



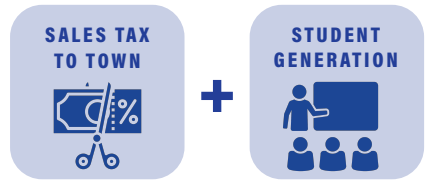
# RESIDENT HOUSING INVESTMENT ECONOMIC & COMMUNITY BENEFITS

## PER UNIT RETURNS

For every \$65,000 invested in one unit of resident housing in the Town of Vail, there are tangible returns to the Town and community.

The following diagrams show how these returns are calculated in this analysis using the economic and community benefits described on the previous pages.

### PER UNIT RETURN ON INVESTMENT



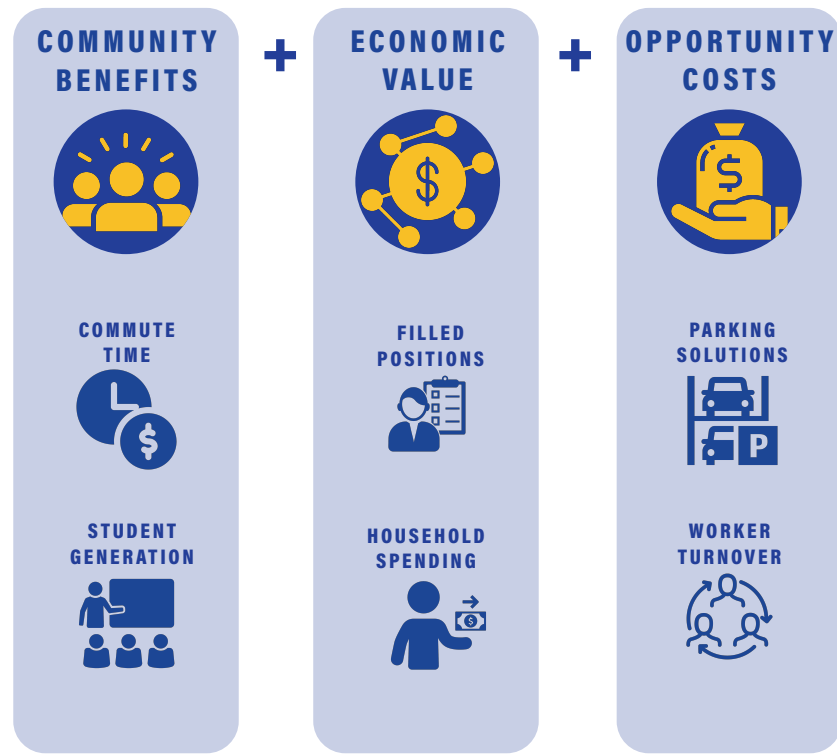
**\$3,239**  
annual return

(divided by)

**\$65,000**  
Town investment

**5.0%**  
Annual per-unit return on investment to the Town of Vail

### PER UNIT INVESTMENT MULTIPLIER



**\$312,467**  
annual return

(divided by)

**\$65,000**  
Town investment

**4.81X**  
Annual per-unit investment multiplier

## CONTEXT

This packet presents the economic and community benefits of investments in resident housing in the Town of Vail.

In times of competing community investment priorities and alternatives, it is important that the benefits of resident housing investment are understood by the community and its leadership.

The Town of Vail has made significant investments in resident housing over many decades. Such investments have been rooted in an awareness that affordable and available housing for residents and the workforce benefit not only residents, but the broader economy, business community, overall community character, and quality of the guest experience.

For more information please visit <http://www.vailindeed.com>

## HOUSING TARGETS

The Vail Housing 2027 Strategic Plan set a goal of adding 1,000 new units to this inventory by 2027, or 100 units per year.

The existing Town of Vail deed-restricted housing inventory (as of May 2019) includes **830 units**. Based on investments made through its Vail InDEED purchase program between 2017 and May 2019, the Town's **average per-unit investment was \$65,000**, an investment amount the Town will target through 2027.

**1,000** BY 2027



**100** ANNUALLY



**\$6.5** MILLION  
Annual Town Investment

### A \$65,000 INVESTMENT IN ONE UNIT OF RESIDENT HOUSING RETURNS...

The direct return back to the Town of Vail from an investment of \$65,000 in one unit of housing is **\$3,239 in the form of local sales tax and student back-fills**. The annual return on investment to the Town is **5 percent** of the initial investment.

Nearly **\$312,500 in community benefits, economic value, and opportunity costs** to the community as a whole. This return to the community is 4.81 times the initial investment by the Town, resulting in an **investment multiplier of 4.81X**.

**5.0%**  
Annual per-unit return on investment to the Town of Vail

**4.81X**  
Annual per-unit investment multiplier

ECONOMIC & COMMUNITY BENEFITS OF AN ANNUAL INVESTMENT OF  
**\$6,500,000 in 100 units of Resident Housing**



**COMMUNITY BENEFITS**

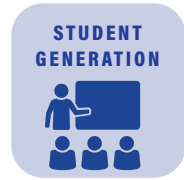
Annual community and quality of life benefits from investment in resident housing.

Maintaining and sustaining a sense of community is fundamental to Vail's economy, its character, and its longevity. The presence of residents enhances the community's vitality and increases the quality of the guest experience. For those benefiting from resident housing, less time on the road may grant them flexibility to volunteer their time or be more engaged in the community. For visitors and guests, fewer unfilled positions means greater attentiveness to customers and a higher-quality guest experience.



**\$825 THOUSAND**

Value of time (\$20.40 per hour) for more than 40,000 annual commute hours eliminated



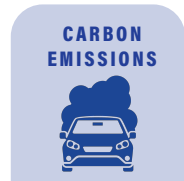
**\$207 THOUSAND**

Estimated total State of Colorado back-fill for 26 school-aged children



**\$1.2 MILLION**

Value of increased volunteer labor to the non-profit community (at \$28.02 per hour)



Reduced miles traveled reduces carbon emissions by 845 MTCO<sub>2</sub>e

**A 845 MTCO<sub>2</sub>e DECREASE IN CARBON EMISSIONS IS EQUAL TO:**

**95 THOUSAND GALLONS OF GAS**

**2.2 MILLION VEHICLE MILES TRAVELED**

**2.1% OF ALL COLORADO IN-COMMUTERS TO THE TOWN OF VAIL**

**14 THOUSAND TREE SEEDLINGS GROWN FOR 10 YEARS**



**GUEST EXPERIENCE**

Anecdotally, the quality of the guest experience improves with increased filled positions, business capacity, and local residents' community investments.

**FINDINGS**

The annual community benefits of an investment in **100 units of resident housing** (\$6.5 million) include the elimination of over 40,000 commute hours resulting in **\$825,000** in the value of time savings, a reduction of **845 MTCO<sub>2</sub>e** in carbon emissions, **\$207,000** in State of Colorado back-fill for 26 school-aged children, and **\$1.2 million** in volunteer labor.



**ECONOMIC VALUE**

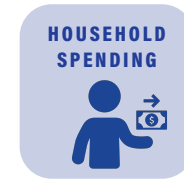
Annual economic value to the Vail economy due to investment in resident housing.

With an expanded inventory of housing, numerous sectors of the business community benefit, in that a portion of previously unfilled positions become filled. This increased economic activity ripples through the local economy supporting other business-to-business economic activity, as well as new household spending.



**\$18.1 MILLION**

Estimated impact of 123 full- and part-time positions filled



**\$2.6 MILLION**

Increased local resident household spending



**\$116 THOUSAND**

New local sales tax revenue to the Town from increased local household spending

**FINDINGS**

The annual economic value of an investment in **100 units of resident housing** (\$6.5 million) is **\$18.1 million** as a result of an increase in filled positions, **\$2.6 million** in increased local household spending, and **\$116,000** in new local sales tax revenue.



**OPPORTUNITY COSTS**

Annual costs avoided by investment in resident housing.

If it did not invest in resident housing, Vail would need to commit potentially greater monetary investments in structured parking and/or transit services. Moreover, not investing in resident housing also perpetuates the annual costs of worker turnover, new-hire training, and lost productivity in the business community.



**\$11.3 MILLION**

Estimated construction cost for 113 spaces



**\$841 THOUSAND**

Cost of worker turnover, training, and lost productivity

**FINDINGS**

The annual opportunity costs of an investment in **100 units of resident housing** (\$6.5 million) are **\$11.3 million** in avoided construction cost for 113 parking spaces and **\$841,000** in saved costs to businesses for worker turnover, training, and lost productivity.