

**HOUSING NEEDS ASSESSMENT AND
STRATEGIC POLICY RECOMMENDATIONS**

A Report

To

CITY OF GILLETTE

From

GRUEN GRUEN + ASSOCIATES

Urban Economists, Market Strategists & Land Use/Public Policy Analysts

July 2023

C1635



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APPLYING KNOWLEDGE
CREATING RESULTS
ADDING VALUE

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CHAPTER I

INTRODUCTION, CONCLUSIONS, AND RECOMMENDED STRATEGIES

INTRODUCTION AND PURPOSE

The purpose of the study summarized in this report by Gruen Gruen + Associate (GG+A) includes estimating the unmet needs for housing in Gillette. This report presents information on both existing and future housing needs and existing and identified future supply of housing. It identifies the deficiencies in meeting housing needs and the factors contributing to these deficiencies. Another purpose of the study includes identifying housing policy strategies to alleviate the deficiencies.

APPROACH

GG+A defines general housing needs broadly as the total number of housing units required by the future population of households with workers and households with no employed members. GG+A estimates effective housing demand; that is, the number of households who can afford to pay for available standard housing. GG+A then compares the estimated total housing need to the estimated effective demand to identify the number of units needed but not being provided under current market and regulatory conditions.

In order to identify whether under present conditions additions to the supply of housing may be made, GG+A studied whether, and if so, what types of housing products can currently be profitably developed given the typical costs and prices that apply. GG+A considered the factors of land availability and market feasibility of housing development to reach judgments on the potential amount of housing which may be developed to meet future housing needs within Gillette.

WORK COMPLETED

To accomplish the study objectives, GG+A performed the following principal tasks:

1. Reviewed historic population and household change, employment trends, labor force characteristics, jobs-housing balances over time, and housing supply characteristics and trends;
2. Estimated employment growth for Gillette in order to estimate the labor force increases upon which the need for additional housing is based;
3. Projected new households in Gillette based upon forecast employment growth and projected the proportion of households headed by a householder 65-years or older;
4. Estimated replacement demand for new housing based upon estimated annual loss of housing stock;
5. Distributed forecast new households into income groups to estimate housing demand by price range;
6. Reviewed Gillette's existing housing inventory including characteristics related to age, tenure, and vacancy of existing housing stock;



7. Identified potential new supply of housing in Gillette, including projects under construction or planned and potential supply of land available to meet forecast housing needs;
8. Compared forecast housing needs to present supply of housing to identify deficiencies in supply relative to needs by price range or affordability level;
9. Analyzed housing needs based on affordability standards and special needs; and
10. Evaluated the real estate economics of developing housing in Gillette.

REPORT ORGANIZATION

The analysis on which we base the conclusions and recommendations is presented in the following chapters. Chapter II reviews characteristics and trends related to population growth and household formation; population change; shifts in age distribution of the population, household growth by household size, tenure, family type, and age of householder; household income; and employment and labor force conditions and trends and the relationship between jobs and housing.

Chapter III reviews the city of Gillette's existing housing supply including historical changes in inventory and unit type and identifies the potential supply of new housing in the city. Market conditions for both rental and for-sale housing are also presented.

Chapter IV presents an estimate of future needs for housing by price range based on the income distribution of future employees. Chapter IV reviews the housing affordability gaps found to apply.

Chapter V presents estimates of future housing needs by price range within Gillette over the next 10 years. One focus of the analysis is on the first and often most significant source of need for new housing related to the growth of the local workforce. "Workforce Housing" in this projection is defined as housing required by any household with at least one active member of the labor force. A projection of future "senior housing" or "older adult" housing need is also made. Chapter V presents a quantitative comparison of the housing needs and housing supply in Gillette.

Chapter VI presents the approach used and findings drawn from the evaluation of the real estate economics of building new housing in Gillette.



FINDINGS AND CONCLUSIONS

Summary of Conditions Causing Decline in Housing Production

The synthesis of the review of secondary data and interviews indicate that the Gillette economy experienced a decline from about 2015 to 2021. During this period several coal mines closed and reduced employment. Employment in the construction sector decreased. Declines in wholesale trade, professional and technical services, and management of companies also contributed to the net job loss.

Consistent with the economic downturn, Gillette experienced a decline in population and net outmigration of working age adults from 2015 through 2020.

As a result of the employment and population declines, little new housing was constructed. Since 2016 only 253 permits for all types of housing including modular construction have been issued in Gillette. This compares to an issuance of 400 permits in 2007 alone.

Summary of Factors Producing a Housing Shortage and Price Increases in Gillette

The economy has begun to rebound with an estimated 1,045 jobs added in Campbell County since the fourth quarter 2021. Economic development efforts to reduce the reliance on the coal industry and to make more beneficial uses of coal may potentially result in continued employment growth. The approximately 1,400 job openings in Gillette exceed the number of unemployed residents in the labor force of Campbell County. The recruitment of non-local labor to Gillette results in an increase in demand for housing in Gillette.

After experiencing a decline in population from 2015 through 2020, Gillette's population began to rebound in 2021, increasing by 827 people to over 33,000 in 2021.

Households with no mortgage debt or with mortgage debt at historically low interest rates that were prevailing until the rise of interest rates that commenced in March 2022 have not moved or turned-over their housing units as frequently compared to when replacement housing units could be financed at low interest rates.

As a result of the factors above, the inventory of existing homes for sale has become increasingly limited with only 50 current active listings (listings cover 43 detached single-family homes and seven attached townhome or duplex units). This equates to only one-half of one percent of the total housing stock in Gillette. Counting both Gillette and elsewhere in Campbell County residential property listings, the total of 72 represents less than one tenth of one percent of the total housing stock in Campbell County.

Only 106 improved residential lots are for sale in all of Gillette of which about 30 are zoned enhanced mobile homes, one is zoned for attached housing, and the remainder are zoned for detached single family homes. The available improved lots for sale comprise less than one percent of the total housing stock in Gillette. The listing prices range from \$17,000 to \$149,000 with an average list price of \$66,993 per lot.



The inventory of vacant and residentially zoned land in Gillette is estimated to total approximately 81 acres. About one-half of the vacant land inventory has single-family zoning that includes 171 platted lots.

Increases in material and labor costs have made it difficult to feasibly produce finished lots. The increase in building costs has caused prices of new housing units to increase, even when built on lots that were improved prior to the surge in costs.

The exceedingly low vacancy rate, and inadequate supply of available housing units to permit mobility has stimulated large increases in the cost of housing. Relatively low prices fluctuated from 2013 through 2020 when the peak average sales price for detached single-family housing units occurred in 2015 at \$251,406 (the low occurred in 2017 at \$221,555). Prices in 2021 began to significantly increase. Average sales prices for detached single-family homes have increased by over \$46,000 in the past two years, from \$266,387 in 2021 to \$312,553 in 2023. This equates to a 17 percent increase in two years.

The largest traditional three-story “walk-up” apartment development in the community, South Forks (containing 336 units and built in 2008) is essentially fully leased with increasing rents.

Cost Burdened Households and Increasing Affordability Gaps

Households that expend more than 30 percent of their income on housing are frequently described as “cost burdened.” As of 2021 the share of households which own and occupy their homes who are cost burdened has increased, to a still relatively low 15.6 percent. The share of cost burdened households which rent their housing units, however, has significantly increased, from 21.8 percent in 2000 to 42.7 percent in 2021.

Not surprisingly, Gillette experiences a deficit of rental housing inventory at very low prices. Using the 30-percent-of-income expended on housing standard, Gillette is estimated to contain approximately 499 renter households which can afford to pay no more than \$375 in monthly gross rent. The existing supply of rental units priced below this affordability threshold is estimated at 251 units, indicating a “gap” or deficit of approximately 248 rental units affordable to the lowest income bracket.

For other income and price brackets, there are not affordability gaps though some households could afford more higher priced housing than available so such households can potentially compete for the same value of housing units as households with lower incomes.



Forecast Housing Needs Attributable to Job Growth/Expansion of Economy and Comparison to Existing and Potential Future Supply of Existing Vacant Residential Lots

Table I-1 summarizes the relationship between forecast workforce housing needs and the existing and potential future supply of vacant residential lots and units.

TABLE I-1: Relationship Between Forecast Workforce Housing Needs and Existing Supply of Vacant Platted Lots and Potential Supply of Additional Lots and Units			
	Detached Single-Family Homes	Mobile or Manufactured Homes	Attached and Multi-Family Units
10-Year Workforce Housing Need	464 lots	126 lots	9 acres ¹
Vacant Platted Residential Land Supply ²	171 lots	66 lots	14.5 acres
Current Housing Supply Shortfall to Meet Future Needs	293 lots	60 lots	None
Additional Potential Single-Family and Apartment Units Based on Future Land Supply³	1,200 Apartment Units 3,700 to 5,000 Single-Family Units		
¹ Assumes average density of eight units per acre for attached and multi-family housing types.			
² See Table III-10. Any zone district for detached single-family units is assigned to this column.			
³ Based on 1,293.1 acres of unfinished phases of existing subdivisions and areas in Campbell County adjoining city.			
Sources: City of Gillette; Gruen Gruen + Associates			

The forecast workforce housing needs of 663 units exceeds the total identified current inventory of platted improved lots and existing housing units for sale in Gillette. A total of 464 detached single-family units are projected to be needed, compared to an existing inventory of approximately 171 platted lots with single-family zoning, suggesting a potential shortfall of more than 290 single-family home lots in Gillette. Similarly, the projected need for mobile or manufactured homes is estimated at nearly 130 units over 10 years. With only 66 vacant lots zoned for mobile or manufactured homes, the potential shortfall is estimated at 60 units or lots.

The total projected need for attached housing or multi-family housing totals 74 units over 10 years. Assuming a low density averaging eight units per acre, this housing need would require only nine acres of land to accommodate. Vacant parcels or lots specifically with R-4 multi-family zoning include almost 15 acres.

A developer is reported to have under contract approximately 43 acres of land in the Legacy Ridge subdivision on which the developer proposes to build a multi-phase apartment complex of 1,200 apartment units.

Potential future phases of approximately 17 existing subdivisions ranging in area from about 11 acres to 147 acres for a total of nearly 876 acres of land are vacant with no dwelling units on them and currently unfinished (not improved with infrastructure). Two parcels of about 25 to 29 acres of land and one parcel of about 318 acres of land for a total of about 372 acres of land are located in Campbell County adjoining and potentially annexed into the city for development of housing uses. Assuming



a low density of three to four units per acre for the potentially developed unfinished land in existing subdivisions or potentially annexed county land would support approximately 3,700 to 5,000 single family detached and attached residential units.

Accordingly, Gillette does not have a land shortage per se but rather a shortage of finished or improved lots ready for housing units to be constructed. Gillette has a sufficient supply of land to accommodate forecast housing needs but will need the land to be improved with infrastructure and housing units.

Table I-2 summarizes the 10-year projection of total potential housing need in Gillette. Total potential housing need over the next 10 years is estimated at approximately 1,570 housing units. The estimates of potential need are not intended to suggest "effective demand" for nearly 1,600 new construction housing units in Gillette. Households with less than above average Area Median Income may be unable to afford new construction housing prices. Given the low available inventory, new housing development that would induce higher income existing residents to purchase new housing units - so as to free up comparatively lower-priced existing units - would be desirable.

TABLE I-2: Gillette Housing Need Projection			
	Total 10-Year Projected Need # Units	Average Annual Need # Units	Share of Total Housing Need %
Workforce Housing	663	66	42.3
Older Adult Housing	610	61	38.9
Replacement Housing ¹	294	29	18.8
TOTAL	1,567	156	100.0
¹ Existing housing stock of 14,700 units (per city staff estimates) and 0.2 percent annual replacement need.			
Source: Gruen Gruen + Associates			

Workforce housing needs are estimated to total about 660 units, representing the largest source or 42 percent of the potential needs. Older adult housing needs are estimated at 610 units, representing 39 percent of total projected need. Potential housing replacement needs are estimated at about 290 units, or 19 percent of total projected need.

Real Estate Economics of Housing Development

Each of the prototypical housing development alternatives would require households to have more than 100 percent of Area Median Income to be able to afford them. A minimum required sales price of about \$627,500 is estimated for the larger-lot detached single-family prototype (a three-bedroom/two bath unit with 2,000 square feet of living area). The required sales price for the larger detached housing unit to be feasibly developed would be affordable to households with about 162 percent of Area Median Income.

The smaller-lot detached, single-family alternative (featuring a typical three-bedroom/two bath ranch home with 1,500 square feet of living area) is estimated to require a lower minimum sales price of nearly \$477,000. The smaller-lot single-family attached townhome unit prototype could be feasibly developed at a price affordable to households with 123 percent of Area Median Income.



A minimum entry-level sales price of about \$391,500 is estimated for the attached single-family townhouse alternative (a much smaller two-bedroom/two bath unit of 1,250 square feet). The smaller attached single-family townhome unit prototype could be developed at a price affordable to households with 117 percent of Area Median Income.

POTENTIAL ECONOMIC EFFECTS OF AN UNCOMPETITIVE HOUSING MARKET

A community without sufficient affordable housing choices for its residents may be at a competitive disadvantage in attracting and retaining beneficial economic development. Attracting and retaining an adequately sized, quality labor force requires a diverse and competitively priced housing stock. The supply and price of housing available affects the ability of firms to attract and retain labor (and how much it costs to employ that labor).

Without enough available affordable housing, workers, especially lower-waged workers, may have to share housing to reduce costs or seek housing further away which creates longer commutes and makes workers less productive as well as increases traffic congestion. Fewer workers able to live in a community makes it more difficult for local employers to hire and retain workers. If workers are forced to spend more of their incomes on housing, they spend less on other goods and services in the local economy. The reduction in demand means fewer retail, restaurant, service, recreation or other providers of goods and services will be supportable in the community. The resulting smaller base of services and amenities and the higher wage and salary requirements due to an insufficient supply of housing discourage business attraction and expansion because companies dependent upon talented and productive workers to be innovative and competitive consider quality of life and affordable housing factors in making site selection and facility decisions.

Housing influences the competitiveness and productivity of private sector businesses. Businesses evaluate the ability of a community to draw and retain labor necessary to compete in a knowledge-based economy. This is particularly true for firms that export their goods and services beyond the community or region.

The process of building new housing, in and of itself, also stimulates local economic activity, providing jobs and incomes along a wide skills spectrum. New housing development activity generates direct employment and income, but it also generates employment and income opportunities indirectly. These indirect effects of housing development activity occur as: (1) builders purchase materials, equipment, and services from other firms in the regional economy; and as (2) workers spend some of their earned income locally - on everything from retail goods and services to healthcare and their own housing. Affordable housing also reduces the propensity and incidence of foreclosure risks and the associated economic, social, and fiscal costs with foreclosures.



RECOMMENDED STRATEGIES

ENCOURAGE THE PRODUCTION OF MARKET-RATE HOUSING

Given the economic development benefits described above, encourage the production of market rate housing. When as is currently the case in Gillette that limited existing housing inventory is available for sale and relatively few improved lots are available for sale, some higher-income households will substitute toward housing units at the next quality or cost tier down, contributing to higher prices of housing units in that tier. Those households outbid for housing in that (second) tier will substitute toward housing at the next quality or cost tier down, outbidding lower income households which would otherwise have been able to afford housing in that (third) tier, and so on. This process contributes to higher prices at all rungs of the housing market.

Similarly, as new housing is built in the higher or highest cost tiers, some higher-income households will vacate homes in the second tier, which will free up housing units in the second tier for households that may have substituted to housing in the third tier, and so on.

In addition, the lack of a sufficient housing inventory results in existing homeowners seeking to sell their units not having as much motivation or incentive to invest in maintenance and repairs and quality improvements or to be as price competitive.

Accordingly, the construction of new homes would help to alleviate price and rent pressure in lower tiers in the ladder of the housing market. New homes at the top of the market will increase supply for middle-income households more than for moderate- and lower income households, but lower-income households also benefit from the increase in new housing supply. Mast (2019) provides evidence showing how these filtrations or move chains work in practice; his estimates suggest that for every 100 market-rate units built in a city, 45 to 70 vacancies will open in below-median-income neighborhoods.¹

Develop a Plan for Long-Term Financing of Capital Facilities/Infrastructure to Expand Public Infrastructure to Locations That Will Allow for the Creation of Developments Capable of Serving a Variety of Housing Needs

The total cost to develop and improve a typical single-family home lot is estimated to be over \$100,000 and tends to comprise about 17 percent of home prices. This cost estimate does not include potential additional “off-site” costs that may be associated with requirements to improve public roadways, or water, sewer, and electricity connections that can require high upfront capital costs and upgrading of infrastructure capable of serving lands of others, without being reimbursed unless and until those other landowners develop the lands.

In keeping with the strategic goal of encouraging economic development and diversification and avoiding further housing price escalation due to the housing shortage relative to demand, develop a plan to advance public infrastructure in locations in or near existing subdivisions such as Legacy Ridge

¹ [The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market \(upjohn.org\)](http://upjohn.org); Evan Mast W.E. Upjohn Institute for Employment Research, July 2019, pages 1 and 3.



near Buffalo Ridge Elementary School and Campbell County Recreation Center in the southern portion of the city and by Bell Nob Golf Course in the Westover neighborhood in the westside of the community.

For potential large-scale developments proactively investigate public finance options to fund one-time public infrastructure costs such as public roadway or water/ sewer improvements. The State of Wyoming “Business Ready Community Grant and Loan Program” is one option that provides incentives for public infrastructure projects typically up to a maximum of \$3 million.² For smaller-scale residential projects, consider allocating capital improvement budget funds toward assistance with public infrastructure requirements of these projects. In either case, the private development entity should demonstrate the financial need for such funding; that is, the funding would bridge the proposed development’s financial feasibility gap.

Identify if Any Property Owned by the City of Gillette Already or Readily Served by Adequate Public Infrastructure Can be Appropriately Used for Housing if Not Needed for Municipal Service Provision or Other Public Uses

Identify and earmark surplus publicly owned properties that are vacant or underutilized and either (a) use some of the proceeds from their disposition to bridge feasibility gaps for the development of additional housing or (b) consider contributing the sites for affordable or workforce housing development if they are appropriately located for residential use. For example, determine if any portions of the parcels totaling approximately 315 acres recently purchased by the city of Gillette located east of the Energy Capital Sports Complex and west of South Garner Lake Road would be appropriate to ground lease or sell for housing uses. If the determination is made that any city-owned property could be appropriately used for housing, create preliminary development plans, and formulate and implement developer/building solicitation programs to select developers/builders to implement the development plans.

IDENTIFY LOCATIONS AT WHICH TO INCREASE ALLOWABLE RESIDENTIAL DENSITIES PER ACRE TO PERMIT GREATER HOUSING DIVERSITY

Land and housing prices have increased because of the shortage of housing inventory and the recovery of the local economy. If demand for housing continues to exceed the supply of housing units, prices will continue to increase. The analysis of real estate economics indicates that permitting more housing lots or housing units per acre would improve the economics of constructing and marketing housing to builders and landowners while also improving housing affordability.

Reducing minimum lot sizes (increasing the allowable densities per acre) would help to bring the sales prices of new housing units necessary to cover the costs (including profit) of creating new housing units down (by approximately 24 percent for single-family units). Therefore, identify locations in which to increase the residential densities allowed under the zoning code to permit 5,000-square-foot lots compared to the current minimum size of 6,000 square feet.

Identify if other related policy actions are available that would permit more efficient use of on-site infrastructure and smaller lot sizes or otherwise reduce costs and increase the speed at which projects are permitted and can be built.

² [Business Ready Community Grant and Loan Program - Wyoming Business Council](#).



SUPPORT EMPLOYER ASSISTED HOUSING PROGRAMS

Support existing employers including those in the manufacturing, educational, and healthcare sectors, adding jobs and new employers to provide employer-assisted housing by giving economic development or zoning incentives for those employers that do provide such assistance to encourage their retention and attraction. Examples of employer assistance for housing include (1) forgivable loans for down-payments or rental of housing units, and (2) committing to building developers/owners the rental of apartment units on behalf of employees, or (3) providing financing for housing developments.

Opportunities may exist for relatively larger local employers and educational and healthcare institutions to collaborate more closely with financial institutions and builders to reduce the risks and financing costs of new housing development and redevelopment of existing uses no longer in their highest and best use such as vacant motels near the Downtown.

In markets such as Gillette where employers are challenged to attract and retain critical staff and many homes may sell for cash or at high prices unaffordable to some workers, it would be worthwhile to investigate whether a coalition of public and private employers could jointly fund and operate a housing assistance program to promote homeownership, help to bring down upfront housing purchase costs, and aim to reduce staff turnover by incentivizing employee commitment and investment in the local community. Assistance programs typically provide one-time funds toward initial down payment or closing costs in the form of a forgivable loan (if the recipient stays with the employer for a specified duration of time, the loan is forgiven, etc.). The city of Greeley, Colorado in partnership with other local employers such as the Evans School District #6 and the Banner Medical Center, for example, operates a down payment assistance program coined “G-HOPE.” Basic parameters include initial assistance up to \$6,000 per employee if homes are purchased in a qualifying area, with 20 percent of the loan forgiven for each year of employment.³

INCREASE CREATION OF AND OCCUPANCY OF ACCESSORY DWELLING UNITS

Accessory Dwelling Units (“ADU’s”) are almost by definition affordable housing because they are small. Adding an ADU to an existing single-family lot or housing unit is a modest way to increase density. ADU’s can help accommodate an extended or multi-generational family and provide additional income for older-aged households or for a caregiver to be able to live on site (an older owner can also age in place by living in the ADU while renting out the main house).

Develop provisions to permit ADU’s. Promote and participate in ADU tours, hold informational workshops as necessary, and prepare a “lessons learned” guidebook to help homeowners and builders navigate the process of creating ADUs. To promote more affordable construction, consider whether any requirements related to design standards or off-street parking requirements would be appropriate to refine or relax and establish clear and consistent guidance related to utility hook-ups.

³ See “G-Hope” Program Guidelines: [https://greeleygov.com/docs/default-source/community-initiatives/ghope/gura-g-hope-guidelines-2019-\(1\).pdf](https://greeleygov.com/docs/default-source/community-initiatives/ghope/gura-g-hope-guidelines-2019-(1).pdf).



MAKE LOCAL INCENTIVES AVAILABLE TO DEVELOPERS OF AFFORDABLE OR WORKFORCE HOUSING AND PROACTIVELY ENGAGE IN PRELIMINARY PLANNING AND PRE-DEVELOPMENT ACTIVITIES

New market rate housing will not be built at prices affordable to extremely or very low-income households. Given an estimated 248 residents cannot afford rents of more than \$375 per month and that approximately 42 percent of renter households are cost-burdened, additional affordable housing developments are needed. Development incentives and local government participation are frequently required to make affordable housing projects financially feasible.

Some incentives can be provided in the form of non-monetary contributions, such as an expedited permit and entitlement process review. Financial incentives are usually required. Examples of “incentives” to consider bridging feasibility gaps for an affordable housing development include:

- Density bonuses that would allow for more housing/building space than may otherwise be acceptable or permitted;
- Waiver of permit or other fees;
- Dedication of public land;
- Completion of off-site public infrastructure improvements; or
- Local property tax abatements.

New affordable rental housing developments in Wyoming are typically assisted by Low Income Housing Tax Credits (LIHTC). This program helps raise the capital required for initial construction and permanent funding. Because the process to obtain Tax Credits is competitive, local contributions such as those outlined above will improve the potential for projects in Gillette to be selected to receive Tax Credits.

MANUFACTURED HOUSING

Additional manufactured housing could help to facilitate better alignment between the local workforce, wages, and needed housing⁴ in Gillette, given that manufactured or prefab housing can typically be created faster and at lower costs than custom homes (which comprise the bulk of existing housing). Explore whether additional manufactured housing could be created near new or planned industrial parks such as the Campbell County sponsored 160-acre Pronghorn Industrial Park east of the Gillette College Rodeo and AG Complex.

⁴ The Fruition Colorado development in Keenesburg, Colorado with more than 2,500 manufactured homes planned is a large-scale example of this type of workforce housing:
<https://singlefamily.fanniemae.com/media/28931/display>



ANTICIPATE THE NEED FOR A GREATER AMOUNT AND VARIETY OF “SENIOR HOUSING” SERVICES

Gillette has and may continue to experience an increase in the number and proportion of older aged households. Anticipate the following:

- An increase in requests for permits to remodel homes to facilitate older households aging in place. Features responsive to the needs of older households include for example single-floor living, doorways and hallways that can accommodate a wheelchair, zero-step entrances, lever style door and faucet handles, and electrical controls that can be reached from a wheelchair. To facilitate older households to age in place, an increase in healthcare support and life safety and security monitoring will be needed to help older adults live safely and comfortably in their homes;
- Condominium-type services for single-family developments. As single-family homeowners age, services more frequently available in multi-family condominium projects such as maintenance and repairs, yard care, snow removal, and related services will apply to single-family homeowners;
- An increase in multi-family developments with services geared to the needs of older-age households (the desire to avoid maintenance is one reason why many older households prefer condominiums); and
- The need for a continuum of facilities to serve older adults. An increase in the diversity and supply of housing choices - including active adult, independent living, assisted living and services - for the wide continuum of older age households will provide options for older adults who want to move from larger single-family homes. This would help to increase available housing supply for households with children or prime working-age households. For example, senior housing communities that include partnerships with health service providers to link health care and affordable housing can help lower-income, higher-risk or more frail seniors retain their independence by bundling healthcare access with affordable housing. Having onsite staff members provide health services and coordinate care can help seniors better manage their health and limit emergency hospital visits. Provision of on-site healthcare services will tend to require communities large enough to create some economies of scale in service provision.



CHAPTER II

DEMOGRAPHIC AND ECONOMIC CONDITIONS AFFECTING HOUSING NEEDS

INTRODUCTION

Chapter II reviews characteristics and trends related to population growth and household formation; population change; shifts in age distribution of the population, household growth by household size, tenure, family type, and age of householder; household income; and employment and labor force conditions and trends and the relationship between jobs and housing. The purpose of this review is to provide perspective for the forecast of future housing needs.

POPULATION AND HOUSEHOLDS

Table II-1 presents the change in the population and number of households and average household size in the city of Gillette as well as the town of Wright and unincorporated areas of Campbell County, and Campbell County from 2000 to 2021.

TABLE II-1: City of Gillette and Campbell County Population and Household Base (2000-2021)					
	CENSUS		ACS	21-Year Change	
	2000	2010	2021	#	AAGR ¹
City of Gillette					
Total Population	19,646	29,087	33,047	13,401	2.51%
Household Population	19,340	28,665	32,594	13,254	2.52%
Households	7,390	10,975	11,954	4,564	2.32%
Average Household Size	2.62	2.61	2.73		
Town of Wright and Unincorporated Areas					
Total Population	14,052	17,046	13,711	(341)	-0.12%
Household Population	14,037	17,046	13,589	(448)	-0.15%
Households	4,817	6,197	5,236	419	0.40%
Average Household Size	2.91	2.75	2.60		
CAMPBELL COUNTY					
Total Population	33,698	46,133	46,758	13,060	1.57%
Household Population	33,377	45,711	46,183	12,806	1.56%
Households	12,207	17,172	17,190	4,983	1.64%
Average Household Size	2.73	2.66	2.69		
¹ Average annual growth rate.					
Sources: U.S. Census Bureau; Gruen Gruen + Associates.					

The city of Gillette population increased at an average annual rate of 2.5 percent by 13,401, from 19,646 in 2000 to 33,047 in 2021. The number of households grew at a slightly lower rate, (2.32 percent compared to 2.51 percent), or 4,564, from 7,390 households in 2000 to 11,954 households in 2021.

Average household size increased from 2.62 to 2.73 persons per household. Gillette' population grew more slowly between 2010 and 2020 than in the prior decade. The average annual rate of population



growth in Gillette approximated 1.2 percent between 2010 and 2020 as compared to 4.0 percent for the 2000-2010 decade. The reason for the slower growth rate is that from 2015 through 2020 the population in Gillette declined by 2,032 before rebounding by 827 people to 33,047 in 2021. Consistent with the population decline, according to the Community Development Authority, Campbell County experienced net migration out of Campbell County in four out of five years from 2017 through 2021 totaling 2,586 people.⁵

Consistent with the decline in population and net out migration, as described below, while employment has fluctuated, from 2014 through 2020, Gillette experienced a loss of 1,446 jobs and a more than doubling of the unemployment rate to 7.4 percent.⁶

The total Campbell County population grew at a slower rate than the population increase of Gillette. The total County population grew at an average annual rate of 1.6 percent over 21 years. Campbell County’s population increased by 13,060 to 46,758 in 2021. The number of total Campbell County households increased by 4,983 or 1.6 percent annually from 12,207 households in 2000 to 17,190 in 2021. The average household size declined from 2.73 persons per household in 2000 to 2.69 persons per household in 2021.

After experiencing an increase in population and households from 2010 to 2015, population and households within the town of Wright and unincorporated areas declined from 2015 to 2021 to be less than their levels in 2010.

POPULATION BY AGE

Table II-2 presents the proportion of city of Gillette population by age cohort for 2000 and 2021.

	2000 CENSUS		2021 ACS ¹	
	#	% of Total	#	% of Total
19 Years and Under	6,567	33.4	10,714	32.4
20 to 24 years	1,458	7.4	1,872	5.7
25 to 54 years ²	9,204	46.8	12,863	38.9
55 years and over	2,417	12.3	7,598	23.0
TOTAL	19,646	100.0	33,047	100.0
¹ 5-Year American Community Survey estimates.				
² Prime working age population.				
Sources: U.S. Census Bureau; Gruen Gruen + Associates.				

From 2000 to 2021, the share of Gillette’s population in the prime working years of ages 25 to 54 declined by 7.9 percentage points. The share of population aged 55 years or older increased by 10.7 percentage points. The share of the population 19 years of age or younger declined by one percentage point, while the share of the population aged 20 to 24 years old declined by 1.7 percentage points.

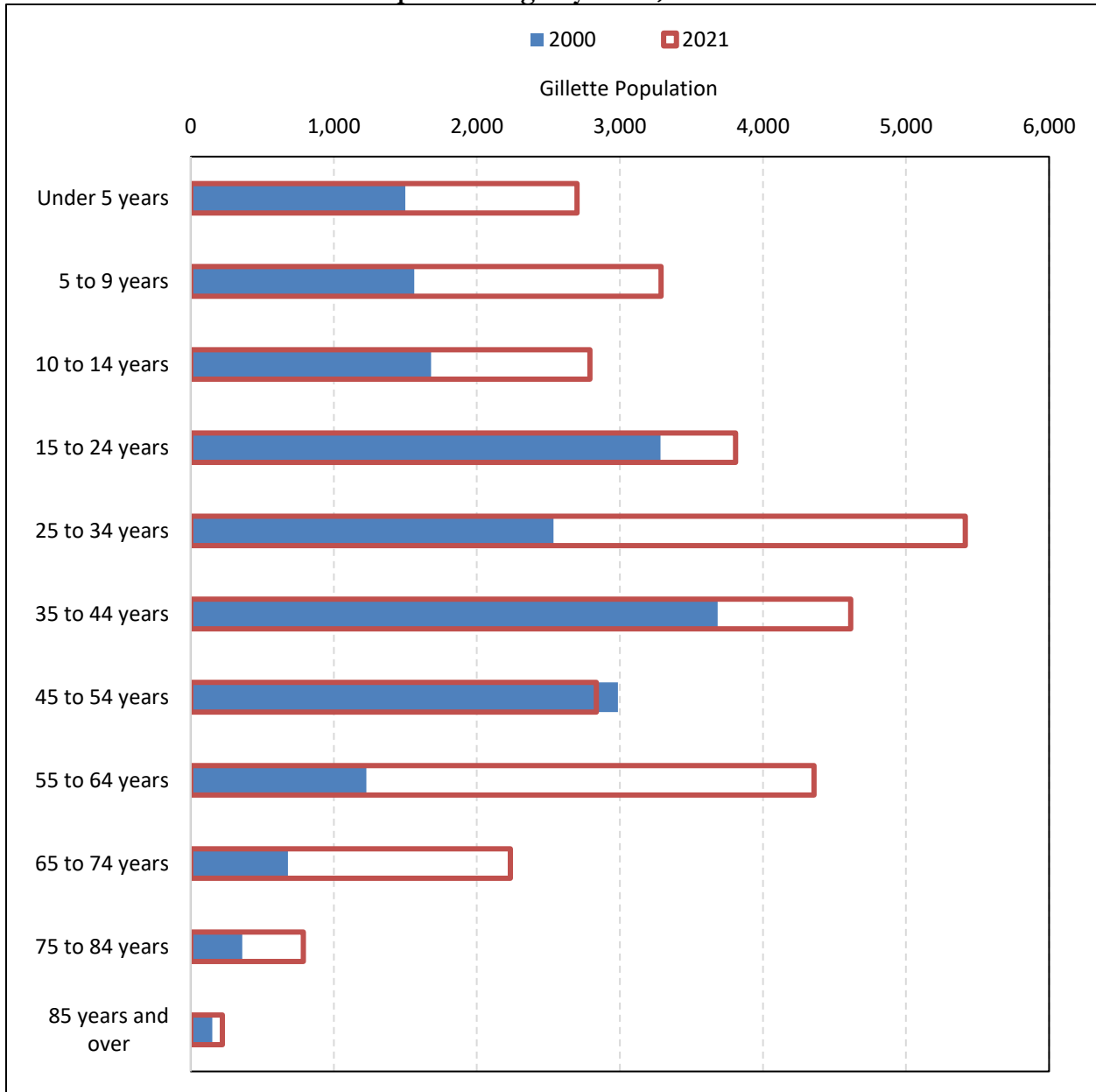
⁵ [City Profile \(wyomingcda.com\)](http://City Profile (wyomingcda.com)).

⁶ See Table III.7.21 Labor Force Statistics, page 19, of [City Profile \(wyomingcda.com\)](http://City Profile (wyomingcda.com)).



Figure II-1 compares the age distribution of Gillette’s population in 2000 and 2021.

FIGURE II-1: Shift in Gillette Population Age Pyramid, 2000-2021



Over the 21-year period Gillette’s population has skewed older. In 2000, Gillette’s largest bulge of the population was in the 15-24 years and 35-44 years age categories. By 2021, the largest bulge age categories were in the 25-34 years, 35-44 years, and 55-64 years. The share of the population in the 24-year to 44-year age ranges would have been higher if not for the negative out migration from Campbell County of people in the 26-35-year age category (out migration of 872 from 2016 through 2021) and 36-45 age category (out migration of 1,055 people from 2016 through 2021)⁷.

⁷ See Table III.7.3 Net-Migration by Age Range on page 6. [City Profile \(wyomingcda.com\)](http://www.wyomingcda.com).



Table II-3 presents an estimate of recent population changes by age cohort for the city of Gillette. The comparison between 2016 and 2021 of population estimates by GG+A, by five-year age cohort increments, allows for an approximation of net migration by age.

TABLE II-3: City of Gillette Net Population Change by Age Cohort			
	ACS Estimates ¹		5-Year Net Change ²
	2016 #	2021 #	#
AGE:			
Under 5 years	2,851	2,700	2,700
5 to 9 years	2,819	3,288	437
10 to 14 years	2,467	2,790	(29)
15 to 19 years	2,210	1,936	(531)
20 to 24 years	2,242	1,872	(338)
25 to 29 years	2,819	2,432	190
30 to 34 years	2,915	2,983	164
35 to 39 years	2,018	2,604	(311)
40 to 44 years	2,338	2,009	(9)
45 to 49 years	1,858	1,230	(1,108)
50 to 54 years	1,858	1,605	(253)
55 to 59 years	2,370	2,419	561
60 to 64 years	1,153	1,937	(433)
65 to 69 years	801	1,554	401
70 to 74 years	416	681	(120)
75 to 79 years	352	479	63
80 to 84 years	352	307	(45)
85 years and over	160	221	(292)
TOTAL	32,001	33,047	1,046
¹ 5-Year American Community Survey estimates.			
² To estimate the net population change by age, the 2021 population is compared to the 2016 population in each age cohort. For example, the population aged 30 to 34 years was reported at 2,983 persons in 2021. Five years prior, this bracket represented the age 25 to 29 cohort, which had an estimated population of 2,819 persons in 2016. Therefore, the “net change” was 164 persons over the five-year period.			
Sources: U.S. Census Bureau; Gruen Gruen + Associates.			

The Gillette population is estimated to have grown by approximately three percent or just over 1,000 residents between 2016 and 2021. Negative migration is likely to have occurred among the population of prime working-age adults (those between the ages of 25 and 54 years old) in Gillette during this period.

In 2016, for example, the population of adults between the ages of 30 and 49 was estimated to total approximately 9,100 residents. In 2021, the population of adults between the ages of 35 and 54 was estimated to include about 7,400 residents. Therefore, over the five-year period from 2016 through 2021, this population age cohort declined by approximately 1,700 residents. While some of the decline



could have been attributed to mortality, most of the net population change likely was the result of out-migration over the period.

HOUSEHOLD COMPOSITION

Table II-4 presents Gillette’s household characteristics for family status, age of householder, and household size for 2000 and 2021.

TABLE II-4: City of Gillette Household Characteristics (2000-2021)				
	2000 CENSUS		2021 ACS ¹	
	#	% of Total	#	% of Total
Family Status				
Family Households w/ Children	3,048	41.2	4,653	38.9
Family Households no Children	2,069	28.0	3,648	30.5
Nonfamily Households	2,273	30.8	3,653	30.6
Age of Householder				
Householder 15 to 34 years	2,002	27.1	3,325	27.8
Householder 35 to 64 years	4,636	62.7	6,502	54.4
Householder 65 years and over	752	10.2	2,127	17.8
Household Size				
1-person household	1,771	24.0	2,908	24.3
2-person household	2,309	31.2	3,972	33.2
3-person household	1,350	18.3	2,072	17.3
4-or-more-person household	1,960	26.5	3,002	25.1
TOTAL HOUSEHOLDS	7,390	100.0	11,954	100.0
¹ 5-Year American Community Survey estimates.				
Sources: U.S. Census Bureau; Gruen Gruen + Associates.				

The proportion of non-family households has remained constant at about 31 percent in 2000 and 2021. The proportion of family households with children has declined by 2.3 percentage points while the number of family households without children living at home has increased by 2.5 percentage points.

The age of households has shifted upwards from 2000 to 2021. The share of households including a member 65 years or older has increased from 10.2 percent to 17.8 percent to over 2,100 households. The share of households headed by a member 35 to 64 years of age has declined by 8.3 percentage points but increased by absolute number of households to 6,502. The share of households headed by a member 15 to 34 years of age has remained constant at about 28 percent but increased by absolute number of households to 3,325.

The proportion of households by household size has maintained a constant distribution over the 21-year period. Small size households of one and two people comprise about 55 percent of households. Larger size households of three and four people or more comprise about 45 percent of households.



Table II-5 presents the share of households by number of workers in the household.

TABLE II-5: Households by Number of Workers in Households in Gillette			
	2010	2015	2021
	% of Households	% of Households	% of Households
No Workers	11.3	13.5	18.9
1 Worker	37.3	43.3	40.5
2 Worker	44.1	36.7	35.6
3 or More Workers	7.2	6.6	5.1
Total	100.0	100.0	100.0
Sources: U.S. Census Bureau; Gruen Gruen + Associates.			

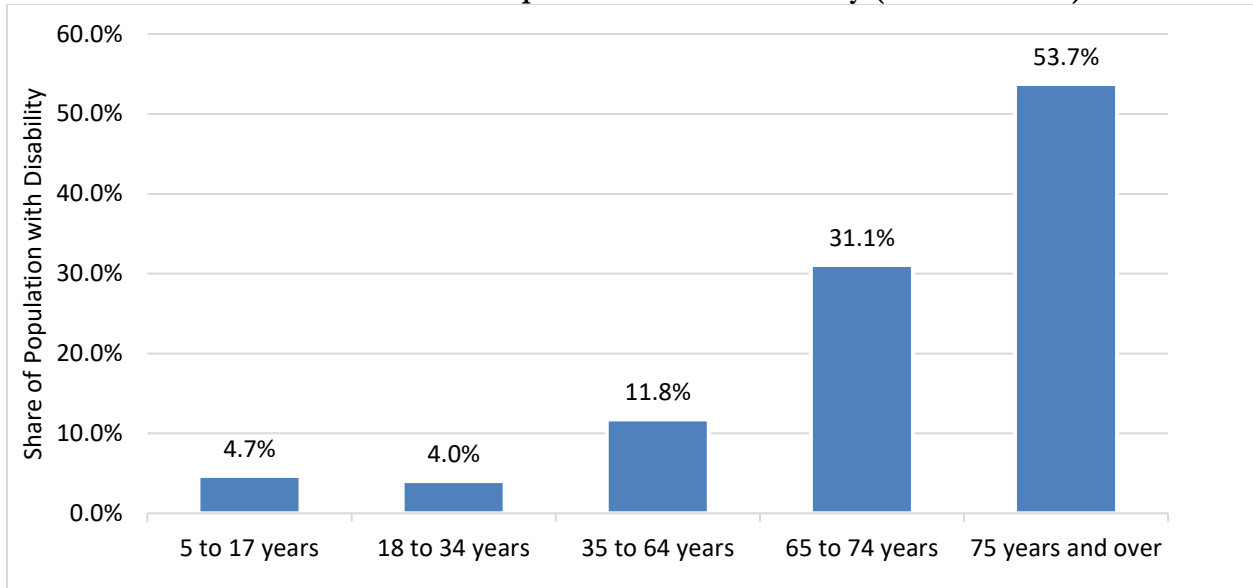
The share of households with no workers in the household has shifted upward from about 11 percent in 2010 to nearly 19 percent by 2021. Similarly, one-worker households have shifted upward slightly from about 37 percent to 41 percent. Conversely, households with two workers or more has shifted downward from about 51 percent in 2010 to about 41 percent in 2021.



DISABILITY CHARACTERISTICS

According to 2021 American Community Survey estimates, approximately 10 percent of the non-institutionalized population in Gillette has one or more disabilities. Figure II-2 summarizes the age composition of Gillette residents with a disability.

FIGURE II-2: Gillette Population with a Disability (2021 Estimate)



The elderly population is disproportionately affected by disabilities. About 38 percent of all residents 65 years of age and older are estimated to have a disability. Approximately 12 percent of adults between the ages of 35 and 64 are estimated to have a disability. Less than five percent of residents under the age of 35 are estimated to have a disability. Ambulatory difficulties represent the most prevalent disabilities among all age cohorts of the resident population.



HOUSEHOLD INCOMES

Table II-6 shows on an inflation-adjusted basis, the income distribution of households in the city of Gillette has shifted downward over the 22-year period.

TABLE II-6: City of Gillette Household Income Distribution (2000-2021) ¹					
	1999		2021		Shift
	#	%	#	%	Pct. Points
Less than \$15,000	414	5.6	907	7.6	2.0
\$15,000 to \$24,999	276	3.7	1,138	9.5	5.8
\$25,000 to \$34,999	300	4.0	1,024	8.6	4.5
\$35,000 to \$49,999	622	8.4	1,706	14.3	5.9
\$50,000 to \$74,999	997	13.4	2,074	17.4	4.0
\$75,000 to \$99,999	979	13.2	1,740	14.6	1.4
\$100,000 to \$149,999	1,699	22.8	2,127	17.8	(5.0)
\$150,000 or more	2,155	29.0	1,237	10.3	(18.6)
TOTAL	7,441	100.0	11,954	100.0	
Median income (2022 dollars)	\$103,230		\$91,595		

¹ Income brackets adjusted for inflation to 2022 dollars based on the Wyoming Cost of Living Index.
Sources: U.S. Census Bureau; Wyoming Economic Analysis Division; Gruen Gruen + Associates.

The proportion of households below \$100,000 has increased in all income categories over the 21-year period. The share of households with incomes of \$100,000 or higher decreased 23.6 percentage points to 28.1 percent of total households. The share of households with incomes less than \$100,000 increased by 23.6 percentage points to 72 percent of total households. The median household income declined about 11.2 percent from \$103,230 in 1999 to \$91,595 in 2021 (in 2022 dollars).



EMPLOYMENT BASE

Table II-7 summarizes for Campbell County the change in total employment by industry sector from 2010 through 2021.

TABLE II-7: Change in Campbell County Employment by Industry Sector					
Industry Sector	Employment ¹			11-Year Change	
	2010	2015	2021	# Jobs	%
Agriculture, Forestry, Fishing & Hunting	120	ND	ND	-	-
Mining, Quarrying, & Oil & Gas Extraction	8,978	8,884	5,532	(3,446)	(38.4)
Construction & Utilities	4,561	3,573	2,793	(1,768)	(38.8)
Manufacturing	588	733	607	19	3.2
Wholesale Trade	1,697	1,915	1,339	(358)	(21.1)
Retail Trade	3,066	3,344	3,263	197	6.4
Transportation & Warehousing	1,491	1,563	1,396	(95)	(6.4)
Information	240	237	280	40	16.7
Finance & Insurance	752	749	994	242	32.2
Real Estate & Rental & Leasing	1,500	1,700	1,748	248	16.5
Professional & Technical Services	1,249	1,148	1,071	(178)	(14.3)
Management of Companies & Enterprises	265	295	118	(147)	(55.5)
Administrative & Waste Services	1,051	1,091	1,108	57	5.4
Educational Services (Private)	161	211	242	81	50.3
Health Care & Social Assistance	1,293	1,357	1,469	176	13.6
Arts, Entertainment, & Recreation	293	ND	ND	-	-
Accommodation & Food Services	2,076	2,432	2,353	277	13.3
Other Services	1,583	1,492	1,457	(126)	(8.0)
Federal Government	379	347	347	(32)	(8.4)
State Government	189	182	190	1	0.5
Local Government	4,019	4,803	4,238	219	5.4
TOTAL ²	36,344	37,496	32,069	(4,275)	(11.8)
¹ Average employment for the fourth quarter of each year. Total employment includes wage and salary employment and proprietors' employment.					
² Total includes a small amount of employment in unclassified categories.					
Sources: U.S. Bureau of Economic Analysis, Quarterly Census of Employment and Wages (QCEW); Gruen Gruen + Associates.					

Total employment increased by 1,152 jobs from 36,344 jobs in 2010 to 37,496 jobs in 2015. Gains in employment in manufacturing, wholesale trade, retail trade, transportation and wholesaling, real estate, management and administrative sectors as well as education, healthcare, and local government sectors offset losses in the mining, construction, professional and technical and other services.



From 2015 to 2021 total employment in Campbell County decreased by 5,427 jobs. A decline of 3,352 jobs in the mining sector accounts for 76 percent of the net decline in employment. Examples of coal mine closures resulting in loss of jobs include Eagle Butte and Belle Ayr closures in 2019 (loss of 600 jobs)⁸ A decline of 780 jobs in the construction sector accounts for nearly 18 percent of the net decline in employment. Declines in wholesale trade, professional and technical services, and management of companies also contributed to the net job loss.

More recently, according to just released data from the Wyoming Department of Workforce Services, from the fourth quarter 2021 to the fourth quarter 2022, employment increased by 1,045 jobs in Campbell County. The mining sector, including the oil and gas industry, experienced a gain of more than 550 jobs. Other sectors which registered employment gains include wholesale trade, professional and business services, construction, other services, and the government sector.⁹

⁸ [600+ out of work after Campbell County coal mines close doors | News | newscenter1.tv](#)

⁹ [Wyoming Employment and Payroll: Strong Job Growth in the Mining Sector in Fourth Quarter 2022 – Wyoming Department of Workforce Services](#)



Table II-8 summarizes for the city of Gillette the change in employment by industry sector from 2010 through 2020 (the most recent year available).

TABLE II-8: Change in Payroll Employment by Industry Sector (City of Gillette, 2010-2020)					
Industry Sector	Employment ¹			10-Year Change	
	2010	2015	2020	# Jobs	%
Agriculture, Forestry, Fishing & Hunting	16	21	14	-	-
Mining, Quarrying, & Oil & Gas Extraction	3,174	3,285	1,450	(1,724)	(54.3)
Construction & Utilities	1,661	1,260	1,001	(660)	(39.7)
Manufacturing	497	457	393	(104)	(20.9)
Wholesale Trade	872	996	967	95	10.9
Retail Trade	1,945	2,060	1,963	18	0.9
Transportation & Warehousing	572	666	456	(116)	(20.3)
Information	271	174	241	(30)	(11.1)
Finance & Insurance	383	407	412	29	7.6
Real Estate & Rental & Leasing	191	263	219	28	14.7
Professional & Technical Services	739	608	517	(222)	(30.0)
Management of Companies & Enterprises	337	439	39	(298)	(88.4)
Administrative & Waste Services	640	615	655	15	2.3
Educational Services	1,794	2,024	1,899	105	5.9
Health Care & Social Assistance	1,934	2,316	2,316	382	19.8
Arts, Entertainment, & Recreation	89	118	131	-	-
Accommodation & Food Services	1,779	2,283	1,936	157	8.8
Other Services	747	701	738	(9)	(1.2)
Public Administration	1,483	1,613	1,379	(104)	(7.0)
TOTAL ²	19,124	20,306	16,726	(2,398)	(12.5)
¹ Average employment for the fourth quarter of each year. Employment covers unemployment insurance (UI)-covered employment which typically includes private-sector employment and state and local government.					
² Total includes a small amount of employment in unclassified categories.					
Sources: U.S. Census Bureau <i>OntheMap</i> ; Gruen Gruen + Associates.					

The five largest sectors – healthcare, retail trade, accommodation and services, educational services, and mining- made up 57 percent of total employment in 2020.

Total employment increased by nearly 1,200 jobs from 19,124 jobs in 2010 to 20,306 jobs in 2015. Gains in employment in mining, information, finance, insurance, and real estate, management of companies, education, healthcare, arts and entertainment, accommodation and food services, and government offset losses in the construction, professional and technical and other services.



From 2015 to 2020 total employment in Gillette decreased by 3,580 jobs. Declines in mining employment account for about half of the net job losses. Losses in employment in construction and transportation and warehousing as well as declines in employment in management of companies and accommodation and food services primarily contributed to the decline in employment from 2015 to 2020.

Table II-9 presents average weekly wage data by industry sector for Campbell County, from 2010 to 2021. This data is not available at the city level for Gillette.

Industry Sector	Average Weekly Wage ¹			11-Year Change	
	2010	2015	2021	Avg. Wage	%
Agriculture, Forestry, Fishing & Hunting	\$776	ND	\$1,681	\$905	116.6
Mining, Quarrying, & Oil & Gas Extraction	\$1,497	\$1,722	\$1,822	\$325	21.7
Construction	\$1,311	\$1,206	\$1,396	\$85	6.5
Manufacturing	\$1,313	\$1,349	\$1,451	\$138	10.5
Wholesale Trade	\$1,431	\$1,585	\$1,731	\$300	21.0
Retail Trade	\$600	\$604	\$663	\$63	10.5
Transportation & Warehousing	\$907	\$994	\$1,289	\$382	42.1
Information	\$754	\$821	\$1,227	\$473	62.7
Finance & Insurance	\$1,053	\$1,233	\$1,674	\$621	59.0
Real Estate & Rental & Leasing	\$943	\$790	\$867	(\$76)	(8.1)
Professional & Technical Services	\$1,562	\$1,155	\$1,231	(\$331)	(21.2)
Management of Companies & Enterprises	\$1,789	ND	\$1,846	N/A	N/A
Administrative & Waste Services	\$579	\$705	\$841	\$262	45.3
Educational Services (Private)	\$314	\$544	\$975	\$661	210.5
Health Care & Social Assistance	\$1,092	\$982	\$934	(\$158)	(14.5)
Arts, Entertainment, & Recreation	\$215	\$268	\$336	\$121	56.3
Accommodation & Food Services	\$297	\$333	\$406	\$109	36.7
Other Services	\$1,034	\$895	\$1,170	\$136	13.2
Federal Government	\$1,322	\$1,219	\$1,565	\$243	18.4
State Government	\$969	\$1,057	\$1,016	\$47	4.9
Local Government	\$959	\$991	\$1,118	\$159	16.6
TOTAL	\$1,140	\$1,163	\$1,228	\$88	7.7

¹ Average wages for the fourth quarter of each year. Wages are not adjusted for inflation.

Sources: Wyoming Department of Workforce Services, Quarterly Census of Employment and Wages (QCEW); Gruen Gruen + Associates.

Not factoring in inflation, average wages have increased very modestly by \$88 per week from \$1,140 in 2010 to \$1,228 in 2021. (If inflation was factored in, in real average wages would have declined).



Wages in the professional and technical services, healthcare, and real estate sectors experienced wage declines. Relatively low wages make affording new construction market rate housing challenging.

JOBS-HOUSING RELATIONSHIP

The relationship between the number of jobs and the amount of housing available indicates how well an area provides jobs that enable a high proportion of the resident labor force to work near their place of residence and enjoy a relatively short commute. A jobs-to-housing ratio is a generalized but useful indicator of housing demand pressures within a given area. Regions or communities with high ratios of jobs to available housing units are most often those that experience high increases in housing costs over time. While jobs to housing relationships will vary given differences among communities in labor force, social, and economic characteristics; transportation linkages, geographical constraints, and land use regulatory conditions, the generally accepted ratio for a balanced relationship between jobs and housing tends to fall within 1.3-to-1.7-jobs- per-housing unit.¹⁰ Areas with significantly higher jobs-to-housing ratios typically do not have an adequate amount of housing supply to meet the needs of the local workforce.

Table II-10 summarizes the jobs-to-housing ratio for Gillette from 2010 to 2020. The estimated jobs-housing unit ratio in Gillette in 2020 of 1.12 jobs per housing unit indicates a high share of housing relative to jobs. Historical estimates of local wage and salary employment and the housing stock indicate that the jobs-housing ratio was higher at 1.37 in 2010.

TABLE II-10: City of Gillette Employment and Jobs-Housing Ratio (2010-2020)				
	2010	2020	Change 2010-2020	
	#	#	#	%
Total Employment	19,124	16,726	(2,398)	(12.5)
Total Housing Units	13,939	14,884	945	6.8
Jobs-Housing Ratio	1.37	1.12	(0.25)	(18.1)
Sources: U.S. Census Bureau <i>OntheMap</i> ; Gruen Gruen + Associates.				

As shown in Table II-10, the decline in the jobs-housing ratio is explained by a decrease in jobs over nearly 2,400 or 12.5 percent of the employment base from 2010 to 2020, while the number of housing units increased by 945 or nearly seven percent.

¹⁰ See, for example, “Jobs-Housing Balances and Regional Mobility”, Robert Cervero, Institute of Urban and Regional Development University of California at Berkeley, *APA Journal*, spring 1989, pp.136-150. The August 2008 *Urban Land* “Mixing It Up” article indicates the ideal jobs-housing ratio is generally between 1.2 and 1.4 jobs per housing unit and that sites or communities with an integrated set of land uses minimize traffic generation and increase “capture internal rates” for services, retail, restaurants and other uses. (“Mixing It Up,” *Urban Land*, Walters, Jerry, Ewing, Reid. August 2008, p. 126).



LABOR FORCE CHARACTERISTICS

Table II-11 shows the change in the composition of the Gillette labor force from 2010 to 2021.

TABLE II-11: Shift in Workforce by Occupation (City of Gillette, 2000-2021)			
Occupation	Workforce ¹		Shift
	2000	2021	Pct. Points
Management, professional, and related	25.0%	29.9%	5.0
Service occupations	14.7%	14.5%	(0.3)
Sales and office occupations	22.3%	17.9%	(4.4)
Farming, fishing, and forestry occupations	0.4%	0.0%	(0.4)
Construction, extraction, and maintenance	22.3%	19.6%	(2.7)
Production, transportation, and material moving	15.3%	18.2%	2.9
TOTAL	100.0%	100.0%	0.00
¹ Percent of the employed civilian population (age 16 and older). Estimates for 2000 exclude small share of “farming, fishing and forestry” occupations, representing less than one-half of one percent of workers.			
Sources: U.S. Census Bureau; Gruen Gruen + Associates.			

Growth in Gillette’s resident labor force has primarily been in management, professional, and related occupations. The resident labor force engaged in these occupations typically requiring higher educational attainment and associated with higher paying jobs has increased by five percentage points, from about 25 percent of the labor force in 2000 to nearly 30 percent by 2021. Residents engaged in production, transportation, and material moving occupations have also increased by nearly three percentage points to 18.2 percent in 2021. Service occupations slightly declined as a proportion of the total labor force, from 14.7 percent in 2000 to 14.5 percent in 2021. Sales and office occupations have declined by 4.4 percentage points to just under 18 percent. Construction, extraction, and maintenance occupations (primarily mining and oil and gas related) have experienced a nearly three percent decline in the resident labor force over the 2000 to 2021 period.

COMMUTATION PATTERNS

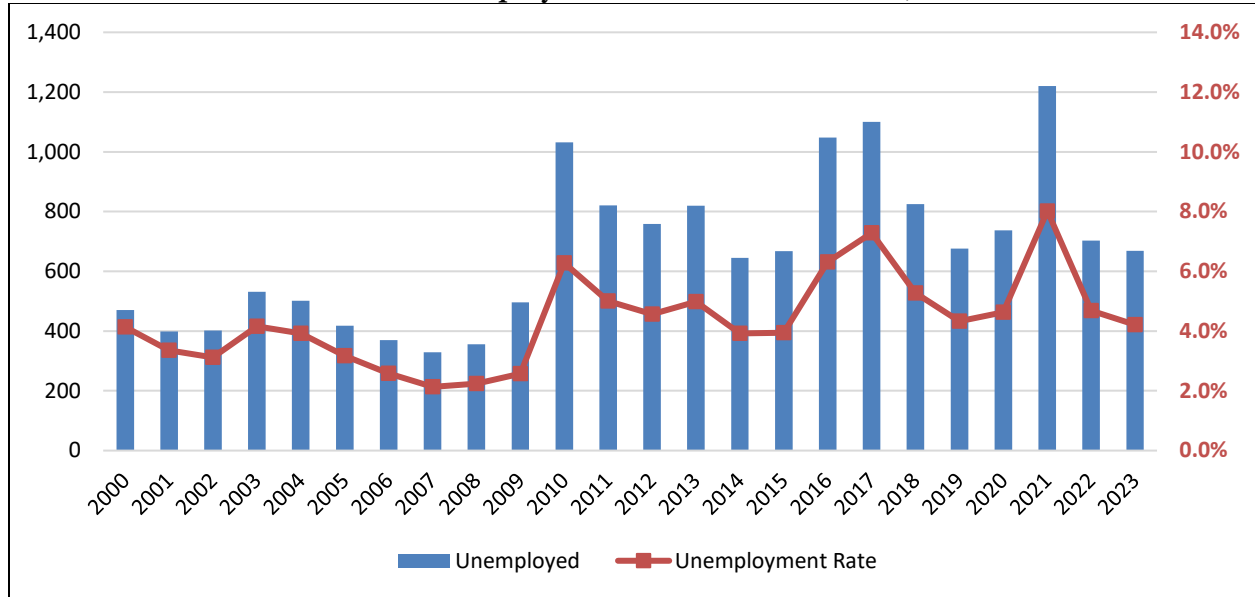
Consistent with its low jobs-housing ratio, Gillette does not import a significant share of labor. According to data from the U.S. Census Bureau’s Center for Economic Studies, the resident labor force (workers living in Gillette) represents about 58 percent all workers employed in Gillette. An additional 20 percent of workers employed in Gillette live elsewhere in Campbell County.

Similarly, almost 80 percent of the resident labor force is employed in the city or somewhere in Campbell County. Current patterns for the labor shed and commute shed indicate a highly concentrated housing market area (for workforce housing).



Figure II-3 summarizes resident labor force unemployment patterns in Gillette since 2000.

FIGURE II-3: Unemployed Labor Force in Gillette, 2000-2023



The number of unemployed (669) is far less than the number of available job openings (1,381) reported below for the city of Gillette. The unemployment rate peaked at 7.3 percent in 2017, decreased to four percent in 2019 before increasing to 8.0 percent in 2021. The unemployment rate in 2022 returned to over four percent, approximately where it stands currently.



Table II-12 shows current job openings by occupation in Gillette.

TABLE II-12: Summary of Gillette Job Openings (June 2023)		
	Job Postings ¹	
	#	% of Total
Healthcare Practitioners and Technical Occupations	146	10.6
Management Occupations	120	8.7
Transportation and Material Moving Occupations	92	6.7
Installation, Maintenance, and Repair Occupations	87	6.3
Sales and Related Occupations	82	5.9
Food Preparation and Serving Related Occupations	78	5.6
Office and Administrative Support Occupations	66	4.8
Construction and Extraction Occupations	54	3.9
Architecture and Engineering Occupations	46	3.3
Business and Financial Operations Occupations	44	3.2
Educational Instruction Occupations	35	2.5
Production Operations	35	2.5
Computer and Mathematical Occupations	29	2.1
All Others	467	33.8
Total	1,381	100.0
¹ As of June 9, 2023. Includes active postings from any time period for city of Gillette.		
Sources: Wyoming State Labor Dept., https://www.wyomingatwork.com ; Gruen Gruen + Associates.		

Healthcare occupations have the largest number of job openings at 146 or nearly 11 percent of total job openings. Management occupations have the second largest number of reported openings at 120 or nearly nine percent of total job openings.

Several sectors which have experienced job declines have significant openings including transportation related (92 job openings), food service related (78 job openings) and construction and extraction occupations (54 job openings). Note the number of job openings are close to the number of total jobs decline from 2010 to 2020 in Gillette.

The approximately 1,400 job openings available in Gillette exceed the number of unemployed residents in the labor force for the entire County indicating that those openings would need to be filled by non-residents which would put demand pressure on the housing market.



Non-retail employers with high levels of job postings (at least 10) in the Gillette area include:

- Campbell County Health;
- CDM Smith, Inc.;
- Campbell County School District;
- Gillette Community College District;
- Ryder System, Inc.;
- Campbell County Government;
- Legacy & Living Rehab Center;
- Peabody Energy Corporation; and
- Interstate Companies Inc.



CHAPTER III

HOUSING SUPPLY CHARACTERISTICS AND MARKET CONDITIONS

INTRODUCTION

Another factor that influences housing growth and needs is the supply of housing. A key question is whether enough housing units are and will be available at prices that make them affordable to households seeking dwellings. Chapter III reviews the city of Gillette’s existing housing supply including historical changes in inventory and unit type and identifies the potential supply of new housing in the city. Market conditions for both rental and for-sale housing are also presented.

HOUSING STOCK FOR GILLETTE AND CAMPBELL COUNTY

Table III-1 identifies the housing unit inventory, including occupancy status for 2000, 2010, and 2021 in Gillette, Campbell County, and towns and unincorporated areas within Campbell County.

TABLE III-1: City of Gillette and Campbell County Housing Inventory (2000-2021)					
	CENSUS		ACS	21-Year Change	
	2000	2010	2021	#	AAGR ¹
City of Gillette					
Total Housing Units	7,982	12,153	13,967	5,985	2.70%
Occupied Housing Units	7,390	10,975	11,954	4,564	2.32%
Vacant Housing Units ²	592	1,178	2,013	1,421	6.00%
Vacancy Rate	7.4%	9.7%	14.4%		
Other Towns and Unincorporated Areas					
Total Housing Units	5,306	6,802	5,884	578	0.49%
Occupied Housing Units	4,817	6,197	5,236	419	0.40%
Vacant Housing Units ²	489	605	648	159	1.35%
Vacancy Rate	9.2%	8.9%	11.0%		
CAMPBELL COUNTY					
Total Housing Units	13,288	18,955	19,851	6,563	1.93%
Occupied Housing Units	12,207	17,172	17,190	4,983	1.64%
Vacant Housing Units ²	1,081	1,783	2,661	1,580	4.38%
Vacancy Rate	8.1%	9.4%	13.4%		
¹ Average annual growth rate. ² Vacant units include those occupied for seasonal, recreational, or occasional use.					
Sources: U.S. Census Bureau; Gruen Gruen + Associates.					



From 2000 to 2021, the total number of housing units in Gillette increased by nearly 6,000 units, from 7,982 units in 2000 to 13,967 units in 2021.¹¹ This increase equates to an average annual growth rate of 2.7 percent. Approximately 71 percent of the increase of 4,171 housing units occurred from 2000 to 2010.

The vacancy rate of housing units increased from 7.4 percent in 2010 to 9.7 percent in 2010 to 14.4 percent in 2021. The number of vacant housing units of 2,013 constitutes an increase of 1,421 units. This equates to an average annual growth rate of six percent and represents nearly 24 percent of the units added to Gillette's housing inventory. The interviews did not corroborate such high rates of vacancy though several did mention examples of households that spend winter months like "snow birds" which could explain some of the reported vacancy rates.

The growth of Gillette's inventory accounts for about 91 percent of the increase in the housing stock of Campbell County. The number of units in Campbell County increased by nearly 6,600 or an average annual increase of 1.93 percent. The number of vacant housing units in Campbell County increased by 1,580 units. This equates to an average increase of 4.38 percent per year and represents about 24 percent of the increased number of housing units. The vacancy rate of Campbell County housing inventory increased from 8.1 percent in 2000 to 13.4 percent in 2021. Under Census Bureau definitions and sampling methods, note that "vacant" units can include units that are not available for rent or purchase, units occupied on a part-time or seasonal basis, and so forth. The interviews and secondary real estate data obtained and reviewed below do not indicate such a permanently high and persistent vacancy rate.

Housing inventory grew at a lower rate and a smaller number of units in the towns and unincorporated areas of Wright, Antelope Valley-Crestview, Sleepy Hollow, and other areas to nearly 6,000 units. The vacancy rate in the towns and unincorporated areas was 11 percent in 2021, up from 8.9 percent in 2010.

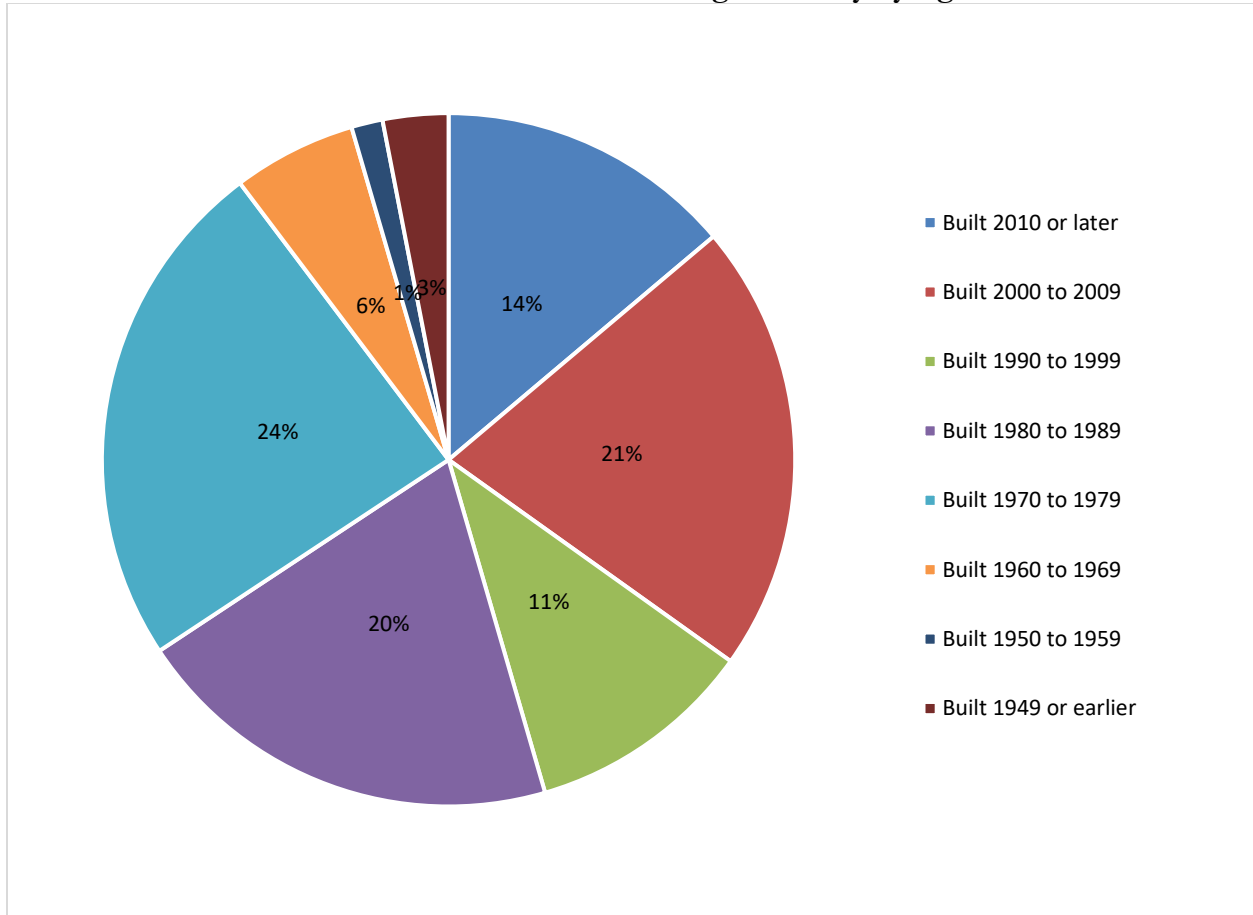
¹¹ City staff estimate that the current total housing inventory is closer to 14,700 units.



AGE OF HOUSING STOCK

Figure III-1 summarizes the age of the existing housing stock according to the 2021 American Community Survey estimates.

FIGURE III-1: Gillette Housing Inventory by Age



About 24 percent of Gillette's housing stock was built in the 1970s. Another 20 percent of the housing stock was built in the 1980s. About 21 percent of the housing stock was built in the first decade of 2000s, while nearly 14 percent of the housing stock has been added since 2009. Only about 10 percent of the housing stock was built prior to 1970.



HOUSING INVENTORY BY TYPE AND TENURE

Table III-2 summarizes the occupied housing inventory by type and tenure (owner or renter) for the city of Gillette.

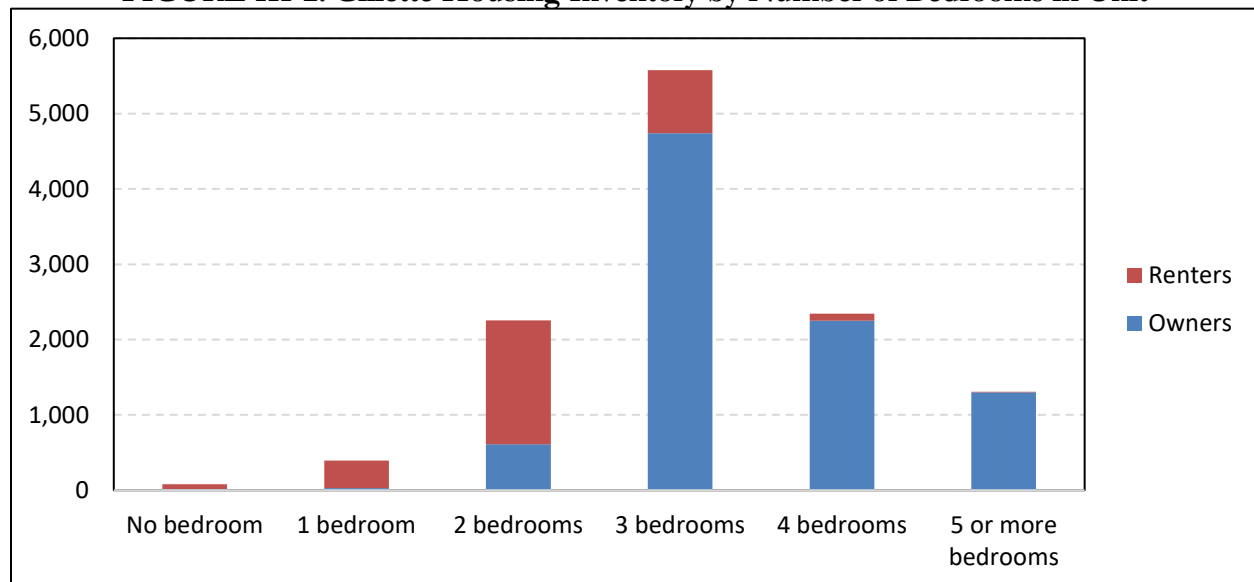
TABLE III-2: City of Gillette Occupied Housing Inventory by Type and Tenure (2021 ACS)						
	Owners		Renters		TOTAL	
	#	%	#	%	#	%
Detached or Attached Single-Family	7,264	60.8	649	5.4	7,913	66.2
Multi-Family (2-4 Units)	118	1.0	573	4.8	691	5.8
Multi-family (5-19 Units)	0	0.0	639	5.3	639	5.3
Multi-Family (20+ Units)	0	0.0	816	6.8	816	6.8
Mobile Home/Other	1,560	13.1	335	2.8	1,895	15.9
Total	8,942	74.8	3,012	25.2	11,954	100.0

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

A high share at nearly 75 percent of housing units in Gillette are owner-occupied and about 25 percent of housing units are renter-occupied. Single-family housing units (both detached and attached) comprise 66 percent of the total housing units. Nearly 18 percent of housing units are multi-family including 816 units or nearly seven percent of the total housing units in buildings containing 20 or more units. Mobile homes comprise nearly 1,900 units or nearly 16 percent of the total inventory.

Figure III-2 shows the Gillette housing inventory by number of bedrooms.

FIGURE III-2: Gillette Housing Inventory by Number of Bedrooms in Unit



Sources: U.S. Census Bureau; Gruen Gruen + Associates.

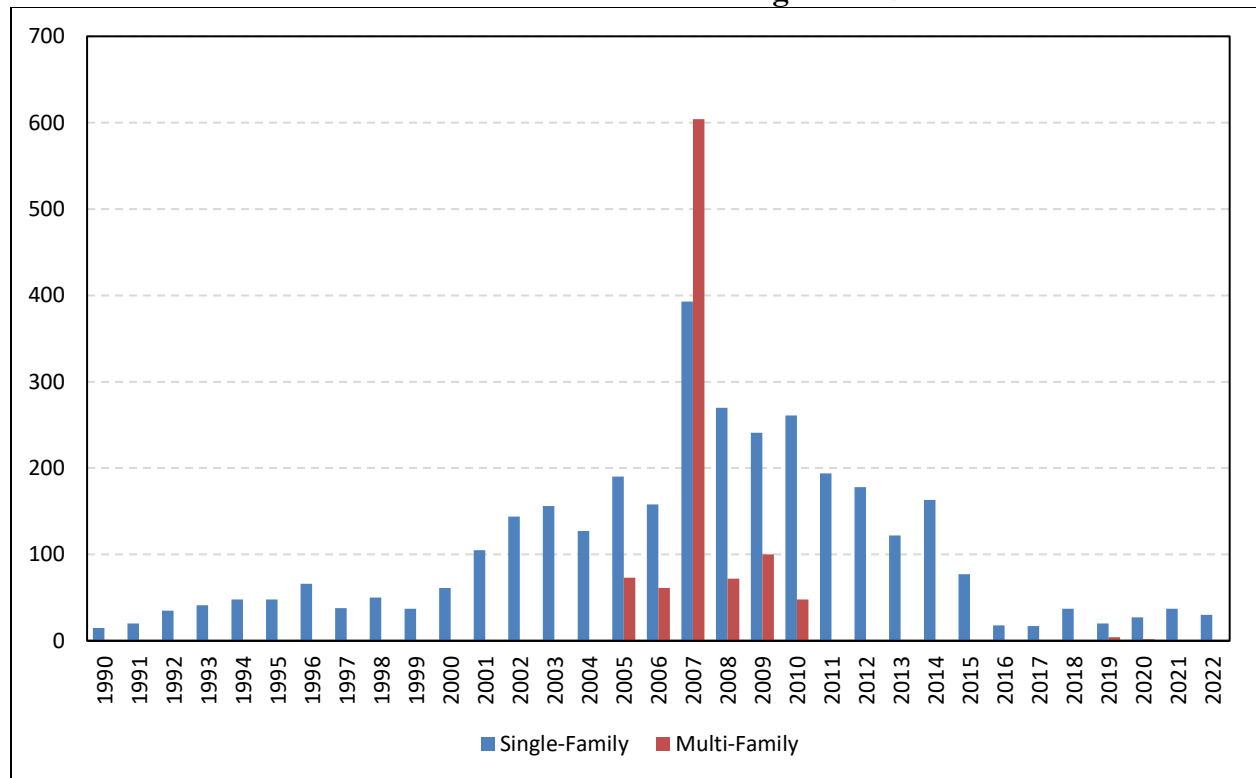


Most (4,740 or 53 percent) owner-occupied housing units consist of three bedrooms. Twenty-five (25) percent or 2,252 owner-occupied housing units consist of four bedrooms. Twice as many owner-occupied units consist of five bedrooms (1,298 or 14.5 of the total owner-occupied housing inventory) than consist of two bedrooms (609 or 6.8 percent of the total owner-occupied inventory). Only 43 owner-occupied housing units consist of one or no bedrooms (“studio” units). Most of the rental housing inventory consists of two bedrooms (two bedrooms make up 1,645 or 54 percent of the rental housing inventory). Only 102 units (or 3.3 percent of the rental housing inventory) consist of four or five or more bedrooms. Nearly 28 percent (835 housing units) of the rental housing inventory consists of three-bedroom units. Studio and one-bedroom rental housing units totaling 430 comprise 14 percent of the rental housing inventory.

HOUSING CONSTRUCTION ACTIVITY

Figure III-3 summarizes annual residential building permits for Gillette from 1990 through 2022 according to U.S. Census Bureau estimates. Note that manufactured homes are excluded.

FIGURE III-3: New Residential Building Permits in Gillette



An average of 104 new single-family units (either detached or attached) have been permitted annually in the city of Gillette since 1990. Single-family housing development activity peaked in 2007 when nearly 400 new units were permitted. Fewer than 40 new single-family housing units have been permitted in each of the last seven years, according to U.S. Census Bureau data. Between 2005 and 2010, a total of 958 new multi-family housing units were permitted in Gillette, representing the only period during which multi-family development activity has occurred since 1990.



Table III-3 below summarizes the composition of new residential permits since 2014, by type of unit, according to permit data provided by the city of Gillette.

TABLE III-3: New Residential Building Permits by Type in City of Gillette				
	Detached Single-Family # Units	Attached Single-Family # Units	Manufactured Homes # Units	Total # Units
2014	133	37	13	183
2015	80	4	14	98
2016	7	12	3	22
2017	15	2	7	24
2018	33	6	7	46
2019	20	4	9	33
2020	27	2	8	37
2021	36	1	5	42
2022	29	0	1	30
2023 ¹	19	0	0	19
Total	399	68	67	534
¹ Year to date through May 2023.				
Source: city of Gillette				

From 2014 through May 2023 a total of 534 building permits were issued with 399 building permits issued for detached single-family housing units, 68 building permits issued for attached single-family townhouse or duplex units, and 67 building permits issued for manufactured homes. Note that over one-half of the total building permits were issued in 2014 and 2015 prior to the economic downturn in Gillette. From 2016 when permit issuance declined to the low of 22, through 2022, annual building permits issuance has averaged only 33.



FOR-SALE HOUSING MARKET CONDITIONS

Drawn from data provided by Re/Max Professionals from the NEWRA Multiple Listing Service, Table III-4 summarizes for-sale single-family housing trends including the number of annual sales and average and median home sales prices from 2014 to 2023 year-to-date.

TABLE III-4: Historical Detached Single-Family Housing Market Trends in Gillette						
Year	Number of Sales #	Average Days on Market #	Sales Price as Percent of List Price %	Average Unit Size ¹ # Sq. Ft.	Median Sales Price \$	Average Sales Price \$
2013	336	136	98.0	2,430	223,500	228,789
2014	405	134	99.0	2,486	235,000	243,994
2015	445	11	99.0	2,424	243,000	251,406
2016	262	137	97.0	2,503	229,900	236,756
2017	328	123	97.9	2,408	217,500	221,555
2018	382	106	98.7	2,470	225,000	234,193
2019	498	91	98.3	2,376	225,750	242,329
2020	685	87	98.6	2,343	229,900	243,297
2021	793	80	98.5	2,350	244,900	266,387
2022	592	60	99.4	2,300	270,000	295,038
2023 YTD	197	67	99.2	2,319	289,000	312,553
¹ Average size reflects unfinished/finished basement space plus above grade living space square footage.						
Sources: Re/Max Professionals; NEWRA MLS.						

The volume of sales activity surged starting in 2019, peaking at 793 housing units in 2021. Days on the market has declined to a low of 60 in 2022 compared to 136 days in 2013, 134 days in 2014, and a high of 137 days in 2015. Sales prices, as a percentage of list prices, have generally been high throughout the period but in the last two years have peaked at over 99 percent of list price.

From 2013 through 2019 average sales prices fluctuated averaging less than \$244,000 for every year other than 2015 which had a peak high average value of \$251,406 and the lowest average value of \$221,555 in 2018. Since 2020, average sales prices have increased every year. Average sales prices have increased by over 28 percent from \$243,297 in 2021 to \$312,553 in 2023.



Drawn from data provided by Re/Max Professionals from the NEWRA Multiple Listing Service, Table III-5 summarizes for-sale attached single-family/condominium/duplex, housing trends including the number of annual sales and average and median home sales prices from 2014 to 2023 year-to-date.

Year	Number of Sales #	Average Days on Market #	Sales Price as Percent of List Price %	Average Unit Size ¹ # Sq. Ft.	Median Sales Price \$	Average Sales Price \$
2013	63	130	97.4	1,496	139,000	138,803
2014	94	124	98.7	1,496	157,950	153,184
2015	115	118	98.9	1,590	165,000	166,051
2016	54	134	97.7	1,510	153,000	152,975
2017	70	151	96.9	1,527	142,250	138,076
2018	90	107	99.6	1,581	147,150	143,199
2019	103	105	97.7	1,540	150,000	146,375
2020	150	90	98.2	1,571	154,900	154,721
2021	156	88	98.8	1,632	169,900	172,710
2022	134	52	98.6	1,536	176,750	183,538
2023 YTD	42	46	100.6	1,593	189,000	201,098

¹Average size reflects square feet of finished living area.
Sources: Re/Max Professionals; NEWRA MLS.

The historical sales data for attached single-family, condominium, and duplex units reflects the same patterns as summarized above for the single-family sales history. The number of average sales were fewer from 2013 through 2019 and average days on the market were significantly higher than in the past three or four years. Year-to-date 2023 days on the market for attached housing units has declined to a low of 46 days compared to a high of 151 days in 2017. The volume of sales in 2020, 2021, and 2022 are more than double the volume of sales in 2013 (and 2016 and 2017). Sales prices relative to listing prices in 2023 have increased to be above listing prices. Average sales prices have increased every year since 2020 from nearly \$155,000 in 2020 to over \$201,000 in 2023. This equates to an increase of nearly 30 percent. From 2013 through 2019 average sales prices fluctuated very little with a range from about \$138,000 in 2013 and 2017 to a high of about \$146,000 in 2019.



Table III-6 presents the current available listings of existing housing units in Gillette and Campbell County.

TABLE III-6: Active Residential Sales Listings in Gillette and Campbell County				
	Number of Sales Listings #	Average Unit Size ¹ # Square Feet	Median Asking Sales Price \$	Average Asking Sales Price \$
City of Gillette				
Detached Single Family	43	2,886	399,900	413,508
Attached Single-Family/Other Types	7	2,306	349,999	333,714
Total Gillette	50			
Elsewhere Campbell County				
Detached Single Family	20	2,752	389,950	458,790
Attached Single-Family/Other Types	2	1,385	162,500	162,500
Total Elsewhere in Campbell County	22			
Total Gillette & Campbell County	72			
¹ Average size reflects unfinished/finished basement space plus above grade living space square footage.				
Sources: Re/Max Professionals; NEWRA MLS.				

The interviews indicate that the available inventory of existing for-sale housing has drastically declined. The multiple listing service data shows only 43 detached single-family listings are currently actively for-sale in Gillette. The average asking price of approximately \$413,500 is 32 percent higher than the actual average sales prices of detached single-family housing units sold year-to-date. Only seven attached single-family or other types of housing units are available for sale in Gillette. The average asking price of about \$333,700 is 66 percent higher than the actual average sales prices of attached single-family and other types of units sold year-to-date.

Active residential listings elsewhere in Campbell County total only 22 of which 20 are detached, single-family units with asking prices of nearly \$459,000 and two are attached single-family units with an average asking price of \$162,500.

Counting both Gillette and elsewhere in Campbell County residential property listings, the total of 72 represents less than one tenth of one percent of the total housing stock in Campbell County.



Table III-7 shows the distribution of residential property sales by price for 2017, 2022, and year-to-date 2023.

TABLE III-7: Distribution of Residential Property Sales by Price in Gillette			
	2017 Total Sales: 328 % of Homes Sold	2022 Total Sales: 591 % of Homes Sold	Year-to-Date 2023 Total Sales: 199 % of Homes Sold
Detached, Single-Family			
Below \$200,000	38	18	10
\$200,000-\$299,999	50	44	47
\$300,000-\$399,000	10	24	21
\$400,000-\$499,000	1	8	13
\$500,000-\$599,999	1	4	6
\$600,000 and Above	0	2	3
Attached Single-Family/Other	2017 Total Sales: 70 % of Homes Sold	2022 Total Sales: 134 % of Homes Sold	Year-to-Date 2023 Total Sales: 44 % of Homes Sold
Below \$200,000	94	76	57
\$200,000-\$299,999	6	20	39
\$300,000-\$399,000	0	1	2
\$400,000-\$499,000	0	3	2
\$500,000-\$599,999	0	0	0
\$600,000 and Above	0	0	0
Sources: Re/Max Professionals; NEWRA MLS.			

In 2017, 38 percent of the detached, single-family housing units sold in Gillette sold for less than \$200,000. In 2023 year-to-date, only 10 percent of the detached single-family housing units sold for under \$200,000. In 2017, only two percent of detached, single-family units sold in Gillette sold for more than \$400,000. Year-to-date in 2023, 22 percent of detached, single-family units sold for prices above \$400,000. In 2017, 94 percent of attached single-family and other housing types sold in Gillette sold for less than \$200,000. In 2023, only 57 percent of attached single-family and other types sold for less than \$200,000.



Table III-8 shows the distribution of pricing by number of bedrooms for 2017, 2022, and year-to-date 2023.

TABLE III-8 Average Residential Property Pricing Trends by Unit Size in Gillette			
	2017	2022	Year-to-Date 2023
Two Bedrooms or Fewer			
Number of Sales	20	64	17
Avenue Unit Size ¹	1,562	1,376	1,452
Average Sales Price	\$120,639	\$169,142	\$201,970
Average Price Per Square Foot	\$79	\$130	\$144
Three Bedrooms			
Number of Sales	211	344	118
Avenue Unit Size ¹	2,015	1,843	1,813
Average Sales Price	\$186,241	\$240,433	\$255,722
Average Price Per Square Foot	\$93	\$133	\$142
Four Bedrooms			
Number of Sales	111	211	63
Avenue Unit Size ¹	2,480	2,508	2,492
Average Sales Price	\$224,030	\$314,873	\$320,986
Average Price Per Square Foot	\$90	\$126	\$130
Five or More Bedrooms			
Number of Sales	50	94	36
Avenue Unit Size ¹	2,886	3,010	2,863
Average Sales Price	\$276,317	\$373,777	\$363,581
Average Price Per Square Foot	\$94	\$123	\$126
¹ Average size reflects square feet of finished living area.			
Sources: Re/Max Professionals; NEWRA MLS.			

The per square foot sales prices for two-bedroom housing units have increased from \$79 per square foot to \$144 per square foot in 2023. This equates to an 82 percent price increase. The smaller units now sell for higher per square foot prices than housing units with more than two bedrooms, while in 2017, housing units with more than two bedrooms sold for higher prices per square foot. Prices have increased faster for housing units with fewer bedrooms than housing units with more bedrooms.

Average sales prices for housing units with three bedrooms have increased from \$93 per square foot in 2017 to \$142 per square foot in 2023. This equates to a price increase of nearly 53 percent.

Average sales prices for housing units with four bedrooms have increased from \$90 per square foot to \$130 per square foot. This equates to a price increase of 44 percent.

Average sales prices for housing units with five bedrooms have increased from \$94 per square foot to \$126 per square foot. This equates to a price increase of 34 percent.

Table III-8 also shows a far higher number of three-bedroom units and four-bedroom units have sold than two-or fewer or five or more-bedroom units.

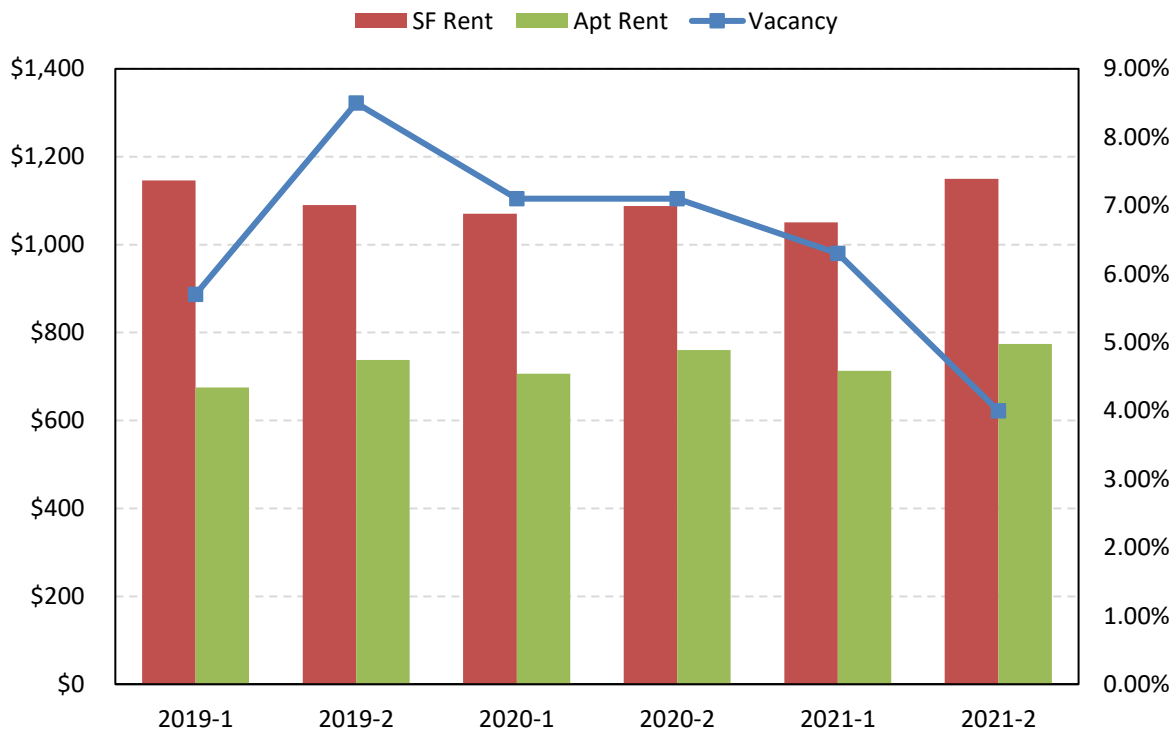


RENTAL MARKET CONDITIONS

According to 2021 American Community Survey estimates, the city of Gillette contains approximately 2,000 renter-occupied multi-family units plus another 335 renter-occupied mobile home units. The annual rental survey conducted by the Wyoming Community Development Authority in the first half of 2021 surveyed properties containing 1,631 apartment units and 33 mobile home units, or about 70 percent of Gillette’s apartment and mobile home rental inventory. The survey reported a 2.9 percent vacancy rate for apartment units and a 9.1 percent vacancy rate for mobile home units.

Figure III-4 illustrates rent and vacancy rate trends in Gillette from 2019 to 2021.

FIGURE III-4: Rental Housing Market Conditions in Gillette

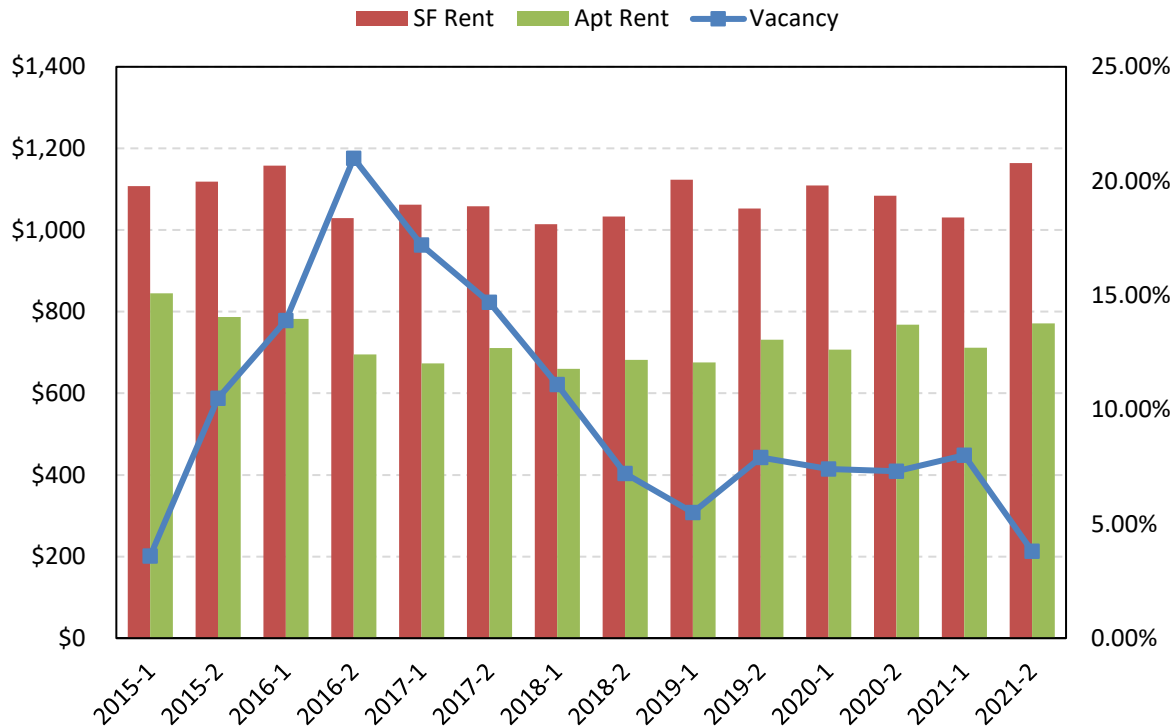


According to the survey, vacancy rates peaked in the second half of 2019 and by 2021 decreased to an overall rate of four percent. Single-family rents declined between 2019 and the first half of 2021 but increased in the second half of 2021 to \$1,150. Monthly apartment rents have increased from \$675 in 2019 to \$774 in 2021, an increase of about 15 percent.



Figure III-5 illustrates a longer-term historical trend of rent and vacancy trends for Campbell County from 2015 to 2021.

FIGURE III-5: Rental Housing Market Conditions in Campbell County



On a Campbell County-wide level, vacancy rates soared to a high of 21 percent in the second half of 2016 with the downturn and layoffs in the local economy. Vacancy rates have steadily trended downward to a 3.8 percent rate at year-end 2021. Single-family rents have remained constant since 2015 with 2021 monthly rent at \$1,164. Monthly apartment rents countrywide decreased from 2015 from \$845 in 2015 to \$771 in 2021.

Since 2021, however, occupancy rates and rental rates have increased. The largest apartment complex in Gillette, South Forks includes 336 apartment units in three-story walk-up buildings. Built in 2008, the property is 100 percent leased with a waiting list. The property has enjoyed the best occupancy in 10 years.

Most renters of South Forks are working age households; some of whom have moved to Gillette from out of the state. Some renters work remotely and came to Gillette for lower costs and lifestyle reasons. South Forks appeals to nurses. South Forks has attracted families including single parents which rent the three-bedroom units and often use one of the bedrooms for an office.



Rents have increased since 2020 and currently are as follows:

TABLE III-9: Rental Rates for South Forks Apartment Community June 2023			
Unit Type	Average Size # Square Feet	Monthly Rent \$	Monthly Rent \$ Per Square Foot
One Bedroom/One Bath	837	1,165	1.39
Two Bedrooms/Two Baths	1,084	1,235	1.14
Two Bedrooms/Two Baths	1,063	1,215	1.14
Three Bedroom/ 2.5 Baths	1,274	1,375	1.08
Sources: South Forks Leasing Manager; Gruen Gruen + Associates.			

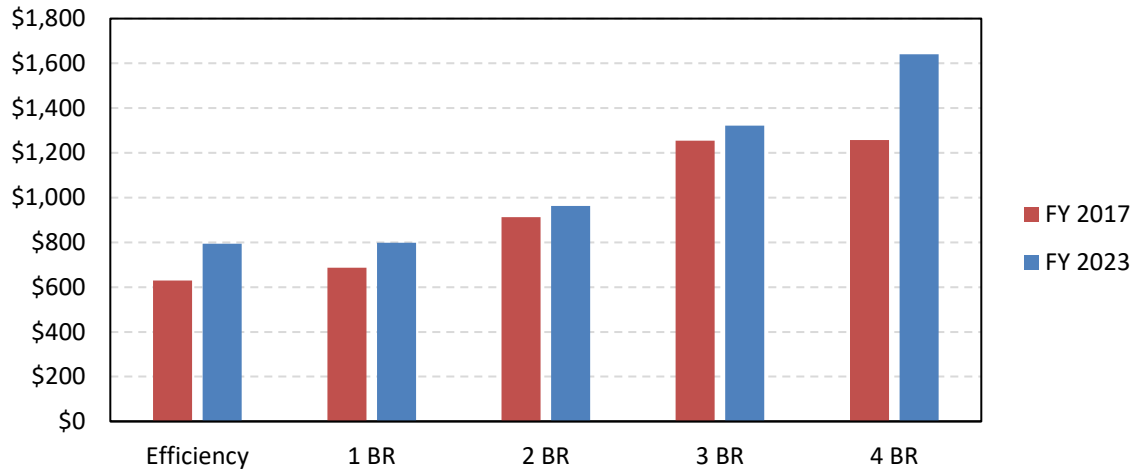
Rents for one bedroom/one bath units with an average size of 837 are currently \$1,165 per month. This equates to \$1.39 per square foot. Two bedroom/two bath units ranging in average size from 1,063 and 1,084 square feet have monthly rents of \$1,215 to \$1,235. This equates to a monthly rent per square foot of \$1.14 per square foot. Rents for three bedroom/2.5 baths units of 1,274 square feet total \$1,375 per month. This equates to a rent per square foot of space of \$1.08 per month.

Other competitive to South Forks market area projects which are also fully leased include Remington Apartments and College Park Townhomes which have similar rents.



Figure III-6 presents HUD fair market rents for Campbell County for 2017 and 2023. Fair market rents represent the cost of renting a moderately-priced unit in the local housing market.

FIGURE III-6: HUD Fair Market Rents for Campbell County



Sources U.S. Department of Housing and Urban Development (HUD); Gruen Gruen + Associates.

According to HUD, 2017 fair market rents range from \$630 per month for an efficiency unit up to \$1,258 per month for a four-bedroom unit. HUD's estimates of 2023 fair market rents range from \$794 per month for an efficiency to \$1,640 per month for a four-bedroom unit. Rents for efficiency units are reported to have increased 26 percent since 2017 while rents for four-bedroom units have increased at a higher rate of 30 percent.

VACANT RESIDENTIAL LOTS AND LAND

Current MLS data indicates that 106 vacant improved residential lots are actively listed for sale in Gillette. The listing prices range from \$17,000 to \$149,000 with an average list price of \$66,993 per lot.



Table III-10 summarizes the total estimated inventory of vacant land zoned for residential use in Gillette.

TABLE III-10: Vacant Residential Zoned Land in City of Gillette		
Zone District	Vacant Lots/Parcels #	Vacant Land Area # Acres
Enhanced Manufactured Home District (E-MH)	3	0.76
Mobile Home District (M-H)	63	15.21
Single-Family Residential District (R-1)	115	34.64
Single and Two-Family Residential District (R-2)	31	8.53
Single and Multiple-Family Residential District (R-3)	8	0.70
Multiple-Family Residential District (R-4)	82	14.48
Suburban Residential District (R-S)	17	6.69
Vacant Total	319	81.02
Sources: City of Gillette; Gruen Gruen + Associates.		

According to data provided by city staff, approximately 81 acres of land is vacant and zoned for residential use. Approximately 35 acres of land or 115 vacant lots are zoned R-1 for single-family residential uses. About 14 acres of vacant land are zoned R-4 for multi-family residential uses. An additional 16 acres of land comprised of 66 mobile or manufactured home lots are also vacant.

Table III-11 presents a summary of the estimated potential future land supply planned or proposed to be developed for residential uses.

TABLE III-11: Future Land Supply for Residential Uses	
	# Acres
Proposed Developments ¹	45.2
Unfinished Phases of Existing Subdivisions	875.5
Areas Adjacent to City (in County)	372.4
Total	1,293.1
¹ Two projects proposed to include 32 townhomes and 1,200 apartment units.	
Source: City of Gillette Development Services Department	

An affordable (tax credit) rental 32 townhome development on about 3.58 acres of land at 4801 Tanner Drive is proposed for which plans have been submitted. A developer has a contract to purchase land at 4800 Tanner Drive for a potential multi-phase, 1,200 units apartment complex.

Potential future phases of approximately 17 existing subdivisions ranging in area from about 11 acres to 147 acres for a total of nearly 876 acres of land are vacant with no dwelling units on them and currently unfinished (not improved with infrastructure). Two parcels of about 25 to 29 acres of land and one parcel of about 318 acres of land for a total of about 372 acres of land are in Campbell County adjoining and potentially annexed into the city for development of housing uses. Assuming



a low density of three to four units per acre for the potentially developed unfinished land in existing subdivisions or potentially annexed county land would support approximately 3,700 to 5,000 single family detached and attached residential units.



CHAPTER IV

HOUSING AFFORDABILITY

INTRODUCTION

Housing affordability is defined by both the income of a household (its “ability to pay”) and the cost of a housing unit appropriate for that household.

- Under standards defined by federal law and the U.S. Department of Housing and Urban Development (HUD), housing is considered to be “affordable” if a household spends 30 percent or less of its before-tax income on housing and related expenses (e.g., utilities, property taxes).
- Housing is not affordable if more than 30 percent of income is spent on housing. Households spending more than 30 percent of their income are commonly defined as “**cost burdened.**”

The 30-percent-of-income threshold is used throughout this analysis to characterize housing affordability conditions.

INCOME LIMITS

Table IV-1 summarizes current household income limits in 2023 for Campbell County.

	Family Size (# Persons)					
	1	2	3	4	5	6-8
Extremely Low (30% AMI) Income	\$22,050	\$25,200	\$28,350	\$31,450	\$35,140	\$40,280- \$50,560
Very Low (50% AMI) Income	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800- \$69,200
Low (80% AMI) Income	\$58,700	\$67,100	\$75,500	\$83,850	\$90,600	\$97,300- \$110,700

Sources: U.S. Department of Housing and Urban Development; Gruen Gruen + Associates.

Household income limits for the Extremely Low-income category – 30 percent or less of Area Median Income (“AMI”) – range from \$22,050 for a one-person household to \$50,560 for an 8-person household. Limits for the Very Low-income category, which represents 30 percent to 50 percent of AMI, range from \$36,700 for a single-person household up to \$69,200 for an 8-person household. Limits for the Low-Income category reflecting 50 percent to 80 percent of AMI range from \$58,700 for a single-person household up to \$110,700 for an 8-person household.



COST-BURDENED HOUSEHOLDS

Table IV-2 shows the distribution of households in 1999, 2010, and 2021 by housing tenure and the percentage of income expended on housing. Again, households spending 30 percent or more of their income on housing are considered cost burdened.

TABLE IV-2: Housing Costs as Percentage of Household Income in Gillette			
	1999	2010	2021
	% of Households	% of Households	% of Households
OWNERS			
Less than 20 percent of income	64.8	61.8	62.5
20 to 29 percent of income	21.3	25.6	21.9
30 percent or more of income	13.9	12.7	15.6
RENTERS			
Less than 20 percent of income	53.2	48.3	36.9
20 to 29 percent of income	21.0	29.9	20.4
30 percent or more of income	25.8	21.8	42.7

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

Affordability conditions in Gillette for owner-occupied housing improved from 1999 to 2010 and have remained relatively stable from 2010 through 2021. The cost-burden rate for owner-occupied households declined from a relatively low 13.9 percent in 1999 to 12.7 percent in 2010 and increased to a still relatively low 15.6 percent in 2021. Over 62 percent of households of owner-occupied housing units in 2021 expend less than 20 percent of their incomes on housing.

In contrast, affordability conditions for renter-occupied households in Gillette are worse than that of owner-occupied households. Affordability improved from 1999 to 2010 (from 25.8 percent of households spending more than 30 percent of their incomes on rental housing to 21.8 percent of households doing so) and then markedly worsened from 2010 to 2021 with the cost-burden rate for renters increasing from 21.8 percent in 2000 to 42.7 percent in 2021. American Community Survey data indicates about 37 percent of renter households are estimated to expend less than 20 percent of their incomes on rent in Gillette, down from over 53 percent in 1999.



HOUSING AFFORDABILITY “GAPS”

This section summarizes a comparison of the existing Gillette housing inventory by price to the existing income characteristics of the household base. The comparison is commonly referred to as an “affordability gap” analysis, in which the gaps are the differences between the number of existing households bracketed by affordable housing costs and the number of units estimated to exist at those affordable price points. The estimates are based on our analysis of 2021 American Community Survey data, recent housing market statistics in Gillette, and interviews with local experts.

Table IV-3 summarizes estimates of the price of housing currently afforded at various household income levels.

TABLE IV-3: Affordable Housing Prices and Monthly Rents by Household Income Bracket		
Household Income	Maximum For-Sale Housing Price ¹	Maximum Monthly Rent
Less than \$15,000	Below \$60,000	Below \$375
\$15,000 to \$34,999	\$60,000 to \$144,999	\$375 to \$874
\$35,000 to \$49,999	\$145,000 to \$204,999	\$875 to \$1,249
\$50,000 to \$74,999	\$205,000 to \$309,999	\$1,250 to \$1,874
\$75,000 to \$99,999	\$310,000 to \$414,999	\$1,875 to \$2,499
\$100,000 to \$149,999	\$415,000 to \$619,999	\$2,500 to \$3,749
\$150,000 and above	\$620,000 and above	\$3,750 and above
¹ Assumes a 20 percent down payment with a 30-year fixed rate mortgage at an annual interest rate of 6.5 percent. Taxes and home insurance assumed to approximate 1.2 percent of the purchase price.		
Source: Gruen Gruen + Associates		

The lowest income households with less than \$15,000 of annual income can afford no more than \$375 in monthly gross rent. Households with incomes of \$15,000 to \$34,999 can afford rents of \$375 to \$874. Assuming households with annual income of \$35,000 to \$49,999 could obtain a 30-year mortgage, such households could likely afford no more than a \$145,000 to \$204,999 unit. Households with income of \$35,000 to \$49,999 could afford rents of \$875 to \$1,249. Households with income of \$50,000 to \$74,999 can afford housing priced from \$205,00 to \$309,999 and rents of \$1,250 to \$1,874. Households with \$75,000 to \$99,999 of annual income can afford housing priced from \$310,000 to \$414,999 and rents of \$1,875 to \$2,499. Households with incomes of \$100,000 to \$149,999 can afford housing priced from \$415,000 to \$619,999 and rents of \$2,500 to \$3,749. Households with incomes of \$150,000 or higher can afford housing priced at \$620,000 and higher and rents of \$4,750 and above.



Table IV-4 presents a comparison of the housing inventory by price point to the number of households able to afford housing at each price point. The estimates reflect the price of housing that households can potentially afford, not what they will necessarily elect to purchase or rent.

TABLE IV-4: Comparison of Gillette Housing Inventory to Households by Price/Rent Afforded			
	Existing Supply ¹ # Units	Households Able to Afford Units ² #	Existing Housing Surplus or (Gap) # Units
RENTERS (monthly rent)			
Below \$375	251	499	(248)
\$375 to \$874	1,295	1,121	174
\$875 to \$1,249	993	275	718
\$1,250 to \$1,874	423	363	60
\$1,875 to \$2,499	44	395	(351)
\$2,500 to \$3,749	6	241	(235)
\$3,750 and above	0	118	(118)
OWNERS (home value)			
Below \$60,000	855	336	519
\$60,000 to \$144,999	684	596	88
\$145,000 to \$204,999	1,555	569	986
\$205,000 to \$309,999	2,963	1,445	1,518
\$310,000 to \$414,999	1,712	1,745	(33)
\$415,000 to \$619,999	898	2,393	(1,495)
\$620,000 and above	274	1,858	(1,584)
¹ Estimate of occupied housing inventory, as of 2021. The distribution by value or rent has been inflated by 10 percent, reflecting an assumption that local housing prices have escalated by 10 percent over the past two years relative to local incomes.			
² Affordable costs equal 30 percent of income. Note that higher-income households can afford housing in lower price brackets.			
Sources: U.S. Census Bureau, 2021 American Community Survey; Gruen Gruen + Associates			

Not surprisingly, Gillette experiences a deficit of rental housing inventory at very low prices. Using the 30-percent-of-income expended on housing standard, Gillette is estimated to contain approximately 499 renter households which can afford to pay no more than \$375 in monthly gross rent. The existing supply of rental units priced below this affordability threshold is estimated at 251 units, indicating a “gap” or deficit of approximately 248 rental units affordable to the lowest income bracket.

The next two monthly rent categories - \$375 to \$874 and \$875 to \$1,279 – show a surplus of rental units, indicating an existing supply of 2,289 units exceeding the number of households (1,396) by 893 units who can afford rent at these levels.



At the higher range of the income spectrum, Gillette includes an estimated 1,117 households which could afford monthly rents exceeding \$1,250. For these households, the problem is not affordability but the lack of a sufficient number of units at these price levels to accommodate their ability to pay. As a result, such renters may be competing for lower priced units with households with less income.

At the lowest ownership (for-sale) housing price and income bracket, more homes are estimated to be valued at less than \$60,000 than the number of households who can only afford housing units at less than \$60,000. A similar surplus of ownership (for-sale) housing stock is estimated to exist among higher price brackets, ranging from values of \$60,000 up to \$310,000.

In each price bracket above \$310,000, more households have incomes sufficient to afford housing at the price ranges indicated than the supply of housing units in these price ranges.

Fewer homes priced above \$310,000 (3,112 housing units) exist than the nearly 6,000 households which could afford to pay for homes priced at \$310,000 or above. This explains the relatively small share of existing homeowners that are estimated to be cost burdened.



CHAPTER V

PROJECTION OF FUTURE HOUSING NEEDS IN GILLETTE

INTRODUCTION

Chapter V presents estimates of future housing needs within Gillette over the next 10 years. One focus of the analysis is on the first and often most significant source of need for new housing related to the growth of the local workforce. “Workforce Housing” in this projection is defined as housing required by any household with at least one active member of the labor force. A projection of future “senior housing” or “older adult” housing need is also made. The projection provides perspective on how the aging of households may impact demands.

Job creation and new employment opportunities often represent the largest source of new housing needed in a community, as additional jobs attract new workers (and their households). Added jobs in a community frequently create increased demand for housing from non-resident workers who take those added jobs. Many workers prefer to live near where they work if housing is suitable, available, and affordable.

Demographic change among an existing population base can stimulate demand for new or different types of housing units. Households that experience a major lifecycle event, such as children leaving the nest or aging, are often associated with changes in housing preference or need. For consistency with age cohorts used regularly by the U.S. Census Bureau, the projection of older adult housing need considers any household containing at least one-person age 65 or older (and not active in the labor force) as a “senior household.”

Physical housing inventory is periodically lost. Some existing stock may become so old, obsolete, or under-maintained that it is no longer safe or habitable. Market conditions may also encourage the merger or conversion of residential units. “Replacement need” reflects the need to replace units removed from the housing stock. for housing in Gillette. An estimate of potential housing replacement need is also made. The estimate identifies the order-of magnitude scale of potential replacement needs, given (a) the age of the existing housing stock in Gillette and (b) typical housing “loss rates” by age of structure.



SUMMARY OF POTENTIAL HOUSING NEEDS

Table V-1 summarizes the 10-year projection of housing need in Gillette. Total potential housing need over the next 10 years is estimated at approximately 1,570 housing units. The estimates of potential need are not intended to suggest "effective demand" for nearly 1,600 new construction housing units in Gillette. Much of the housing growth or turnover will occur among households with lower incomes that would be unable to afford new construction housing prices. The estimates do provide insight into the likely composition of future housing need (by type, tenure, and level of affordability) and the relative balance between housing demand and supply in Gillette.

TABLE V-1: Gillette Housing Need Projection			
	Total 10-Year Projected Need # Units	Average Annual Need # Units	Share of Total Housing Need %
Workforce Housing	663	66	42.3
Older Adult Housing	610	61	38.9
Replacement Housing ¹	294	29	18.8
TOTAL	1,567	156	100.0
¹ Existing housing stock of 14,700 units (per city staff estimates) and 0.2 percent annual replacement need.			
Source: Gruen Gruen + Associates			

Workforce housing needs are estimated to total about 660 units, representing the largest source or 42 percent of the potential needs. Older adult housing needs are estimated at 610 units, representing 39 percent of total projected need. Potential housing replacement needs are estimated at about 290 units, or 19 percent of total projected need.

Almost one-half of the existing housing stock has been built since 1990. While local data is unavailable, some homes have been periodically lost to fires, subsidence related to poor soil, and other physical obsolescence. The projection of future housing need in Gillette factors in an additional 0.2 percent annual replacement need, which equates to approximately 290 replacement housing units over 10 years.



PROJECTION OF WORKFORCE HOUSING NEEDS

A “workforce household” contains at least one active member of the labor force. Most workforce households contain more than one worker. Approximately 81 percent of the existing housing unit inventory in Gillette is estimated to be occupied by workforce households. The purpose of the workforce housing needs projection is to quantify the amount, type, and cost of housing units that would be required to house all new workers over the next decade. Gillette is estimated to contain approximately 7,000 non-resident workers who commute in for employment. The employment-based projection utilizes secondary data that quantifies the linkage between local jobs, the characteristics of the workforce employed in those jobs, and the housing characteristics of the households in which the workers reside.

Note the workforce housing projection is predicated on a forecast of positive job growth resulting from Gillette’s transition to a more diversified economic base (see, for example, [Gillette, Campbell County plan for post-coal economy - WyoFile](#)). For purposes of the analysis and forecast of housing needs, we assume the employment growth occurs within the next 10 years in line with a regional employment forecast prepared by Wyoming Community Development Authority. Given the recent employment growth and the results of the interviews described below and the number of current job openings, the forecast could be conservative.

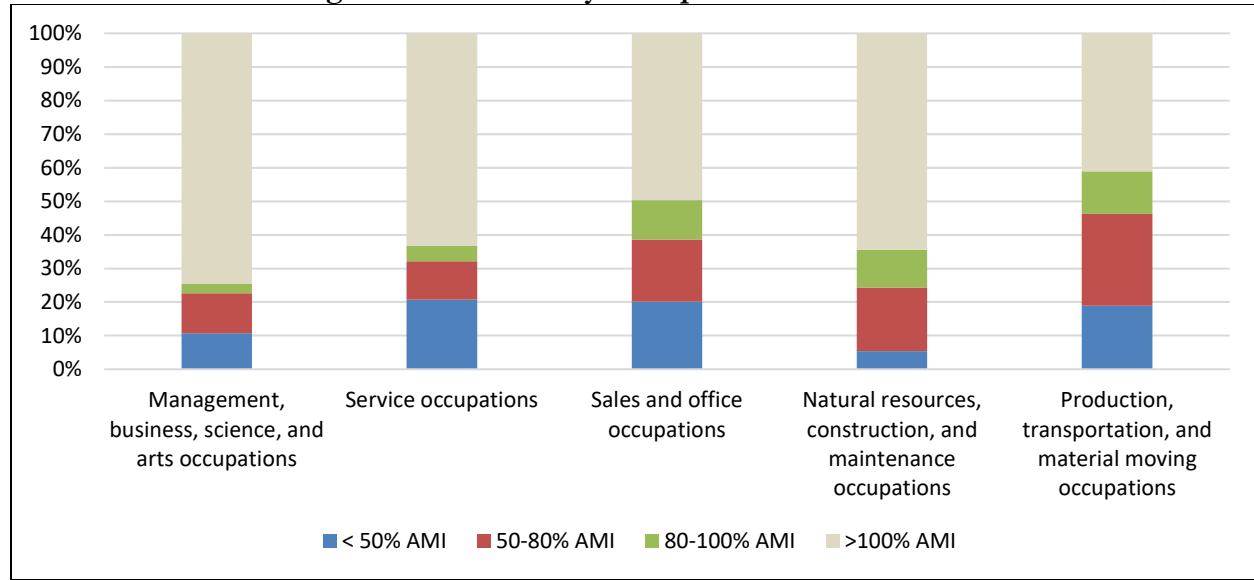
Having an adequate supply of housing will increase the potential for economic development and associated job growth. The interviews indicate that the lack of sufficient housing may hinder economic development including the ability of local employers to attract labor from outside Gillette. A welding school (Western Welding Academy) receives far more applications from prospective students who live outside Gillette than it can accept and would be more readily able to accommodate more students if additional housing were available. A recruiter for Campbell County Memorial Hospital is currently recruiting 100 nursing, housekeeping, and other non-physician positions. A representative of Hoskinson Health & Wellness Clinic indicated a goal of adding another 45 positions within one year and continuing to expand for the next several or more years. Without available housing, it will be difficult for Hoskinson to attract the most qualified candidates from outside Gillette. Recently attracted public school teachers are reported to be challenged in finding suitable housing. An international firm headquartered in Gillette that designs, builds, and services heavy industrial machinery is also reported to be considering expansion in Gillette. The interviews also suggest economic diversification efforts may lead to innovative and pilot plants related to making new uses of coal, carbon capture opportunities, and other activities that could result in significant job growth over time.



WORKFORCE HOUSEHOLD CHARACTERISTICS

Characteristics of the existing regional workforce are estimated based on 2021 Public Use Microdata Samples (“PUMS” data) for an eight-county area that includes Campbell County.¹² Figure V-2 summarizes the estimated distribution of the regional workforce by two characteristics: (a) occupation of employment; and (b) the total annual income of the household in which the worker resides.

FIGURE V-2: Regional Workforce by Occupation and Household Income Level



Household incomes are expressed as percentage of AMI, adjusted for household size. Approximately 40 percent of the regional workforce is estimated to reside in a household that can be considered Low Income earning less than 80 percent of AMI when adjusted for household size. A smaller proportion of workers, about 15 percent of overall regional workforce, live in households that can be characterized as “Extremely Low” or “Very Low” income, earning below 50 percent of AMI.

The percentage of workers residing in households with incomes at or above 100 percent of AMI ranges from a low of 41 percent for Production, Transportation, and Material Moving occupations to a high of 75 percent in Management, Business, Science, and Arts occupations. Workforce households with above-median incomes are far less likely to be challenged to find affordable housing. Workers employed in typically lower-wage, lower skilled industries are most likely to reside in a lower income household earning less than 80 percent of AMI. Approximately 45 percent of all workers employed in Sales and Office and Production, Transportation, and Material Moving occupations are estimated to reside in a Low-Income Household.

¹² The Public Use Microdata Area (PUMA) includes Campbell, Goshen, Platte, Johnson, Washakie, Weston, Crook, and Niobrara counties.



Table V-2 summarizes the estimated distribution of workers by size and household income level.

TABLE V-2: Distribution of Regional Workforce by Household Size and Income				
	Household Income			
	< 50% AMI	50-80% AMI	80-100% AMI	>100% AMI
1-Person	46.8%	7.1%	21.5%	8.5%
2-Person	21.1%	43.9%	40.0%	36.0%
3-Person	20.0%	18.0%	13.4%	22.9%
4+ Persons	12.2%	30.9%	25.1%	32.6%
Total	100.0%	100.0%	100.0%	100.0%
¹ Distribution based on 2021 income limits for Campbell County according to the U.S. Department of Housing and Urban Development. Sources: U.S. Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS); Gruen Gruen + Associates.				

Workforce households earning above 100 percent of AMI tend to be larger, while on average the lowest income households are generally smaller. Nearly 70 percent of workforce households earning less than 50 percent of AMI are single- or two-person households. The incomes of workforce households are correlated to household size and the number of workers (wage earners) in the household. Households at the higher income brackets tend to have multiple wage earners and more than one-half (about 56 percent) are estimated to have three or more household members. Less than nine percent of households earning above 100 percent of AMI are single. Conversely, nearly 47 percent of all workforce households earning below 50 percent of AMI are single-person households.

The size and income characteristics of workers and their households are also indicative of housing tenure and occupancy patterns. About 82 percent of workforce households with three or members and incomes of 100 percent of AMI and higher are estimated to own single-family units. Approximately 60 percent of one-person workforce households with incomes below 50 percent of AMI rent their housing, primarily in multi-family buildings and mobile homes.



POTENTIAL GROWTH IN GILLETTE WORKFORCE

According to projections from the State of Wyoming Department of Workforce Services¹³, the employment base in the Northeast Region of the state is anticipated to grow by about 3,300 jobs over 10 years. Table V-3 summarizes the regional forecast of employment by occupational category. It also presents an estimate for Gillette (prepared by GG+A) that reflects the current distribution of employment throughout the region. An assumption is that Gillette will maintain a stable position in the regional economic base.

TABLE V-3: Forecast of 10-Year Employment Growth in Gillette			
Occupation	Northeast Region of Wyoming Growth Forecast # Jobs	Gillette Share of Region ¹ %	City of Gillette Growth # Jobs
Management, Business, Science, and Arts	1,247	26.0	324
Services	1,267	31.5	399
Sales and Office	227	37.9	86
Natural Resources, Construction, & Maintenance	215	35.8	77
Production, Transportation & Material Moving	310	37.4	116
TOTAL	3,266	30.7	1,002
¹ Based on 2019 composition of employment within the Northeast Region and 2021 composition of employment within Campbell County.			
Sources: Wyoming Department of Workforce Services, Wyoming Long-Term Sub-State Occupational Projections 2018-2028; U.S. Census Bureau; Gruen Gruen + Associates.			

Based on the forecast of 3,266 added workers in the northeast region of Wyoming of which about 77 percent are expected to work in occupations in the management, business, science and arts, and services fields, Gillette is forecast to add about 1,000 jobs. About 72 percent of the jobs in Gillette are estimated to be in occupations in management, business, science, and arts, and services. This estimate reflects Gillette maintaining an approximate 31 percent share of regional employment, ranging from 26 percent for management, business science and arts sectors to 38 percent in the sales and office occupations.

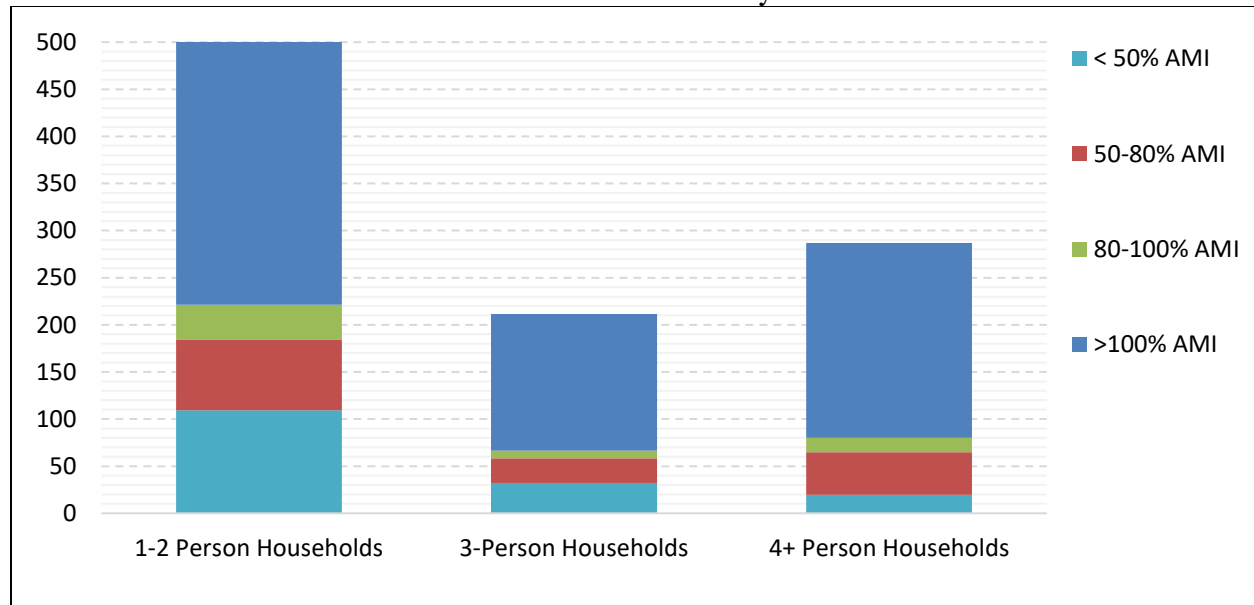
¹³ Wyoming Dept. of Workforce Services, *Wyoming Long-Term Sub-State Occupational Employment Projections 2018-2028*. Forecast prepared in June 2021: <http://doe.state.wy.us/lmi/projections/2021/LT-Substate/2018-2028.htm>.



PROJECTED GROWTH IN WORKFORCE HOUSEHOLDS

Figure V-3 presents the projection of the additional workforce in Gillette, by household size and household income bracket. The projection is based on the potential job growth by occupation and the current distribution of the workforce by household size and income level (see Table V-2 above).

FIGURE V-3: Forecast of Gillette Workforce Growth by Household Size and Income Level



A total of 1,002 additional workers are projected to be needed in Gillette over 10 years. Approximately 161 or 16 percent of the additional workers are projected to reside in households considered “Extremely Low” or “Very Low” income earning below 50 percent of AMI. About 146 or 14.6 percent of additional workers are projected to reside in households considered “Low-Income” earning between 50 percent and 80 percent of AMI when adjusted for household size. Most additional workers (693 or over 63 percent of the projected workforce growth) are projected to reside in households earning above-median incomes. These households will tend to be more able to obtain affordable housing than households in the Low-Income Very Low-Income, and Extremely Low-Income categories and will not typically qualify for housing assistance programs.



Table V-4 presents the projection of additional workforce households in Gillette. Most workforce households include more than one active member of the labor force. The projection of the additional workforce is converted into an estimate of future household growth based on the average number of workers in each household size and income bracket.¹⁴

TABLE V-4: Projected 10-Year Workforce Household Growth in Gillette					
	Additional Workforce Households by Income Level				
	< 50% AMI	50-80% AMI	80-100% AMI	>100% AMI	Total
1-2 Person Households	97	47	29	197	370
3-Person Households	28	15	5	66	114
4+ Person Households	9	27	12	98	146
Total Workforce Household Growth	134	89	46	361	630
Sources: U.S. Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS); Gruen Gruen + Associates.					

Smaller-sized workforce households (one- and two-person households) are projected to grow by 370 households over the projection period, accounting for 59 percent of the overall projected growth in Gillette. About one-half of this projected household growth is associated with income levels above 100 percent of AMI. The second largest source of growth among small workforce households is associated with income levels below 50 percent of AMI.

Three-person workforce households are projected to grow by 114 households over the projection period, accounting for 18 percent of the total projected household growth in Gillette. About 60 percent of this projected household growth is associated with income levels above 100 percent of AMI. Larger workforce households containing four or more persons are projected to grow by 146 households over the projection period, accounting for 23 percent of the total projected household growth in Gillette. Approximately two-thirds of the projected growth in larger workforce households is associated with income levels above 100 percent of AMI.

¹⁴ A single-person workforce household, by definition, includes only one worker. Three-person workforce households as of 2021 included an average of 1.1 to 2.2 workers, depending on household income level (with higher income households typically having more workers than lower income households).



ESTIMATE OF 10-YEAR WORKFORCE HOUSING NEED

Table V-5 presents the final summation of the workforce housing projection; an estimate of additional housing need by type of housing and income bracket over 10 years. To provide for adequate mobility in the local housing market, a five percent frictional vacancy factor is also applied to the forecast growth in workforce households (i.e., 100 units needed for every 95 additional households).

TABLE V-5: Projected 10-Year Workforce Housing Unit Need in Gillette					
	Additional Units by Household Income Level				
	< 50% AMI	50-80% AMI	80-100% AMI	>100% AMI	Total
1-2 Person Households					
Mobile Home	34	16	7	8	65
SFD ¹	45	29	15	178	267
SFA ¹	3	1	1	5	11
<u>Multi-Family</u>	20	4	8	15	47
Subtotal	102	49	30	207	389
3+ Person Households					
Mobile Home	23	14	2	22	62
SFD	11	29	13	143	197
SFA	2	0	3	4	9
<u>Multi-Family</u>	3	1	0	3	7
Subtotal	40	44	18	173	274
TOTAL:					
Mobile Home	57	30	9	31	126
SFD	57	58	28	321	464
SFA	6	1	3	10	20
<u>Multi-Family</u>	23	5	8	18	54
TOTAL	142	93	48	380	663
¹ Refers to detached and attached single-family housing units.					
Sources: U.S. Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS); Gruen Gruen + Associates.					

Smaller-sized housing units suitable for a single- or two-person household, with a projected total need of about 390 units over 10 years, represent 59 percent of the total additional workforce housing need. Within this category, approximately 250 detached single-family units are projected as needed, given prevailing housing tenure patterns. The remainder of smaller-sized units are projected to be mobile homes, multi-family units, or attached single-family homes. About 39 percent of the additional housing units forecast to be needed for one- or two-person households are estimated to be for households with incomes below 80 percent of AMI. About 56 percent of the additional housing units forecast to be needed for one- or two-person households are estimated to be for households with income above 100 percent of AMI.



Larger-sized housing units suitable for three- or more-person households, with a projected total need of about 274 units over 10 years, represent 41 percent of the total additional workforce housing need. Within this category, approximately 197 detached single-family units are projected as needed, given prevailing housing tenure patterns. The remainder of larger-sized units are projected to be mobile homes (62), multi-family units, or attached single-family homes. About 31 percent of the additional housing units forecasted to be needed for three or more person households are estimated to be for households at less than 80 percent of AMI. About 63 percent of the forecast additional housing needed for households above 100 percent of AMI.

Under the forecast only 54 multi-family units and 20 attached single-family units are estimated as needed over the next 10 years. This reflects the assumption of historic preferences and tenure arrangements. Because of the escalation in housing prices, it is likely that more multi-family rentals and attached single-family (e.g., townhomes and duplexes) will be needed than forecast above.

RELATIONSHIP BETWEEN FORECAST WORKFORCE HOUSING NEEDS AND EXISTING SUPPLY OF VACANT LAND

Table V-6 summarizes the relationship between the forecast workforce housing needs reviewed immediately above and the current supply of vacant and residential zoned land in Gillette (reviewed at the end of Chapter III above).

TABLE V-6: Relationship Between Forecast Workforce Housing Needs and Existing Supply of Vacant Platted Lots and Potential Supply of Additional Lots and Units			
	Detached Single-Family Homes	Mobile or Manufactured Homes	Attached and Multi-Family Units
10-Year Workforce Housing Need	464 lots	126 lots	9 acres ¹
Vacant Platted Residential Land Supply ²	171 lots	66 lots	14.5 acres
Current Housing Supply Shortfall to Meet Future Needs	293 lots	60 lots	None
Additional Potential Single-Family and Apartment Units Based on Future Land Supply³	1,200 Apartment Units 3,700 to 5,000 Single-Family Units		
¹ Assumes average density of eight units per acre for attached and multi-family housing types.			
² See Table III-10. Any zone district for detached single-family units is assigned to this column.			
³ Based on 1,293.1 acres of unfinished phases of existing subdivisions and area in Campbell County adjoining city.			
Sources: City of Gillette; Gruen Gruen + Associates			

The forecast workforce housing needs of 663 units exceeds the total identified current inventory of platted improved lots and existing housing units for sale in Gillette. Only workers with household incomes above Area Median Income levels will be able to afford new construction. A total of 464 detached single-family units are projected to be needed, compared to an existing inventory of approximately 170 lots with single-family zoning, suggesting a potential shortfall of more than 290 single-family home lots in Gillette. Similarly, the projected need for mobile or manufactured homes is estimated at nearly 130 units over 10 years. With only 66 vacant lots zoned for mobile or manufactured homes, the potential shortfall is estimated at 60 units or lots.



The total projected need for attached housing or multi-family housing totals 74 units over 10 years. Assuming a low density averaging eight units per acre, this housing need would require only nine acres of land to accommodate. Vacant parcels or lots specifically with R-4 multi-family zoning include almost 15 acres.

A developer is reported to have under contract approximately 43 acres of land in the Legacy Ridge subdivision on which the developer proposes to build a multi-phase apartment complex of 1,200 apartment units.

As described in Chapter III, potential future phases of approximately 17 existing subdivisions ranging in area from about 11 acres to 147 acres for a total of nearly 876 acres of land are vacant with no dwelling units on them and currently unfinished (not improved with infrastructure). Two parcels of about 25 to 29 acres of land and one parcel of about 318 acres of land for a total of about 372 acres of land located in Campbell County adjoin and could potentially be annexed into the city for development of housing uses. Assuming a low density of three to four units per acre for the potentially developed unfinished land in existing subdivisions or potentially annexed county land would support approximately 3,700 to 5,000 single family detached and attached residential units.

Accordingly, Gillette does not have a land shortage per se but rather a shortage of finished or improved lots ready for housing units to be constructed. Gillette has a sufficient supply of land to accommodate forecast housing needs and will need the land to be improved with infrastructure and housing units.



PROJECTION OF OLDER ADULT (65+) HOUSING NEEDS

The growth in older adult (65+) households over the next 10 years as Baby Boomers continue to age will influence the housing market and housing needs in Gillette. Older age households may be affected by inadequate housing or unique needs brought about by aging. Many seniors may prefer to remain in their current home and community, and most if not all future increases in older adult households will simply represent the aging of existing residents/households who remain in Gillette over the 10-year projection period.

The older age housing need projection quantifies the likely turnover of existing households as they age, and the household and income characteristics that bear on the type and affordability of housing potentially needed.

The older age housing need projection for Gillette is based on an estimate of predicted growth in the older age population for Campbell County prepared by the Wyoming Department of Administration and Information, Economic Analysis Division. Data from the most recent American Community Survey was drawn upon to characterize the typical household arrangements, sizes, housing tenure, and income characteristics, and rate of housing turnover of older age households in the area. The combination of characteristics is used to quantify how older age population, households, and their turnover may result in additional housing needed.

Estimates of older age housing needs are presented as a function of household size, housing tenure, and household income.

It is important to note that annual income is not the only measure of housing affordability among older age households, many of whom may not be earning wages and salaries from employment. Older age households frequently comprise a disproportionate share of Low-Income households with annual incomes below 80 percent of AMI. The ability to pay for housing reflects both assets and income. Many older age households currently own a housing unit that is free and clear of any mortgage debt. Some of these households will have enough wealth to permit them to stay in or purchase or rent more expensive housing than their income alone would suggest. Older age households that do not own homes tend to be less affluent than those that do and may be less able to afford market rate housing, while older age households that own their units free and clear have relatively low housing costs.



OLDER ADULT (65+) POPULATION GROWTH

Figure V-4 summarizes historical and projected population aged 65 or older by household size in the city of Gillette. The estimated older age population for Gillette is based on the share these age cohorts made-up of the County's population in 2021. The age cohort shares have been adjusted upward to the forecast population by age for Campbell County.

FIGURE V-4: Forecast of Gillette Older Adult (65+) Population by Household Size



The population aged 65 or older is expected to increase by approximately 1,500 persons from about 3,400 in 2023 to 4,900 in 2033, or 45 percent over 10 years. By household size, older adults living alone or in a two-person household are estimated to represent 90 percent of the potential growth in older adult households.

FUTURE GROWTH AND TURNOVER OF OLDER ADULT HOUSEHOLDS

Current and future older adult population estimates, by household size, are converted into future estimates of older adult households in Gillette based on the average number of older adults residing in each sized household. For example, two-person older adult households contain an average of 1.7 older adults.



Table V-7 summarizes projected growth in older adult households by size. The table also summarizes annual turnover or the number of older adult households likely to move within the city of Gillette within a given year.

TABLE V-7: Projected Annual Turnover of Older Adult Households in Gillette				
	2023 Estimate	2033 Projection	2023 - 2033	
	Older Adult Households #	Older Adult Households #	Average Annual Turnover ¹ #	Total 10-Year Turnover #
1-Person	940	1,530	25	250
2-Person	1,194	1,659	29	290
3-Person	293	393	7	70
Total	2,427	3,582	61	610
¹ Based on annual turnover rate of 2.0%				
Sources: Wyoming Department of Administration and Information, Economic Analysis Division; U.S. Census Bureau; Gruen Gruen + Associates.				

Total older adult households are projected to increase by 1,155 households over 10 years. Utilizing a projected annual turnover rate of 2.0 percent (based on American Community Survey data) results in an average annual turnover rate of 61 units between 2023 and 2033. Over the 10-year period, 610 older adult households are likely to move. This amount of older adult households who may move over the 10-year forecast period includes both existing and future increase in older adult households.

PROJECTED OLDER ADULT HOUSING NEED

Table V-8 presents the 10-year projection of older adult housing need by household size and income level.

TABLE V-8: Projected 10-Year Older Adult Housing Unit Need (Turnover) in Gillette					
	Housing Units by Household Income Level				
	< 50% AMI	50-80% AMI	80-100% AMI	>100% AMI	Total (10 Years)
1-Person	171	25	23	32	250
2-Person	28	59	27	176	290
3-Person	9	6	5	50	70
Total	208	89	55	258	610
Sources: U.S. Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS); Gruen Gruen + Associates.					

Smaller-sized older adult households of one- and two-persons are projected to make-up almost 89 percent of the housing need over 10 years. Among smaller-sized households, the largest source of need (with 208 units) is for older adult households with annual incomes exceeding 100 percent of



Area Median Income. Older adult households with much lower incomes, below 50 percent of Area Median Income, also comprise a large source of projected need at 199 units over 10 years. Among larger older adult households (with at least three household members), the primary source of need will be for units affordable at or above the 100 percent Area Median Income level.



CHAPTER VI

HOUSING DEVELOPMENT ECONOMICS

PURPOSE

This chapter summarizes an analysis of current housing development economics in Gillette. The primary purpose of the analysis is to identify the current economics of developing detached, single-family and attached, single-family housing and to identify how changes in regulations to increase the diversity of housing types, including housing on smaller lots, would improve affordability. Another purpose of the analysis is to identify the minimum housing prices (sales prices) required for the private market of home builders to feasibly produce new housing and therefore indicate the income levels unable to afford new construction absent the use of public incentives or significant changes in costs of producing housing.

APPROACH

The forces of housing market demand and supply, land use policy/zoning regulations, and development costs interact to form the real estate economics that affect property development, redevelopment, and remodeling and maintenance decisions of owners and would-be developers. The most significant determinants of feasibility and value are the potential income (sales prices or rents) that can be earned by the development of housing uses, the costs associated with the construction and maintenance of these units, and the regulations that govern the right to develop land uses and the physical characteristics of how they can be developed.

This analysis focuses on the “real estate economics” of representative or prototypical residential single-family development alternatives given typical development costs and physical characteristics, such as unit sizes and density.

A housing development is feasible if a developer or builder can achieve a return on capital that meets a hurdle rate (i.e., minimum profit) commensurate with the associated risk. If the profit or return on investment is below the hurdle rate, the development/investment would be infeasible without municipal assistance.

In essence, we asked the following question:

“How much would a prospective developer or builder need to charge for new construction housing units (obtain in sales prices) in order to earn a reasonable profit margin, or return, commensurate with the risk of each hypothetical housing development?”



For the single-family housing prototypes (assumed to be “for sale” or ownership housing), we use this methodology of estimating the “minimum housing price” based upon (1) a required home builder profit margin equal to 12 percent of gross sales revenues, and (2) a minimum profit on land (lot) development of seven (7) percent of the value of the improved lots. In this calculation, we assume that the developer would be a residential builder seeking to earn a fair return on a for-sale product, rather than an investor who would calculate feasibility by considering the return the investor would earn from rents over time. Note that the profit margin assumptions are relatively low compared to return requirements of publicly traded home builders, but the interviews suggest local private builders are willing to accept lower margins given the higher cost environment within which they operate.

ECONOMICS OF SINGLE-FAMILY HOUSING DEVELOPMENT

Single-Family Housing Prototypes

Table VI-1 summarizes the key physical assumptions underlying the single-family housing prototypes.

TABLE VI-1: Single-Family Prototypical Development Alternatives Assumptions Per Acre			
	Larger Lot Detached Home	Smaller Lot Detached Home	Attached Townhome
Number of Lots / Units	4	6	10
Average Lot Size (in Square Feet)	8,500	5,000	3,000
Typical Unit Type	3 BR / 2 BA	3 BR / 2 BA	2 BR / 2 BA
Average Unit Size (in Square Feet)	2,000	1,500	1,250
Source: Gruen Gruen + Associates			

The postulated prototypical development alternative includes three different single-family unit types. Detached, single-family homes on larger lots (averaging about 8,500 square feet in size) for a housing density of four dwelling units per acre; detached, single-family homes on much smaller lots, averaging 5,000 square feet in size for a housing density of six dwelling units per acre; and attached townhomes with lots averaging 3,000 square feet with a housing density of 10 dwelling units per acre.

The average housing unit size is estimated at 2,000 square feet for the largest detached, single-family lots, 1,500 square feet for the smaller detached single-family lots and 1,250 square feet of living area for the townhome lots.

The townhome product could be developed in clusters of four to six attached townhomes in a variety of configurations and heights, or as single-level duplex patio homes with front-loading garages. The amount of rear or side yard space would be minimal under either scenario. The larger and smaller detached single-family lots would accommodate single-level ranch style housing units.



Land Development Costs

Table VI-2 presents an order-of-magnitude estimate of the total cost to create fully improved (or “finished”) lots for the prototypical single-family development alternatives. The estimates reflect our interviews with active local land developers/builders.

Note that the estimates specifically do not include any significant “off-site” improvement costs that might be required for a specific development, such as related to extending or improving roadways, creating new public utility capacity (i.e., water or sewer), or extending existing water or sewer mains to the site.

TABLE VI-2: Single-Family Land Development Cost Per Lot Estimates			
	Larger Detached, Single-Family \$	Smaller Detached, Single-Family \$	Townhome \$
Land Acquisition @\$90,000 Per Acre	22,500	15,000	9,000
On-Site Construction	36,000	26,000	15,600
Soft Costs ¹	5,400	3,900	2,400
Land Development Profit ²	44,000	33,300	27,000
Total “Finished Lot” (Improved) Cost	107,900	78,200	54,000
¹ Included at 15% of hard construction costs. Includes soft or “indirect” costs typically related to entitlement and planning, surveying, engineering design, construction management, plat/map fees, and so forth.			
² Return on land investment/development, or “profit”, is based on seven (7) percent of home sales price. This is estimated to be the equivalent of a 20 percent annual return on investment.			
Source: Gruen Gruen + Associates			

Raw (vacant) land prices vary widely. Acquisition of unentitled, unimproved land is included at \$90,000 per acre based on interviews with local members of the real estate community and review of land sale listings. This represents a total cost of \$22,500 per lot for the larger, detached single-family alternative, \$15,000 per lot for the smaller detached single-family alternative, and \$9,000 per lot for the townhome alternative. The land acquisition equates to nearly 21 percent of total cost of developing an improved larger detached single-family lot alternative; approximately 19 percent of the total cost of developing the smaller, detached single-family lot alternative; and 16.7 percent of the total cost of developing the townhome alternative.

Hard construction costs for on-site development and improvements are estimated at \$36,000 per lot for larger, detached single-family lot alternative and \$26,000 for the smaller, detached single-family lot alternative, each representing about 33 percent of the estimated total finished lot costs. This cost category includes order-of-magnitude costs typically related to site preparation, grading, wet and dry utilities, and street improvements. The land development costs for the townhome lot alternative are estimated at \$15,600 per lot or nearly 58 percent of total costs of developing an improved townhome lot.



Additional “soft” costs are included at 15 percent of the hard cost estimate, totaling about \$5,400 per lot for the larger detached, single-family alternative; \$3,900 per lot for the smaller, detached, single-family alternative; and \$2,400 for the townhome alternative. This category includes expenses typically related to initial entitlement and planning, surveying, engineering design, construction management, plat/map fees, and so forth.

A return or “profit” on land investment and development is also included. The estimate of \$44,000 for the larger, detached, single-family alternative; \$33,300 for the smaller, detached, single-family alternative; and \$27,000 for the townhome lot alternative reflects the assumption that a minimum profit of seven percent of the sales price would be required. This return threshold is estimated to be the equivalent of a 20-percent unleveraged annual return on capital that interviews indicated would be typical targets.

The total cost to create an improved or finished lot for the larger detached, single-family alternative is estimated at \$107,900. The total cost to create an improved or finished lot for the smaller, detached single-family alternative is estimated at \$78,200. The total cost to create an improved or finished lot for the townhome alternative is estimated at \$54,000.



Vertical Development Costs

Table VI-3 summarizes estimates and assumptions about “vertical” construction costs for the single-family units based on information provided by local home builders and the city of Gillette.

TABLE VI-3: Vertical Development Cost Assumptions for Single-Family Units	
	Cost Assumption
Hard Cost	\$185 - \$195 Per Square Foot
Permit & Fees	3.0% of Hard Cost
Closing, Commissions, and Other Soft Costs	10.0% of Sales Price
Home Builder Profit Margin	12.0% of Sales Price
Sources: Gruen Gruen + Associates interviews	

Vertical hard construction costs are estimated to be very high at \$185 to \$195 per square foot of above-grade living area, representing a direct cost of about \$243,750 for the smallest townhome to \$285,000 for the smaller, detached single-family unit of 1,500 square-feet, and \$370,000 for the larger, detached single-family unit of 2,000-square-feet. Building permit and other fees are included at three percent of hard costs (about \$7,300 for the townhome unit to \$11,100 per unit or the largest, detached single-family housing unit).

Soft costs associated with selling and marketing units (e.g., closing costs, sales commissions, and additional soft costs for typical items like design, insurance and warranty reserves, financing, and general administrative expenses are included at an additional 10 percent of sales revenues.

A home builder gross “profit margin” equal to 12 percent of sales revenues is applied uniformly to each prototypical single-family unit. National publicly-trade home builders require and achieve higher margins but the interviews with local developers and builders indicate because of the high vertical and other development costs, and increased interest rates they accept lower profit margins.

PROTOTYPICAL SINGLE-FAMILY DEVELOPMENT PROFORMA AND RESULTS OF ECONOMIC ANALYSIS

Table VI-4 on the following page presents a detailed, static proforma for each prototypical development alternative. The key result of the real estate economic analysis illustrated by the proforma is the bottom-line “minimum required sales price” per unit, an estimate that reflects the previously reviewed development cost and profit margin assumptions.



TABLE VI-4: Market Prices Required to Feasibly Develop the Single-Family Housing Prototypes

	Larger-Lot Detached Home		Smaller-Lot Detached Home		Attached Townhome	
	<i>Average Lot: ± 8,500 s.f.</i>		<i>Average Lot: ± 5,000 s.f.</i>		<i>Average Lot: ± 3,000 s.f.</i>	
	<i>Average Unit: 2,000 s.f.</i>		<i>Average Unit: 1,500 s.f.</i>		<i>Average Unit: 1,250 s.f.</i>	
	Per Unit	% of Sales	Per Unit	% of Sales	Per Unit	% of Sales
Finished Lot Cost:						
Land Acquisition	\$22,500	3.6%	\$15,000	3.1%	\$9,000	2.3%
Hard Construction (Site Development)	\$36,000	5.8%	\$26,000	5.5%	\$15,600	4.0%
Soft Cost	\$5,400	0.9%	\$3,900	0.8%	\$2,400	0.6%
Land Development Profit	\$44,000	7.0%	\$33,300	7.0%	\$27,000	7.0%
Total Finished Lot Cost Including Land	\$107,900	17.3%	\$78,200	16.4%	\$54,000	13.9%
Vertical Cost:						
Hard Construction	\$370,000	59.0%	\$285,000	59.8%	\$243,750	62.3%
Permits & Fees	\$11,100	1.8%	\$8,600	1.8%	\$7,300	1.9%
Closing/Commissions & Other Soft Costs	\$62,800	10.0%	\$47,700	10.0%	\$39,200	10.0%
Home Builder Profit	\$75,300	12.0%	\$57,200	12.0%	\$47,000	12.0%
Total Vertical Cost	\$519,200	82.7%	\$398,500	83.6%	\$337,250	86.1%
Minimum Required Sales Price	\$627,500	100.0%	\$476,600	100.0%	\$391,500	100.0%
Price Per Square Foot	\$313.75		\$317.73		\$313.20	



A minimum required sales price of about \$627,500 is estimated for the larger-lot detached single-family prototype, assumed to represent a three-bedroom/two bath unit with 2,000 square feet of living area. The “finished lot” cost of about \$107,900 represents about 17 percent of the sales price. Vertical development costs of \$519,200, including a home builder profit margin, are estimated to comprise nearly 83 percent of the home sales price.

The smaller-lot detached, single-family alternative featuring a typical three-bedroom/two bath ranch home with 1,500 square feet of living area is estimated to require a **lower minimum sales price of nearly \$477,000**. The finished lot cost of about \$78,200 represents about 16 percent of the home sales price. Vertical development costs totaling \$398,500 represent about 84 percent of the sales price.

A minimum entry-level sales price of about \$391,500 is estimated for the attached single-family townhouse alternative, which includes a much smaller two-bedroom/two bath unit of 1,250 square feet. The finished lot cost of \$54,000 represents a smaller percentage of the minimum price, estimated at nearly 14 percent. Vertical development costs of about \$337,250 represent about 86 percent of the sales price.



SINGLE-FAMILY HOUSING PRODUCTION GAPS

Table VI-5 summarizes the estimates of feasible sales prices in terms of the percent of Area Median Income, adjusted for household size.

TABLE VI-5: Estimated Level of Affordability for New Construction Single-Family Housing ¹			
	Larger-Lot Detached Home	Smaller-Lot Detached Home	Attached Townhome
1. Minimum Feasible Sales Price	\$627,500	\$476,600	\$391,500
2. Estimated Monthly Housing Payment ²	\$4,417	\$3,355	\$2,756
3. Minimum Annual Household Income at 30% Cost-Burden	\$176,700	\$134,200	\$110,200
4. Household Size (# Persons) for Affordability Calculation	4.5	4.5	3.0
5. Annual Income Limit at 100% AMI (i.e., Median Income) ³	\$109,000	\$109,000	\$94,400
Percent of Area Median Income (AMI) Required ⁴	162%	123%	117%
¹ Figures are rounded.			
² Assumptions include a 15% down payment with a 30-year fixed rate mortgage at an annual interest rate of 6.5%. Permanent mortgage insurance is included at 0.85% of the loan (current FHA rates). Annual property tax and home insurance costs are assumed to approximate 2% percent of the purchase price.			
³ 2023 income limits for Campbell County.			
⁴ Minimum annual income (Line 3) divided by income limit at 100% AMI (Line 5) = Percent of AMI required.			
Sources: U.S. Department of Housing and Urban Development; Gruen Gruen + Associates.			

The prototypical 2,000-square-foot three-bedroom/two bath larger, detached single-family home (on an approximately 8,500-square-foot lot) is estimated to require a minimum sales price, in today's dollars, of about \$627,500. Assuming a 15 percent down payment, 6.5 percent interest rate on a 30-year mortgage, and additional annual expenses equal to about two percent of home value (e.g., mortgage insurance, property tax, and property insurance), the minimum sales price would require a monthly housing payment of about \$4,417. This represents a minimum annual income of about \$176,700 when applying a 30 percent housing cost-burden. Affordability for a three-bedroom unit, reflects the income of a 4.5-person household which at 2022 income limits equates to \$109,000 in annual income. This suggests that the larger single-family unit could be feasibly developed at a sales price affordable to households with about 162 percent of Area Median Income.



The prototypical 1,500-square-foot three bedroom/two bath, smaller, detached single-family home (on an approximately 5,000-square-foot lot) is estimated to require a minimum sales price of about \$476,600. Monthly housing payments, again assuming a 15 percent down payment and including taxes and insurance, would total about \$3,355 indicating a required annual income of \$134,200. Based on a household size limit of 4.5 persons, the annual median income at 2022 income limits is about \$109,000 for this unit type. The comparison indicates that the smaller-lot single-family attached townhome unit could likely be developed at a price affordable to households with 123 percent of Area Median Income.

The smallest prototypical unit modeled, a two-bedroom/two bath townhome unit with about 1,250 square feet of living area, would require a minimum sales price of \$391,500. Monthly housing payments, again assuming a 15 percent down payment and including taxes and insurance, would total about \$2,756 indicating a required annual income of \$110,200. Based on a household size limit of 3.0 persons, the annual median income at 2022 income limits is about \$94,400 for this unit type. Therefore, the analysis indicates that a smaller attached single-family townhome unit could be developed at a price affordable to households with 117 percent of Area Median Income.





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