

MEMORADIUM

TO: JOINT INTERIM CORPORATIONS, ELECTIONS AND POLITICAL
SUBDIVISIONS COMMITTEE

FROM: TYLER SINCLAIR, COMMUNITY DEVELOPMENT DIRECTOR
TOWN OF JACKSON

SUBJECT: TETON COUNTY BACKGROUND INFORMATION

DATE: OCTOBER 31, 2019

CC: APRIL NORTON, HOUSING DIRECTOR
JACKSON/TETON COUNTY HOUSING DEPARTMENT

In an effort to provide the Committee some background on the unique context and challenges facing Teton County regarding housing our local workforce and the need for Housing Exactions as one of many tools needed to meet this challenge, we provide the following information for consideration prior to your meeting on November 18. We hope you find it interesting.

- Jackson/Teton County Housing Information
- Patterns of Growth and Change Analysis, provided by CoThrive.Earth
- Jackson/Teton County Planning Information

Jackson/Teton County Affordable Housing Department



The Gutwein Family
Mental Health Therapist,
Conductor and Teacher

Community First, Resort Second

How We Got to Now: 2012 Comp Plan to 2019 Housing Supply Plan



2012 Comprehensive Plan - community first, resort second

- 3 Common Values:
 - Ecosystem Stewardship
 - Growth Management
 - Quality of Life



2015 Workforce Housing Action Plan (HAP) - corrective actions to regain our local workforce

- Housing Supply
- Housing Management
- Funding for Housing
- Zoning for Housing



Implementation - 2016 to present

- Hired Housing Director, Compliance Specialist
- 3 Supply Plans reviewed and approved
- 3 RFPs to develop housing released
- Redmond Street Rentals, Grove III Phase 1 – complete (26 rentals + 8 ownership units)
- Online Intake Form
- Teton County employee housing needs assessment
- Engage 2017: Housing Rules, Housing Requirements, D3-6 Zoning
- Property purchase: 440 W. Kelly Ave.

The Petrunichs
The Wort Hotel, Epsilon Technology Group



The McInnes Family
Ski Patrol
Gardener
Painter
Stio – retail sales
Preschool teacher
Volunteer Firefighter/EMT



The Stephens Family



White Glove Cleaning, Jackson Hole
AV, Bible Study Leaders



The Lewis Family
Western WY Beverages, Self-employed

Community Indicators: Indicator Report



- 57% resident workforce
- 30% of workforce lives in market ownership units
- 20% of workforce lives in market rental units
- 38% of houses are occupied by non-workers, decreasing trend
- Median home cost is 3x what the median family can afford
- 200 restricted homes built since 2010



The Kendall Family
Small business owner, Hospitality and corporate
planning

Median Income for Teton County

- 1 person = \$71,540
- 2 people = \$81,760
- 3 people = \$91,980
- 4 people = \$102,200

Julia Heemstra
St. John's Medical Center

Median SFH = > \$1.08M

\$300,000

Median condo/TH = \$580K

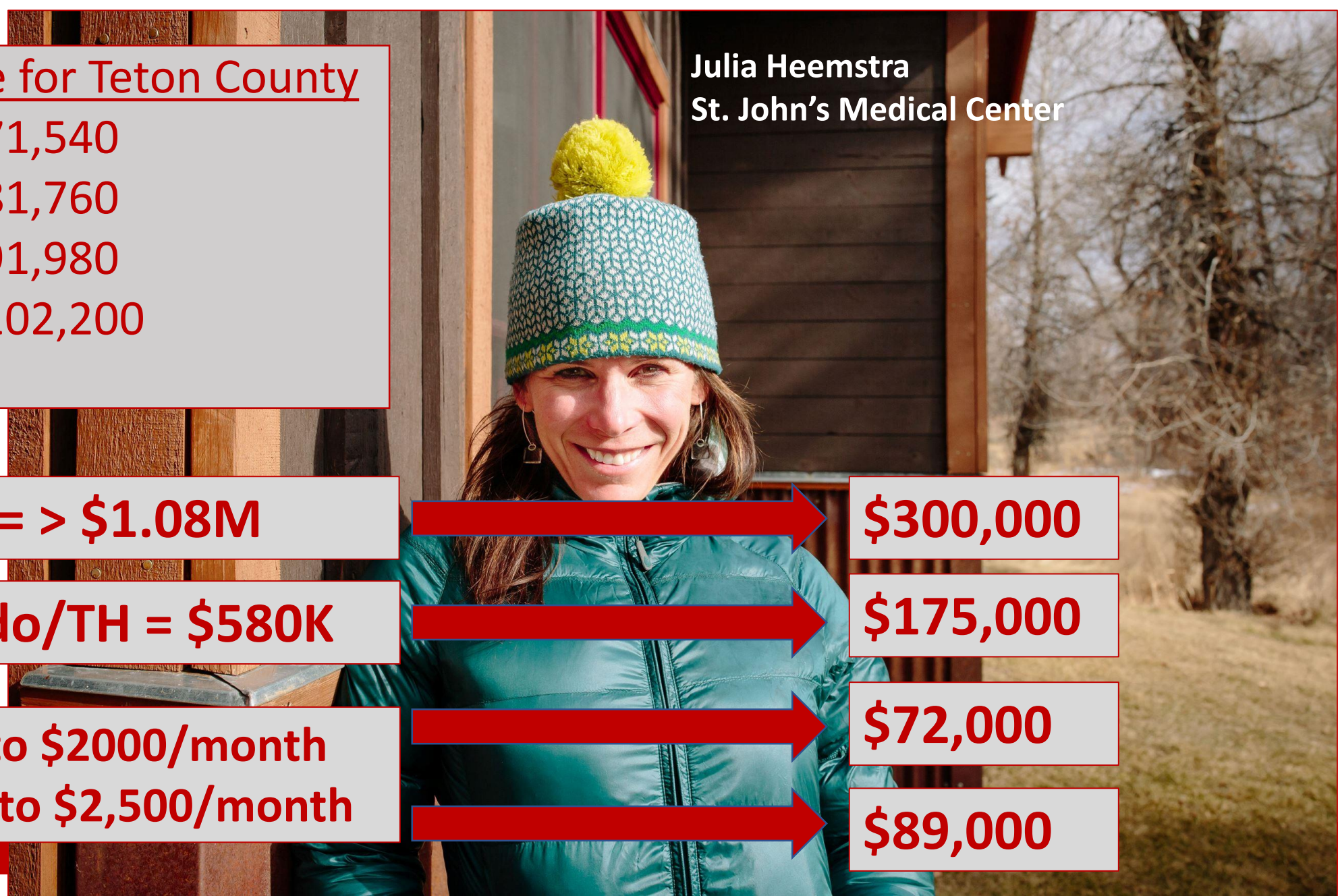
\$175,000

1-Bed: \$1800 to \$2000/month

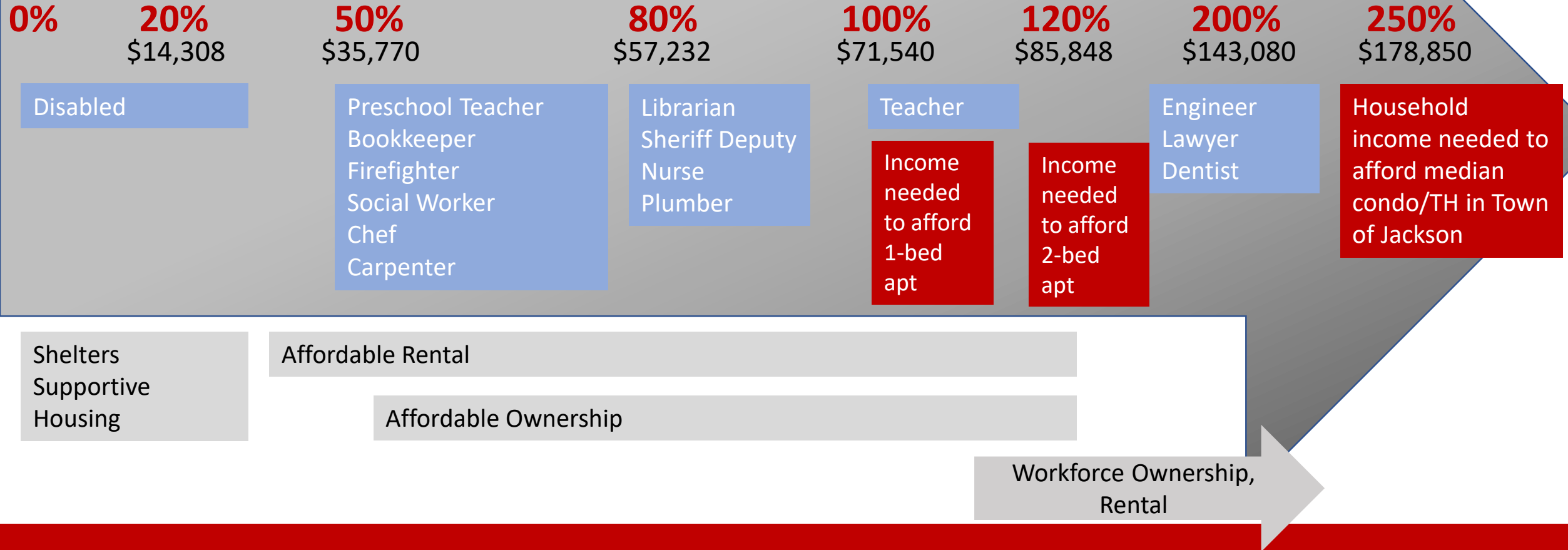
\$72,000

2-Bed: \$2,000 to \$2,500/month

\$89,000



Median Family Income Levels of Common Occupations in Teton County for a One Person Household



81 homeless students (3% of student body population)

490 students on free/reduced lunches (17% of student body population)

8,000 commuters into Teton County daily

55 more vehicle miles driven daily = MORE costs to WYDOT, MORE wildlife/vehicle collisions

25% of the workforce will retire in the next 5-8 years.

20% of all Teton County School District teachers live outside Teton County. TCSD has 3 employee housing units

290 of all St. John's Medical Center employees live outside Teton County. SJMC has 85 employee housing units

57% of Teton County Sheriff staff live outside Teton County. Teton County has 19 employee housing units

44% of Town of Jackson Police staff live outside Teton County. Town of Jackson has 23 employee housing units



Justin Moss
WYDOT plow driver

Since 1998, Teton County has collected **\$12,207,993** in fees in lieu. Teton County currently has an available balance of \$3,064,671.

Since 2002, the Town of Jackson has collected **\$1,725,837.83** in housing mitigation fees. The Town currently has an available balance of \$0.00.

Since 1998, **224 units** have been built utilizing mitigation fees with another 40 units in some stage of development right now (total units: 264).

Construction costs for residential building are currently around **\$300-\$350** per square foot for construction only.

The Mid Year Report from the Jackson Hole Report (David Viehman, Devin Viehman, and Luke Smith) is attached to provide additional context about our local real estate market.

Current Project: Grove Phase III, a partnership with Habitat for Humanity that will result in 24 low-income ownership homes for local working families.



Future Project: 105 Mercill Ave, a partnership with Mercill Partners LLC that will result in 30 moderate-income ownership units for local working families.

NEWLY BUILT HOMES ON THE RISE

MID YEAR
2019

While the number of new single-family homes built today is clearly on the rise, the numbers are nowhere close to the all-time high in 1990. In 2018, we tracked 107 new home builds, up 78% when compared to 2017. Looking back to 1990, where 217 homes were built, we are sitting at about half the number of new builds. After the peak of 1990, the numbers consistently fell to a low point of 34 new builds in 2011. Since then we have seen an average of 61 new builds per year until 2018.

So what's going on? With the lack of available single-family home inventory over the last six years, and the new influx of general and sub-contractors, we are again seeing speculation in the single-family market. While 2018 only showed eight new spec home purchases, there are currently 15 new spec homes on the market, and four more currently under contract.

Will we ever return to the level of new home builds like 1990? Probably not. In 1990, the average sale price for a single-family home was \$295,000, and the median sale price was \$172,000. In 2018, the average sale price was \$2.7 million and the median was \$1.8 million. Two major factors contribute to the low probability: 1) Raw land prices back then averaged \$150,000 per lot versus \$1.8 million today, and 2) Building cost (labor and materials) in 1990 averaged \$110 per sq. ft. versus a minimum of \$400 per sq. ft. today. **NOTE:** In 2018, the average sale price of a "new" home was \$3.5 million and the median sale price was \$2.4 million.

NEW HOME BUILDS

61

on average per year
until 2018

107

in 2018



78%

compared to 2017

DATA-DRIVEN REPORTING FOR THE FIRST SIX MONTHS OF 2019

The Jackson Hole Report is the oldest, most accurate and comprehensive real estate market report in Teton County, WY. We derive our statistics from a privately maintained database that tracks every single sale, not just the transactions reported through MLS. **NOTE:** Only 70% of sale prices valley-wide in 2019 were reported to MLS.

If you would like an assessment of the current value of your Jackson Hole property, please contact us for a free comparative market analysis by calling 307-690-4004 or email david@jacksonholereport.com.



Please visit our website at JacksonHoleReport.com to view the full report or email david@jacksonholereport.com to subscribe to the Jackson Hole Report.

The Jackson Hole Report is the most widely distributed and trusted quarterly newsletter in Jackson Hole.
To guarantee the most successful outcome in your next real estate transaction, call us today.

THE OVERALL MARKET

When compared to the first six months of 2018, the overall market has slowed with 8% less sales. In contrast, the average and median sale prices are up 6% and 15% respectively. The only segment where the number of sales increased was condos/townhomes, up 14% when compared to Q2 2018. Don't read too much into the slow down of sales, as overall average and median list prices are breaking records. In terms of price point, for the **SECOND TIME IN A ROW** the \$1+ million segment is accountable for more than 50% of overall transactions. Geographically, the Town of Jackson experienced the most activity (136 sales), accounting for 46% of all sales in the valley and 24% of the total dollar volume (\$134 million).

The luxury market—properties priced at \$3 million and above—experienced a slow down with 50 sales (down 17%). Do not read too much into this slow down either, as 50 sales is the second highest number of sales ever in the first six months. Single-family homes claimed 60% of luxury sales (30 transactions), with 43% on the Westbank. The hottest segment overall is between \$3 and \$5 million where 31 sales closed (62%). Luxury listings under contract are also slowing with **18 sales pending** (down 58%). **NOTE:** There are 125 properties on the market in the \$3+ million price range, up 33% from Q2 2018. **The most expensive listing** is north of Jackson, an 8,000 sq. ft. home and 3,600 sq. ft. guesthouse spanning 278 acres priced at \$80 million. The property offers more than ½ mile of Snake River frontage and three spring creeks. To learn more about the Jackson Hole luxury market, please visit JacksonHoleLuxuryReport.com.



The overall number of properties under contract is experiencing a slow-down with 82 properties currently in negotiations (**down 23%**). The dollar volume and average list price followed suit—down 37% and 18% respectively. **NOTE:** While the number of properties under negotiations is down, 82 actually falls in range with a six-year average. All segments experienced a decrease in the number of properties under contract except for single-family vacant land, where the number is up 38%. Single-family homes and condos/townhomes make up 71% of the properties under contract. 41% of the properties under contract are listed below \$1 million.



Overall inventory of active listings experienced a reversal of an eight-year decline with **342** (up 10%), and the dollar volume is up 28% to \$1.32 million, when compared to Q2 2018. The segment with the least amount of available inventory is condos/townhomes, where inventory remains at its lowest level since 2009. **Homes for sale under \$1 million** continue to be scarce, with **only 14 currently available**, made all the more problematic when compared to July 1st of 2011 when 104 homes sold for under \$1 million. **NOTE:** Q2 2019 marks an all-time low of available homes for sale under \$1 million, with only 14 to choose from.

COMPARED TO THE FIRST SIX MONTHS OF 2018



NOTE

136 sales in the first six months of the year are an **historical high for the Town of Jackson**.

- There are currently 11,850 free-market deeds in Jackson Hole. They break down as follows: Westbank (3,651); Town of Jackson (3,869); North of the Gros Ventre River (1,426); South of Gros Ventre River to County Line (2,904)—all free-market (not deed restricted or timeshare).
- There are 1,731 deeds worth at least \$3+ million (luxury properties) throughout the valley. Currently, the Westbank is home to almost half (849) of these luxury properties.
- Due to the Great Recession, overall inventory peaked in 2010 at 842 available properties. We have since experienced an annual decline in inventory until this year, where overall inventory is up 10% to 342 listings.

SINGLE FAMILY HOME SALES

Demand for single-family homes has slowed, with **109 sales (down 23%) so far in 2019**. Following suit, the dollar volume is **\$298 million (down 10%)**. In contrast, for the second year in a row, the average and median sale prices have once again reached all-time highs. The average sale price is **\$2.74*** million (up 18%), and the median sale price is **\$1.83*** million (up 29%). The slowing of overall home sales can be directly linked to the slow down of sales under \$1 million. By July 1, 2018, there were 42 closed sales under \$1 million, versus 18 so far in 2019 (down 57%). As of July 1, **175 homes** were listed for sale valley-wide (up 42%). **NOTE:** In the first six months of 2019, only 17% of all home sales were under \$1 million. Properly priced listings in this segment continue to receive multiple offers. The selling strategy is simple: To spark immediate interest, work with us to effectively price your property according to current market values.

Number of Sales **Decreased 23%** 109 sales

Dollar Volume **Decreased 10%** \$298 million

Average Sale Price **Increased 18%** \$2.74 million

Median Sale Price **Increased 29%** \$1.83 million



Single-family homes under contract have also slowed with a **38% decrease** of properties currently in negotiations, and \$49 million in dollar volume (down 61%). Following suit, the average and median list prices decreased 37% and 17% respectively when compared to mid-year 2018. With the dearth of available inventory under \$1 million, the above \$1 million segment is now the most active in the valley. 81% of the homes are currently under contract in this segment.

The upper-end of the single-family home market has slowed slightly, as home sales for more than \$1 million are down 9%. NOTE: The Luxury segment (\$3+ million) is also experiencing a slowdown, with 30 sales (down 19%) when compared to Q2 2018. Upon closer inspection, the \$5+ million luxury home market has slowed with 13 home sales (down 19%). NOTE: Three sales closed for over \$10 million.



The inventory of listed homes skyrocketed in June, pushing the number of listing up by 42% to **175 listings**, with only **14** listed for less than \$1 million. Following suit, the average list price of **\$5.28 million breaks last year's all-time high by 16%**. The number of listings over \$10 million (up 64%) helped to push the average to this all-time high.

Current available inventory breaks down as follows: 14 homes between \$749,000 and \$1 million (down 7%); **52 homes between \$1 and \$2 million (up 100%)**; 25 homes between \$2 and \$3 million (no change); 28 between \$3 and \$5 million (up 12%); 33 homes between **\$5 and \$10 million (up 74%)**; and **23 homes over \$10 million (up 64%)**.



Currently, the least expensive single-family home, located in Hoback Junction, is listed for **\$749,000**. The .23-acre property features a 1,073 sq. ft. two bedroom one bath Hoback Jct. home, built in 1985.



The most expensive home, located north of Jackson, is listed for **\$80 million**. The main home, built in 2010, spans 7,984 sq. ft. with four bedrooms and seven baths. An adjoining parcel has a 3,618 sq. ft. guesthouse built in 2009. The total of 278 acres afford Snake River frontage, amazing spring creeks and superb views of the Grand Teton.

(continued)

SINGLE FAMILY HOME SALES (continued)

- Currently there are 5,817 free-market, single-family homes in Jackson Hole. They break down as follows: Westbank (1,690); Town of Jackson (1,414); North of the Gros Ventre River (887); South of Gros Ventre River to County Line (1,826)—all free-market (not deed restricted or timeshare).
- There are 1,062 single-family homes worth at least \$3 million (luxury homes) throughout the valley. Currently, the Westbank is home to almost half of these luxury homes.
- 153 homes in the valley are situated on 35+ acres.



If you are a property owner in Jackson Hole and would like a free comparative market analysis, please email David or Devon at david@jacksonholereport.com or devon@jacksonholereport.com, or call 307-690-4004. Our in-depth local knowledge gleaned from producing the Jackson Hole Luxury Report has made us Your Local Luxury Experts.

CONDO/TOWNHOME SALES

Condo/townhome sales hit a 12-year high with 136 sales so far in 2019 (**up 14%**). In contrast, the average sale prices decreased 9%, when compared to 2018. The decrease in the average sale price is due to an increase in the number of sales under \$500,000. The number of sales under \$500,000 is up 42%, whereas the number of sales between \$500,000 and \$1 million is down 9%. The release of 21 Virginian Village Condos, all listed below \$400,000, greatly contributed to the under \$500,000 increase.

Number of Sales

Increased 14% 136 sales

Average Sale Price

Decreased 9%



Condo/townhome hot spot: Town of Jackson, where the number of sales is up 61% to 87 sales. Of the 87 sales, 21 were Virginian condos and 11 were the new One Town Hill Condos.



The number of **condos/townhomes under contract** has decreased with **36** properties currently in negotiations (down 14%), and an average list price of **\$2.3*** million (down 27%). The decrease reflects the luxury market (\$3+ million) where only 9 townhomes—all in Shooting Star—are under contract (down 55%).



Available inventory of condos/townhomes has seen a drop of 4% (50 listings). The average list price hit an all-time high at \$1.49 million (up 39%), due to the increase in listings over \$3 million (up 350%). Based on mid-year results, current inventory offers a little than two months of condo/townhome stock. NOTE: Of the current available inventory, 54% is listed for less than \$1 million, and 8% under \$500,000.

- Currently there are 2,986 free-market condos/townhomes in Jackson Hole. They break down as follows: Westbank (1,145 - with 679 in Teton Village); Town of Jackson (1,493); North of the Gros Ventre River (92); South of Gros Ventre River to County line (256)—all free-market (not deed restricted or timeshare).
- There are 155 luxury condos/townhomes worth at least \$3 million throughout the valley. All are located in Teton Village, with the exception of one in the Town of Jackson.

SINGLE FAMILY VACANT LAND

Single-family vacant lot sales decreased in the first six months of 2019 with 38 sales (**down 7%**). Meanwhile, the **average and median sale prices are up 17% and 37% respectively** when compared to mid-year 2018. The increase in the average and median sale price is a direct result of the number of vacant land sales under \$1 million (down 19%). **NOTE:** The luxury market (\$3+ million) had seven sales over \$3 million and one over \$5 million.

Number of Sales **Decreased 7%** 38 sales

Average Sale Price **Increased 17%**

Median Sale Price **Increased 37%**

Who is buying vacant land? The 2019 demographics reflect half of the buyers are second homeowners and retiring baby boomers, the remaining half are buying for spec building. Of the 38 sales only nine had a local address on the deed. This trend continues to bode well for our local construction industry. **NOTE:** Most residential vacant land purchases were cash (92%), bought by end-users intending to build a home for themselves or to speculate.



Single-family vacant lots under contract: 18 properties are currently in negotiations (up 38%), of which eight are listed for under \$1 million and nine for over \$2 million.



Available inventory of listed lots decreased by 14% from Q2 2018. Meanwhile, the median list price is up 12%. The increase in the median list price reflects less inventory in the under \$1 million segment of our market (down 31%). **NOTE:** Demand is catching up with supply, but we do not anticipate much if any appreciation in 2019. Based on mid-year results, there are currently 16 months of available inventory.

Current available inventory breaks down as follows: 5 single-family lots under \$500,000 (no change); 30 lots between \$500,000 and \$1 million (down 35%); 20 lots between \$1 and \$2 million (no change); 16 lots between \$2 and \$3 million (down 16%); 15 lots between \$3 and \$5 million (up 88%); 12 lots between \$5 and \$10 million (up 20%); and 2 lots over \$10 million (down 78%).

- Q2 2019 registered the lowest number of available single-family lots in 30 years.
- Currently there are 1,190 platted and vacant residential single-family lots, under 35 acres, in Jackson Hole. Of those, only 382 (32%) are located on the Westbank.
- Currently there are 217 platted and vacant residential single-family lots, not under a conservation easement and over 35 acres in Jackson Hole.



Please visit our website at JacksonHoleReport.com to view the full report or email david@jacksonholereport.com to subscribe to the Jackson Hole Report.

The Jackson Hole Report is the most widely distributed and trusted quarterly newsletter in Jackson Hole.

To guarantee the most successful outcome in your next real estate transaction, call us today.

JACKSON HOLE LUXURY REPORT

Market dynamics have changed drastically during the 24 years we have published the Jackson Hole Report. During our tenure tracking real estate, we have marveled at the growth of the high-end market and came to realize this elite segment warranted special attention. For this reason, we created the Jackson Hole Luxury Report in 2013, a limited-edition newsletter focused exclusively on high-end properties, which we define as \$3 million and above.



The purpose of this limited-edition report is to provide high-end buyers and sellers with a clear understanding of the local luxury landscape. Building on the analysis of the Jackson Hole Report, we delved deeper into the dynamics of the market above \$3 million. Since 2013, each semi-annual edition has brought great response and feedback from our readers. Some seek our knowledge of their property value for estate planning, or when considering to sell. Others need more information about the overall luxury market. Many existing and future property owners also request more information about real estate related services such as Caretaking, Asset Management and Villa Rental opportunities.

The singular nature of luxury listings in Jackson Hole requires that each sale be examined in great detail and truly special properties must be considered incomparable. When pricing this type of property, you need a luxury data specialist to ensure success. **As a courtesy to new clients, we provide a free confidential market analysis of their distinctive property and continue to update the current value of the property for estate planning and/or trust updates.**

While the Luxury Report focuses on luxury homes, condos and single-family vacant parcels, our mailing list considers a wider lens inclusive of select commercial properties, large tracts of land, and ranches in Jackson Hole. Currently there are 1,729 properties worth \$3+ million in Jackson Hole, and on our mailing list.

If you would like to know what your luxury property is worth in today's market, please contact David Viehman at (307) 690-4004 or david@jacksonholereport.com. To sign up for the digital version of the Luxury Report, visit JacksonHoleLuxuryReport.com .

Call us today if you are considering purchasing real estate this year Jackson Hole. We are the Realtors you want on your team. But, don't take our word for it here is what two of our recent buyers had to say about their experience:

May 4, 2019

Congratulations to you as well. It was a pleasure working with you. Your representation and marketing of our property was top notch and we are quite satisfied with the negotiated settlement. You went beyond the norm in addressing potential complications. We also appreciate your timeliness in returning phone calls, and emails. Your patience regarding our sub par computer skills was also appreciated.

Thanks again.

Sincerely,

Craig and Elizabeth Harmening

Teton Village, WY

May 5, 2019

David and Devon Viehman are the best realtors I have ever worked with - buying or selling a property in the Jackson Hole area. This is the third home I have sold in Jackson and they did it in one day! From the time the offer was placed to the closing they responded to phone calls, texts and emails immediately. Wise advice and guidance through out the process. I will use them again in the future and would not even consider anyone else in Jackson to work with.

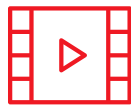
Rosanna Mitchell

Metro Plateau

Jackson, WY

Introducing Huckleberry Estate

It is exceedingly rare for a legacy estate of this size and provenance to come on the market. Situated on six, 3+ acre lots with sweeping views of the Tetons and adjacent to the “Sleeping Indian” hole of the Jackson Hole Golf and Tennis, the property has a unique blend of privacy paired with close proximity to the airport, Town of Jackson and Grand Teton National Park access. It truly has the best of all worlds.



Learn more and view video at
165huckleberry.com



THE HOME

Toad Hall

Winner of American Institute of Architects Design Award in 1991

Designed by award-winning architect Bruce Hawtin of Hawtin Jorgensen Architects in Jackson Hole, the Frank Lloyd Wright-inspired, 14,598-square-foot, 7-bedroom, 9-bathroom home was programmed to maximize the views of the Tetons. “Every inch was designed to take full advantage of the site,” says Hawtin. With classic lines and a beautiful floor plan, this sophisticated estate—nicknamed “Toad Hall” for the original owner’s love of “The Wind in the Willows”—exudes timeless luxury.



- With 14,958 sqft, 7 bedrooms and 9 bathrooms this sophisticated retreat features two 3-car garages and a 2,000 bottle wine cellar
- Guest house, gym, indoor pool, and executive offices are connected by an underground tunnel or a heated walkway
- Property is centered on 6 lots, providing a unique blend of privacy and sweeping Teton views from almost every room
- Unique architectural details include 18-foot ceilings, large stone fireplaces, oak floors with walnut inlay, five outdoor patios
- Home is located on a world-class golf course, 15 minutes from the historic downtown and Grand Teton National Park
- Stunning property embodies the finest attributes of western living and the spirit of Jackson Hole



Opening the door
to the life you aspire.

Engel & Völkers evokes a real estate
experience of the highest caliber with
the utmost competence, expertise and
passion for all that we do.



Engel & Völkers, a European-based premium real estate brand, is excited to have its international presence in Jackson Hole. This brings the firm's global network and exclusive level of service to residents of the area. Engel & Völkers Jackson Hole is ideally situated just off the square in Downtown Jackson. It provides leading services for buyers and sellers of premier properties in not only Jackson Hole but the Westbank, Teton Village, Star Valley, Teton Valley and its surrounding areas.



ENGEL & VÖLKERS

Since its beginning in 1977 as a specialty boutique providing exclusive, high-end real estate services in Hamburg, Germany, Engel & Völkers has become one of the world's leading companies specializing in the sale and lease of premium residential and commercial property, yachts and private aviation. Engel & Völkers currently operates a global network of over 10,000 real estate advisors in more than 800 brokerages spanning more than 30 countries across four continents, offering both private and institutional clients a professionally tailored range of luxury services.

It established its North America corporate headquarters in 2007 and opened its first brokerage in the same year. Committed to exceptional service, Engel & Völkers supports its advisors with an array of premium quality business services; marketing programs and tools; multiple platforms for mobile, social and web; as well as access to its global network of real estate professionals, property listings and market data. Engel & Völkers is an active supporter of the Fair Housing Act and the Equal Opportunity Act. Each brokerage is independently owned and operated.



About our Team

WE COLLABORATE. Our team works in an open office environment to allow creative input from every member.

WE GET REAL ESTATE. Our team has over a century of combined experience and are market experts in Jackson Hole, Westbank, Teton Village, Star Valley & Teton Valley.

WE EVOLVE TO STAY CURRENT. Whether it's a new social media platform or mobile app, we constantly educate our team on the most effective way to reach potential buyers across the globe.

WE MOVE FAST. We will have your property marketed and distributed locally, nationally, and internationally faster than any other agency.

WE HAVE PROVEN RESULTS. We have sold hundreds of millions of dollars in real estate. Our track record shows that we do not give up, that we meticulously pay attention to detail and we understand the legal process as well as the art of the deal.



ENGEL & VÖLKERS

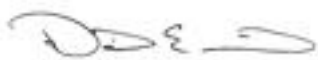
Our decades-deep knowledge of the valley combined with the international reach of **Engel & Volkers Jackson Hole** makes us your **Local Real Estate Experts**.

Whether you are pricing your property to sell in this competitive market or weighing the right time to buy, rest assured that when you are our client, you have the upper hand through access to current market statistics and our impeccable level of service and personal attention. For a free comparative market analysis, please contact us by calling (307) 690-4004 or emailing david@jacksonholereport.com.

The **JACKSON HOLE REPORT** is published semi-annually, with additional email updates for the first and third quarters. While other Realtors attempt to report on our market with MLS statistics only (MLS historically tracks 65-70% of the market), **we track every single transaction in Teton County**. This data-driven report is the oldest, most accurate and trusted real estate news source in Teton County, Wyoming. We are your “True North” of valley real estate reporting. If you would like to sign up for quarterly email updates, or need more detailed information about our local real estate market, please call (307) 690-4004 or email david@jacksonholereport.com.

We hope this report has given you a snapshot of market trends. As always, we would be glad to discuss them further with you. Please contact us if you plan to list your property in 2019, would like a more detailed analysis of specific areas or back issues of the **JACKSON HOLE REPORT**, or if you are scouting for a **professional Realtor to represent you in your next real estate transaction**. We look forward to working with you.

Sincerely,



David Viehman, Associate Broker

Devon Viehman, Associate Broker

“2013 Wyoming Realtor of the Year”

“2018 President - Wyoming Association of Realtors”

Luke Smith, Associate Broker

The Jackson Hole Report

Engel & Volkers Jackson Hole

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**While other local Real Estate Brokers attempt to report on the local real estate market, we are the only ones to track every single transaction. Therefore, if you want the most accurate information to help guide you through your next real estate transaction, please call Devon, Luke or David today. “We are the Experts”.*

**All statistics are supplied by sources that have been deemed reliable but are not guaranteed.*

**All statistics quoted in this newsletter are based on sales in 2019 compared to sales in 2018.*

**Median sale price is the cost of a property that has an equal number of sales above and below it on the price scale.*

**Average sale price is the total combined dollar volume divided by the number of sales.*

**In this report, “overall” refers to all sales in Teton County combined (homes, lots, condos, commercial, ranch), minus Alta, WY.*

**The term “Market Value” means the value of property in terms of what it can be sold for on the open market; current value.*

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November 1, 2019

Mr. Tyler Sinclair
Community Development Director
Town of Jackson
P.O. Box 1687
Jackson, WY 83001



Dear Tyler,

Per your request, here is some information about patterns of growth and change in Teton County.

Specifically, I have provided two items for your consideration.

First, starting on the next page, please find some analysis I've done comparing growth and change in Teton County to Wyoming as a whole, its other counties, and the nation.

Second, following the analysis please find attached information, adapted from the October 2019 edition of my CoThrive.Earth blog.

I hope you find this useful, and please let me know if you have any questions, comments, or what have you.

Best regards,

A handwritten signature in blue ink that reads "Jonathan Schechter". The signature is fluid and cursive, with the first letter of "Jonathan" being particularly large and stylized.

Jonathan Schechter
Executive Director



Growth and Change in the United States, Wyoming, and Its Counties

Reliable, annual data on every county in the United States exist for the period 1969-2017.

The graphs on these pages compare growth between 1969 and 2017 in two fundamental metrics: population and per capita income. Each graph is structured identically, with population growth shown along the X (horizontal) axis, and per capita income growth shown along the Y (vertical) axis.

1969 was chosen because it captures the situation in Wyoming and its counties before Wyoming made its last major change in how it funds state and local government: taxing mineral exactions in the early 1970s. 2017 was chosen because it is the most recent year for which data are available.

Figure 1 compares population and per capita income growth in the US, all of Wyoming's counties (excluding Teton), and Wyoming as a state (again, excluding Teton). Three things are notable:

- Between 1969 and 2017, Wyoming (less Teton County) and the nation as a whole experienced similar levels of population and income growth.
- Only seven of Wyoming's 22 non-Teton counties experienced greater population growth than the state as a whole: Laramie, Lincoln, Converse, Sweetwater, Sublette, Uinta, and Campbell.
- The per capita income in every non-Teton Wyoming county was within 25 percent of the non-Teton statewide average.

Figure 2 is the same as figure one, but adds the names of each of the 22 non-Teton counties shown in the graph.

Figure 3 is the same as Figure 1, but adds the population and per capita income growth figures for the entire state when Teton County is included (the magenta cross). By adding in Teton County, the state's 1969-2017 population growth rate increases from 71 percent to 76 percent; its 1969-2017 per capita income growth increases from 1,260 percent to 1,448 percent, well above the national average.

Figure 4 (next page) is the same as Figure 3, but adds Teton County. Between 1969 and 2017, Teton County's population grew 392 percent, Wyoming's highest figure. Teton County was also the 82nd fastest-growing county nationally during that time, ranking it in the top three percent of America's 3,109 counties. Statewide during this time, Campbell County had the second-fastest population growth of 250 percent, which ranked it 188th nationally (the top six percent).

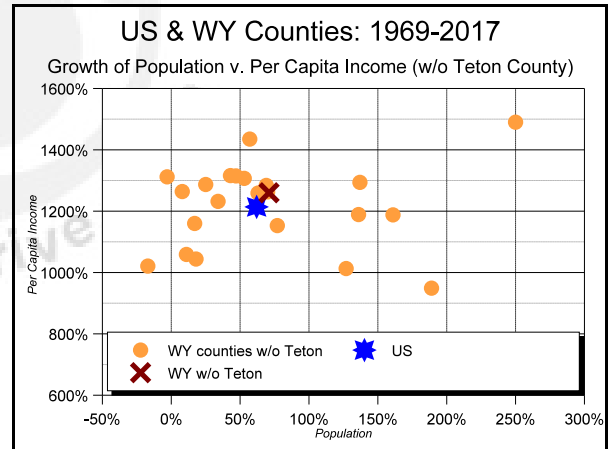


Figure 1

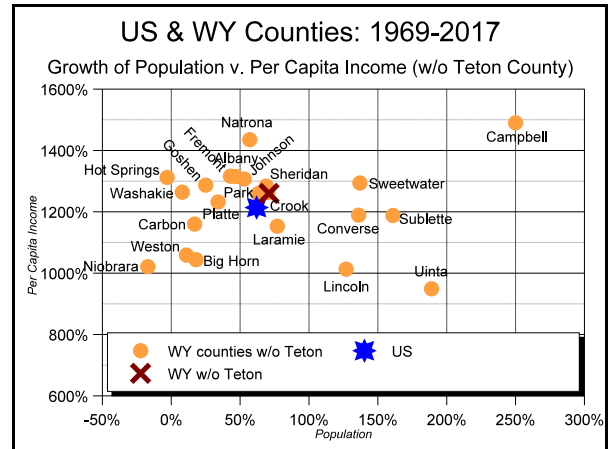


Figure 2

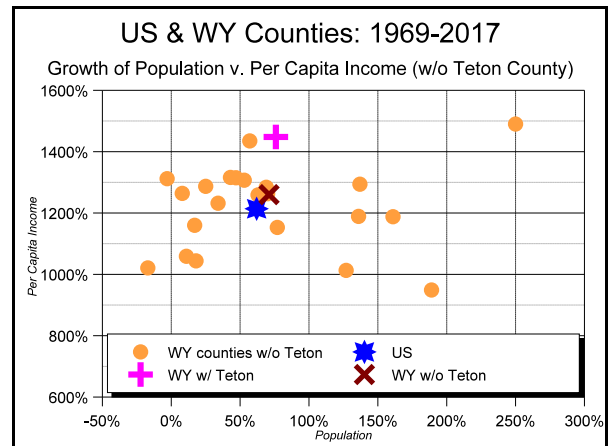


Figure 3

During that same 48 year stretch, Teton County's per capita income grew 3,898 percent, ranking it first in the nation. Similarly, Teton County's 2017 per capita income figure of \$233,860 also leads the nation.

Between 1969-2017, no other Wyoming county experienced even a 1500 percent growth in income (Campbell's was 1,490 percent, ranking it 565th in the nation). In 2017, Natrona County's per capita income of \$67,023 – less than 30 percent of Teton County's – ranked it second in Wyoming, and 82nd nationally.

Figure 5 is the same as Figure 4, but adds the seven other Rocky Mountain counties with major ski areas. These are Blaine, ID (the location of Sun Valley), Summit, UT (Park City), and five Colorado counties: Eagle (Vail); Pitkin (Aspen); Routt (Steamboat Springs); San Miguel (Telluride); and Summit (Breckenridge).

This graph makes two points clear:

- In 1969-2017 population growth, Teton County's experience has been far more like that of other Rocky Mountain ski counties than other Wyoming counties.
- A similar thing is true regarding income growth, but Teton County's income growth has been far greater than even that of its "peer" counties.

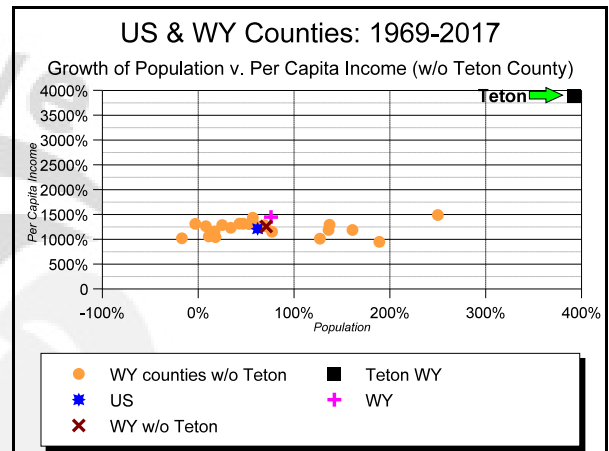


Figure 4

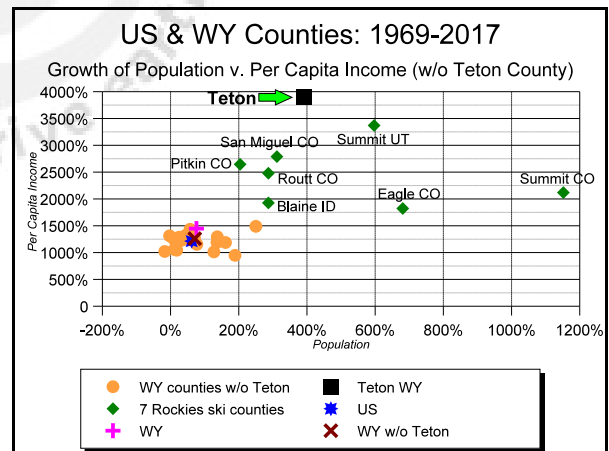


Figure 5

Figure 6 adds every other county in America. Again, between 1969-2017, Teton County ranked in the top 3 percent of all US counties in population growth, and led the nation in per capita income growth.

Multiplying the 1969-2017 percentage population change by the 1969-2017 percentage per capita income change provides a crude measure of overall magnitude of change during that period. Teton County's figure of 15,285 percent is 20 times greater than the national average of 750 percent, 17 times greater than Wyoming without Teton County (901 percent), and nearly 5 times greater than Campbell County, Wyoming's second-fastest-changing county (3,725 percent). As Figure 7 shows, only seven of Wyoming's 23 county changed more than the nation as whole.

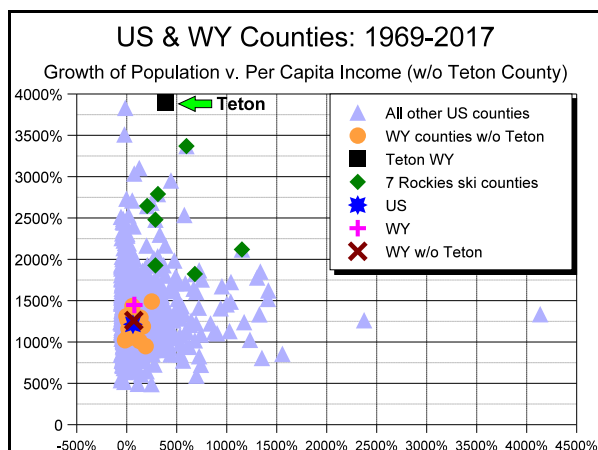


Figure 6

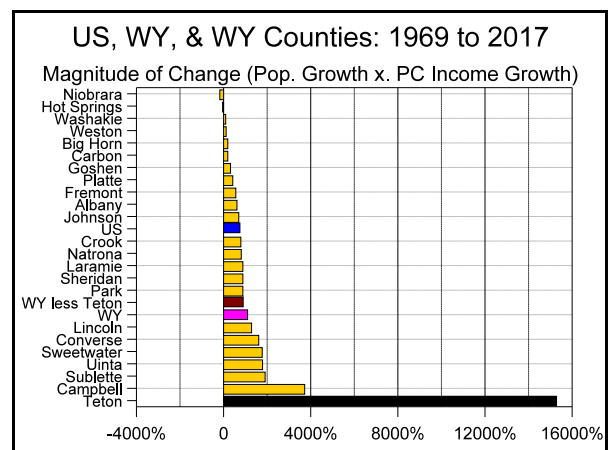


Figure 7

A Baker's Dozen of Key Facts About Teton County, Wyoming

As I've come to see it, 13 key facts offer clear insight into the robust and singular nature of Jackson Hole's economy.

1. Constricted supply of land

97.2 percent of Teton County's land is publicly owned. This ranks Teton second among America's 3,100+ counties, trailing only the BLM-dominated Esmeralda County, Nevada, which has a population of 826 and median age of 55.7. (Teton County's population is 23,081, and our median age is 39.8.)

2. Virtually unlimited demand for housing

One-third of Teton County's property tax bills are mailed out of the county. Teton County's property owners live in 16 countries, in every state except North Dakota, and in 20 of Wyoming's 23 counties.

Further, demand for Jackson Hole housing is so great that it is spilling beyond Teton County's borders, helping spur active real estate markets in portions of Fremont, Lincoln, Sublette, and other northwest Wyoming counties. While this Jackson Hole-driven growth is exposing people to Wyoming's wonders beyond Jackson Hole, there is no evidence it is reducing demand for housing within the valley.

3. We're more of a community than other Rocky Mountain ski towns

Despite this robust demand for housing, Census data about our seven "peer" Rocky Mountain resort counties – the locations of Aspen, Breckenridge, Park City, Steamboat Springs, Sun Valley, Telluride, and Vail – show that only 49 percent of their collective homes are occupied by full-time residents. In Teton County, the figure is 65 percent. No other resort county has even 60 percent. (Figure 1)

Having two-thirds of our homes occupied year-round helps keep Jackson Hole a community rather than a resort.

4. Jobs per resident

The 1980s were a period of great change in Teton County's jobs market. Specifically, they were marked by a growth in jobs much greater than your growth in population, pushing our per capita job figure above one job per resident, a distinction held by few American counties and no other Wyoming county. (Figure 2)

Specifically, between 1982 and 1990, Teton County's per-resident job figure jumped from 0.82 to 1.23, a growth of 0.51 jobs per resident.

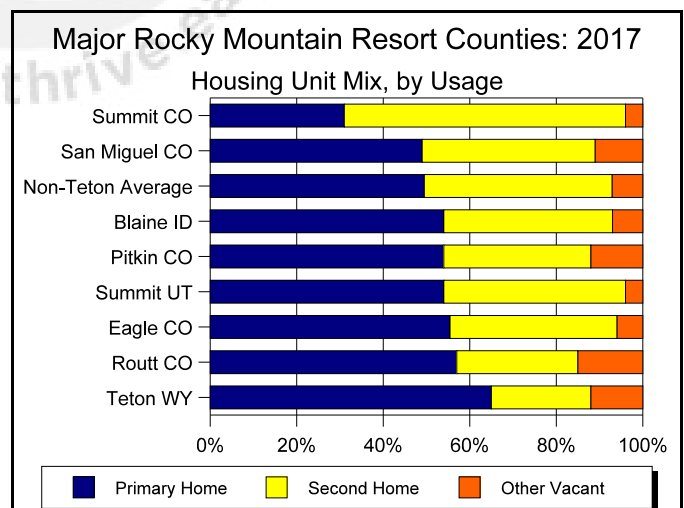


Figure 1

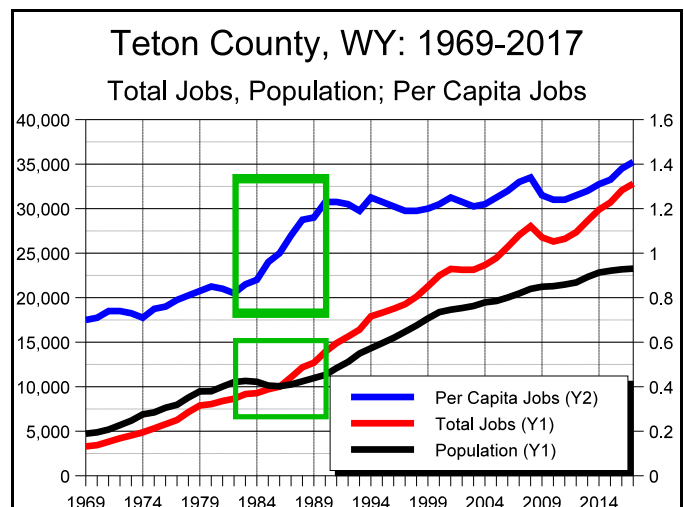


Figure 2

To put that figure in perspective, in 1990 the US as a whole had an essentially-identical 0.55 jobs per capita – in eight years we added as many per capita jobs as the nation had overall.

Today, Teton County has 1.41 jobs per resident. This places us second among America's 1,800+ counties with more than 20,000 residents, trailing only New York City and its 1.87 jobs/resident.

5. Nation's highest income

In 2017, Teton County had by far the highest per capita income of any county in America: \$233,869. This was one-third higher than second place New York City's figure of \$175,960, and 4.5 times higher than the national figure of \$51,460.

In large measure Teton County's sky-high per capita income is due to us having the nation's highest per capita investment income, a result of Wyoming's favorable income tax and trust laws. To this point, in 2017 Teton County's per capita *investment* income alone was \$174,804, essentially the same as second-place New York City's per capita *total* income.

Between 1990-2017, Teton County had the highest per capita income growth of any US county. It also led the nation in per capita investment income growth.

6. Nation's greatest income inequality

At the other end of the spectrum, Teton County also has the nation's greatest wealth inequality. Two factors are at play here: our wealth and our job mix.

Regarding wealth, as noted above, Teton County residents have by far the nation's highest per capita total and investment income.

Regarding job mix, historically Teton County's economy has been oriented toward the tourism industry, whose business model depends on large numbers of relatively low-wage employees. In fact, for decades Teton County has ranked among the top 20 among all US counties in proportion of tourism jobs (retail, recreation, lodging, and restaurants).

Today, the average Teton County tourism job pays an annual salary of around \$34,000. That's one of the nation's highest figures for tourism-related jobs, but it's still only around one-fifth of our per capita investment income figure, and one-seventh of our total per capita income. This kind of gap makes it essentially impossible for much of our workforce to compete for our very limited housing stock.

Which leads to...

7. There is a huge gap between income and home prices

Teton County has high demand for a small supply of housing. As a result, according to the 2017 Census, Teton County's median home price was \$739,100, the nation's eighth highest. (This will likely be much higher when the 2018 Census figures are released.)

Dividing Teton County's median home price by the county's median wage income of around \$51,000, the result is 14.5. That is the nation's second-highest figure, trailing only Nantucket's 17.3.

In the US as a whole, the median home price divided by median income figure is 4.2. For Wyoming

overall, it's 4.4.

8. The market favors building high-end homes

Because of Jackson Hole's supply and demand dynamics, high-end homes are the most profitable to build and sell. As a result, for two decades Jackson Hole's housing developers have increasingly emphasized high-end homes, further squeezing the supply our workforce might be able to afford.

9. None of this is constraining Teton County's population growth

Between 1990 and 2018 – i.e., from before we enacted housing exactions through today – Teton County's population grew 108 percent. This was the highest growth rate of any Wyoming county, and ranked us in the top four percent of all US counties.

During that same period, as Teton County, Wyoming housing became more expensive, the population of Teton County, Idaho boomed. Its 229 percent growth rank the Teton Valley 15th in the nation, placing it in the top 0.5 percent.

10. Nor our growth in residential construction...

Jackson Hole's initial housing exactions went into effect in 1995, and affected both residential and commercial building. Following implementation, building activity may have slowed down some (the records are not clear on this). However, within a couple of years construction came roaring back, and between 1990 and 2018 Teton County's housing stock nearly doubled.

During that same time, on a percentage basis, among Wyoming counties only Sublette had more housing growth during than Teton County: 108 percent for Sublette versus 99 percent for Teton. And only three Wyoming counties – the much more populous Campbell, Laramie, and Natrona – added more homes overall.

Despite this rapid growth in supply, from 1990-2018 Teton County's median home price rose over 450 percent, over three times the national average and twice the Wyoming average. Viewed through the lens of the basic laws of supply and demand, these data strongly suggest an essentially insatiable demand for Jackson Hole housing.

11. Or commercial construction...

Unfortunately, historic town and county building permit data leave much to be desired. That noted, all available evidence suggests that Teton County's commercial building economy quickly adjusted to our system of exactions and continued to thrive. In particular, since 1995, Teton Village has undergone a spectacular commercial building boom, and the Town of Jackson has been revitalized with hundreds of thousands of square feet of new hotels, retail space, office buildings, and the like.

12. Or tourism

Grand Teton and Yellowstone national parks changed their visitor counting methodologies in 1993, and did not update previous years' counts.

Between 1993 and 2018, Grand Teton's recreational visit count grew by three-quarters of a million

people, a 28 percent increase. Yellowstone's figures were 1.2 million and 41 percent. Roughly two-thirds of the parks' combined growth came during the four summer months.

During that same stretch, both the number of skier days at the Jackson Hole Mountain Resort and the number of commercial enplanements at the Jackson Hole Airport more-than-doubled.

13. Teton tourism packs quite a sales tax punch

Among Wyoming's 23 counties, Teton County ranks ninth in population but sixth in amount of taxable sales. The counties it trails are either heavily dependent on extractive industries – Campbell, Converse, and Sweetwater – or have populations four-to-five times larger: Laramie and Natrona.

Conclusion: The Big Disconnect

Among the reasons economics is called the dismal science is that it's not very tangible – much of economics boils down to little more than arguments over figures on a page.

If we consider the more tangible aspects of Teton County's economy, though, things have really grown over the past 30 years. In particular, during that time we've experienced extraordinary growth in a variety of areas, including:

- Three-quarters of a million more visitors to Grand Teton National Park
- Twice as many homes
- More than twice as many airplane passengers
- More than twice as many Teton Village skiers
- More than twice as many residents

What about that less-tangible stuff? There's an interesting paradox at work.

During the most recent twelve months, Teton County's merchants sold around \$1.6 billion of taxable goods. In 2017, the figure was around \$1.4 billion. These numbers are important because both the Town of Jackson and Teton County are very dependent on sales tax revenues for funding their general operating budgets: In FY 2020, Jackson estimates 74 percent of its operating revenues will come from taxable sales; Teton County's figure is around 50 percent.

Now consider this.

Also in 2017, roughly \$1 billion in Teton County real estate was sold, roughly \$1 billion in non-taxable sales were made (items such as services, lift tickets, and the like), and residents earned another \$1.2 billion in wage income. None of this \$3.2 billion worth of economic activity – over twice the amount of total taxable sales – directly contributed even a penny to local government coffers.

Add the four figures together – \$1 billion in real estate sales PLUS \$1 billion in non-taxable sales PLUS \$1.2 billion in wages PLUS \$1.4 billion in retail sales – and the total is \$4.6 billion.

Which is a lot of money. But it's also only \$500 million more than the \$4.1 billion Teton County residents earned in 2017 in investment income alone.

Do a bit more math, and in 2017 Teton County had at least \$7.3 billion of economic activity that contributed nothing directly to local government's operations: \$1 billion in real estate; \$1 billion in non-taxable sales; \$1.2 billion in wages; and \$4.1 billion in investment income.

Contrast that to the community's \$1.4 billion of taxable sales, and the bottom line is that we're asking perhaps one-sixth of the county's economy to support all we ask local government to do. Including provide affordable housing. (Figure 3)

Wyoming's system for funding state local government was developed in the 1970s, and even as the world has dramatically changed during the subsequent five decades, this funding system has remained basically the same. With our nation-leading status in so many economic categories, Teton County is about as far removed from the economy of the 1970s as any place on Earth, and all indicators are this disconnect will become only greater in coming years. As it does, the strains between the realities of our 21st century community and the state's 20th century method for funding local government are only going to become more acute.

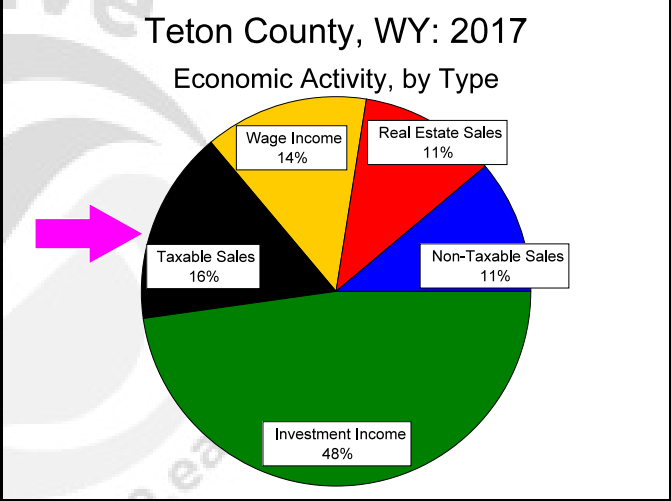


Figure 3



2019 Annual Indicator Report

February 28, 2019

The Jackson/Teton County Comprehensive Plan, adopted in 2012, sets a community vision based on 3 Common Values of Community Character: Ecosystem Stewardship, Growth Management, and Quality of Life.

Amount of Growth by Use

Growth by Use measures the different types of development occurring in Teton County. It illustrates, for example, whether the development that has occurred in the last several years has primarily consisted of residential unit growth, lodging unit growth, or non-residential floor area growth.

Growth by Use					
Use	2018 Growth	Growth Since 1/1/12		10-Year Growth	
		Amount	%	Amount	%
Non-Residential Floor Area					
Agriculture	0	5,538	0.5%	7,810	1%
Outdoor Recreation	183	30,368	9%	91,452	35%
Restaurant/Bar	12,553	37,694	9.2%	52,410	13%
Office	8,840	47,082	3.7%	142,115	12%
Retail	-15,375	79,269	5%	98,589	6%
Industrial	9,097	109,471	7.7%	146,755	11%
Institutional	89,454	170,679	8.8%	270,836	15%
Non-Residential Floor Area	102,756	480,101	6%	809,967	11%
Residential Units					
Agriculture	0	2	0.9%	3	1%
Detached Single Family Dwelling	105	551	9.3%	783	14%
Attached Single Family Dwelling	23	132	7.1%	269	16%
Apartment	45	153	9.9%	203	14%
Mobile Home	0	0	0.0%	0	0%
Residential Units	173	838	6.7%	1,258	14%
Guesthouse	24	131	17.3%	199	29%
Lodging Units					
Conventional Lodging Units	106	319	5.4%	382	7%
Lodging Units	106	319	5.4%	382	7%

Source: Teton County and Town of Jackson

Effective Population

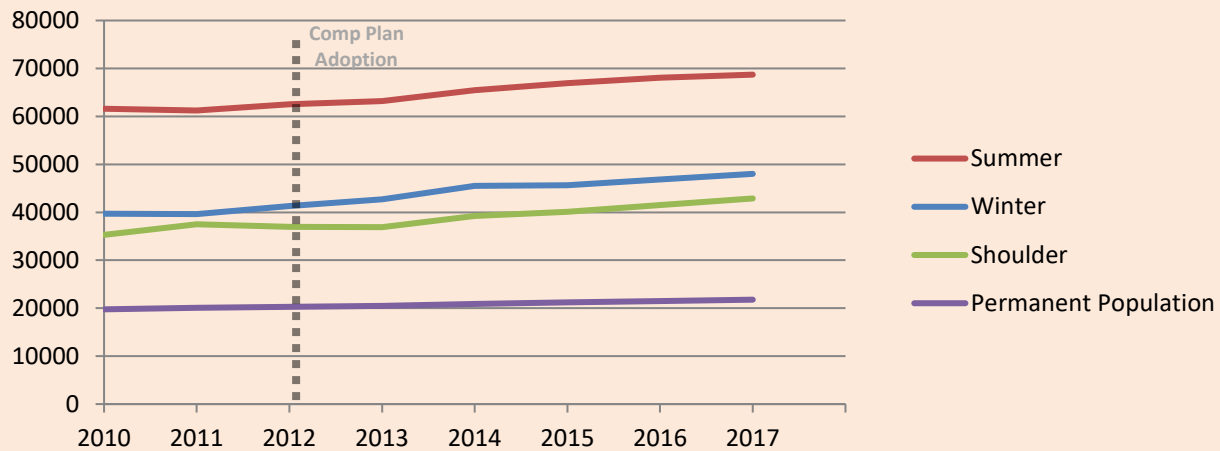
Effective population indicates the true, day-to-day number of people in Teton County, considering not only permanent residents, but also commuters, seasonal residents, seasonal workers, and visitors. Effective population is an important indicator to monitor because it more accurately represents the number of people who are impacting community facilities and resources in Teton County.

2017 Effective Population

	Summer	Winter	Shoulder
Permanent Residents	21,777	21,777	21,777
Daily Commuters	7,636	7,636	7,636
Seasonal Residents	4,267	2,958	1,730
Seasonal Workers	12,067	6,497	5,710
Visitors	22,963	9,146	6,036
Effective Population	68,709	48,014	42,889

Source: American Community Survey, Bureau of Labor Statistics, Chamber of Commerce, USFS, GTNP, YNP

Effective Population by Season

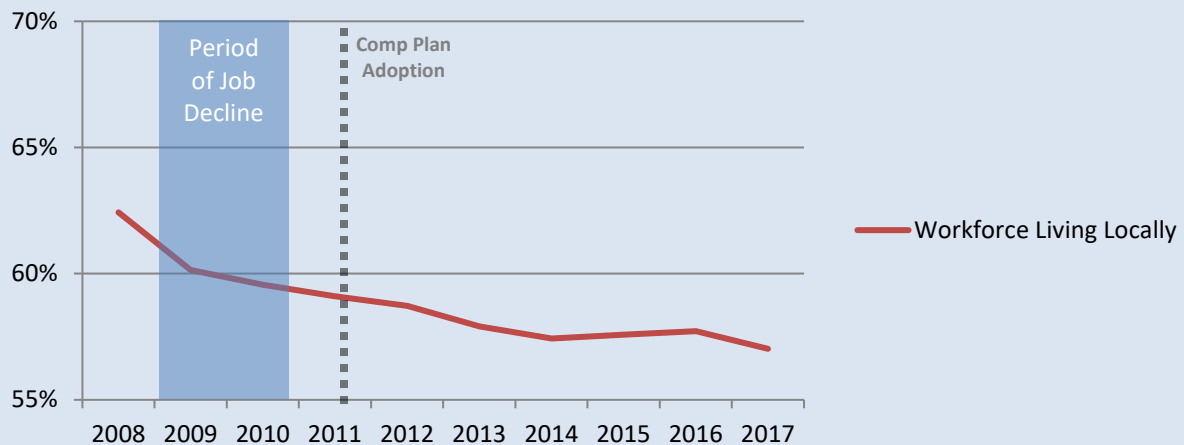


Source: American Community Survey, Bureau of Labor Statistics, Chamber of Commerce, USFS, GTNP, YNP

Local Workforce Percentage

The Comprehensive Plan establishes a goal of ensuring at least 65% of the workforce lives locally to maintain the “community first, resort second” character of the valley. When the community first identified loss of a local workforce as an issue in the early 90s, over 85% of the workforce lived locally.

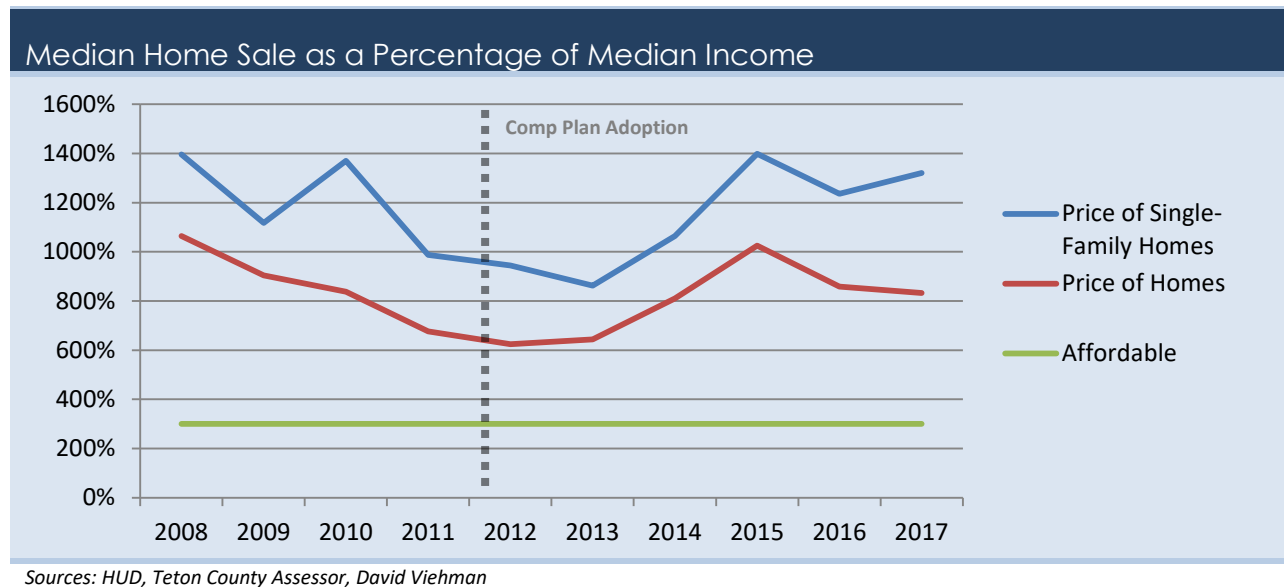
Percentage of the Workforce Living Locally



Source: US Bureau of Labor Statistics, US Bureau of Economic Analysis

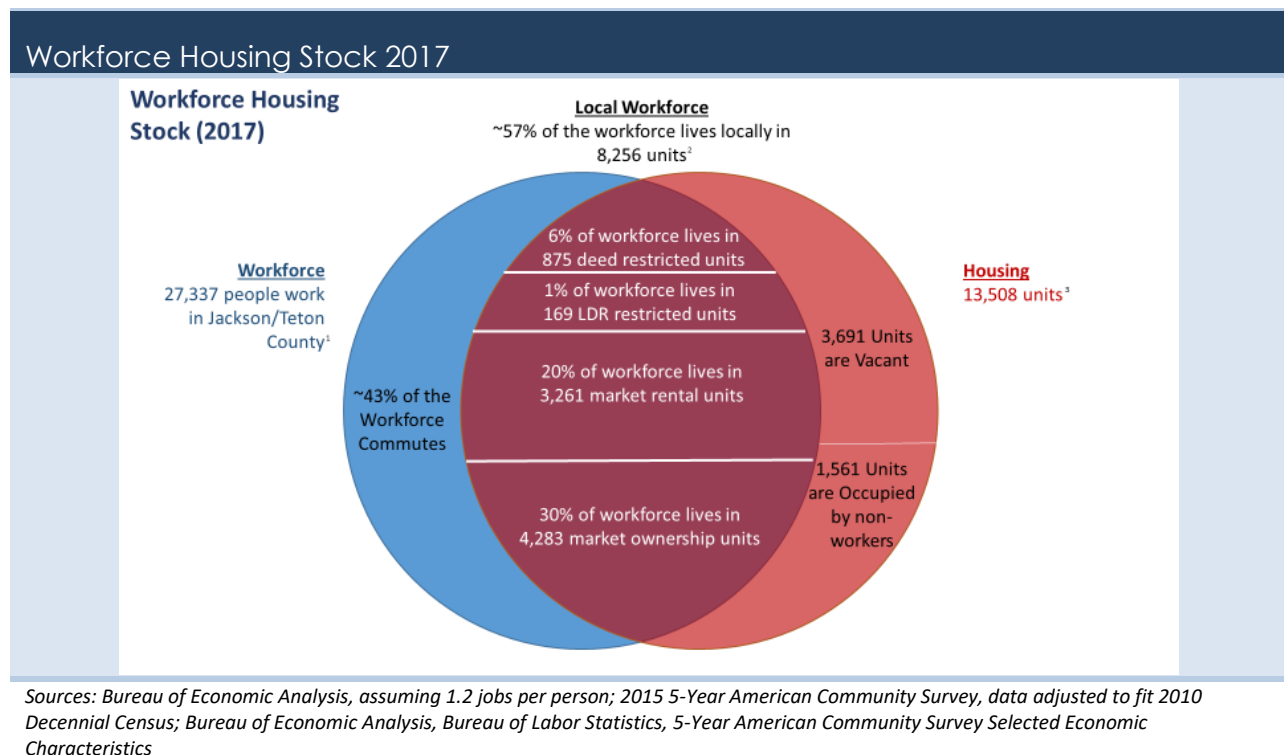
Affordability of Housing

Housing affordability has long been considered a primary reason for the loss of the local workforce. The community monitors this indicator to understand the relationship. A home sale that is 300% of income is considered affordable. In 2015, for example, that the median home sold was only affordable to a family making more than three times the median income.

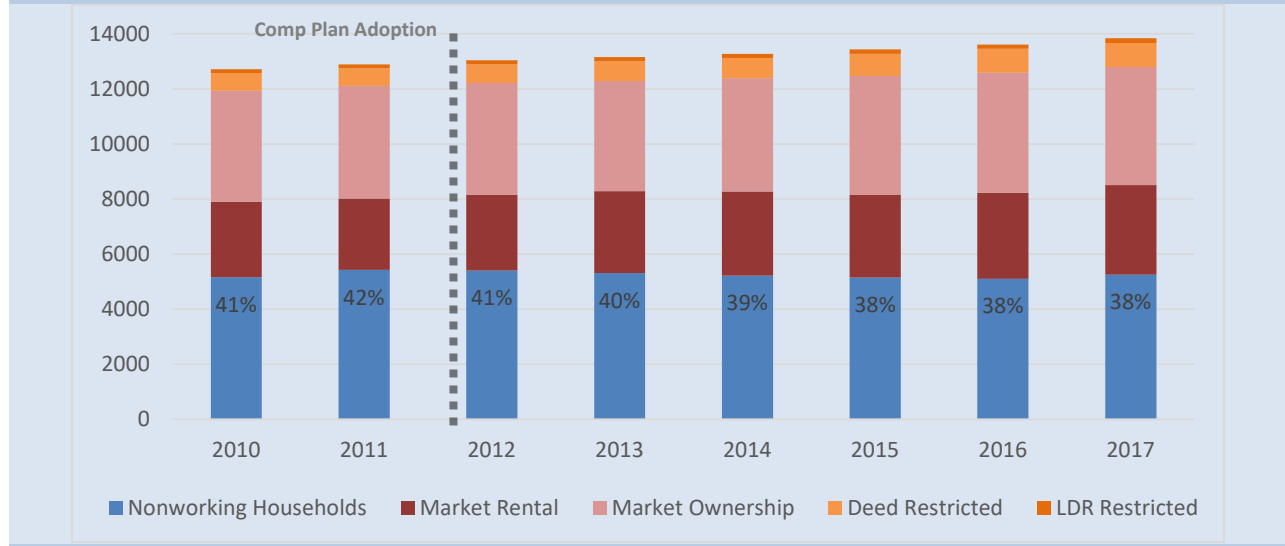


Workforce Housing Stock

Workforce Housing Stock measures the percentage of housing stock that is occupied by the workforce. Given that housing affordability is one of the primary causes for loss of local workforce, it is important to understand the type of residential units that are occupied by the workforce in relation to the type of development that is being allowed and built.



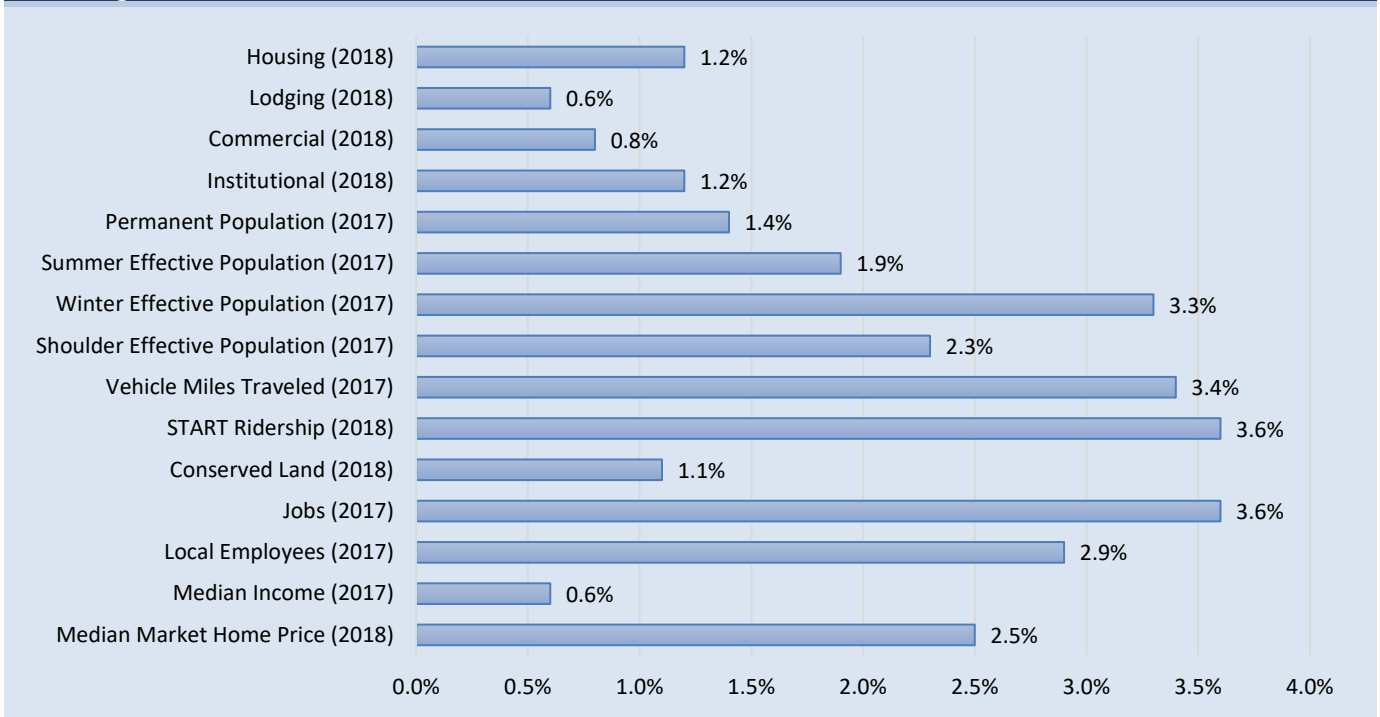
Workforce Housing Stock vs. Non-workforce Housing Stock



Sources: Teton County Housing Department, Teton Community Housing Trust, Habitat for Humanity, Bureau of Economic Analysis, 5-Year American Community Survey Selected Economic Characteristics

Jobs, Housing Balance

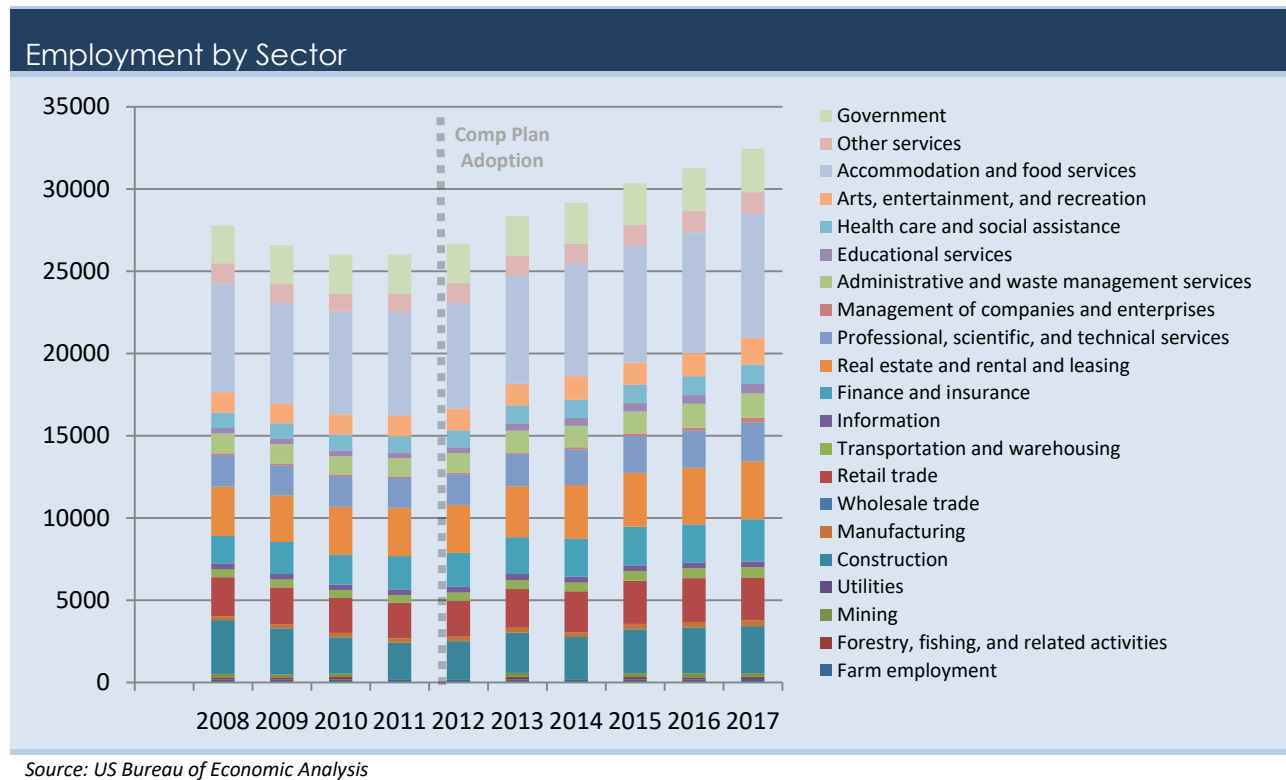
Average Annual Growth Rate Since 2012



Source: Town of Jackson, Teton County, American Community Survey, US Bureau of Economic Analysis, US Bureau of Labor Statistics

Employment by Sector

Employment by Sector measures the diversity of employment opportunities in the community. It shows not only when there were declines in employment opportunities (see years 2009-2010 in the chart below), but it also shows variability in different employment sectors.



Jackson/Teton County Comprehensive Plan Seven Years Later: Are We On Track?

Overview

The community is implementing its Comprehensive Plan effectively. Most indicators are trending positively or neutral. And on many topics, our community can feel the success. Development has been capped and directed into the best locations for the ecosystem and community. Since 1994, we have worked hard to affect our development pattern, and have been successful. However, the Comprehensive Plan and indicators call for corrective action specifically for the “type” of growth occurring. Job growth is outpacing housing growth, leading to more commuting, which is an indicator of decreased quality of life, especially considering that real median income remains flat as cost of living rises. Job growth is also driving growth in vehicle miles traveled, which is driving growth in emissions that cause climate change, which is a threat to ecosystem health. How our community chooses to address job growth and its repercussions is the challenge.

Two Analyses

The purpose of this paper is to look at where the community has been, so that it can decide where it wants to go. In achieving that purpose, two analyses were completed.


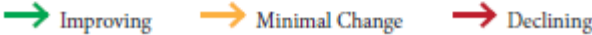
- **Goal Analysis:** The goal analysis is an analysis of data against the goals for which data is available to measure success and whether the situation is getting better or worse. However, not every part of every goal has directly measurable data trends. The goal analysis uses the best available data, mostly from the indicator reports, to look at the path the community was on prior to Plan adoption and what has happened since Plan adoption.
- **Public Perception:** The public perception has no defined metrics or data. Through an audit, interviews and the questionnaire conducted in August and September 2019, the public was asked which sections of the Plan have been the most successful, which need the most work, and what individuals actions they were taking to implement the Plan. Some responses might be based on Plan goals, others might compare us to our peers, while others might be based on whether the individual did what he or she could.

The reason to include both analyses is to understand both the progress we have made toward our 2012 goals and also how we feel about the same topics today. Our ambitions of 2012 and perceptions of today are both important in deciding what to do tomorrow.

Report Card

The Report Card summarizes each analysis. Each analysis is generalized into high-level grades. While the goal analysis is based on data and goals and the public perception analysis is based on polling, public meetings, presentations, and interviews, the high-level grades assigned are qualitative. Two people can look at the same data and come to a different conclusion as to whether it is good or bad. In some cases, the Comprehensive Plan states an opinion, in others it does not. But, agree or not, it is important to use the grades and analyses as a starting point for the discussion of what to do next.

The Report Card includes:

- **Goals Analysis:**
 - **Point-in-time-status grades for 2007, 2012, and Today:**
 Positive Fair Negative
 - **Trend line grades between each status:**
 Improving Minimal Change Declining

Public Perception Analysis: The public perception section colors mean the same thing as the status dot colors. Sometimes, the public perception is different from the goal analysis.

Report Card

Trends			Public Perception
2007	2012	Today	
Section 1: Stewardship of Wildlife, Natural Resources and Scenery			Proud of ecosystem stewardship work done, constant vigilance/action needed to address threats.
Section 2: Climate Sustainability through Energy Conservation			Proud of individual home and travel decisions, unaware/unmotivated by continued increase in emissions.
Section 3: Responsible Growth Management			Supportive of policy decisions, desire local implementation, regional coordination/cooperation.
Section 4: Town as the Heart of the Region			Supportive of policy decisions, desire more implementation, less discussion.
Section 5: Local Workforce Housing			Supportive of tools in place, desire action to turn tools into houses.
Section 6: A Diverse and Balanced Economy			Concerned about inequality and impacts of economic growth, no sense of path forward.
Section 7: Multimodal Transportation			Proud of pathways and individual travel decisions, annoyed by traffic, but transportation not a priority.
Section 8: Quality Community Service Provision			Satisfied with community service, specific modifications needed, not general overhaul.
Section 9: Growth Management Program			Engagement and monitoring improved, need to follow through.
Section 10: Administration			Supportive of policy decisions, desire implementation.

LEGEND:

Status:

Positive Fair Negative

Trend:

Improving Minimal Change Declining