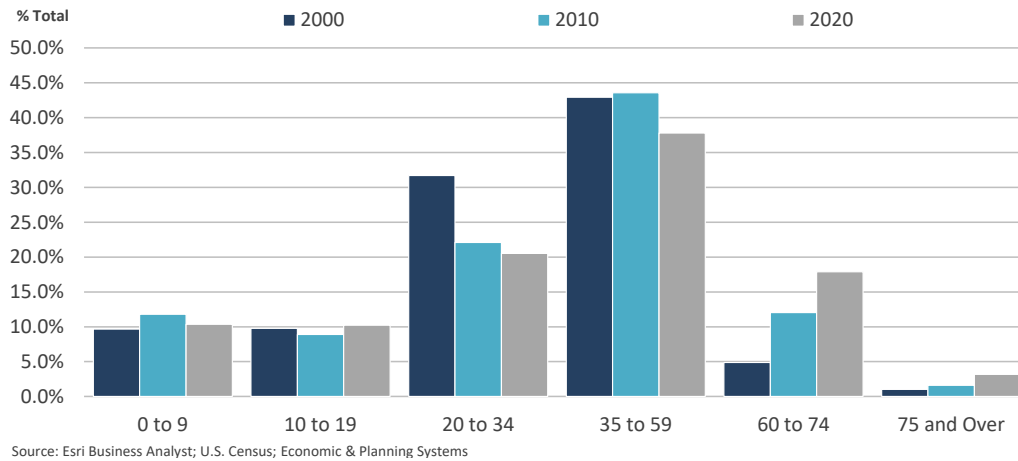
In 2020, approximately 35.7 percent of Ouray County’s population was between 35 and 59 years old and 30.0 percent were between 60 and 74 years old, shown in **Figure 4**. From 2000 to 2020, the County shifted to a significantly older population with a 19.4 percentage point increase in residents aged 60 and older. The proportions of all other age group categories declined over this timeframe, included a decline of 9.5 percentage points in ages 35 to 59.

Figure 4. Ouray County Population by Age, 2000-2020



In 2020, approximately 37.8 percent of San Miguel County’s population was between 35 and 59 years old and 20.5 percent were between 20 and 34 years old, shown in **Figure 5**. Since 2000, residents 60 and older increased by 15.2 percentage points, while residents aged 20 to 34 declined by 11.2 percentage points. The younger population of age 19 and younger has consistently been about 20 percent of the overall population.

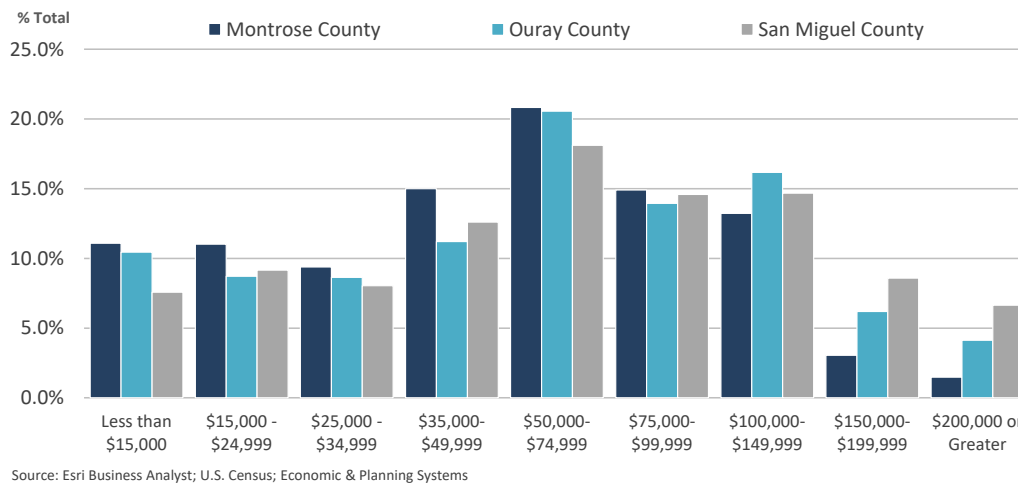
Figure 5. San Miguel County Population by Age, 2000-2020



Household Income

In 2020, the median household income in Montrose County was \$52,900. Ouray County and San Miguel County had slightly higher median household incomes at \$60,800 and \$65,300, respectively. In Montrose County, approximately 46.5 percent of households had a household income less than \$50,000 annually. While 39.0 percent of households in Ouray County and 37.4 percent of households in San Miguel County earned less than \$50,000, as shown in **Figure 6**. San Miguel County had the largest share of higher-earning households with nearly 30 percent earning \$100,000 or more annually. Within the cities and towns, the median household income ranges from \$54,600 to \$60,300, with the lowest in Nucla and highest in Norwood. A detailed analysis of the composition of these communities by Area Median Income (AMI) is provided later in this report, in Chapter 5.

Figure 6. Household Income, 2020



Employment and Wages

Total employment is generally comprised of two categories that include wage and salary jobs, which includes jobs where an employer provides a paycheck, and proprietor employment, which includes people who are self-employed or are paid on a commission basis or fall into legacy employment categories (such as railroad workers). In Montrose County, approximately 67 percent of total employment is represented by wage and salary jobs and 33 percent of total employment is proprietors, a slightly higher proportion than the statewide average of 26 percent. Similarly in San Miguel County, approximately 63 percent of employment is wage and salary jobs and 37 percent is proprietors. In Ouray County, the proportion of proprietors is even higher with approximately 48 percent of total employment proprietors and 52 percent wage and salary jobs. The proportions found in each county is in line with most mountain communities. The following section provides a summary of trends and conditions for wage and salary jobs.

Total Employment

In 2019, Montrose County had 14,922 wage and salary jobs, which is an increase of 2,180 jobs since 2000, as shown in **Table 4**. This is an average of 115 jobs per year and an average growth rate of 0.8 percent. Ouray County had nearly 1,900 jobs in 2019 and an increase of 560 jobs since 2000. The County averaged 29 jobs per year at an annual growth rate of 1.9 percent. San Miguel County had over 4,900 jobs in 2019 and gained 278 jobs since 2000. This was an average of 15 jobs per year at an average annual growth rate of 0.3 percent. Employment in each county has fluctuated from 2000 to 2019, with declines from 2007 to 2008 due to the Great Recession and steady increases beginning in 2013 as each county began to recover, as shown in **Figure 7**.

In comparison, Colorado had an average annual growth rate of 1.2 percent from 2000 to 2020 with a decline in jobs from 2000 to 2010, shown in **Table 4**. Statewide jobs recovered since 2010 and experienced growth post-recession. From 2000 to 2020, the year-over-year job change ranged from 5 percent decline (from 2008 to 2009) to 4 percent growth (from 2013 to 2014), shown in **Figure 7**.

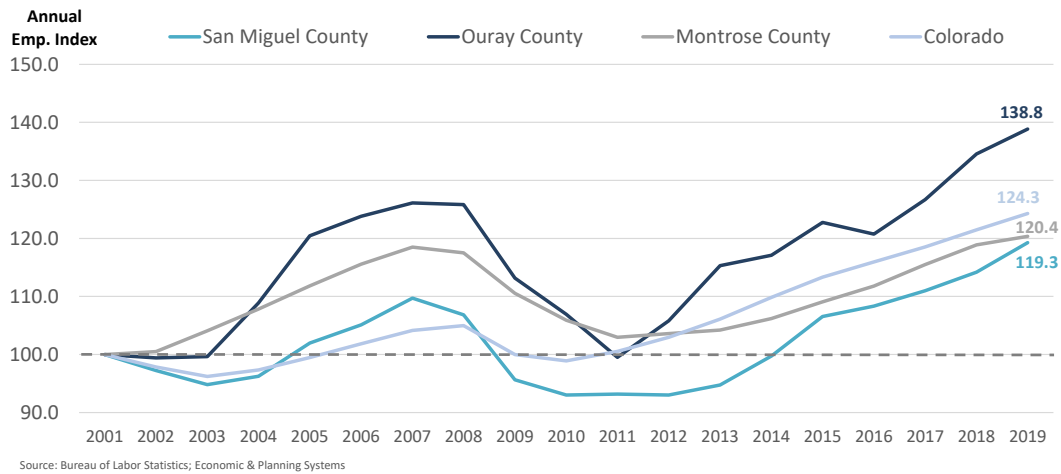
Table 4. Growth in Wage and Salary Jobs, 2000-2020

Description	2000	2010	2020	2000-2020		
				Total	Ann. #	Ann. %
Montrose County	12,742	13,658	14,922	2,180	109	0.8%
Ouray County	1,338	1,495	1,898	560	28	1.8%
San Miguel County	4,650	4,447	4,928	278	14	0.3%
Colorado	2,186,657	2,177,069	2,736,002	549,345	27,467	1.1%

Source: Bureau of Labor Statistics; Economic & Planning Systems

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Figure 7. Employment Growth Index, 2000-2019



Employment by Sector

San Miguel County

In 2020, San Miguel County’s total wage and salary employment was 4,928 jobs. From 2010 to 2020, the County gained 481 total jobs or an average of 49 jobs per year, shown in **Table 5**. The largest industry by total employment is Accommodation and Food Services with 21.6 percent or 1,064 jobs, as shown in **Figure 8**. This is followed by Retail Trade with 10.2 percent or 504 jobs, Public Administration with 9.7 percent or 476 jobs, and Construction with 8.2 percent or 402 jobs.

Figure 8. San Miguel County Top Employment Sectors, 2020

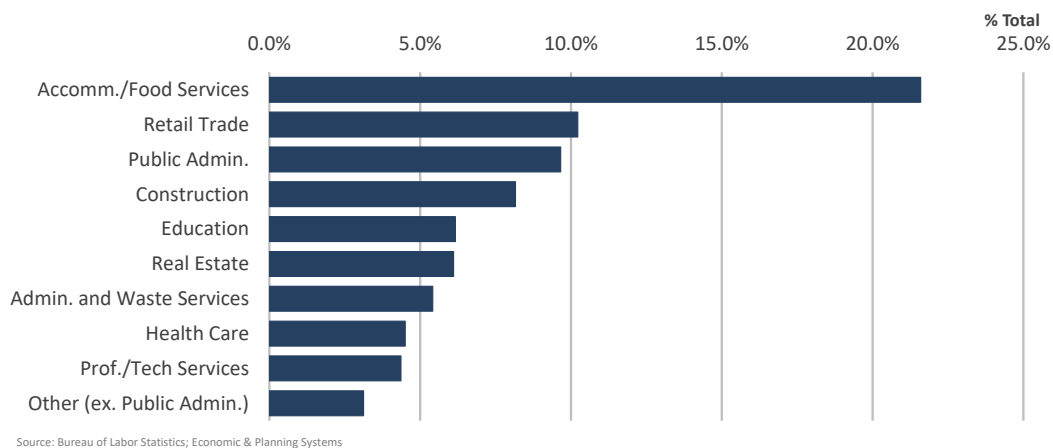


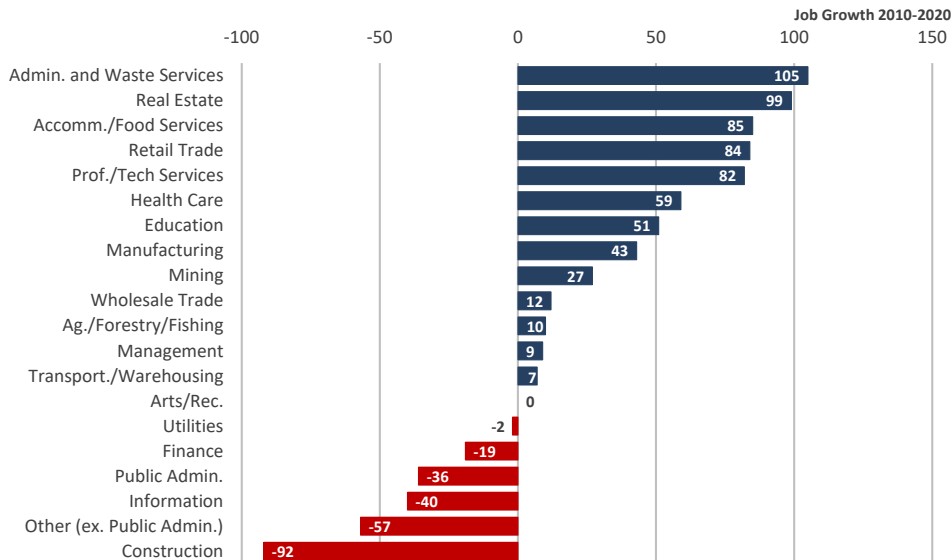
Table 5. San Miguel County Employment by Industry, 2000-2020

San Miguel County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	0*	0*	10	0	0	---	10	1	---
Mining	22	0*	27	-22	-2	-100.0%	27	3	---
Utilities	19	20	18	1	0	0.5%	-2	0	-1.0%
Construction	658	494	402	-164	-16	-2.8%	-92	-9	-2.0%
Manufacturing	96	92	135	-4	0	-0.4%	43	4	3.9%
Wholesale Trade	26	19	31	-7	-1	-3.1%	12	1	5.0%
Retail Trade	477	420	504	-57	-6	-1.3%	84	8	1.8%
Transport./Warehousing	43	60	67	17	2	3.4%	7	1	1.1%
Information	129	113	73	-16	-2	-1.3%	-40	-4	-4.3%
Finance	119	87	68	-32	-3	-3.1%	-19	-2	-2.4%
Real Estate	327	202	301	-125	-13	-4.7%	99	10	4.1%
Prof./Tech Services	131	133	215	2	0	0.2%	82	8	4.9%
Management	0*	4	13	4	0	---	9	1	12.5%
Admin. and Waste Services	131	162	267	31	3	2.1%	105	11	5.1%
Education	174	253	304	79	8	3.8%	51	5	1.9%
Health Care	83	163	222	80	8	7.0%	59	6	3.1%
Arts/Rec.	0*	0*	0*	0	0	---	0	0	---
Accomm./Food Services	1,173	979	1,064	-194	-19	-1.8%	85	9	0.8%
Other (ex. Public Admin.)	193	211	154	18	2	0.9%	-57	-6	-3.1%
Public Admin.	<u>419</u>	<u>512</u>	<u>476</u>	<u>93</u>	<u>9</u>	<u>2.0%</u>	<u>-36</u>	<u>-4</u>	<u>-0.7%</u>
Total	4,650	4,447	4,928	-203	-20	-0.4%	481	48	1.0%

Source: Bureau of Labor Statistics; Economic & Planning Systems
 *Undisclosed Information

From 2010 to 2020, Administration and Waste Services experienced the largest amount of growth with 105 jobs representing 24.6 percent of the total employment growth over this time, shown in **Figure 9**. Real Estate accounted for 23.2 percent of total employment growth with 99 jobs and Accommodation and Food Services accounted for 19.9 percent of total employment growth with 85 jobs. The largest decline over this timeframe was in Construction with the loss of 92 jobs.

Figure 9. San Miguel County Employment Growth, 2010-2020

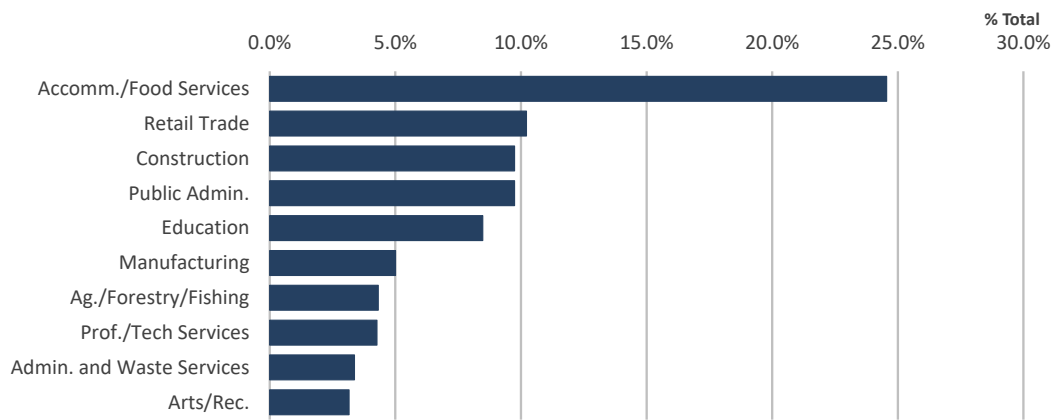


Source: Bureau of Labor Statistics; Economic & Planning Systems

Ouray County

In 2020, Ouray County’s total wage and salary employment was 1,898 jobs. From 2010 to 2020, the County gained 403 total jobs or an average of 40 jobs per year, shown in **Table 6**. The largest industry by total employment is Accommodation and Food Services with 24.6 percent or 466 jobs, as shown in **Figure 10**. This is followed by Retail Trade with 10.2 percent or 194 jobs, Construction with 9.7 percent or 185 jobs, and Public Administration with 9.7 percent or 185 jobs.

Figure 10. Ouray County Top Employment Sectors, 2020



Source: Bureau of Labor Statistics; Economic & Planning Systems

Table 6. Ouray County Employment by Industry, 2000-2020

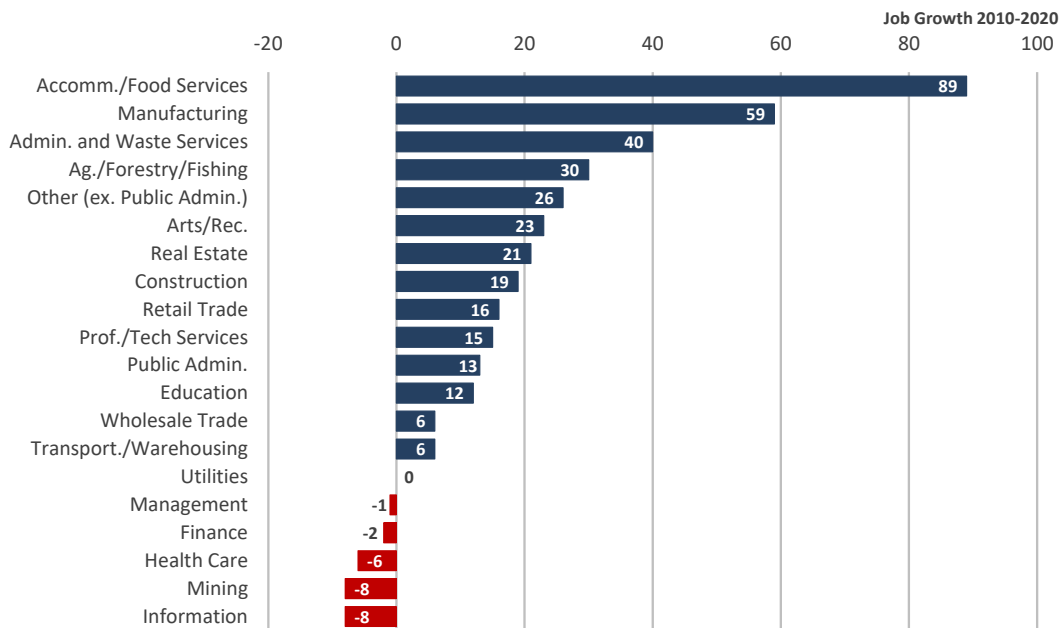
Ouray County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	63	52	82	-11	-1	-1.9%	30	3	4.7%
Mining	0*	8	0*	8	1	---	-8	-1	-100.0%
Utilities	0*	0*	0*	0	0	---	0	0	---
Construction	234	166	185	-68	-7	-3.4%	19	2	1.1%
Manufacturing	55	36	95	-19	-2	-4.1%	59	6	10.2%
Wholesale Trade	0*	6	12	6	1	---	6	1	7.2%
Retail Trade	113	178	194	65	7	4.6%	16	2	0.9%
Transport./Warehousing	13	16	22	3	0	2.1%	6	1	3.2%
Information	22	31	23	9	1	3.5%	-8	-1	-2.9%
Finance	29	43	41	14	1	4.0%	-2	0	-0.5%
Real Estate	24	15	36	-9	-1	-4.6%	21	2	9.1%
Prof./Tech Services	23	66	81	43	4	11.1%	15	2	2.1%
Management	0	5	4	5	1	---	-1	0	-2.2%
Admin. and Waste Services	17	24	64	7	1	3.5%	40	4	10.3%
Education	120	149	161	29	3	2.2%	12	1	0.8%
Health Care	18	55	49	37	4	11.8%	-6	-1	-1.1%
Arts/Rec.	33	37	60	4	0	1.2%	23	2	5.0%
Accomm./Food Services	376	377	466	1	0	0.0%	89	9	2.1%
Other (ex. Public Admin.)	25	34	60	9	1	3.1%	26	3	5.8%
Public Admin.	<u>137</u>	<u>172</u>	<u>185</u>	<u>35</u>	<u>4</u>	<u>2.3%</u>	<u>13</u>	<u>1</u>	<u>0.7%</u>
Total	1,338	1,495	1,898	157	16	1.1%	403	40	2.4%

Source: Bureau of Labor Statistics; Economic & Planning Systems

*Undisclosed Information

From 2010 to 2020, Accommodation and Food Services experienced the largest amount of growth with 89 jobs representing 25.4 percent of the total employment growth over this time, shown in **Figure 11**. Manufacturing accounted for 16.9 percent of total employment growth with 59 jobs and Administration and Waste Services accounted for 11.4 percent of total employment growth with 40 jobs. Most industries in Ouray County grew over this time frame, with the exception of a few industries. Management, Finance, Health Care, Mining, and Information industries each declined by fewer than 10 jobs.

Figure 11. Ouray County Employment Growth, 2010-2020

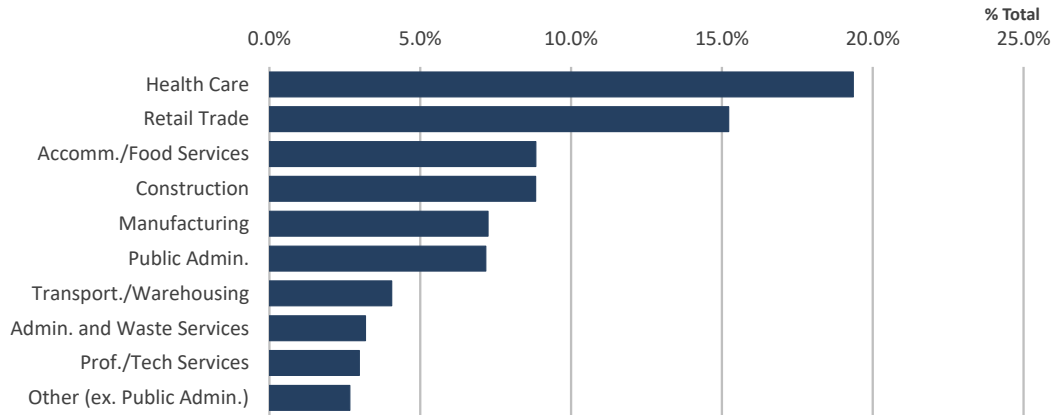


Source: Bureau of Labor Statistics; Economic & Planning Systems

Montrose County

In 2020, Montrose County’s total wage and salary employment was 12,922 jobs. From 2010 to 2019, the County gained 1,264 total jobs or an average of 126 jobs per year, shown below in **Table 7**. The largest industry by total employment is Health Care with 19 percent or 2,888 jobs, as shown in **Figure 12**. This is followed by Retail Trade with 15 percent or 2,272 jobs, Accommodation and Food services with 9 percent or 1,318 jobs, and Construction with 9 percent or 1,317 jobs.

Figure 12. Montrose County Top Employment Sectors, 2020



Source: Bureau of Labor Statistics; Economic & Planning Systems

Table 7. Montrose County Employment by Industry, 2000-2020

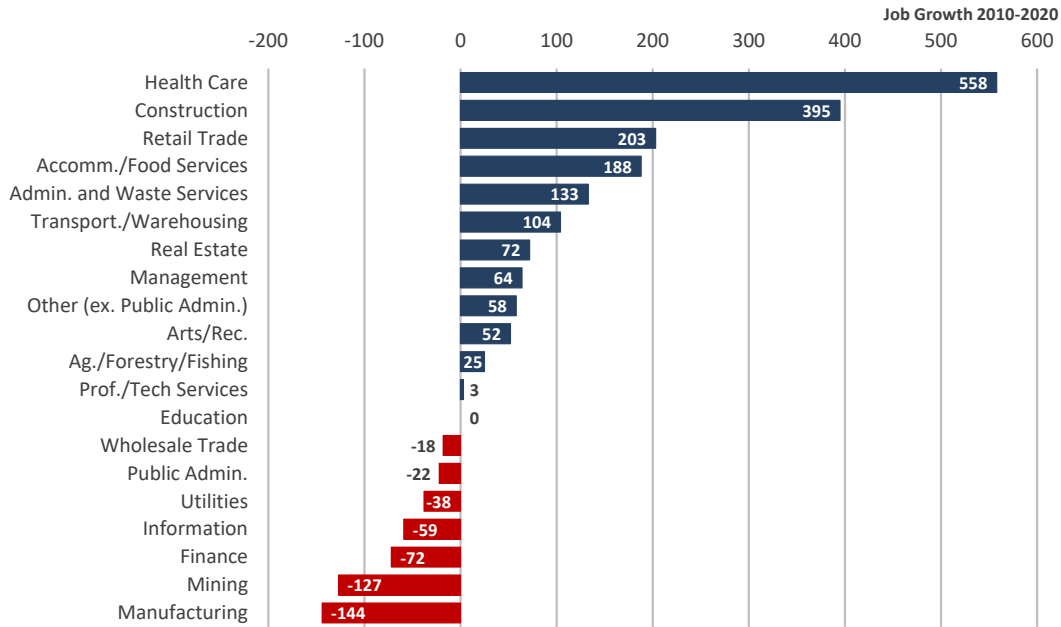
Montrose County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	269	245	270	-24	-2	-0.9%	25	3	1.0%
Mining	115	150	23	35	4	2.7%	-127	-13	-17.1%
Utilities	281	297	259	16	2	0.6%	-38	-4	-1.4%
Construction	1,091	922	1,317	-169	-17	-1.7%	395	40	3.6%
Manufacturing	1,472	1,225	1,081	-247	-25	-1.8%	-144	-14	-1.2%
Wholesale Trade	469	395	377	-74	-7	-1.7%	-18	-2	-0.5%
Retail Trade	1,875	2,069	2,272	194	19	1.0%	203	20	0.9%
Transport./Warehousing	515	501	605	-14	-1	-0.3%	104	10	1.9%
Information	212	218	159	6	1	0.3%	-59	-6	-3.1%
Finance	302	367	295	65	7	2.0%	-72	-7	-2.2%
Real Estate	197	280	352	83	8	3.6%	72	7	2.3%
Prof./Tech Services	391	442	445	51	5	1.2%	3	0	0.1%
Management	25	53	117	28	3	7.8%	64	6	8.2%
Admin. and Waste Services	413	342	475	-71	-7	-1.9%	133	13	3.3%
Education	0*	0*	0*	0	0	---	0	0	---
Health Care	1,606	2,330	2,888	724	72	3.8%	558	56	2.2%
Arts/Rec.	156	209	261	53	5	3.0%	52	5	2.2%
Accomm./Food Services	1,154	1,130	1,318	-24	-2	-0.2%	188	19	1.6%
Other (ex. Public Admin.)	368	340	398	-28	-3	-0.8%	58	6	1.6%
Public Admin.	958	1,092	1,070	134	13	1.3%	-22	-2	-0.2%
Total	12,742	13,658	14,922	916	92	0.7%	1,264	126	0.9%

Source: Bureau of Labor Statistics; Economic & Planning Systems

*Undisclosed Information

From 2010 to 2020, Health Care experienced the largest amount of growth with 558 jobs representing 40.6 percent of the total employment growth over this time, shown in **Figure 13**. Construction accounted for 28.7 percent of total employment growth with 395 jobs and Retail Trade accounted for 14.8 percent of total employment growth with 203 jobs. The largest employment decline over this timeframe was in Manufacturing with a loss of 144 jobs.

Figure 13. Montrose County Employment Growth, 2010-2020

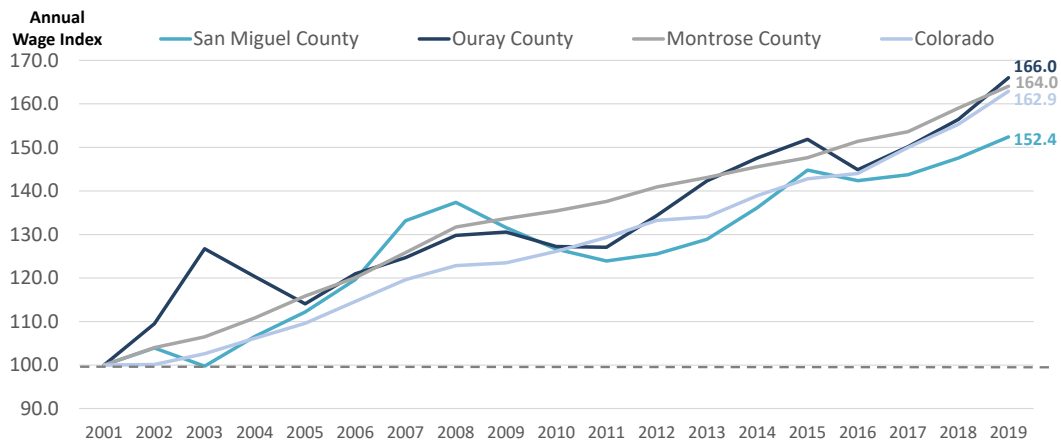


Source: Bureau of Labor Statistics; Economic & Planning Systems

Average Wages

The average annual wages in Montrose and Ouray Counties from 2001 to 2019 are increased at a slighter higher rate compared the state as whole, while San Miguel County has lagged behind, shown in **Figure 14**. Since 2001, Ouray County’s average annual wage increased 66.0 percent, Montrose County’s increased 64.0 percent, and San Miguel County’s increased 52.4 percent. Statewide average annual wages increased 62.9 percent over this time period.

Figure 14. Average Annual Wage Growth Index, 2001-2019



Source: Bureau of Labor Statistics; Economic & Planning Systems

Montrose County

In 2020, the average annual wage (excluding proprietors) in Montrose County was \$44,148, shown in **Table 8**. Industries with the highest average wages in the County are Mining with \$102,600, Management with \$92,000, and Utilities with \$83,700. The largest employment industry in the County, Health Care had an average annual wage of \$46,600, which is slightly higher than the county average. The second largest employment industry, Retail Trade, is a lower earning industry with an average annual wage of \$34,700. These two industries account for approximately 35 percent of all wage and salary jobs in Montrose County.

Table 8. Montrose County Average Annual Wage, 2000-2020

Montrose County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	\$18,460	\$24,700	\$35,568	\$6,240	\$624	3.0%	\$10,868	\$1,087	3.7%
Mining	\$42,692	\$68,276	\$102,648	\$25,584	\$2,558	4.8%	\$34,372	\$3,437	4.2%
Utilities	\$41,392	\$60,008	\$83,668	\$18,616	\$1,862	3.8%	\$23,660	\$2,366	3.4%
Construction	\$28,184	\$36,764	\$50,284	\$8,580	\$858	2.7%	\$13,520	\$1,352	3.2%
Manufacturing	\$24,440	\$32,604	\$45,500	\$8,164	\$816	2.9%	\$12,896	\$1,290	3.4%
Wholesale Trade	\$25,948	\$41,132	\$56,160	\$15,184	\$1,518	4.7%	\$15,028	\$1,503	3.2%
Retail Trade	\$20,904	\$25,324	\$34,736	\$4,420	\$442	1.9%	\$9,412	\$941	3.2%
Transport./Warehousing	\$24,180	\$32,344	\$43,420	\$8,164	\$816	3.0%	\$11,076	\$1,108	3.0%
Information	\$22,256	\$31,512	\$45,448	\$9,256	\$926	3.5%	\$13,936	\$1,394	3.7%
Finance	\$28,184	\$42,900	\$63,388	\$14,716	\$1,472	4.3%	\$20,488	\$2,049	4.0%
Real Estate	\$19,084	\$30,576	\$41,236	\$11,492	\$1,149	4.8%	\$10,660	\$1,066	3.0%
Prof./Tech Services	\$27,404	\$43,108	\$55,588	\$15,704	\$1,570	4.6%	\$12,480	\$1,248	2.6%
Management	\$37,128	\$94,276	\$91,988	\$57,148	\$5,715	9.8%	-\$2,288	-\$229	-0.2%
Admin. and Waste Services	\$15,444	\$26,312	\$33,124	\$10,868	\$1,087	5.5%	\$6,812	\$681	2.3%
Education	\$0*	\$0*	\$0*	\$0	\$0	---	\$0	\$0	---
Health Care	\$24,076	\$36,140	\$46,592	\$12,064	\$1,206	4.1%	\$10,452	\$1,045	2.6%
Arts/Rec.	\$12,636	\$21,216	\$24,752	\$8,580	\$858	5.3%	\$3,536	\$354	1.6%
Accomm./Food Services	\$9,204	\$14,716	\$20,280	\$5,512	\$551	4.8%	\$5,564	\$556	3.3%
Other (ex. Public Admin.)	\$21,320	\$30,212	\$45,032	\$8,892	\$889	3.5%	\$14,820	\$1,482	4.1%
Public Admin.	\$33,748	\$48,412	\$62,192	\$14,664	\$1,466	3.7%	\$13,780	\$1,378	2.5%
Total	\$23,556	\$33,644	\$44,148	\$10,088	\$1,009	3.6%	\$10,504	\$1,050	2.8%

Source: Bureau of Labor Statistics; Economic & Planning Systems

*Undisclosed Information

Ouray County

In 2020, the average annual wage (excluding proprietors) in Ouray County was \$43,004, shown in **Table 9**. Industries with the highest average wages in the County are Management with \$125,800, Wholesale Trade with \$81,200, and Professional and Technical Services with \$79,400. The largest employment industry in Ouray County, Accommodation and Food Services had an average annual wage of \$27,800, which is the second lowest in the County. The second largest employment industry, Retail Trade, is the lowest earning industry with an average annual wage of \$26,800. These two industries account for approximately 35 percent of all wage and salary jobs in Ouray County.

Table 9. Ouray County Average Annual Wage, 2000-2020

Ouray County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	\$30,888	\$37,440	\$53,456	\$6,552	\$655	1.9%	\$16,016	\$1,602	3.6%
Mining	\$0*	\$93,028	\$0*	\$93,028	\$9,303	---	-\$93,028	-\$9,303	-100.0%
Utilities	\$0*	\$0*	\$0*	\$0	\$0	---	\$0	\$0	---
Construction	\$32,968	\$44,824	\$59,800	\$11,856	\$1,186	3.1%	\$14,976	\$1,498	2.9%
Manufacturing	\$17,732	\$17,628	\$31,720	-\$104	-\$10	-0.1%	\$14,092	\$1,409	6.1%
Wholesale Trade	\$0*	\$17,420	\$81,224	\$17,420	\$1,742	---	\$63,804	\$6,380	16.6%
Retail Trade	\$14,664	\$21,372	\$26,832	\$6,708	\$671	3.8%	\$5,460	\$546	2.3%
Transport./Warehousing	\$32,240	\$37,232	\$44,408	\$4,992	\$499	1.5%	\$7,176	\$718	1.8%
Information	\$20,436	\$31,720	\$47,788	\$11,284	\$1,128	4.5%	\$16,068	\$1,607	4.2%
Finance	\$32,136	\$39,260	\$54,652	\$7,124	\$712	2.0%	\$15,392	\$1,539	3.4%
Real Estate	\$20,384	\$30,212	\$47,216	\$9,828	\$983	4.0%	\$17,004	\$1,700	4.6%
Prof./Tech Services	\$42,016	\$54,028	\$79,404	\$12,012	\$1,201	2.5%	\$25,376	\$2,538	3.9%
Management	\$0	\$37,804	\$125,840	\$37,804	\$3,780	---	\$88,036	\$8,804	12.8%
Admin. and Waste Services	\$25,688	\$32,344	\$45,916	\$6,656	\$666	2.3%	\$13,572	\$1,357	3.6%
Education	\$21,372	\$32,604	\$36,712	\$11,232	\$1,123	4.3%	\$4,108	\$411	1.2%
Health Care	\$33,488	\$28,548	\$48,048	-\$4,940	-\$494	-1.6%	\$19,500	\$1,950	5.3%
Arts/Rec.	\$12,376	\$26,052	\$28,288	\$13,676	\$1,368	7.7%	\$2,236	\$224	0.8%
Accomm./Food Services	\$11,596	\$16,640	\$27,820	\$5,044	\$504	3.7%	\$11,180	\$1,118	5.3%
Other (ex. Public Admin.)	\$20,696	\$21,788	\$49,400	\$1,092	\$109	0.5%	\$27,612	\$2,761	8.5%
Public Admin.	<u>\$22,204</u>	<u>\$31,876</u>	<u>\$42,848</u>	<u>\$9,672</u>	<u>\$967</u>	<u>3.7%</u>	<u>\$10,972</u>	<u>\$1,097</u>	<u>3.0%</u>
Total	\$21,632	\$29,848	\$43,004	\$8,216	\$822	3.3%	\$13,156	\$1,316	3.7%

Source: Bureau of Labor Statistics; Economic & Planning Systems
 *Undisclosed Information

San Miguel County

In 2020, the average annual wage (excluding proprietors) in San Miguel County was \$48,724, shown in **Table 10**. Industries with the highest average wages in the County are Management with \$144,100, Utilities with \$97,700, and Finance with \$93,400. The largest employment industry in San Miguel County, Accommodation and Food Services had an average annual wage of \$42,000. The second largest employment industry, Retail Trade, is the lowest earning industry with an average annual wage of \$39,400. These two industries account for approximately 32 percent of all wage and salary jobs in San Miguel County.

Table 10. San Miguel County Average Annual Wage, 2000-2020

San Miguel County	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	\$0*	\$0*	\$41,600	\$0	\$0	---	\$41,600	\$4,160	---
Mining	\$28,860	\$0*	\$49,452	-\$28,860	-\$2,886	-100.0%	\$49,452	\$4,945	---
Utilities	\$50,752	\$76,596	\$97,708	\$25,844	\$2,584	4.2%	\$21,112	\$2,111	2.5%
Construction	\$38,584	\$44,408	\$62,088	\$5,824	\$582	1.4%	\$17,680	\$1,768	3.4%
Manufacturing	\$33,748	\$55,588	\$44,252	\$21,840	\$2,184	5.1%	-\$11,336	-\$1,134	-2.3%
Wholesale Trade	\$38,220	\$42,848	\$57,824	\$4,628	\$463	1.1%	\$14,976	\$1,498	3.0%
Retail Trade	\$21,060	\$26,832	\$39,416	\$5,772	\$577	2.5%	\$12,584	\$1,258	3.9%
Transport./Warehousing	\$34,580	\$31,720	\$42,328	-\$2,860	-\$286	-0.9%	\$10,608	\$1,061	2.9%
Information	\$20,384	\$28,964	\$52,208	\$8,580	\$858	3.6%	\$23,244	\$2,324	6.1%
Finance	\$38,064	\$53,352	\$93,444	\$15,288	\$1,529	3.4%	\$40,092	\$4,009	5.8%
Real Estate	\$30,784	\$65,364	\$61,308	\$34,580	\$3,458	7.8%	-\$4,056	-\$406	-0.6%
Prof./Tech Services	\$38,428	\$53,924	\$69,212	\$15,496	\$1,550	3.4%	\$15,288	\$1,529	2.5%
Management	\$0*	\$41,444	\$144,092	\$41,444	\$4,144	---	\$102,648	\$10,265	13.3%
Admin. and Waste Services	\$22,360	\$30,836	\$41,600	\$8,476	\$848	3.3%	\$10,764	\$1,076	3.0%
Education	\$24,024*	\$36,400*	\$45,136*	\$12,376	\$1,238	4.2%	\$8,736	\$874	2.2%
Health Care	\$26,364	\$34,944	\$49,712	\$8,580	\$858	2.9%	\$14,768	\$1,477	3.6%
Arts/Rec.	\$0*	\$0*	\$0*	\$0	\$0	---	\$0	\$0	---
Accomm./Food Services	\$17,524	\$24,388	\$42,380	\$6,864	\$686	3.4%	\$17,992	\$1,799	5.7%
Other (ex. Public Admin.)	\$21,840	\$34,736	\$46,488	\$12,896	\$1,290	4.7%	\$11,752	\$1,175	3.0%
Public Admin.	\$32,136	\$41,340	\$53,924	\$9,204	\$920	2.6%	\$12,584	\$1,258	2.7%
Total	\$26,520	\$35,464	\$48,724	\$8,944	\$894	2.9%	\$13,260	\$1,326	3.2%

Source: Bureau of Labor Statistics; Economic & Planning Systems

*Undisclosed Information

Major Employers

The major employers for each county based on total employment is listed below in **Table 11**. Many of these employers are government or education related employment. In Montrose County, the largest employer is the Montrose County School District with about 850 employees followed by Montrose Memorial Hospital with 650 employees. In Ouray County, the largest employer is Ridgway School District with about 90 employees followed by City of Ouray with about 60 employees. In San Miguel County, the largest employer is Telluride Ski and Golf Resort with about 140 employees followed by Telluride School District with about 150 employees.

Table 11. Major Employers, 2016 (Permanent Employees?)

Major Employers	Category	Employees
Montrose County		
Montrose County School District	Education	849
Montrose Memorial Hospital	Health Care	651
Walmart	Retail	300
Community Options Inc	Nonprofit	257
City of Montrose	Government	187
Ouray County		
Ridgway School District	Education	88
City of Ouray	Government	59
Ouray County	Government	62
Ouray School District	Education	53
K & K Concrete Inc	Construction	35
San Miguel County		
Telluride Ski and Golf Co.	Recreation	136
Telluride School District	Education	152
NVHG Madeline Hotel Operator LLC	Hospitality	126
Town of Mountain Village	Government	157
San Miguel County	Government	120

Source: DOLA; BLS; Economic & Planning Systems

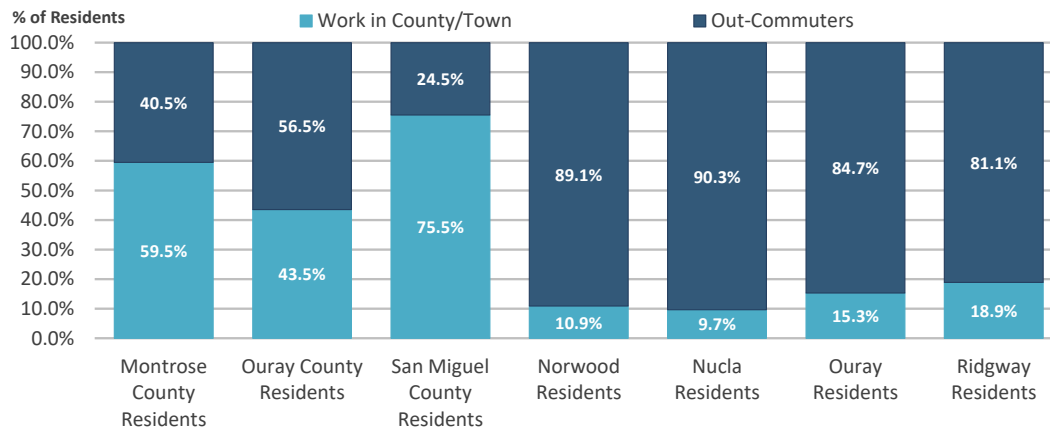
Commuting

Out-Commuting

The proportion of out-commuters, residents who work outside of each county, city, or town is shown below in **Figure 15** and in **Table 12** on the following page. Approximately 40.5 percent of Montrose County residents, 56.5 percent of Ouray County residents, and only 24.5 percent of San Miguel County residents commute outside of their respective counties for work. Each of the cities or towns have a much higher proportion of out-commuting residents with the highest in Norwood at 89.1 percent and Nucla at 90.3 percent. In Ouray 84.7 percent residents are out-commuters and 81.1 percent are out-commuters in Ridgway.

In Montrose County, approximately 59.5 percent or 10,072 residents also work within the County. From 2002 to 2018, the proportion of out-commuters increased by 9.5 percentage points or 2,865 residents. In Ouray County, approximately 43.5 percent or 838 residents also work within the County. From 2002 to 2018, the proportion of out-commuters increased by 2.3 percentage points or 453 residents. In San Miguel County, approximately 75.5 percent or 2,642 residents also work within the County. From 2002 to 2018, the proportion of out-commuters increased by 12.1 percentage points or 541 residents.

Figure 15. Out-Commuting, 2018



Source: U.S. Census Longitudinal Employer-Household Dynamics; Economic & Planning Systems

Table 12. Out-Commuting Patterns, 2002-2018

Out-Commuting	2002	2010	2018	2002-2018		
				Total	Ann. #	Ann. %
Montrose County Residents						
Work in Montrose County	8,908	9,056	10,072	1,164	73	0.8%
Out-Commuters	<u>3,999</u>	<u>5,154</u>	<u>6,864</u>	<u>2,865</u>	<u>179</u>	<u>3.4%</u>
Total	12,907	14,210	16,936	4,029	252	1.7%
Ouray County Residents						
Work in Ouray County	537	678	838	301	19	2.8%
Out-Commuters	<u>635</u>	<u>831</u>	<u>1,088</u>	<u>453</u>	<u>28</u>	<u>3.4%</u>
Total	1,172	1,509	1,926	754	47	3.2%
San Miguel County Residents						
Work in San Miguel County	2,228	2,899	2,642	414	26	1.1%
Out-Commuters	<u>315</u>	<u>638</u>	<u>856</u>	<u>541</u>	<u>34</u>	<u>6.4%</u>
Total	2,543	3,537	3,498	955	60	2.0%
Norwood Residents						
Work in Norwood	64	52	18	-46	-3	-7.6%
Out-Commuters	<u>69</u>	<u>99</u>	<u>147</u>	<u>78</u>	<u>5</u>	<u>4.8%</u>
Total	133	151	165	32	2	1.4%
Nucla Residents						
Work in Nucla	3	33	20	17	1	12.6%
Out-Commuters	<u>98</u>	<u>85</u>	<u>187</u>	<u>89</u>	<u>6</u>	<u>4.1%</u>
Total	101	118	207	106	7	4.6%
Ouray Residents						
Work in Ouray	46	52	63	17	1	2.0%
Out-Commuters	<u>217</u>	<u>266</u>	<u>348</u>	<u>131</u>	<u>8</u>	<u>3.0%</u>
Total	263	318	411	148	9	2.8%
Ridgway Residents						
Work in Ouray	25	46	69	44	3	6.6%
Out-Commuters	<u>191</u>	<u>233</u>	<u>296</u>	<u>105</u>	<u>7</u>	<u>2.8%</u>
Total	216	279	365	149	9	3.3%

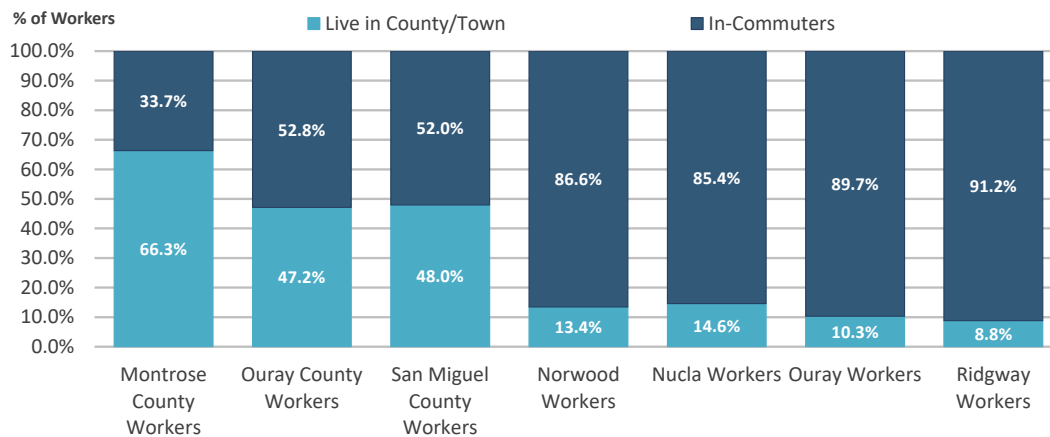
Source: U.S. Census Longitudinal Employer-Household Dynamics; Economic & Planning Systems

In-Commuting

The proportion of in-commuters, workers who live outside of each county, city, or town is shown below in **Figure 16** and **Table 13**. Approximately 33.7 percent of Montrose County residents, 52.8 percent of Ouray County residents, and 52.0 percent of San Miguel County residents commute from other areas into the respective counties for work. Each of the cities or towns have a much higher proportion of in-commuting workers with the highest in Ridgway at 91.2 percent and Ouray at 89.7 percent. In Norwood 86.6 percent of workers are in-commuters and 85.4 percent are in-commuters in Nucla. These commuting patterns indicate the difficulty local employees have in finding affordable housing options in the towns in which they are employed.

In Montrose County, approximately 33.7 percent of workers also live within the County. From 2002 to 2018, the proportion of in-commuters increased by 11.9 percentage points or 2,640 workers. In Ouray County, approximately 52.8 percent of workers also live within the County. From 2002 to 2018, the proportion of in-commuters increased by 2.6 percentage points or 397 workers. In San Miguel County, approximately 48.0 percent of workers also live within the County. From 2002 to 2018, the proportion of in-commuters increased by 2.4 percentage points or 670 workers.

Figure 16. In-Commuting, 2018



Source: U.S. Census Longitudinal Employer-Household Dynamics; Economic & Planning Systems

Table 13. In-Commuting Patterns, 2002-2018

In-Commuting	2002	2010	2018	2002-2018		
				Total	Ann. #	Ann. %
Montrose County Workers						
Live in Montrose County	8,908	9,056	10,072	1,164	73	0.8%
In-Commuters	<u>2,470</u>	<u>4,873</u>	<u>5,110</u>	<u>2,640</u>	<u>165</u>	<u>4.6%</u>
Total	11,378	13,929	15,182	3,804	238	1.8%
Ouray County Workers						
Live in Ouray County	537	678	838	301	19	2.8%
In-Commuters	<u>542</u>	<u>459</u>	<u>939</u>	<u>397</u>	<u>25</u>	<u>3.5%</u>
Total	1,079	1,137	1,777	698	44	3.2%
San Miguel County Workers						
Live in San Miguel County	2,228	2,899	2,642	414	26	1.1%
In-Commuters	<u>2,195</u>	<u>1,592</u>	<u>2,865</u>	<u>670</u>	<u>42</u>	<u>1.7%</u>
Total	4,423	4,491	5,507	1,084	68	1.4%
Norwood Workers						
Live in Norwood	64	52	18	-46	-3	-7.6%
In-Commuters	<u>310</u>	<u>259</u>	<u>116</u>	<u>-194</u>	<u>-12</u>	<u>-6.0%</u>
Total	374	311	134	-240	-15	-6.2%
Nucla Workers						
Live in Nucla	3	33	20	17	1	12.6%
In-Commuters	<u>55</u>	<u>230</u>	<u>117</u>	<u>62</u>	<u>4</u>	<u>4.8%</u>
Total	58	263	137	79	5	5.5%
Ouray Workers						
Live in Ouray	46	52	63	17	1	2.0%
In-Commuters	<u>327</u>	<u>413</u>	<u>546</u>	<u>219</u>	<u>14</u>	<u>3.3%</u>
Total	373	465	609	236	15	3.1%
Ridgway Workers						
Live in Ridgway	25	46	69	44	3	6.6%
In-Commuters	<u>222</u>	<u>324</u>	<u>715</u>	<u>493</u>	<u>31</u>	<u>7.6%</u>
Total	247	370	784	537	34	7.5%

Source: U.S. Census Longitudinal Employer-Household Dynamics; Economic & Planning Systems

Origins and Destinations

In San Miguel County, the two largest destinations for out-commuting residents are Grand Junction with 1.9 percent and Denver with 1.5 percent of the total residents, as shown in **Table 14**. The largest origins (place of residence) of in-commuting workers from outside the county are Montrose with 390 in-commuters (7.1 percent) and Durango with 82 in-commuters (1.5 percent of the total workers). Additionally, the largest out-commuting destinations of Norwood residents include Telluride at 14.5 percent and Mountain Village at 13.9 percent. The largest in-commuting origins of Norwood workers is Nucla at 4.5 percent, and Montrose at 3.0 percent (not shown in table). The data sets used to track commuting flow parse the numbers to a fine degree, with a large segment falling into "Other". The proportionality is important to focus on (e.g., that the Telluride region captures the highest level of out-commuters from Norwood).

Table 14. San Miguel County Commuting Locations, 2018

Destination	Out-Commuters		Origin	In-Commuters	
	Amount	% Total		Amount	% Total
Telluride	1,146	32.8%	Mountain Village	838	15.2%
Mountain Village	1,067	30.5%	Telluride	564	10.2%
Grand Junction	67	1.9%	Montrose	390	7.1%
Norwood	55	1.6%	Norwood	91	1.7%
Denver	52	1.5%	Durango	82	1.5%
Farmington	32	0.9%	Denver	77	1.4%
Colorado Springs	28	0.8%	Ophir	60	1.1%
Montrose	25	0.7%	Ouray	57	1.0%
Ridgway	25	0.7%	Nucla	44	0.8%
Durango	20	0.6%	Cortez	39	0.7%
Other	981	28.0%	Other	3,265	59.3%
Total	3,498	100.0%	Total	5,507	100.0%

Source: Longitudinal Employer-Household Dynamics; Economic & Planning Systems

In Ouray County, the two largest destinations for out-commuting residents are Montrose with 11.7 percent and Mountain Village with 6.9 percent of the total residents, as shown in **Table 15**. The largest origin (place of residence) of in-commuting workers is Montrose with 303 in-commuters (17.1 percent of the total workers).

The largest out-commuting destinations of City of Ouray residents include Ridgway at 17.5 percent, Montrose at 15.3 percent, and Telluride at 6.1 percent. The largest in-commuting origins of City of Ouray workers is Montrose at 14.1 percent, Ridgway at 11.5 percent, and Loghill Village at 6.1 percent. The largest out-commuting destinations of Ridgway residents includes Ouray at 19.2 percent, Montrose at 12.6 percent, and Mountain Village at 4.9 percent. The largest in-commuting origins of Ridgway workers is Montrose at 17.1 percent, Ouray at 9.2 percent, and Loghill Village at 7.3 percent.

Table 15. Ouray County Commuting Locations, 2018

Destination	Out-Commuters		Origin	In-Commuters	
	Amount	% Total		Amount	% Total
Ridgway	369	19.2%	Montrose	303	17.1%
City of Ouray	310	16.1%	Ridgway	170	9.6%
Montrose	226	11.7%	City of Ouray	168	9.5%
Mountain Village	132	6.9%	Loghill Village	107	6.0%
Telluride	104	5.4%	Phoenix	16	0.9%
Denver	65	3.4%	Portland	16	0.9%
Grand Junction	46	2.4%	Denver	15	0.8%
Colorado Springs	34	1.8%	Durango	14	0.8%
Boulder	28	1.5%	Delta	13	0.7%
Delta	26	1.3%	Telluride	11	0.6%
Other	<u>586</u>	<u>30.4%</u>	Other	<u>944</u>	<u>53.1%</u>
Total	1,926	100.0%	Total	1,777	100.0%

Source: Longitudinal Employer-Household Dynamics; Economic & Planning Systems

In Montrose County, the two largest destinations for out-commuting residents are Grand Junction with 6.0 percent and Delta with 3.0 percent of the total residents, as shown in **Table 16**. The largest origins (place of residence) of in-commuting workers are Delta with 4.4 percent and Grand Junction with 2.2 percent of the total workers. Additionally, the largest out-commuting destinations of Nucla residents include Naturita at 14.0 percent, Telluride at 5.8 percent, and Montrose at 4.3 percent. The largest in-commuting origins of Nucla workers is Naturita at 10.2 percent, Delta at 6.6 percent, and Montrose at 5.8 percent.

Table 16. Montrose County Commuting Locations, 2018

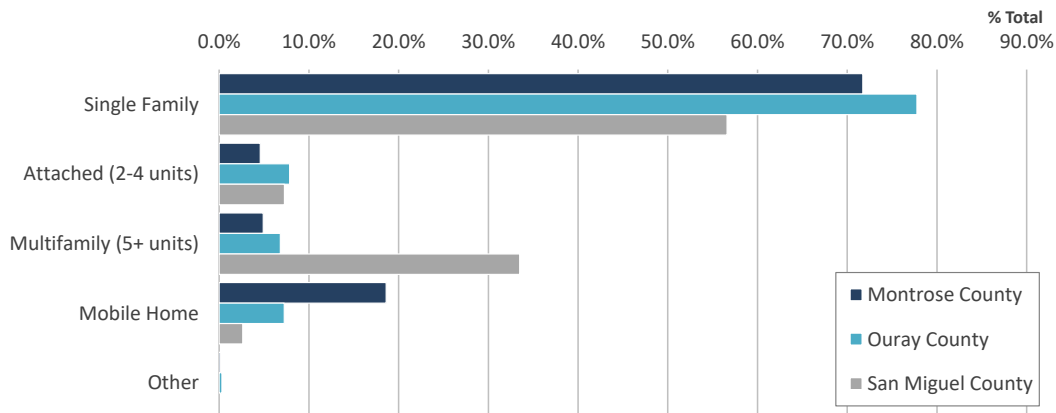
Destination	Out-Commuters		Origin	In-Commuters	
	Amount	% Total		Amount	% Total
City of Montrose	7,875	46.5%	City of Montrose	5,225	34.4%
Grand Junction	1,016	6.0%	Delta	665	4.4%
Delta	516	3.0%	Grand Junction	329	2.2%
Denver	290	1.7%	Olathe	317	2.1%
Mountain Village	280	1.7%	Colorado Springs	133	0.9%
Ridgway	272	1.6%	Denver	133	0.9%
Telluride	266	1.6%	Orchard	130	0.9%
Olathe	235	1.4%	Clifton	122	0.8%
Durango	193	1.1%	Nucla	94	0.6%
Colorado Springs	176	1.0%	Fruita	68	0.4%
Other	<u>5,817</u>	<u>34.3%</u>	Other	<u>7,966</u>	<u>52.5%</u>
Total	16,936	100.0%	Total	15,182	100.0%

Source: Longitudinal Employer-Household Dynamics; Economic & Planning Systems

Housing

The majority of the housing inventory in each county is single family detached homes, as shown in **Figure 17**. San Miguel County has the most diverse housing inventory of the three counties with multifamily units consisting of 33.5 percent of the inventory as well as attached units at 7.3 percent. Montrose County has the largest number of mobile home units, which account for 18.6 percent of all housing units. Attached and multifamily units each represent approximately 5 percent of Montrose County’s inventory. Ouray County has approximately 7.8 percent of attached units, 7.3 percent of mobile home units, and 6.8 percent of multifamily units.

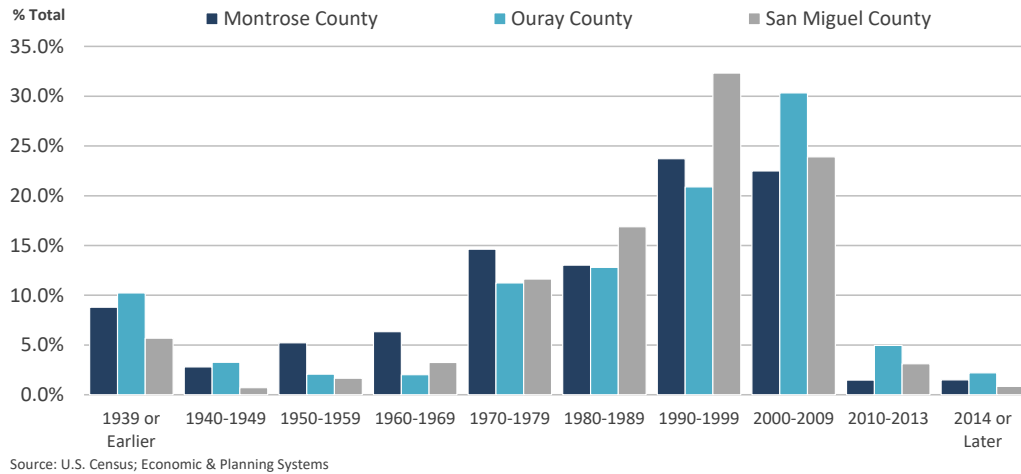
Figure 17. Housing by Unit Type, 2018



Source: U.S. Census; Economic & Planning Systems

A significant amount of the housing stock in all three counties was built between 1990 and 2009, as shown in **Figure 18**. Development began to increase in the 1970s and continuously increased in the following decades before dropping of in 2010. Since the Great Recession, development activity has not returned to previous levels. From 2010 to 2018, Montrose County had 3.0 percent of the County’s total housing inventory built, Ouray County had 7.2 percent, and San Miguel County had 4.0 percent.

Figure 18. Housing Stock by Year Built, 2018



For rental units, average monthly payments generally range from less than \$500 to \$2,499 per month, as shown in **Table 17**. Based on this data set, which is often one indicator of market conditions and reflect costs that often are overly influenced by lower costs associated with older housing stock. Costs for 41 percent of Norwood renter households fall between \$500 and \$999 per month for rent; an additional 41 percent spend between \$1,000 and \$1,499 per month. Approximately 53 percent of Nucla renter households and 51 percent in Ouray spend between \$500 and \$999 per month. Ridgway has the largest distribution of rental payments with 32 percent between \$500 and \$999 and 17 percent between \$2,000 and \$2,499. The median rental rate ranges from an estimated \$650 per month in Nucla to \$1,120 per month in Ridgway.

Table 17. Monthly Rental Payments, 2019

Rental Payments	Norwood	Nucla	Ouray	Ridgway
Less than \$500	13%	27%	6%	7%
\$500 to \$999	41%	53%	51%	32%
\$1,000 to \$1,499	41%	20%	20%	38%
\$1,500 to \$1,999	0%	0%	24%	6%
\$2,000 to \$2,499	5%	0%	0%	17%
\$2,500 to \$2,999	0%	0%	0%	0%
\$3,000 or more	0%	0%	0%	0%
Total	100%	100%	100%	100%
Median	\$976	\$650	\$865	\$1,120

Source: U.S. Census; ACS 5-year; Economic & Planning Systems

Residential Building Permits

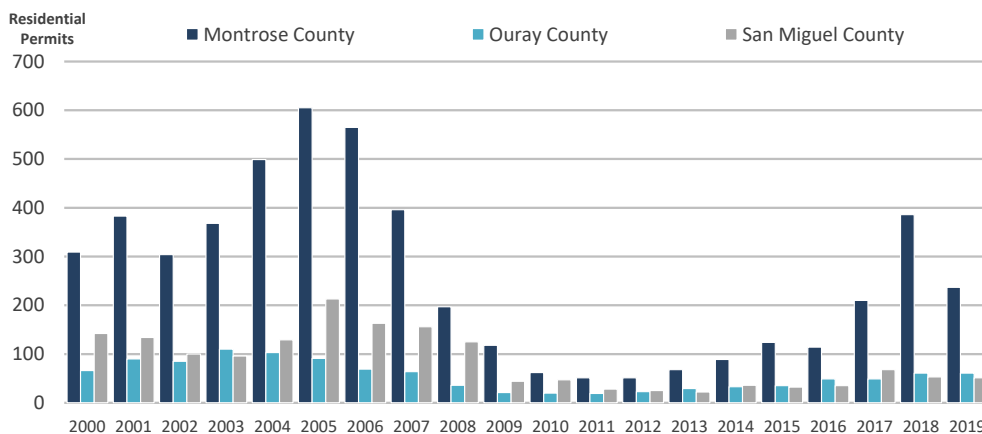
From 2010 to 2019, Montrose County issued a total of 1,392 residential building permits, which is an average of 139 permits per year, shown in **Table 18** and **Figure 19**. This is a large decline in building activity compared to 2000 to 2010 when Montrose County approved 3,800 permits or an average of 346 permits per year. This is the case in the other counties as well. Residential development has significantly slowed, and a good amount of the residential development is occurring in unincorporated areas of each county. In Ouray County from 2000 to 2010, there was a total of 755 permits approved or an average of 69 permits per year. Since 2010, this activity slowed to a total of 379 permits or an average of 38 permits per year. From 2000 to 2010, San Miguel County approved 1,349 residential permits or an average of 123 permits per year. Similar to Ouray County, from 2010 to 2019 San Miguel County approved only 397 permits or an average of 40 permits per year.

Table 18. Residential Building Permit Activity, 2000-2019

Description	2000	2005	2010	2015	2019	2000-2010			2010-2019		
						Total	Avg.	% Total	Total	Avg.	% Total
Montrose County											
Single Family	286	532	62	124	221	3,288	299	86.4%	1,288	129	92.5%
Multifamily	23	73	0	0	16	518	47	13.6%	104	10	7.5%
Total	309	605	62	124	237	3,806	346	100.0%	1,392	139	100.0%
Ouray County											
Single Family	59	89	20	35	51	699	64	92.6%	349	35	92.1%
Multifamily	7	2	0	0	10	56	5	7.4%	30	3	7.9%
Total	66	91	20	35	61	755	69	100.0%	379	38	100.0%
San Miguel County											
Single Family	131	105	47	27	34	920	84	68.2%	325	33	81.9%
Multifamily	11	108	0	5	17	429	39	31.8%	72	7	18.1%
Total	142	213	47	32	51	1,349	123	100.0%	397	40	100.0%

Source: U.S. Census; Economic & Planning Systems

Figure 19. Residential Building Permits by County, 2000-2019



Source: U.S. Census; Economic & Planning Systems

Residential building activity at the city or town level has also been minimal over the past six years. From 2015 to 2020 Norwood issued approximately 31 permits, which is an average of 6 permits per year, shown in **Table 19**. Similarly, over this timeframe the City of Ouray issued a total of 34 permits or an average of 6 permits per year. Ridgway approved a larger amount with a total of 132 residential permits or an average of 22 permits per year. In last year alone Ridgway approved 51 residential units, which is more than the six-year total in Norwood and Ouray. Low amounts of residential building activity in areas where demand is already high places additional strain on the local housing market.

In Ridgway, there are currently three larger projects that are working their way through the entitlement process. The first, currently named Lena Street Commons, is a 16-unit market rate townhome development. The project will be complete in four separate buildings and is expected to be priced between \$750,000 and \$850,000 per unit. The second project, Vista Park Commons, is also a market rate townhome project that is completing preliminary platting with the Town. The third project is an affordable rental project currently titled Space to Create. The project is anticipated to include ground floor art space and roughly 30 units of affordably priced rental units.

In Ouray, the largest project currently proposed for development is an 18-unit market rate townhome project. It is also important to note that the City is currently updating its sewer and wastewater facility. During that process, which is expected to take roughly one to two years, the City is limiting new taps to 50 units and only granting approvals to single-family homes.

Table 19. Residential Building Permits, 2015-2020

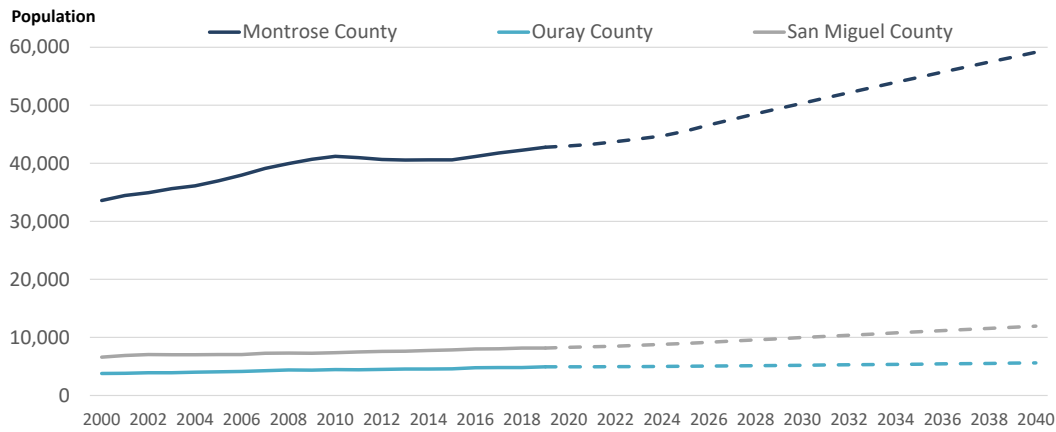
Description	2015	2016	2017	2018	2019	2020	2015-2020	
							Total	Avg.
Norwood	4	1	6	6	9	5	31	5
Ouray	2	4	6	11	4	7	34	6
Ridgway	9	13	19	22	18	51	132	22

Source: City of Ouray; City of Ridgway; San Miguel County; Economic & Planning Systems

Population and Household Forecast

Population in Montrose County is forecasted to increase to 59,135 residents by 2040 as forecasted the Colorado Department of Local Affairs (DOLA), shown in **Figure 20** and **Table 20**. The focus of this analysis is on potential growth over the next three years or through 2023. During that period, population growth is estimated at 466 residents per year or an annual growth rate of 1.07 percent. San Miguel County is estimated to reach a total of 11,946 residents by 2040. Between 2021 and 2023, annual population growth is estimated at 130 residents per year or 1.54 percent per year. Growth during the same period in Ouray County is estimated to grow at a slower rate of 0.43 percent annually or an average of 22 residents per year.

Figure 20. Population Forecast, 2020-2040



Source: DOLA; Economic & Planning Systems

Table 20. Population Forecast, 2021-2035

Year	Montrose County			Ouray County			San Miguel County		
	Amount	#	%	Amount	#	%	Amount	#	%
2021	43,276	277	0.64%	4,938	7	0.14%	8,374	84	1.01%
2022	43,735	459	1.06%	4,960	22	0.44%	8,487	113	1.35%
2023	44,208	473	1.08%	4,981	21	0.43%	8,633	146	1.72%
2024	44,726	517	1.17%	5,009	28	0.55%	8,792	159	1.84%
2025	45,558	832	1.86%	5,028	19	0.38%	8,961	169	1.93%
2026	46,606	1,048	2.30%	5,060	32	0.64%	9,164	203	2.26%
2027	47,570	964	2.07%	5,095	35	0.70%	9,369	205	2.24%
2028	48,516	946	1.99%	5,131	36	0.70%	9,574	204	2.18%
2029	49,443	927	1.91%	5,167	36	0.71%	9,776	203	2.12%
2030	50,355	912	1.84%	5,204	37	0.71%	9,978	202	2.07%
2031	51,263	908	1.80%	5,242	37	0.72%	10,179	201	2.01%
2032	52,166	903	1.76%	5,279	37	0.71%	10,380	200	1.97%
2033	53,064	897	1.72%	5,317	38	0.73%	10,580	200	1.92%
2034	53,955	892	1.68%	5,356	38	0.72%	10,778	199	1.88%
2035	54,837	882	1.63%	5,395	39	0.73%	10,976	197	1.83%
2036	55,710	872	1.59%	5,435	40	0.74%	11,173	197	1.79%
2037	56,577	867	1.56%	5,476	42	0.77%	11,368	196	1.75%
2038	57,437	860	1.52%	5,519	43	0.78%	11,563	195	1.71%
2039	58,289	852	1.48%	5,562	43	0.78%	11,755	193	1.67%
2040	59,135	846	1.45%	5,606	44	0.78%	11,946	190	1.62%
2021-2023									
Total	932			43			259		
Ann. #	466			22			130		
Ann. %	1.07%			0.43%			1.54%		
2023-2040									
Total	14,926			625			3,312		
Ann. #	878			37			195		
Ann. %	1.73%			0.70%			1.93%		

Source: DOLA; Economic & Planning Systems

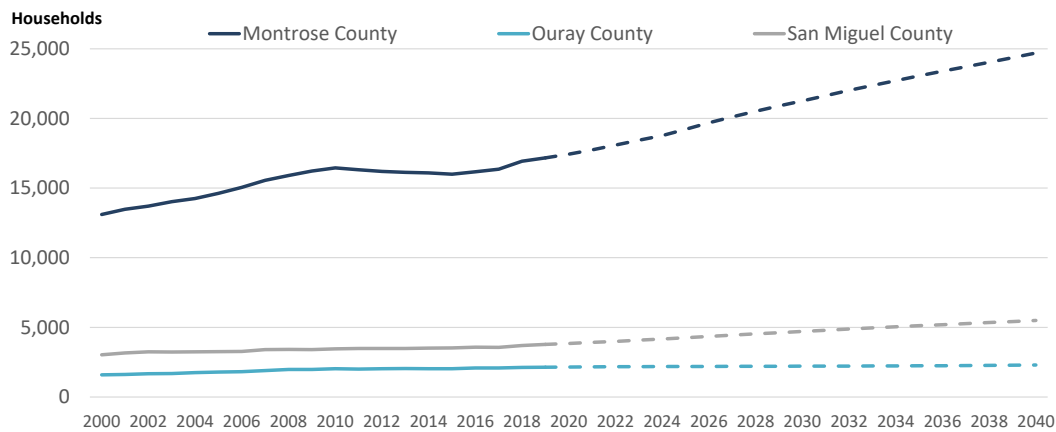
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Households tend to grow at a similar rate as population. Between 2021 and 2023, Montrose County is estimated to add approximately 347 households per year, as shown in is **Figure 21** and **Table 21**. Nucla has historically represented roughly 1.8 percent of the countywide households. If this proportion remains constant, Nucla is estimated to have an increase of just under 13 new households through 2023, which equates to approximately 4 new households per year.

Between 2021 and 2023, San Miguel County is estimated to grow by roughly 157 households, which equates to an average annual growth rate of 79 households per year or 1.98 percent. Norwood has historically represented roughly 6.2 percent of the countywide households. If this proportion remains constant, Norwood is estimated to have an increase of nearly 10 households through 2023, which is approximately 3 households per year.

Ouray County is estimated to grow by 16 households between 2021 and 2023, which is an average annual growth rate of 8 households per year or 0.37 percent annually. The City of Ouray has historically represented approximately 21.9 percent of countywide households. If this proportion remains constant, Ouray is estimated to have an increase of nearly 4 households through 2023 or an average of 1 household per year. Similarly, Ridgway has historically represented approximately 20.6 percent of the countywide households. If this proportion remains constant, Ridgway is estimated to have an increase of 3 households by 2023 or an average of 1 household per year.

Figure 21. Household Forecast, 2020-2040



Source: DOLA; Economic & Planning Systems

Table 21. Household Forecast, 2021-2035

Year	Montrose County			Ouray County			San Miguel County		
	Amount	#	%	Amount	#	%	Amount	#	%
2021	17,741	309	1.77%	2,160	10	0.47%	3,919	73	1.90%
2022	18,089	348	1.96%	2,172	12	0.56%	3,990	71	1.81%
2023	18,434	345	1.91%	2,176	4	0.18%	4,076	86	2.16%
2024	18,767	333	1.81%	2,185	9	0.41%	4,165	89	2.18%
2025	19,220	453	2.41%	2,191	6	0.27%	4,259	94	2.26%
2026	19,692	472	2.46%	2,194	3	0.14%	4,351	92	2.16%
2027	20,108	416	2.11%	2,201	7	0.32%	4,444	93	2.14%
2028	20,510	402	2.00%	2,203	2	0.09%	4,531	87	1.96%
2029	20,898	388	1.89%	2,209	6	0.27%	4,619	88	1.94%
2030	21,261	363	1.74%	2,214	5	0.23%	4,704	85	1.84%
2031	21,638	377	1.77%	2,214	0	0.00%	4,790	86	1.83%
2032	22,013	375	1.73%	2,222	8	0.36%	4,876	86	1.80%
2033	22,371	358	1.63%	2,227	5	0.23%	4,962	86	1.76%
2034	22,713	342	1.53%	2,234	7	0.31%	5,041	79	1.59%
2035	23,064	351	1.55%	2,241	7	0.31%	5,120	79	1.57%
2036	23,397	333	1.44%	2,248	7	0.31%	5,192	72	1.41%
2037	23,712	315	1.35%	2,261	13	0.58%	5,268	76	1.46%
2038	24,035	323	1.36%	2,275	14	0.62%	5,345	77	1.46%
2039	24,369	334	1.39%	2,285	10	0.44%	5,421	76	1.42%
2040	24,700	331	1.36%	2,298	13	0.57%	5,498	77	1.42%
2021-2023									
Total	693			16			157		
Ann. #	347			8			79		
Ann. %	1.93%			0.37%			1.98%		
2023-2040									
Total	6,266			122			1,422		
Ann. #	369			7			84		
Ann. %	1.74%			0.32%			1.78%		

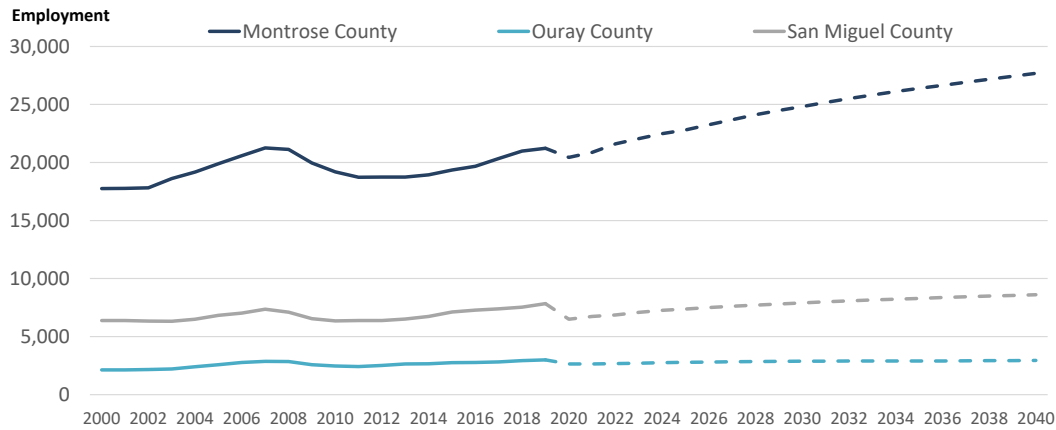
Source: DOLA; Economic & Planning Systems

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Employment Forecast

Between 2021 and 2023, employment in Montrose County is estimated to increase by 2.8 percent per year to reach a total of 22,064 jobs, as shown in **Figure 22** and **Table 22**. This results in a total growth of 1,187 jobs or an average of 594 jobs per year. San Miguel County is forecasted to grow at 2.6 percent per year or 179 jobs annually. Part of this growth represent the continued recovery in employment following significant losses in 2020 as a result of the impact of the COVID-19 pandemic. By 2023, San Miguel County is estimated to have a total of 7,088 jobs. Ouray County is estimated to stay at relatively constant levels of employment over this timeframe with a total of 2,715 jobs in 2023.

Figure 22. Employment Forecast, 2020-2040



Source: DOLA; Economic & Planning Systems

Table 22. Employment Forecast, 2021-2035

Year	Montrose County			Ouray County			San Miguel County		
	Amount	#	%	Amount	#	%	Amount	#	%
2021	20,877	437	2.14%	2,651	8	0.30%	6,730	228	3.51%
2022	21,606	729	3.49%	2,683	32	1.21%	6,866	136	2.02%
2023	22,064	458	2.12%	2,715	32	1.19%	7,088	222	3.23%
2024	22,494	430	1.95%	2,753	38	1.40%	7,258	170	2.40%
2025	22,811	317	1.41%	2,781	28	1.02%	7,375	117	1.61%
2026	23,250	439	1.92%	2,810	29	1.04%	7,499	124	1.68%
2027	23,694	444	1.91%	2,833	23	0.82%	7,613	114	1.52%
2028	24,118	424	1.79%	2,853	20	0.71%	7,717	104	1.37%
2029	24,492	374	1.55%	2,870	17	0.60%	7,816	99	1.28%
2030	24,821	329	1.34%	2,882	12	0.42%	7,904	88	1.13%
2031	25,176	355	1.43%	2,890	8	0.28%	7,993	89	1.13%
2032	25,504	328	1.30%	2,895	5	0.17%	8,074	81	1.01%
2033	25,819	315	1.24%	2,900	5	0.17%	8,153	79	0.98%
2034	26,115	296	1.15%	2,902	2	0.07%	8,225	72	0.88%
2035	26,385	270	1.03%	2,902	0	0.00%	8,291	66	0.80%
2036	26,648	263	1.00%	2,907	5	0.17%	8,361	70	0.84%
2037	26,913	265	0.99%	2,914	7	0.24%	8,430	69	0.83%
2038	27,173	260	0.97%	2,924	10	0.34%	8,492	62	0.74%
2039	27,433	260	0.96%	2,934	10	0.34%	8,549	57	0.67%
2040	27,687	254	0.93%	2,946	12	0.41%	8,612	63	0.74%
2021-2023									
Total	1,187			64			358		
Ann. #	594			32			179		
Ann. %	2.80%			1.20%			2.63%		
2023-2040									
Total	5,623			231			1,524		
Ann. #	331			14			90		
Ann. %	1.34%			0.48%			1.15%		

Source: DOLA; Economic & Planning Systems

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4. Housing Supply

This chapter provides an overview of for-sale residential market trends in Norwood, Nucla, Naturita, Ouray, and Ridgway including volume of sales, average price, and average price per square foot. Residential housing sales were tracked from MLS records from 2015 to 2020.

For-Sale Market Trends

Sales Volume

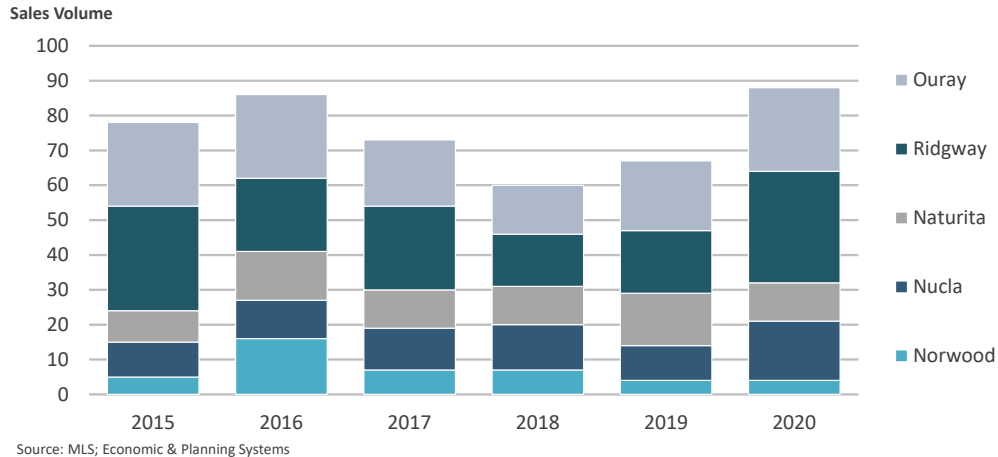
Since 2015, Ridgway averaged roughly 23 residential sales per year with a high of 32 sales in 2020, shown in **Table 23** and **Figure 23**. Over this time, Ridgway had a total of 140 sales, which was the highest among all the communities. The City of Ouray had the second highest sales volume with a total of 125 sales or an average of 21 sales per year. The highest annual volume of sales in Ouray occurred in 2020 with a total of 24 sales. Nucla and Naturita had a similar volume of sales with 73 total sales in Nucla and 71 sales in Naturita. From 2015 to 2020, both towns averaged 12 sales per year. Norwood had a lower volume of sales with a total of 43 sales or an average of 7 sales per year.

Table 23. Sales Volume, 2015-2020

Sales Volume	2015	2016	2017	2018	2019	2020	2015-2020	
							Total	Avg.
Norwood	5	16	7	7	4	4	43	7
Nucla	10	11	12	13	10	17	73	12
Naturita	9	14	11	11	15	11	71	12
Ridgway	30	21	24	15	18	32	140	23
Ouray	<u>24</u>	<u>24</u>	<u>19</u>	<u>14</u>	<u>20</u>	<u>24</u>	<u>125</u>	<u>21</u>
Total	78	86	73	60	67	88	452	75

Source: MLS; Economic & Planning Systems

Figure 23. Sales Volume, 2015-2020



Average Home Price

Between 2015 and 2020, annual price appreciation averaged 11.2 percent per year across all communities evaluated in this analysis, shown in **Table 24**. In 2020, the average home price across all communities was \$434,919, which is a 29 percent price appreciation from \$336,800 the previous year. The highest average price of the communities was Ridgway with an average of \$634,200 in 2020. Since 2015 Ridgway’s average price increased by \$309,300 or an average of \$61,900 per year with an annual growth rate of 14.3 percent, shown in **Figure 24**.

The City of Ouray had the second highest average home price in 2020 at \$551,800. From 2015 to 2020, Ouray’s average home price increased by nearly \$205,000 or an average of \$41,000 per year. Naturita’s average home price more than doubled since 2015 with an increase of \$94,200 to reach \$173,700 in 2020. This price increase largely took place from 2019 to 2020 with a price appreciation of nearly 100 percent. In 2020, Nucla had an average home price of \$124,900. Since 2015 Nucla’s average price increased by \$83,900 or an average of \$16,800 per year at a 25 percent annual growth rate. Norwood had a more modest price increase over this timeframe with \$21,300 or an average of \$4,300 per year at a 2.6 percent annual growth rate. In 2020, Norwood had an average home price of \$175,500, while the year prior the Town’s average price was higher at \$191,800.

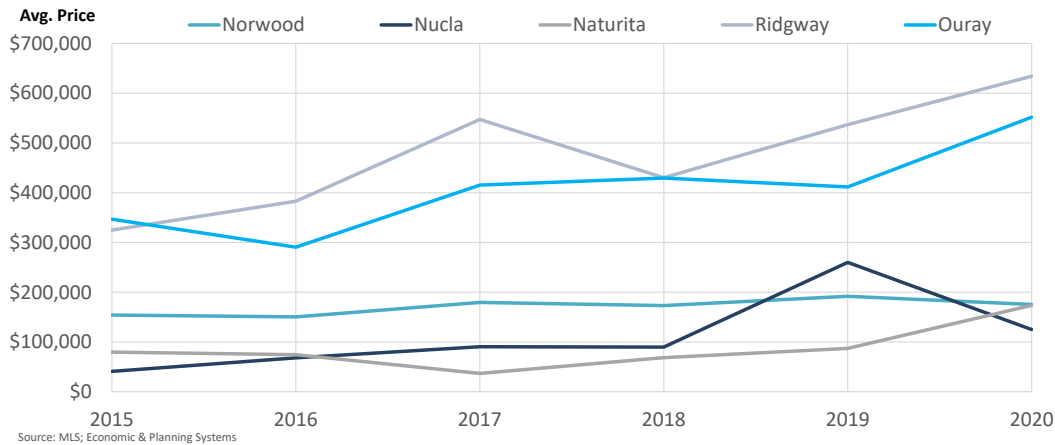
These rates of appreciation are significantly higher than historic averages and make it increasingly difficult for local employees to continue to afford homes in these communities. In contrast, averages wages in San Miguel County and Ouray County increased at 3.7 percent and 3.8 percent per year, respectively.

Table 24. Average Home Price, 2011-2020

Description	2015	2016	2017	2018	2019	2020	2015-2020		
							Total	Avg.	Ann. %
Avg. Price									
Norwood	\$154,200	\$150,313	\$179,366	\$173,143	\$191,750	\$175,500	\$21,300	\$4,260	2.6%
Nucla	\$41,015	\$68,106	\$90,417	\$89,731	\$259,855	\$124,941	\$83,926	\$16,785	25.0%
Naturita	\$79,522	\$74,607	\$36,690	\$68,318	\$87,033	\$173,727	\$94,205	\$18,841	16.9%
Ridgway	\$324,924	\$382,952	\$547,246	\$430,227	\$536,967	\$634,176	\$309,253	\$61,851	14.3%
Ouray	\$346,797	\$290,471	\$415,358	\$429,529	\$411,560	\$551,760	\$204,964	\$40,993	9.7%
Average	\$255,996	\$223,395	\$325,614	\$259,947	\$336,831	\$434,919	\$178,923	\$35,785	11.2%

Source: MLS; Economic & Planning Systems

Figure 24. Average Price, 2015-2020



Source: MLS; Economic & Planning Systems

Average Price per Square Foot

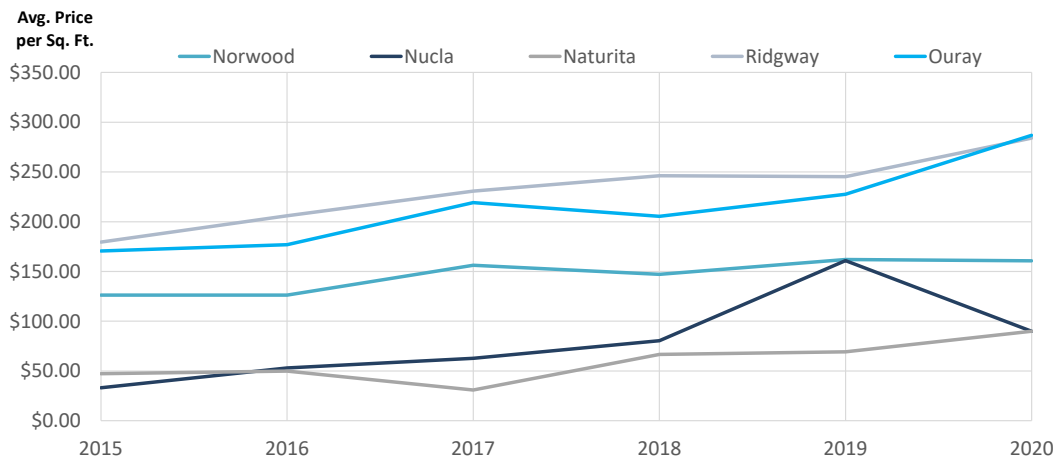
The average price per square foot of homes sold in each community is shown below in **Table 25** and **Figure 25**. In 2020, the overall average was \$217 per square foot, which is an increase of \$78 from \$139 in 2015. Ridgway and Ouray had similar average price per square foot in 2020 at \$284 and \$286 respectively. In Ridgway, the average price per square foot increased by \$104 since 2015 or an average of \$20 per year. In Ouray, the average price per square foot increased by \$116 over this time frame or an average of \$23 per year. The other communities had lower price per square foot with an average of \$90 in Naturita and Nucla in 2020. While Norwood had an average of \$160 per square foot. The average prices in smaller communities can be more volatile year-to-year due to a low volume of sales.

Table 25. Average Price per Square Foot, 2015-2020

Description	2015	2016	2017	2018	2019	2020	2015-2020		
							Total	Avg.	Ann. %
Avg. Price per SF									
Norwood	\$126.32	\$126.27	\$156.23	\$147.18	\$161.95	\$160.71	\$34.39	\$6.88	4.9%
Nucla	\$33.12	\$52.99	\$62.69	\$80.43	\$160.95	\$90.02	\$56.90	\$11.38	22.1%
Naturita	\$47.33	\$49.83	\$30.90	\$66.72	\$69.23	\$89.96	\$42.63	\$8.53	13.7%
Ridgway	\$179.58	\$205.96	\$230.86	\$246.23	\$245.37	\$284.08	\$104.50	\$20.90	9.6%
Ouray	\$170.66	\$176.85	\$219.22	\$205.40	\$227.61	\$286.76	\$116.10	\$23.22	10.9%
Average	\$139.39	\$138.03	\$162.90	\$156.31	\$183.05	\$217.45	\$78.06	\$15.61	9.3%

Source: MLS; Economic & Planning Systems

Figure 25. Average Price per Square Foot, 2015-2020



Source: MLS; Economic & Planning Systems

Home Price Distribution

The distribution of individual home sales in each community from 2015 to 2020 are shown below in **Table 26**. Ridgway and Ouray have higher price points with most homes ranging from \$300,000 to over \$600,000. Approximately 21.5 percent of homes in Ridgway sold over this time were over \$600,000 with the highest price over \$2.7 million. In comparison, Ouray is slightly less expensive with 12.5 percent of homes sold for over \$600,000 with the highest price of \$920,000. In Norwood, the majority of homes sold between \$125,000 and \$225,000 with approximately 30.2 percent sold between \$175,000 to \$200,000. The highest price in Norwood was \$223,500, which illustrates the ceiling price in the Town is below \$225,000. According to local realtors, there is high demand for new homes in Norwood with 2 or 3 bedrooms.

Nucla and Naturita have lower price points with 57.5 percent of Nucla homes and 71.8 percent of Naturita homes sold for less than \$100,000. In Nucla, virtually all the homes on the market are older and in need of repair. There is a significant shortage of newly built, high quality homes for sale.

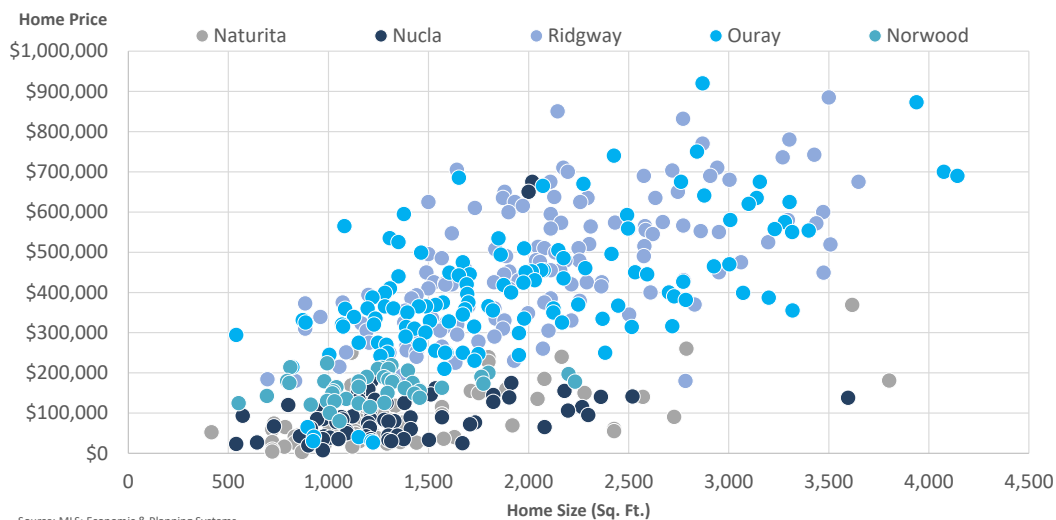
Table 26. Sale Price Distribution, 2015-2020

Sale Price	Norwood		Nucla		Naturita		Ridgway		Ouray	
	#	%	#	%	#	%	#	%	#	%
Less than \$100,000	1	2.3%	42	57.5%	51	71.8%	0	0.0%	6	4.7%
\$100,000 - \$125,000	5	11.6%	7	9.6%	2	2.8%	0	0.0%	0	0.0%
\$125,000 - \$150,000	8	18.6%	13	17.8%	5	7.0%	1	0.7%	0	0.0%
\$150,000 - \$175,000	8	18.6%	5	6.8%	5	7.0%	1	0.7%	0	0.0%
\$175,000 - \$200,000	13	30.2%	2	2.7%	2	2.8%	4	2.8%	0	0.0%
\$200,000 - \$225,000	8	18.6%	0	0.0%	0	0.0%	1	0.7%	2	1.6%
\$225,000 - \$250,000	0	0.0%	0	0.0%	3	4.2%	4	2.8%	5	3.9%
\$250,000 - \$275,000	0	0.0%	1	1.4%	2	2.8%	7	4.9%	8	6.3%
\$275,000 - \$300,000	0	0.0%	0	0.0%	0	0.0%	6	4.2%	5	3.9%
\$300,000 - \$350,000	0	0.0%	0	0.0%	0	0.0%	18	12.5%	19	14.8%
\$350,000 - \$400,000	0	0.0%	0	0.0%	1	1.4%	13	9.0%	26	20.3%
\$400,000 - \$450,000	0	0.0%	1	1.4%	0	0.0%	18	12.5%	14	10.9%
\$450,000 - \$500,000	0	0.0%	0	0.0%	0	0.0%	15	10.4%	13	10.2%
\$500,000 - \$550,000	0	0.0%	0	0.0%	0	0.0%	10	6.9%	5	3.9%
\$550,000 - \$600,000	0	0.0%	0	0.0%	0	0.0%	15	10.4%	9	7.0%
Greater than \$600,000	0	0.0%	2	2.7%	0	0.0%	31	21.5%	16	12.5%
Total	43	100.0%	73	100.0%	71	100.0%	144	100.0%	128	100.0%

Source: MLS; Economic & Planning Systems

The distribution of home price and size (square feet) of homes in each community is shown below in **Figure 26**. Overall, there is a positive correlation between price and size, as expected. Ridgway and Ouray homes have higher price points as well as larger homes. The average home size in Ridgway is 2,100 square feet and 2,000 square feet in Ouray. Norwood homes are a lower price point and have an average size of 1,200 square feet. Nucla and Naturita have the lowest price points and both have an average home size of 1,400 square feet.

Figure 26. Price Distribution by Unit Size, 2015-2020



Source: MLS; Economic & Planning Systems

Price per Square Foot Distribution

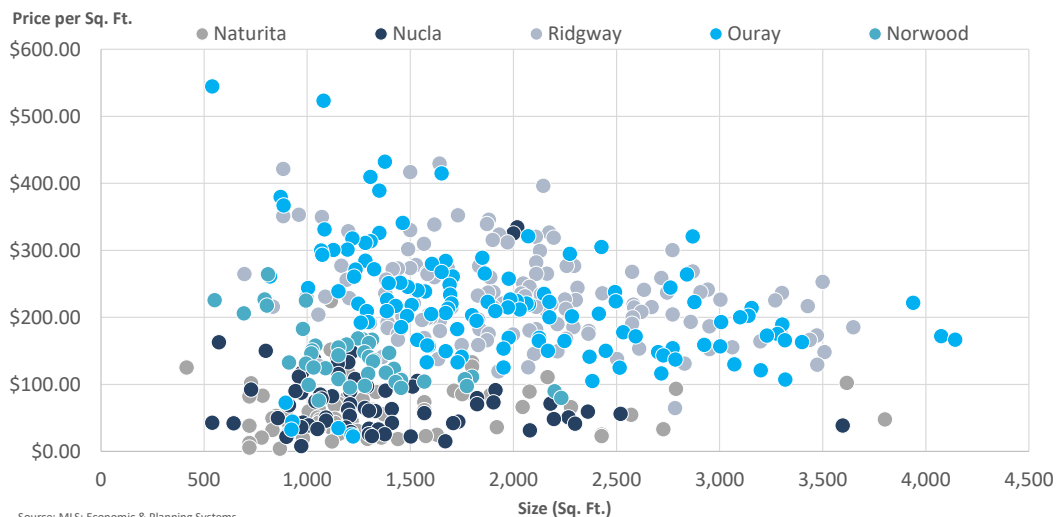
The distribution of home sales per square foot in each community from 2015 to 2020 are shown in **Table 27** and **Figure 27**. Ridgway had a concentration of 47.2 percent of homes sold between \$175 to \$250 per square foot. Similarly, 21.9 percent of homes in Ouray sold between \$200 and \$225 per square foot. The average price per square foot was \$234 in Ridgway and \$218 in Ouray. Norwood had a tight price distribution with 46.5 percent between \$100 and \$150 per square foot. The average price in Norwood was \$141 per square foot. Nucla and Naturita had the majority of homes sold for less than \$100 per square foot. The average price per square foot was \$80 in Nucla and \$60 in Naturita.

Table 27. Price per Square Foot Distribution, 2015-2020

Price per Sq. Ft.	Norwood		Nucla		Naturita		Ridgway		Ouray	
	#	%	#	%	#	%	#	%	#	%
Less than \$100	8	18.6%	56	76.7%	62	87.3%	1	0.7%	7	5.5%
\$100 - \$125	10	23.3%	5	6.8%	4	5.6%	2	1.4%	5	3.9%
\$125 - \$150	10	23.3%	6	8.2%	3	4.2%	10	6.9%	12	9.4%
\$150 - \$175	8	18.6%	2	2.7%	1	1.4%	14	9.7%	18	14.1%
\$175 - \$200	1	2.3%	1	1.4%	0	0.0%	24	16.7%	9	7.0%
\$200 - \$225	3	7.0%	1	1.4%	1	1.4%	21	14.6%	28	21.9%
\$225 - \$250	2	4.7%	0	0.0%	0	0.0%	23	16.0%	12	9.4%
\$250 - \$275	1	2.3%	0	0.0%	0	0.0%	18	12.5%	11	8.6%
\$275 - \$300	0	0.0%	0	0.0%	0	0.0%	7	4.9%	7	5.5%
\$300 - \$350	0	0.0%	2	2.7%	0	0.0%	15	10.4%	11	8.6%
\$350 - \$400	0	0.0%	0	0.0%	0	0.0%	4	2.8%	3	2.3%
Greater than \$400	0	0.0%	0	0.0%	0	0.0%	5	3.5%	5	3.9%
Total	43	100.0%	73	100.0%	71	100.0%	144	100.0%	128	100.0%

Source: MLS; Economic & Planning Systems

Figure 27. Sales Price per Square Foot Distribution, 2015-2020



Source: MLS; Economic & Planning Systems

New versus Existing Homes

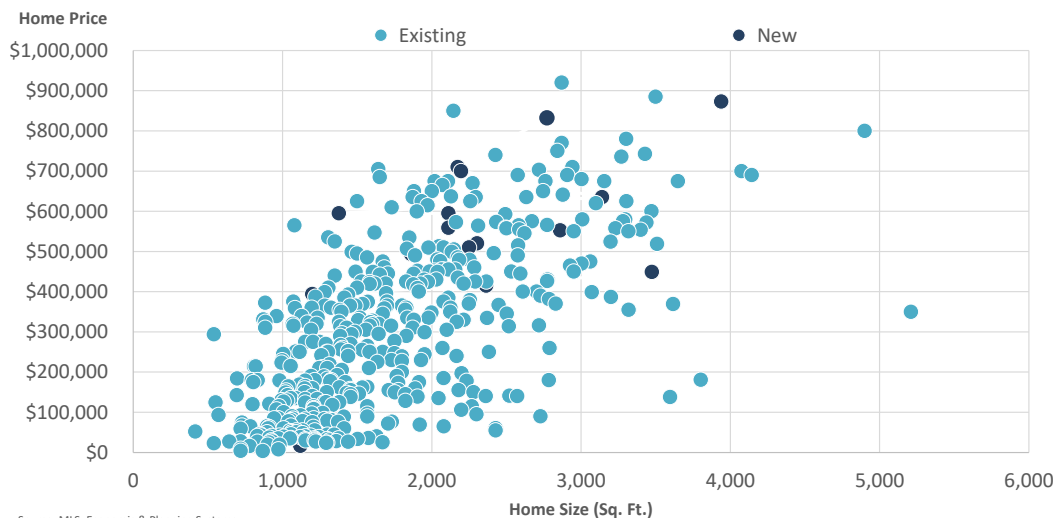
New homes are defined as sold within five years of construction. There were very limited new homes on the market between 2015 and 2020. Only approximately 4 percent of the total sales were of new units. Ridgway had the largest number of new homes sold with 11 sales ranging from \$394,000 to \$832,000, shown in **Table 28** and **Figure 28**. Ouray had four new homes sold over this time that ranged from \$494,000 to \$873,000. Naturita had two new homes sold and both were for less than \$100,000. There were no new homes in Norwood and Nucla over this time period. In total, of the 442 total sales that occurred over the past five years, only 17 or 3.2 percent were new homes. Thus, there is a significant lack of new construction in the region, especially in the smaller communities.

Table 28. Sale Price Distribution New vs. Existing, 2015-2020

Sale Price	Norwood			Nucla			Naturita			Ridgway			Ouray		
	New	Existing	%	New	Existing	%	New	Existing	%	New	Existing	%	New	Existing	%
Less than \$100,000	0	1	2.3%	0	42	57.5%	2	49	100.0%	0	0	0.0%	0	6	0.0%
\$100,000 - \$125,000	0	5	11.6%	0	7	9.6%	0	2	0.0%	0	0	0.0%	0	0	0.0%
\$125,000 - \$150,000	0	8	18.6%	0	13	17.8%	0	5	0.0%	0	1	0.0%	0	0	0.0%
\$150,000 - \$175,000	0	8	18.6%	0	5	6.8%	0	5	0.0%	0	1	0.0%	0	0	0.0%
\$175,000 - \$200,000	0	13	30.2%	0	2	2.7%	0	2	0.0%	0	4	0.0%	0	0	0.0%
\$200,000 - \$225,000	0	8	18.6%	0	0	0.0%	0	0	0.0%	0	1	0.0%	0	2	0.0%
\$225,000 - \$250,000	0	0	0.0%	0	0	0.0%	0	3	0.0%	0	4	0.0%	0	5	0.0%
\$250,000 - \$275,000	0	0	0.0%	0	1	1.4%	0	2	0.0%	0	7	0.0%	0	8	0.0%
\$275,000 - \$300,000	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	6	0.0%	0	5	0.0%
\$300,000 - \$350,000	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	18	0.0%	0	19	0.0%
\$350,000 - \$400,000	0	0	0.0%	0	0	0.0%	0	1	0.0%	1	12	9.1%	0	26	0.0%
\$400,000 - \$450,000	0	0	0.0%	0	1	1.4%	0	0	0.0%	2	16	18.2%	0	14	0.0%
\$450,000 - \$500,000	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	15	0.0%	1	12	25.0%
\$500,000 - \$550,000	0	0	0.0%	0	0	0.0%	0	0	0.0%	2	8	18.2%	0	5	0.0%
\$550,000 - \$600,000	0	0	0.0%	0	0	0.0%	0	0	0.0%	3	12	27.3%	1	8	25.0%
Greater than \$600,000	0	0	0.0%	0	2	2.7%	0	0	0.0%	3	28	27.3%	2	14	50.0%
Total	0	43	100.0%	0	73	100.0%	2	69	100.0%	11	133	100.0%	4	124	100.0%

Source: MLS; Economic & Planning Systems

Figure 28. Sale Price Distribution New vs. Existing, 2015-2020



Source: MLS; Economic & Planning Systems

Available For-Sale Units

The available units for sale within each community that are priced under \$500,000 per unit are illustrated below with a brief description of the inventory.

Norwood

There are currently seven homes for sale in Norwood under \$500,000, with a few profiled below in **Figure 29**. These listings illustrate the available units that are somewhat affordable for the local workforce. The two units on the right were built in the 1990s and the other two were built in 2017 and 2018. Many of the units available in Norwood are manufacture homes, including two shown below.

Figure 29. Available Homes for Sale in Norwood, May 2021



Nucla

Nucla has a more limited supply of available homes for sale with just two homes currently for sale under \$500,000, shown in **Figure 30**. Both homes are priced at \$350,000 or less and were built in the 1950s.

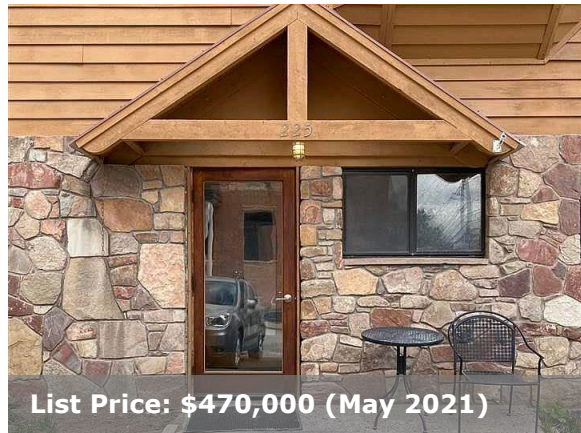
Figure 30. Available Homes for Sale in Nucla, May 2021



Ouray

There were two units available for sale under \$500,000 in the City of Ouray, as shown in **Figure 31**. The home on the left was built in the 1950s. The home on the right was built in 1901 and has since been renovated. This home consists of two units along 6th Avenue with one unit commercial and the other residential.

Figure 31. Available Homes for Sale in Ouray, May 2021



Ridgway

Three available units are currently for sale under \$500,000 in Ridgway and are shown below in **Figure 32**. The two homes on the left are manufactured homes and were built in the early 1970s. The unit on the top right is the former Ridgway Creamery Company building from 1898 and is a highway frontage commercial building that also includes residential space.

Figure 32. Available Homes for Sale in Ridgway, May 2021



Recommended For-Sale Pricing

In order to inform potential average home prices in each of these communities, EPS has worked closely with the Telluride Foundation to begin to estimate the number of units by area median income (AMI) in each of the four communities evaluated in this report. The AMI calculations are based on the respective counties in which the communities are located. Based on these conversations and preliminary financial modeling, EPS and the Telluride Foundation have established initial target AMI levels for each community that generally range from 60 to 100 percent AMI, as shown below, and summarized in in **Table 28**.

- **Norwood** – 50 percent of units at 60 percent AMI and 50 percent of units at 80 percent AMI.
- **Nucla** – 50 percent of units at 60 percent AMI and 50 percent of units at 80 percent AMI.
- **Ouray** – Two-thirds of units at 60 percent AMI and one-third of units at 80 percent AMI.
- **Ridgway** – 50 percent of units at 60 percent AMI and 50 percent of units at 80 percent AMI.

To reflect the actual sale prices of homes in each community, EPS has referenced current averages for new and existing product and the sale price distribution of homes sold over the past five years. Based on this information, EPS recommends further discounting estimated home prices in Norwood and Nucla by 20 percent in order to better align the estimated affordable home value with actual sales in these communities, while accounting for the premium new product is likely to have over existing product that is fairly dated in both of these communities.

Based on these adjustments, target average homes values in Norwood are estimated at \$215,570, \$185,325 in Nucla, \$237,745 in Ouray, and \$249,693 in Ridgway, as shown in **Table 29**. Based on these averages and countywide AMI levels, these homes are affordable for households earning 56 percent of AMI in Norwood, 56 percent of AMI in Nucla, 66.7 percent of AMI in Ouray, and 70 percent of AMI in Ridgway. While these are helpful metrics, the focus of this program is on providing housing for households earning less than 120 percent of AMI countywide. As a result, these lower AMI targets would not prevent someone earning under 120 percent AMI from qualifying for these homes.

It is also important to note that the Foundation is currently contemplating a 3.0 percent annual price appreciation cap on the value of the homes included in the program. In some communities, a price cap can limit the amount of demand for affordably priced units. However, in the communities evaluated in this analysis, a price cap is unlikely to have a material impact on the level of demand for new affordably priced units. In Nucla and Norwood, this is anticipated to be driven by the lack of new product available for purchase and relatively modest long-term home price appreciation rates. In Ridgway and Ouray, recommended home pricing is well below current market averages, which is anticipated to outweigh any buyer resistance to a price appreciation cap.

Table 29. Recommended For-Sale Pricing

Description	Norwood San Miguel County	Nucla Montrose County	Ouray Ouray County	Ridgway Ouray County
Home Price Distribution				
Less than \$100,000	2%	58%	0%	5%
\$100,000 - \$125,000	12%	10%	0%	0%
\$125,000 - \$150,000	19%	18%	1%	0%
\$150,000 - \$175,000	19%	7%	1%	0%
\$175,000 - \$200,000	30%	3%	3%	0%
\$200,000 - \$225,000	19%	0%	1%	2%
\$225,000 - \$250,000	0%	0%	3%	4%
\$250,000 - \$275,000	0%	1%	5%	6%
\$275,000 - \$300,000	0%	0%	4%	4%
\$300,000 - \$350,000	0%	0%	13%	15%
\$350,000 - \$400,000	0%	0%	9%	20%
\$400,000 - \$450,000	0%	1%	13%	11%
\$450,000 - \$500,000	0%	0%	10%	10%
\$500,000 - \$550,000	0%	0%	7%	4%
\$550,000 - \$600,000	0%	0%	10%	7%
Greater than \$600,000	0%	3%	22%	13%
Average Price (2021)	\$175,500	\$124,941	\$551,760	\$634,176
Estimated Unit Distribution (% of Total)				
120% AMI	0%	0%	0%	0%
100% AMI	0%	0%	0%	0%
80% AMI	50%	50%	33%	50%
60% AMI	50%	50%	67%	50%
Affordable Home Price (2.5-Person)				
120% AMI	---	---	---	---
100% AMI	---	---	---	---
80% AMI	\$307,957	\$264,750	\$285,295	\$285,295
60% AMI	\$230,968	\$198,562	\$213,971	\$213,971
Average Project Home Value	\$269,463	\$231,656	\$237,745	\$249,633
Recommended Discount	20%	20%	0%	0%
Discounted Affordable Price (2.5-Person)				
120% AMI	---	---	---	---
100% AMI	---	---	---	---
80% AMI	\$246,366	\$211,800	\$285,295	\$285,295
60% AMI	\$184,774	\$158,850	\$213,971	\$213,971
Average Project Home Value	\$215,570	\$185,325	\$237,745	\$249,633
Estimated Monthly Payment	\$814	\$700	\$898	\$943
Average Affordability	56.0%	56.0%	66.7%	70.0%

Source: CHFA; MLS; Economic & Planning Systems

Recommended Unit Mix

In order to help inform potential program mix, EPS has summarized the current unit mix in Ouray County and San Miguel County and the stated preference for unit size based on the most recently completed housing needs assessments in both counties. In Ouray County, roughly 3.8 percent of existing owner households are in 1-bed units, 21.2 percent are in 2-bed units, 54.8 percent are in 3-bed units, 16.5 percent are in 4-bed units, and 3.7 percent are in units with more than five beds, as shown in **Table 30**. San Miguel County has a fairly similar existing unit mix, with a slightly higher percentage of 2-bed units and a slightly lower percentage of 3-bed units.

Based on the most recently completed Housing Needs Assessment completed in 2011 in Ouray County and 2018 in San Miguel County, current owner households surveyed stated primarily stated a preference for 2-bed, 3-bed, and 4-bed units. In Ouray County, approximately 35 percent of owner households surveyed stated a preference for 2-bed units, 37 percent stated a preference for 3-bed units, and 23 percent stated a preference for 4-bed units. In San Miguel County, approximately 38 percent of owner households stated a preference for 2-bed units, 49 percent stated a preference for 3-bed units, and 11 percent stated a preference for 4-bed units.

Based on these preferences and the Foundation's goal of providing new housing to local working households, EPS recommends a mix of roughly 40 percent 2-bed units, 40 percent 3-bed units, and the remainder as a mix of 1-bed or studio units based on the constraints of the site and local stated demand for specific bedroom types. It is also noted that demographic trends will ultimately put greater pressure on smaller unit sizes and this recommendation reflects these larger demographic trends.

Table 30. Existing Unit Mix and Preferred Number of Bedrooms

# of Bedrooms	Ouray County		San Miguel County	
	2019 Census	Preference [1]	2019 Census	Preference [2]
Owners				
1	3.8%	4.7%	9.0%	0.0%
2	21.2%	35.4%	26.3%	38.0%
3	54.8%	37.0%	41.7%	49.0%
4	16.5%	22.9%	16.2%	11.0%
5+	<u>3.7%</u>	<u>0.0%</u>	<u>6.7%</u>	2.0%
Total	100.0%	100.0%	100.0%	100.0%
Renters				
1	15.6%	22.7%	31.4%	14.0%
2	38.7%	30.9%	40.2%	55.0%
3	33.5%	24.8%	25.3%	27.0%
4	11.0%	19.5%	3.0%	4.0%
5+	<u>1.3%</u>	<u>2.1%</u>	<u>0.0%</u>	0.0%
Total	100.0%	100.0%	100.0%	100.0%
<hr/>				
Combined				
1	6.9%	16.8%	16.6%	10.0%
2	25.8%	32.8%	31.0%	51.0%
3	49.2%	28.5%	36.2%	32.0%
4	15.1%	20.5%	11.8%	6.0%
5+	<u>3.0%</u>	1.4%	<u>4.5%</u>	1.0%
Total	100.0%	100.0%	100.0%	100.0%

[1] 2011 Housing Needs Assessment survey results

[2] 2018 Housing Need Assessment survey results

Source: U.S. Census; Economic & Planning Systems

\\EgnyteDrive\epsys\Shared\Projects\DEN\213050-Rural Housing Initiative Market Study\Data\213050-Number of Beds-6-18-2021.xlsx]T-Bed Pref

Rental Market

This section provides a summary of the for-rent residential market in Montrose, Ouray, and San Miguel Counties. Data for rental housing is not as readily available as home sales data. EPS conducted reviews of rental websites including Craigslist, Zillow, Apartments.com, and Facebook Marketplace throughout the month of May 2021. Available rental units in each city and town are summarized to identify unit size and rental rates.

Rental Rates

Limited units were available for rent, which supports the qualitative information of a very tight supply of rental units. Most often, units turnover through word of mouth and do not make a rental listing. The majority of units available were located in Montrose. Overall, the average rental rate was \$1,500 for a 2-bedroom unit, shown in **Table 31**, which is approximately \$800 per bed.

Table 31. Rental Rates, May 2020





#	Location	Type	Beds	Bath	Sq. Ft.	Rent	\$ per SF	\$ per Bed
1	Norwood	Apartment	2	1.5	1,600	\$2,500	\$1.56	\$1,250
2	Naturita	Townhome	2	1.0	750	\$825	\$1.10	\$413
3	Ridgway	House	3	2.0	1,450	\$1,950	\$1.34	\$650
4	Montrose	House	2	1.5	1,350	\$1,800	\$1.33	\$900
5	Montrose	House	2	1.0	750	\$1,100	\$1.47	\$550
6	Montrose	House	1	1.0	1,200	\$1,175	\$0.98	\$1,175
7	Montrose	House	4	2.0	1,787	\$1,900	\$1.06	\$475
8	Montrose	House	2	1.0	801	\$1,400	\$1.75	\$700
9	Montrose	Apartment	1	1.0	575	\$995	\$1.73	\$995
Average			2	1.3	1,140	\$1,516	\$1.37	\$790

Source: Craigslist; Zillow; Economic & Planning Systems

Available Units

The available rental units with photos are shown below in **Figure 33**. The majority of units are single family detached homes or an apartment within a single family home with a private entrance. The only unit available in Ridgway is an older manufactured home with a dated exterior, although the interior was recently remodeled.

Figure 33. Available Rental Units, May 2021

Available Rental Units	
	<p>Ridgway Clinton Street near North Laura Street</p> <p>Rental Rate: \$1,950 Size: 1,450 sq. ft. Beds: 3 Baths: 2</p> <p>Inside recently remodeled and new appliances. Street parking</p>
	<p>Naturita 130 Porter St #8</p> <p>Rental Rate: \$825 Size: 750 sq. ft. Beds: 2 Baths: 1</p> <p>New appliances</p>
	<p>Montrose Downtown Montrose</p> <p>Rental Rate: \$1,800 Size: 1,350 sq. ft. Beds: 2 Baths: 1.5</p> <p>Recently remodeled; Apartment on second floor is rented separately</p>
	<p>Montrose 740 S 5th St</p> <p>Rental Rate: \$1,400 Size: 801 sq. ft. Beds: 2 Baths: 1</p> <p>Brand new remodeled kitchen with all new appliances</p>

Available Rental Units



Montrose

60805 Oasis Rd

Rental Rate: \$1,175

Size: 1,200 sq. ft.

Beds: 1

Baths: 1

Apartment within home; private entrance



Montrose

1124 Deer Trail Rd

Rental Rate: \$1,900

Size: 1,787 sq. ft.

Beds: 4

Baths: 2

Washer and drying not provided

Short-Term Rental Market

This section provides an overview of the short-term rental market around the four communities evaluated in this report. Specific areas evaluated in this section include the communities of Norwood, Nucla, Ouray, and Ridgway as shown in **Figure 34** through **Figure 37**. This analysis relies on reservations made through Airbnb and cataloged by AirDNA. AirDNA data and analytics are based on Airbnb data gathered from information publicly available on the Airbnb website. Its database tracks the performance of Airbnb listings and generates custom raw data reports.

Within the three regions evaluated in this section, specific information is provided on total active listings, demand growth over the past three years, and average daily rates and ranges.

Figure 34. Short-Term Properties: Norwood

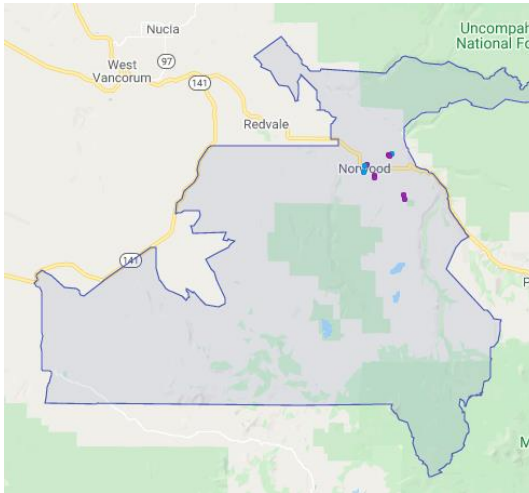


Figure 36. Short-Term Properties: Ouray

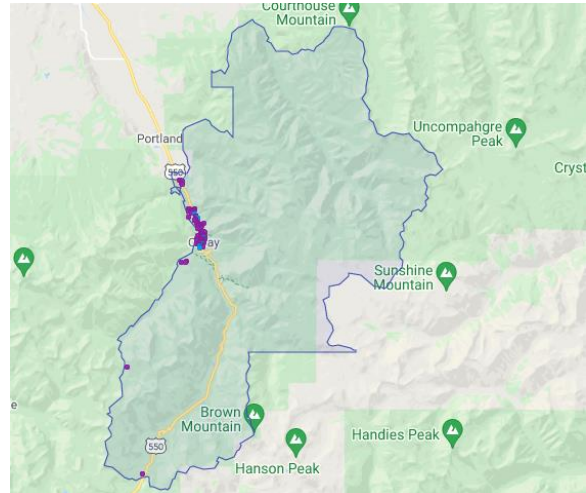


Figure 35. Short-Term Properties: Nucla

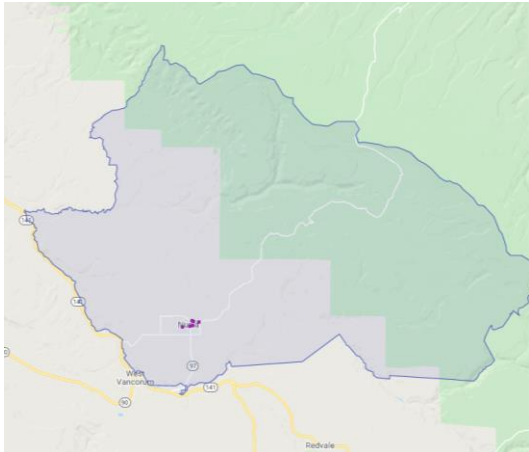
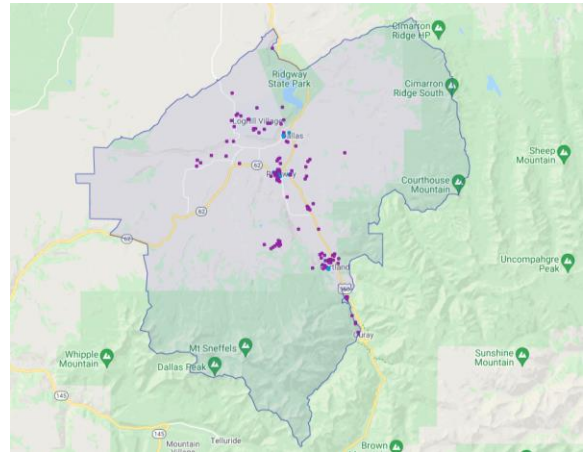


Figure 37. Short-Term Properties: Ridgway



Active Listings

There are currently (as of 6/3/2021) a total of seven current active listings in Norwood, five active listings in Nucla, 157 active listings in Ouray, and 126 active listings in Ridgway, as shown in **Figure 38** through **Figure 41**. The figures shown below show the number of active listings for an entire home (shown in purple), a private room (shown in blue), and a shared room (shown in green) in each of the four communities evaluated in this analysis.

While the number of listings in Norwood and Ridgway have slightly decreased over the past three years, the number of listings in Nucla and Ouray have significantly increase. In Nucla the number of listings increased from one in 2018 to five in 2021 and in Ouray the number of listings increased from roughly 90 (entire home and private room) to 160 in 2020.

In the City of Ouray and the Town of Ridgway, the two communities with the highest concentration of short-term rental properties, short-term rental represent a significant proportion of the existing housing stock. Currently listed short-term rentals represent 18 percent of the current housing stock in Ouray and 22 percent of the current housing stock in Ridgway.

Figure 38. Active Listing Summary: Norwood

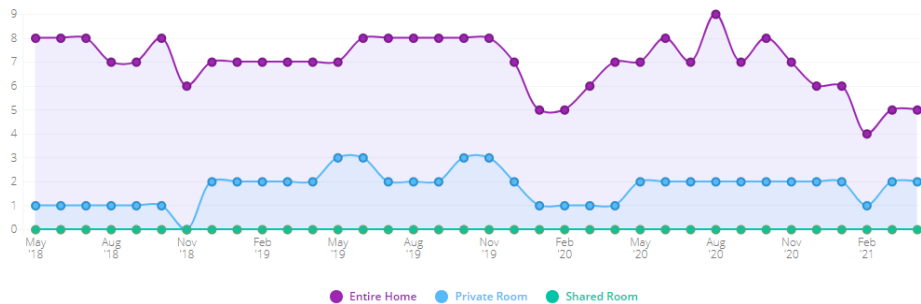


Figure 39. Active Listing Summary: Nucla

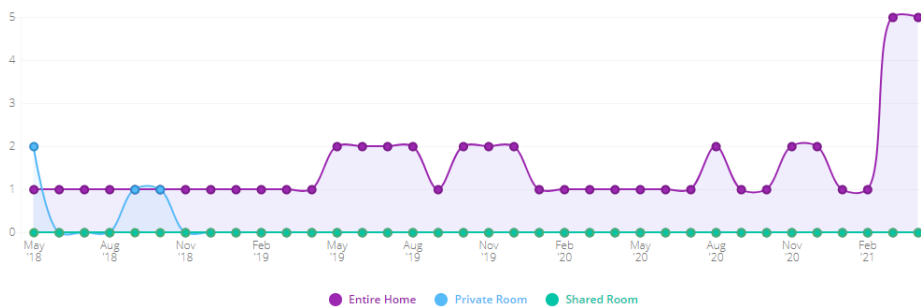


Figure 40. Active Listing Summary: Ouray

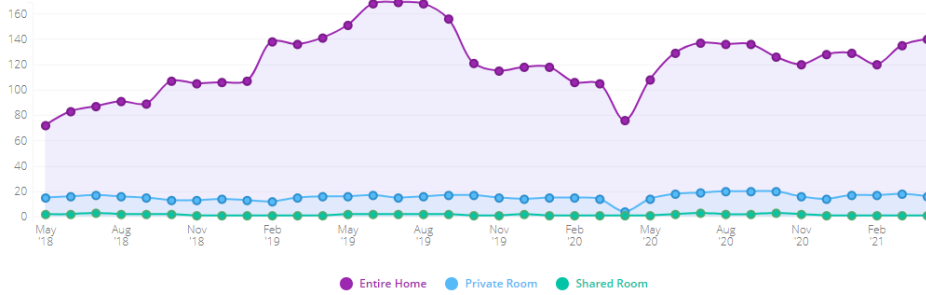
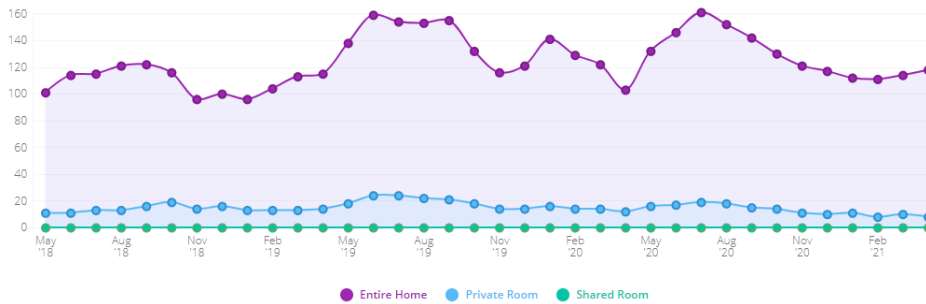


Figure 41. Active Listing Summary: Ridgway



Demand Growth

Between May 2018 and February 2021, there has been steady, yet seasonal, growth in the amount of demand for short-term rentals in all four of the regions evaluated in this section, as shown in **Figure 42** through **Figure 45**. Across all four communities, demand for short-term rentals generally increases in the summer months and decreases in the winter months. The figures shown below show the number of properties booked (shown by purple line, right-hand side axis) and the number of listing nights booked (shown by orange bar, left-hand side axis).

Figure 42. Booked Properties and Booked Listing Nights: Norwood

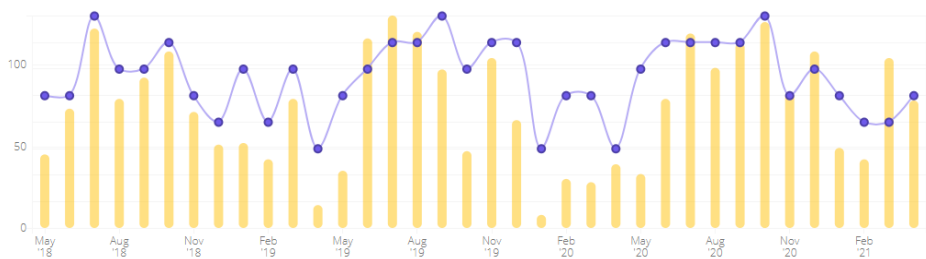


Figure 43. Booked Properties and Booked Listing Nights: Nucla

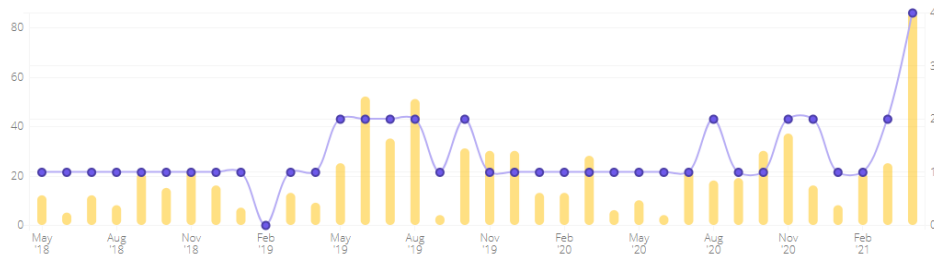


Figure 44. Booked Properties and Booked Listing Nights: Ouray

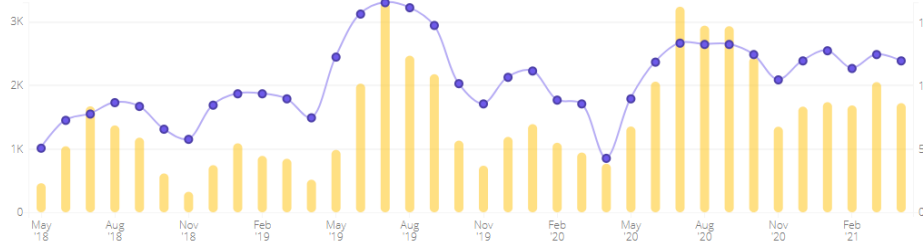
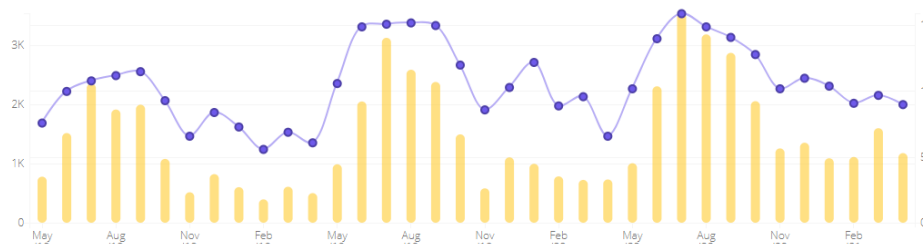


Figure 45. Booked Properties and Booked Listing Nights: Ridgway



Average Daily Rate

In addition to a steady increase in the number of active listings in the four communities, there has also been steady growth in the average daily rate, as shown in **Figure 46** through **Figure 49**. The data further illustrate the seasonal nature of the short-term rental market in these four communities: pricing troughs in the winter months, and pricing peaks in the summer months. The figures shown below show the total number of booked properties (shown by purple line, right-hand side axis) and the average daily rate (shown by orange bar, left-hand side axis).

Figure 46. Average Daily Rate: Norwood

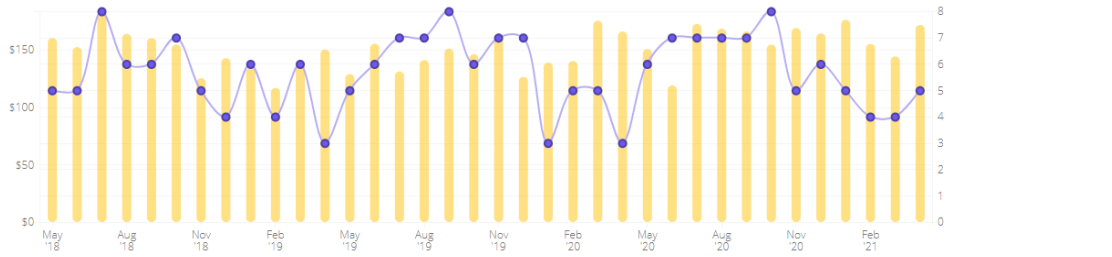


Figure 47. Average Daily Rate: Nucla

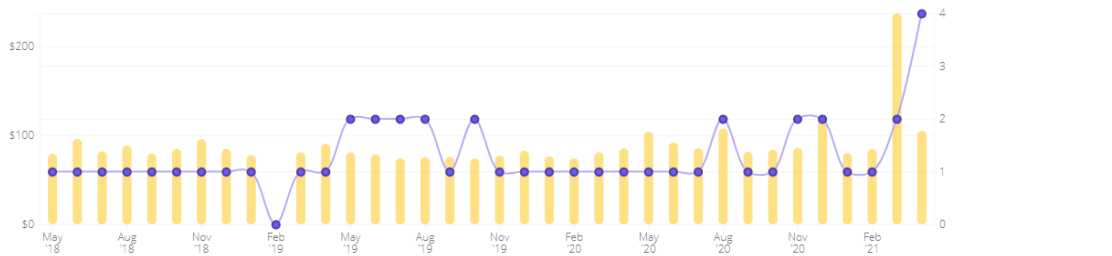


Figure 48. Average Daily Rate: Ouray

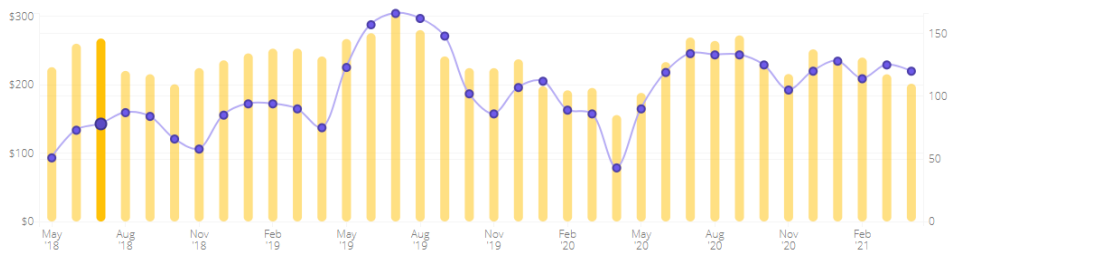
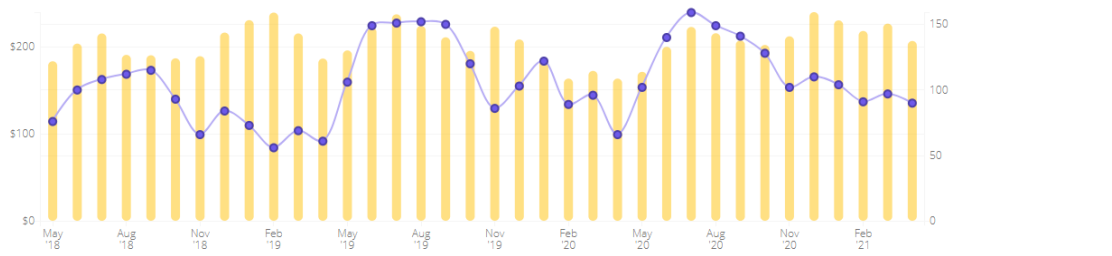


Figure 49. Average Daily Rate: Ridgway



5. Housing Demand

This chapter provides an initial estimate of potential housing demand for ownership units in each of the communities evaluated in this report. Demand is estimated based on potential buyers currently living within each of the communities, in-commuter demand, and demand from employment growth. In addition, this chapter provides a summary of housing need as stated by local agencies and larger employers.

Housing Needs Assessment

In order to estimate the potential demand for new housing in each of these communities, EPS has referenced a number of studies completed in the region over the past 10 years. Most notably, EPS has relied on survey data summarized in the *Ouray County Housing Needs Assessment (Reese Consulting and RRC Associates, 2011)* and the *San Miguel Housing Needs Assessment (EPS and RRC Associates, 2018)*. Specific metrics cited in these two documents are used to estimate demand for housing include the following:

Percent of County residents that want to move in the next five years:

- Renters: 39.0 percent in San Miguel County and 29.4 percent in Ouray County
- Owners: 20.0 percent in San Miguel County and 13.7 percent in Ouray County

Average number of jobs per employee:

- San Miguel County: 1.50 jobs per employee
- Ouray County: 1.26 jobs per employee

Average number of employees per household:

- San Miguel County: 1.56 employees per household
- Ouray County: 1.50 employees per household

First choice for housing location:

- Norwood: 20 percent of San Miguel County surveyed respondents stated that they would prefer to live in Norwood. It is important to note that this also corresponds to the percent of respondents that currently reside in Norwood. This represents an increase in the number of respondents who stated a preference to live in Norwood from 7 percent in 2011 to 20 percent in 2018.
- Ridgway: 8 percent of San Miguel County resident survey respondents stated a preference to live in Ridgway.
- Nucla: 1 percent of respondents stated a desire to live in Nucla.

- Ouray: 17.20 percent of Ouray County resident survey respondents stated a desire to live in Ouray.
- Ridgway: 39.5 of respondents stated a desire to live in Ridgway.

Percent of in-commuters who want to move into the county:

- San Miguel County: 60 percent of in-commuters stated a preference to move into the county.
- Ouray County: 40 percent of in-commuters stated a preference to move into the county.

Existing Household Demand

There is a considerable amount of pent-up demand for affordable ownership and rental housing in the region. Much of this demand is concentrated in households earning under 120 percent AMI and currently living in dated or substandard housing. In order to begin to define demand for new ownership housing in each of these communities, EPS has evaluated the number of renter and owner households by AMI level and, based on survey data, estimated demand for new housing based on stated preferences to move and ability to purchase a new home. For the purposes of this analysis, EPS has focused on the renter households that may be willing to move earning between 80 and 120 percent AMI and owner households willing to move earning between 60 and 120 percent AMI. The difference in the focus income groups between renters and owners reflects the potential ability to afford a down payment between these two groups. Generally, owners have some amount of equity built-up in their current housing option that can be applied to a new home purchase, while renters generally have less equity available that can be used for a down payment.

In Norwood, there are 19 renter households that earn between 80 and 120 percent AMI with an additional 33 owner households that earn between 60 and 120 percent AMI, shown in **Table 32**. Nucla has 9 renter households in this target income group and an additional 67 owner households in the target income group. In Ouray, the target income group includes 54 renter households and 105 owner households. And finally, in Ridgway, there are 10 renter households and 76 owner households in the target demand group.

Table 32. Households by AMI, 2019

Households	Norwood	Nucla	Ouray	Ridgway
Renter Households				
Under 30% AMI	42	46	14	74
30% to 50% AMI	17	9	8	38
50% to 60% AMI	6	6	5	14
60% to 80% AMI	15	9	13	12
80% to 100% AMI	11	5	28	3
100% to 120% AMI	8	4	26	8
Above 120% AMI	<u>14</u>	<u>5</u>	<u>44</u>	<u>61</u>
Total	113	83	138	210
80% to 120% Total	19	9	54	10
Owner Households				
Under 30% AMI	0	14	9	45
30% to 50% AMI	15	60	47	29
50% to 60% AMI	4	22	22	16
60% to 80% AMI	8	33	45	31
80% to 100% AMI	14	19	34	23
100% to 120% AMI	11	15	27	22
Above 120% AMI	<u>57</u>	<u>28</u>	<u>122</u>	<u>144</u>
Total	109	192	306	310
60% to 120% Total	33	67	105	76

Source: U.S. Census; ACS 5-year; Economic & Planning Systems

Based on the number of renter and owner households by AMI, the results of the survey results documented in the Housing Needs Assessment, and estimates of the percent of households that are able to qualify for new ownership housing, EPS has developed an initial estimate of potential demand for new housing from existing residents. As previously noted, survey results indicate that in San Miguel County 39 percent of renter households want to move in the next five years and 20 percent of owner households want to move in the next five years. In Ouray County, 29.4 percent of renter survey respondents want to move in the next five years and 13.7 percent of owner survey respondents want to move in the next five years.

For the purposes of this analysis, EPS has made an additional adjustment to the estimates of demand to account for the percent of renter and owner households that are able to qualify to buy a new home and afford the required down payment. For renter households, EPS has estimated that 25 percent of renter households are able to qualify and 75 percent of owner households are able to qualify.

Based on these assumptions, demand for new ownership housing from both owners and renters is estimated at 6.8 units in Norwood, 7.6 units in Nucla, 14.8 units in Ouray, and 7.8 units in Ridgway, as shown in **Table 33**.

Table 33. Existing Household Demand, 2021

Description	Norwood	Nucla	Ouray	Ridgway
Renter Households				
80% to 100% AMI	11	5	28	3
100% to 120% AMI	<u>8</u>	<u>4</u>	<u>26</u>	<u>8</u>
Subtotal	19	9	54	10
% Willing to Move	39.0% [1]	39.0% [1]	29.4% [2]	29.4% [2]
% Able to Qualify	25%	25%	25%	25%
Renter Demand	1.9	0.9	4.0	0.8
Owner Households				
60% to 80% AMI	8	33	45	31
80% to 100% AMI	14	19	34	23
100% to 120% AMI	<u>11</u>	<u>15</u>	<u>27</u>	<u>22</u>
Subtotal	33	67	105	76
% Willing to Move	20.0% [1]	20.0% [1]	13.7% [2]	13.7% [2]
% Able to Qualify	75%	50%	75%	75%
Owner Demand	4.9	6.7	10.8	7.8
Total Demand	6.8	7.6	14.8	8.6

[1] San Miguel County Housing Needs Assessment (2018)

[2] Ouray County Housing Needs Assessment (2011)

Source: Economic & Planning Systems

In-Commuter Demand Estimate

In each of these communities, in-commuters represent a significant source of potential demand for new affordably priced housing units. Due to the high cost of housing and limited number of available options, the majority of in-commuters in all four of these communities come from Montrose, which generally has a greater supply of affordable housing options. For the purposes of this analysis, EPS has relied on data published by the U.S. Census Bureau (Longitudinal Employer-Household Dynamics data) to estimate the number of employees that are commuting from Montrose to each of these communities. It is important to note that these estimates reflect 2017 data and likely underrepresent the current number of in-commuters to each community.

In-commuters from Montrose represent a significant proportion of overall local employment in both Ridgway and Ouray. There are an estimated 86 employees that in-commute from Montrose to Ouray and 134 employees that in-commute from Montrose to Ridgway, as shown in **Table 34**. In-commuters from Montrose to Norwood and Nucla are fairly limited and estimated at 4 and 8, respectively. However, there are a significant number of employees that commute from Montrose to Telluride. Based on the 2017 LEHD data, there were 390 employees that were commuting from Montrose to Telluride on a daily basis. These commuters represent an additional source of potential demand for new ownership housing in each of the communities evaluated in this analysis.

In order to convert in-commuters to potential demand for new ownership housing, EPS has estimated the number of in-commuters that may be willing to move based on survey data documented in each county's housing needs assessment and estimated the percent of households willing to move that would qualify to purchase a new home. Based on the survey data, 60 percent of Montrose to Norwood in-commuters are estimated to be willing to move, as shown in **Table 34**. In Ouray and Ridgway, the survey data indicate that 40 percent of in-commuters would be willing to move. And in Nucla, EPS estimated the number of in-commuter willing to move at 15 percent.

As noted, potential demand from in-commuters from Montrose to Telluride in each of these communities is also estimated. EPS estimated that 10 percent of these in-commuters may be willing to move to Norwood, 5 percent may be willing to move to Nucla and Ouray, and 20 percent may be willing to move to Ouray. Finally, of the total in-commuters from Montrose that are willing to move, EPS has estimated that only 25 percent might be able to qualify to purchase a new home in each of these four communities. Based on these assumptions, total in-commuter demand is estimated at 10.4 units in Norwood, 5.2 units in Nucla, 13.5 units in Ouray, and 32.9 units in Ridgway.

Table 34. In-Commuter Housing Demand

Description	Norwood	Nucla	Ouray	Ridgway
Montrose Commuters to Specific Community				
Montrose In-Commuters	4	8	86	134
% Willing to Move	60% [1]	15% [2]	40% [3]	40% [3]
% Able to Qualify	25%	25%	25%	25%
Demand: Montrose to Community	0.6	0.3	8.6	13.4
<hr/>				
Montrose Commuters to Telluride				
% Willing to Move	10% [2]	5% [2]	5% [2]	20% [2]
% Able to Qualify	25%	25%	25%	25%
Demand: Montrose to Telluride	390 [4]	9.8	4.9	19.5
<hr/>				
Total Demand	10.4	5.2	13.5	32.9

[1] San Miguel County Housing Needs Assessment (2018)

[2] Estimate

[3] Ouray County Housing Needs Assessment (2011)

[4] Total in-commuters from Montrose to Telluride (LEHD, 2017)

Source: Economic & Planning Systems

Employment Demand

In addition to pent-up demand from current households and in-commuters, there will be additional demand for new housing based on the amount of employment growth in San Miguel County and Ouray County.

San Miguel County

In San Miguel County, DOLA projects that employment will increase from 6,730 jobs in 2021 to 7,088 jobs in 2023, a growth rate of 2.63 percent, as shown in **Table 35**. Based on the estimated number of jobs per employee, employees per household, and percent owner households, there is estimated to be demand for an additional 49 ownership housing units in 2021, demand for 29 units in 2022, and demand for 48 units in 2023.

Table 35. Employment Housing Demand, San Miguel County, 2021-2023

Description	Factor	2021	2022	2023
Employment Forecast				
San Miguel County Employment	2.63% per yr.	6,730	6,866	7,088
New Employees		228	136	222
New Jobs [1]	1.50 jobs/emp.	152	91	148
New Households [1]	1.56 emp/HH	97	58	95
% Owner HHs	50.65% owner HH	49	29	48
Town Capture				
Norwood	10.00% capture	4.9	2.9	4.8
Nucla	5.00% capture	2.5	1.5	2.4
Ouray	5.00% capture	2.5	1.5	2.4
Ridgway	10.00% capture	4.9	2.9	4.8
Cumulative Capture				
Norwood		4.9	7.9	12.7
Nucla		2.5	3.9	6.3
Ouray		2.5	3.9	6.3
Ridgway		4.9	7.9	12.7

[1] San Miguel County Housing Needs Assessment (2018)

Source: Bureau of Labor Statistics; Economic & Planning Systems

For the purposes of this analysis, EPS has estimated that Norwood will be able to capture 10 percent of this growth, Nucla will be able to capture 5 percent, Ouray will be able to capture 5 percent, and Ridgway will be able to capture 10 percent. These estimates reflect existing employment distribution in the region, stated preferences for home location from the survey data, and adjustments to account for how these metrics might apply to future households.

Between 2021 and 2023, EPS estimates that employment growth in San Miguel County will translate to new demand for an additional 12.7 ownership units in Norwood, 6.3 units in Nucla, 6.3 units in Ouray, and 12.7 units in Ridgway.

Ouray County

In Ouray County, employment is estimated to increase from 2,651 jobs in 2021 to 2,715 jobs in 2023, a growth rate of 1.20 percent per year, as shown in **Table 36**. The Town of Ouray is estimated to be able to capture approximately 39.50 percent of the demand for new ownership housing in the county and the Town of Ouray is estimated to be able to capture 17.20 percent, which reflects preferences for home location documented in the Housing Needs Assessment. Total demand for new ownership units through 2023 is estimated at 4.2 units in Ouray and 9.7 units in Ridgway.

Table 36. Employment Housing Demand, Ouray County, 2021-2023

Description	Factor	2021	2022	2023
Employment Forecast				
Ouray County Employment	1.20% per yr.	2,651	2,683	2,715
New Employees		8	32	32
New Jobs [1]	1.26 jobs/emp.	6	25	25
New Households [1]	1.50 emp/HH	4	17	17
% Owner HHs	64.24% owner HH	3	11	11
Town Capture				
Norwood	0.00% capture	0.0	0.0	0.0
Nucla	0.00% capture	0.0	0.0	0.0
Ouray [1]	17.20% capture	0.5	1.9	1.9
Ridgway [1]	39.50% capture	1.1	4.3	4.3
Cumulative Capture				
Norwood		0.0	0.0	0.0
Nucla		0.0	0.0	0.0
Ouray		0.5	2.3	4.2
Ridgway		1.1	5.4	9.7

[1] Ouray County Housing Needs Assessment (2011)

Source: Bureau of Labor Statistics; Economic & Planning Systems

Total Demand Estimate and Stated Need

Based on demand from existing households, in-commuters, and employment growth, EPS has developed an estimate of total demand for new ownership housing in each of the four communities evaluated in this report. Total demand is estimated at 31 units in Norwood, 19 units in Nucla, 40 units in Ouray, and 64 units in Ridgway, as shown in **Table 37**.

Table 37. Total Housing Demand, 2021

Description	Norwood	Nucla	Ouray	Ridgway
Owner Housing Demand				
Existing Households	7	8	15	9
Montrose to Community In-Commuter	1	0	9	13
Montrose to Telluride In-Commuter	10	5	5	20
Employment Forecast (3-Year)	<u>13</u>	<u>6</u>	<u>11</u>	<u>22</u>
Total	31	19	40	64

Source: Economic & Planning Systems

It is also important to note that the Telluride Foundation is in active discussions with a number of local agencies and major employers in each of these communities. While these discussions are still preliminary and no agreements have been finalized, they help to provide an additional indication of the amount of demand for additional housing in the region. The following provides a summary of stated need for housing from each of the major public agencies or employers the Telluride Foundation has engaged to date.

Nucla	West End School District – 5 homes (first right and remaining homes revert to general pool). Total = 5 homes
Norwood	San Miguel County – 5 homes (first right and will contract to purchase) Regional Medical Clinics – 5 homes (first right and will contract to purchase) Telluride Foundation – 1 home (first right and remaining homes revert to general pool) Total = 11 homes
Ridgway	Town of Ridgway, Ouray County, Fire District, or School District – 6 to 8 homes Telluride Foundation – 1 home (first right and remaining homes revert to general pool) Total = 7 to 9 homes
Ouray	Ouray Silver Mines – 45 homes (will contract to purchase) Total = 45 homes