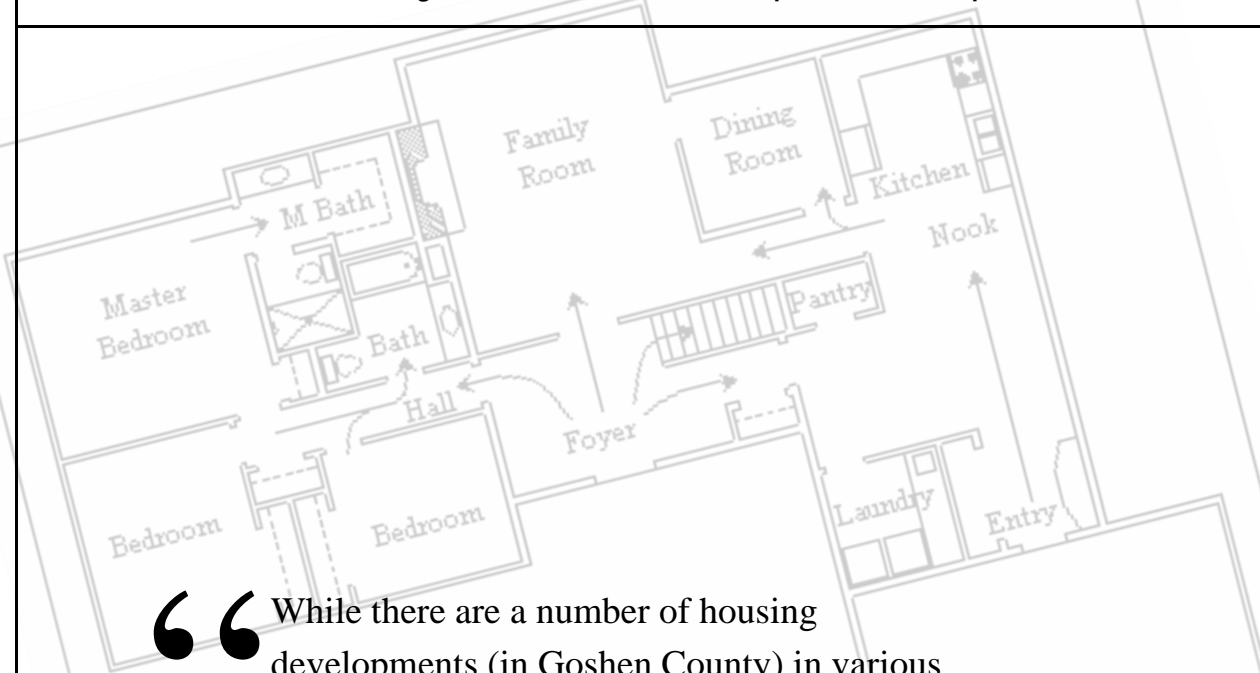


HOUSING NEEDS ASSESSMENT

Goshen County,
Wyoming

November 2006

Prepared for
Goshen County Economic Development Corporation



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EXECUTIVE SUMMARY

Study Impetus

Compass Communications was engaged by Goshen County Economic Development Corporation to provide an assessment of housing needs in Goshen County, Wyoming.

Scope of Work

The Housing Needs Assessment for Goshen County, Wyoming, is intended to identify trends in the housing market and potential housing demands, so that community leaders can adequately plan for infrastructure to balance growth from residential and commercial development. This study will examine:

- Demographic trends and forecasts
- Local economy and employment
- Existing housing stock and production
- Household characteristics and needs:
 - Rental housing
 - Ownership
 - Housing needs from job and household growth

The report contains primary and secondary research. Primary research includes data from a community survey and interviews with developers, realtors, landlords and other key stakeholders identified in cooperation with GCEDC. Market data was collected in cooperation with Goshen County Economic Development Corporation and is accurate to the best of our knowledge. Secondary data, such as from Wyoming Housing Database Partnership, is credited to the source and is used as a basis for analysis.

The report recommends proposed housing goals and strategies to meet those housing goals. It suggests how to prioritize the goals and strategies based on need and estimated cost ranges and identifies potential partners to implement the recommendations.

Demographic and Economic Analysis

- To assess the potential demand for housing in Goshen County, a demographic profile was compared to recent economic trends. Torrington is the primary economic center and will account for the majority of job growth in the county.
- The population of Torrington was 5,776 in 2000, accounting for nearly half of the county's total population (46%) and household base (48%).
- According to the Wyoming Department of Analysis and Information, Economic Analysis Division, the Goshen County population is projected to decrease by 4.6% over 20 years, from 12,538 in 2000 to 11,978 in 2020. Torrington is projected to decline at a rate of 5.6% over the same period, with the remainder of the county projected to decline at the rate of 3.8%. However, employment growth should counter this trend.
- Household growth was significant between 2000 and 2005, with the total number of households in the county increasing by 18.4%. Household growth will plateau and increase modestly through 2030 at the rate of 2.8%.
- The aging baby boomer population, ages 45 to 64, is projected to decrease by 122 people in the next decade, but will still make up 27% of the county population. As this

generation ages, the senior population age 65 and older, will grow by 283 by the year 2015, driving the demand for senior housing.

- The median household income in Goshen County in 2000 was \$32,228 (2006 was estimated at \$51,600). To appeal to households with moderate or low incomes, new housing needs to be modestly priced, by minimizing development costs.
- The labor force in Goshen County declined by 389 (6.6%) from 6,249 in 2000 to 5,860 in 2005. A recent trend showed growth in employment by 57 from 2003 to 2004, and this upward trend will continue with two new major employers projected to hire 511 people over the next five-year period. Direct employment from these two will bring the total labor force in the county to 6,371, or a conservative growth estimate of 8%. Based on the economic multipliers for each industry, the labor force could expand by another 255 jobs in support of the primary job creation.

For-Sale Market Analysis

- The average resale price of homes in Torrington was \$102,053 in 2005, up from \$71,735 in 1998. The increase, averaging 6% annually, indicates a stable to growing housing market.
- A total of 68 listings were found on the multiple-listing service for Goshen County in April of 2006. More than 80% of the homes listed were in Torrington. The price range was \$20,500-450,000 with the average price of \$144,291 and median price of \$129,700. About one-third of the homes were listed in the \$100,000-150,000 price range, and one-third below \$100,000. There were only 10 homes listed between \$150,000 and \$200,000.
- A total of 12 homes were listed for sale in the remainder of the county. Of these homes half were priced below \$100,000 while one-fourth of the homes were listed in the \$150,000+ range.
- In September 2006, there were a total of 12 active subdivisions in Goshen County, with two in the city limits of Torrington. The majority is small acreages in close proximity to Torrington, but one is north of Fort Laramie and another is near LaGrange, at the south end of the county. The subdivisions combined for a total of 398 lots, primarily for single family homes, but with at least 20 planned for duplexes or twin homes. The majority of lots are priced for single-family homes over \$190,000 and twin homes in the \$190,000-200,000 range. There are 25 lots priced less than \$20,000 which might be suitable for entry-level homes.
- A recent annexation to the City of Torrington contains 70-80 lots planned for multi-family and single-family housing. In LaGrange, 20 lots are being developed for single-family homes. There is also an investor interested in developing multi-family housing in LaGrange for senior citizens.

Rental Market Analysis

- The rental market vacancy rate in Goshen County was 4.85% for the first half of 2006, representing 18 vacant units out of 371 total rental units.
- There were 27 applicants on waiting lists in Goshen County for the same time period. Typically, the vacancy rate of a healthy rental market is assumed to be 3% to 5%. The July 2006 vacancy rate for the state of Wyoming was 2.67%. Therefore, it would appear that the rental market in Goshen County remains healthy, although the rental market appears to have incrementally tightened since June of 2004 when the vacancy rate was 12.17%.

Housing Demand Analysis and Recommendations

- Overall, the study finds a demand for about 172 units in Torrington and 254 units in the remainder of Goshen County from 2006 to 2016. This includes both rentals and owner-occupied units). It should be noted that for Torrington and Goshen County to realize growth, housing development should include a variety of options at various price points.
- Demand exists for an additional 184 to 217 rental units in Torrington and 138 to 169 units in the remainder of Goshen County between 2006 and 2016. The rents required for a new development, as demonstrated in the attached hypothetical subsidy impact models, would exceed what is considered affordable for households below 80% of the area median income. Therefore, some form of subsidy is required to ensure that the rents remain affordable. The hypothetical models also demonstrate that mixed income developments can result in the creation of new market rate units and subsidized units within the same project.
- The demand for additional owner-occupied housing units is at least 129 units in Torrington and 216 in the remainder of the county. It is estimated that at least 70 percent of the demand for owned housing is for single-family homes. While there are a number of housing developments in various stages, the majority of lots will be suitable for the higher end of the market. Only a small percentage of the lots are priced in the affordable range, based on the median household income of Goshen County and starting wages of projected employment growth.
- It is important to encourage additional development to help meet the affordable housing needs. These subdivisions could consist of mixed-income development with some units serving low income and other units serving higher income populations. One key to providing affordable housing is providing low cost sites for development.
- Therefore, public investment will be needed to lower the cost of land and infrastructure for affordable housing development. Since construction costs remain relatively stable regardless of whether or not the units are intended to serve low-income populations, the site costs (including land and infrastructure) have the greatest impact, other than subsidy programs, on the construction of affordable housing.