



SECOND HOMES,
RESORTS, AND THE PANDEMIC
Bringing Data-Driven Insights to
Real Estate Unknowns

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TODAY'S PANELISTS



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AGENDA

- ▶ 2020 Second Home Consumer Research Survey Results and Dashboard
- ▶ Southeast and Florida Vacation, Resort, Second Home Trends
- ▶ Mountain West Second Home Trends
- ▶ Discussion and Q&A

2020 RCLCO SECOND HOME CONSUMER RESEARCH SURVEY

PRE-COVID AND POST-COVID DATA

- ▶ Consumer Sentiment and Preferences for Second Homes
 - » Conducted in Feb 2020, with follow-up in Dec 2020
 - » National Survey
 - » Households earning \$200k+
 - » Prospective Buyers and Current Second Home-Owners
- ▶ Pre-Covid Dashboard – **deep dive “beta” version to be repeated**
- ▶ Post-Covid Follow-up – how have preferences changed

SE VACATION, RESORT, SECOND HOME TRENDS

- ▶ After the Q2 pause, strong second home sales in 2020
- ▶ With jobs and schooling remote, families sought getaways
 - » **'Work from home' also means 'work from vacation home / second home'**
 - » Drivers: proximity to ocean, mountains, other natural amenities, low interest rates, location flexibility
- ▶ Second home prices are up, inventories are modest



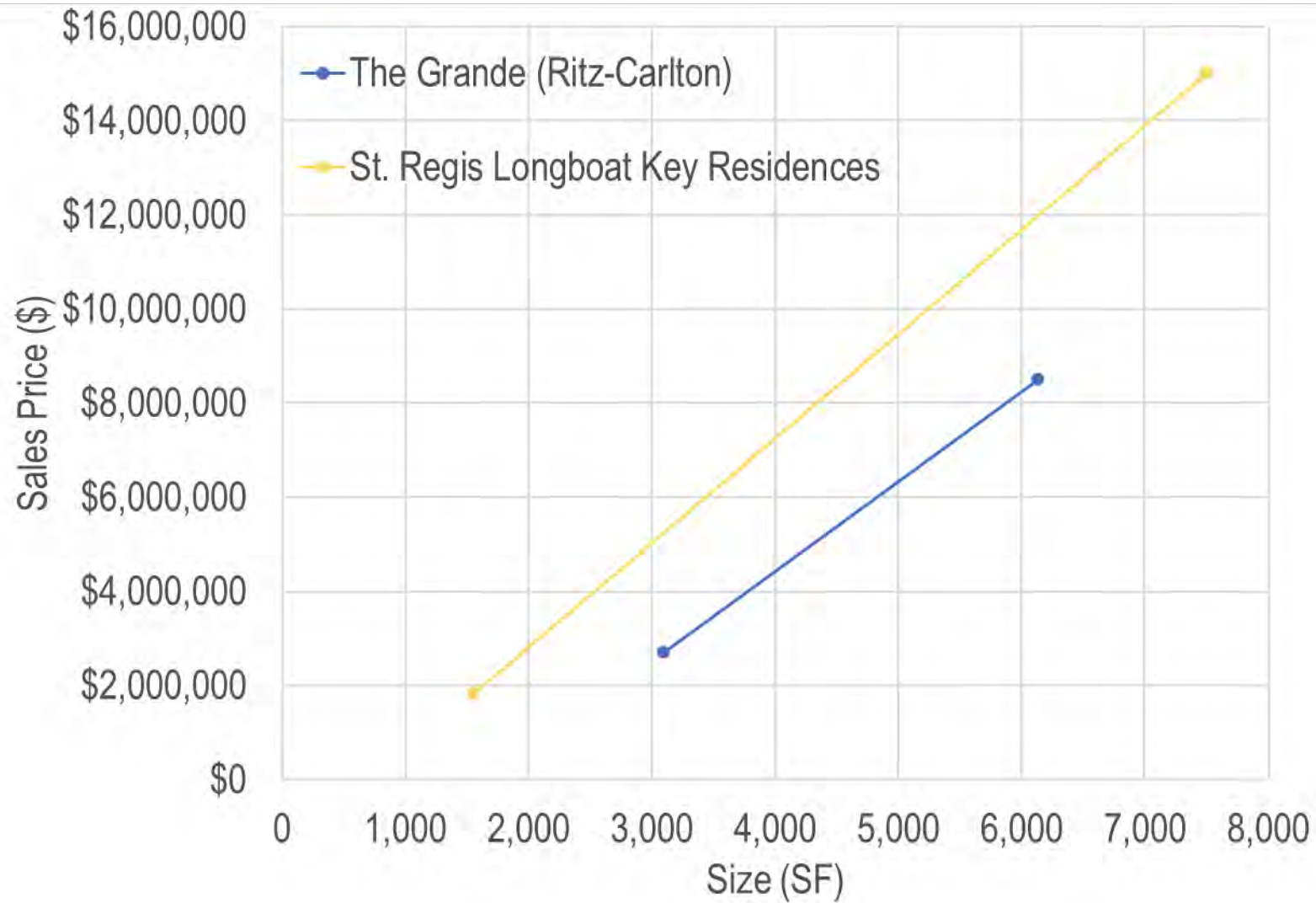
SE VACATION, RESORT, SEASONAL HOUSING TRENDS

- ▶ 2021: as pandemic is brought under control resorts are likely to benefit from additional pent-up demand
- ▶ Short-term investment-oriented vacation rental market was on fire pre-Covid
 - » **Occupancies of “hospitality” products** battered by pandemic, some market areas more than others
 - › Some converted to second home, primary housing or longer-term rentals
 - › Occupancies recovering as domestic travel picks up
 - › Group, international business still down

Orlando Area Vacation Rental Homes



FLORIDA HOTEL BRANDED CONDOMINIUMS COMMAND PREMIUMS (SW FL EXAMPLES)



While a high percentage of new condo sales are concentrated in the \$1.5 to \$2.5 million range, hotel branded units are realizing higher prices





SW FLORIDA RESORT CONDO MARKET AUDIENCE PROFILE

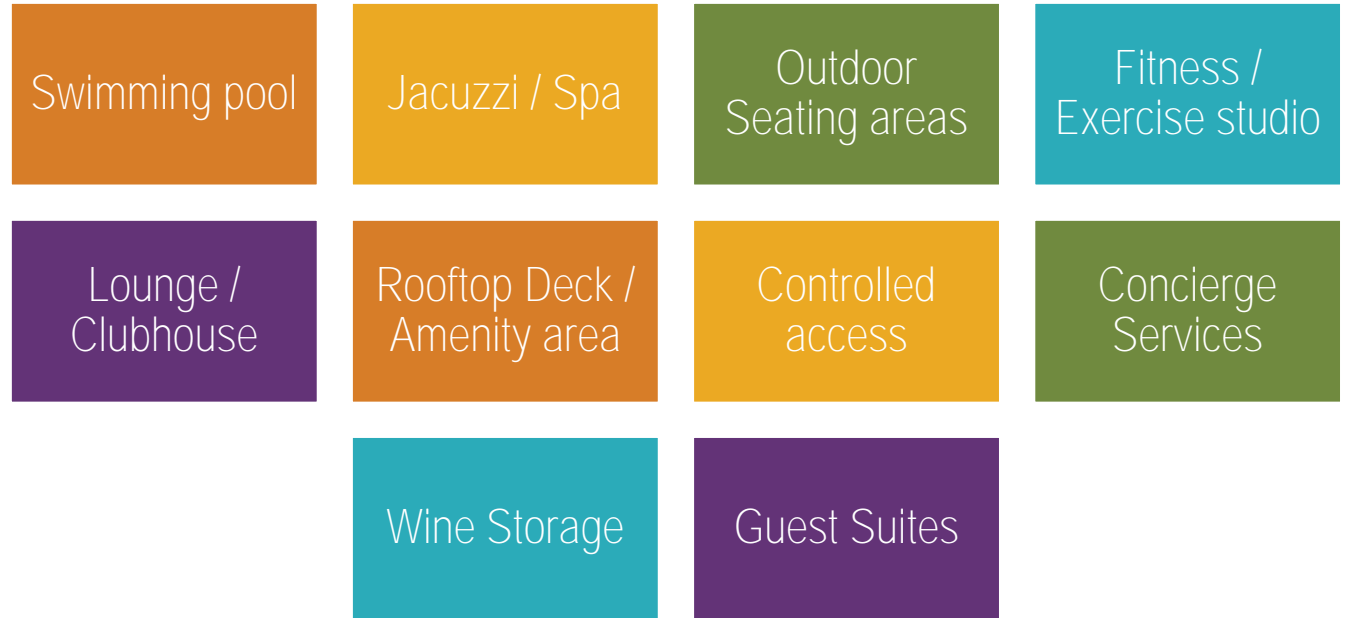
- Source markets: Northeast, Midwest, and elsewhere in Florida
- Typical buyer has a connection to Florida - owned another condo, vacationed, have family or friends with a residence in the area
- Buyers retired or close to retirement in executive-level professional roles
- High net worth

FLORIDA RESORT CONDO AMENITIES

Hotel Branded Amenities

- ▶ The Grande (Ritz-Carlton)
 - » Hotel quality concierge and rental arrangement services; access to the Ritz-Carlton Beach Club
 - » Beach Club: Tiki Bar, food and drink served on the sand, multiple pools
- ▶ St. Regis Longboat Key
 - » Multiple pools; lazy river; direct access to St. Regis Resort; multiple on-site restaurants and private dining rooms

Typical Amenities



MOUNTAIN RESORT TRENDS

Migration

- ▶ What does Texas have to do with mountain resorts?
- ▶ Silicon mountains

Wealth

- ▶ Rising!

Flexibility

- ▶ WFH for high-income households

Investment

- ▶ Base Village Transformations

Recreation

- ▶ Rising lifestyle premiums

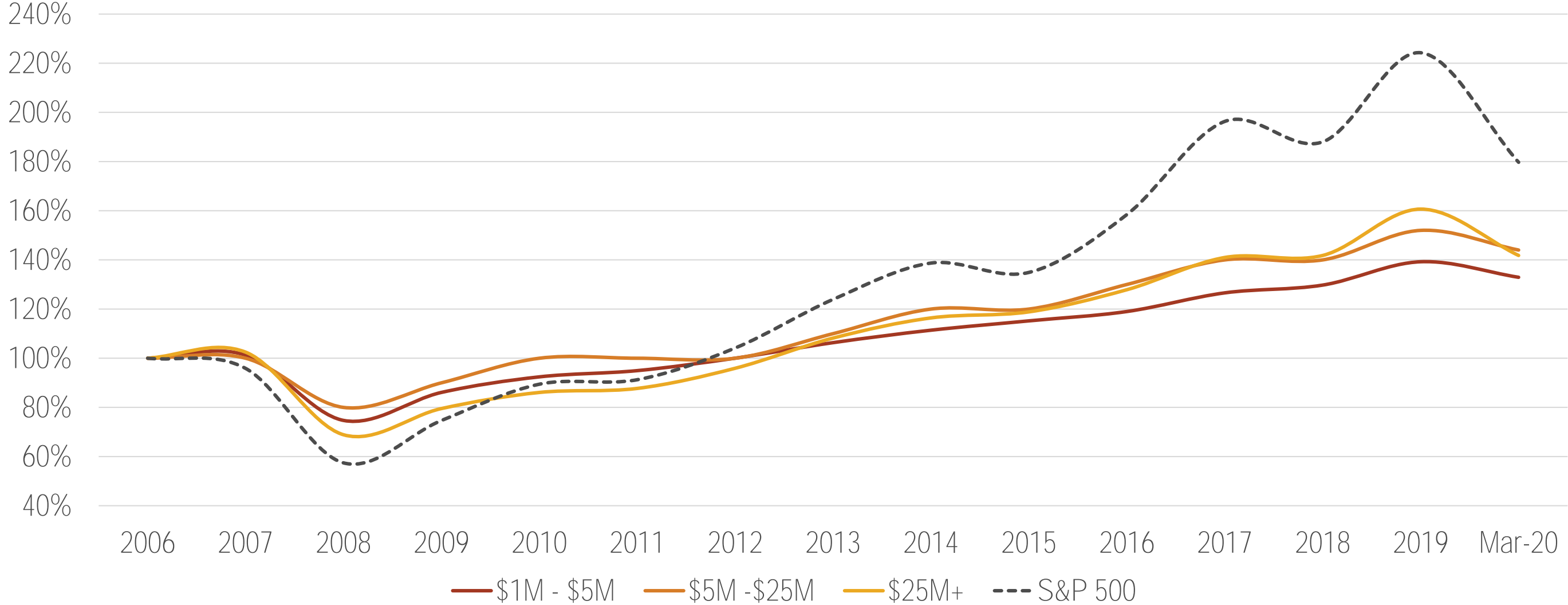
Targeted New Development

- ▶ Better segmentation



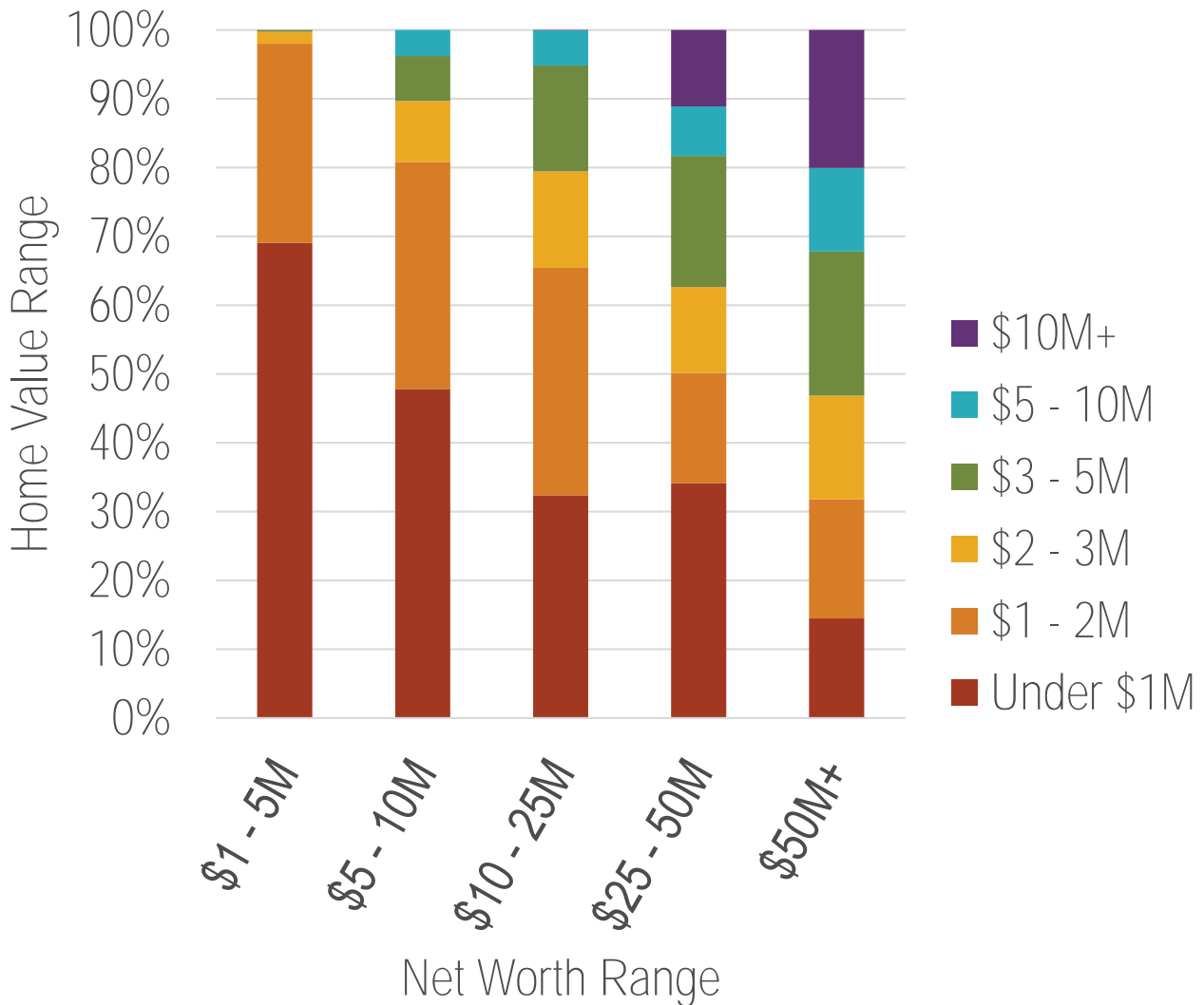
HIGH-NET WORTH HOUSEHOLD GROWTH

Annual long-term growth of 2.5% in terms of households with net worth over \$5M



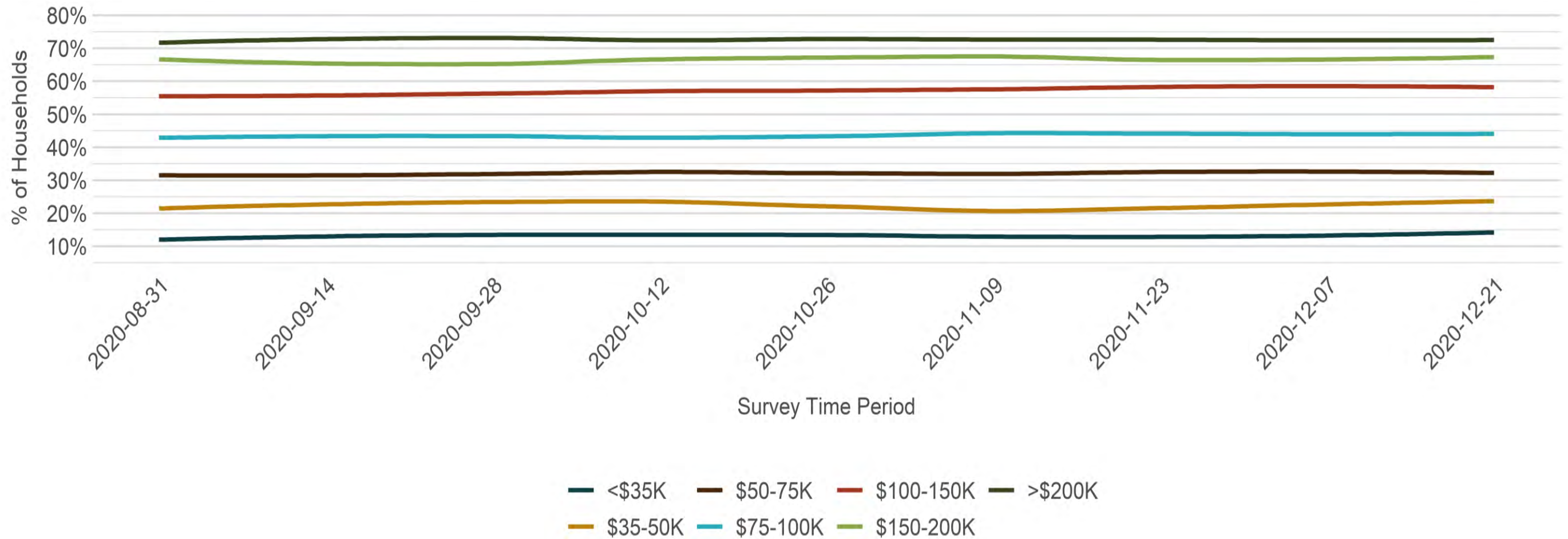
SECOND HOME PURCHASING PATTERNS

MOST HNW HOUSEHOLDS HAVE SECOND HOMES; ON AVERAGE ABOUT 20% OF NET WORTH



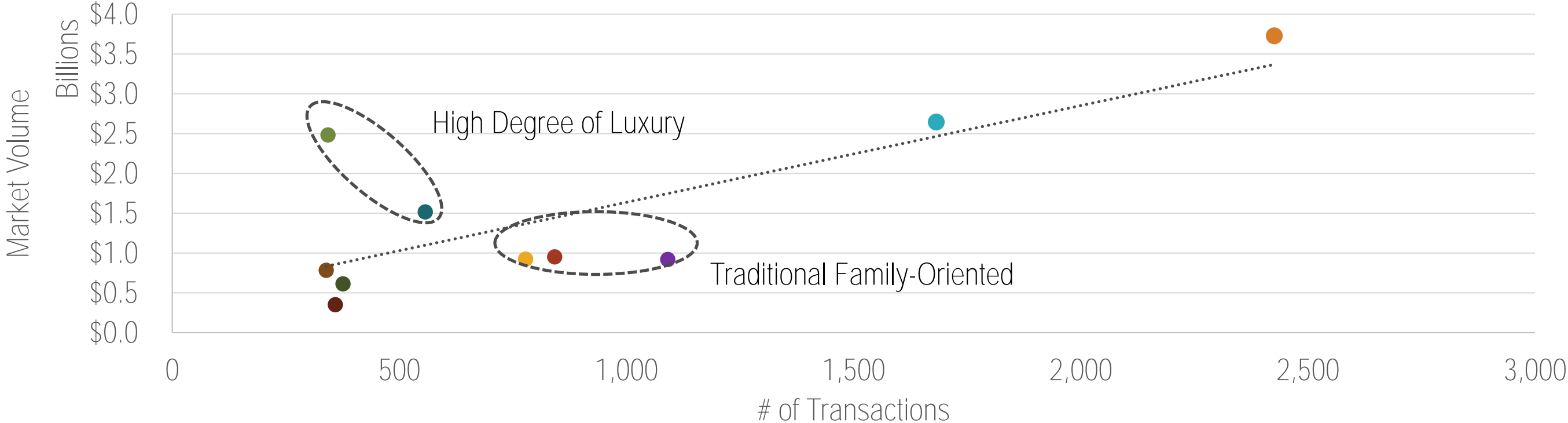
WORKING FROM HOME

Prevalent for higher-income households across geographies, driving flexibility and second home demand



MOUNTAIN RESORT MARKET OVERVIEW

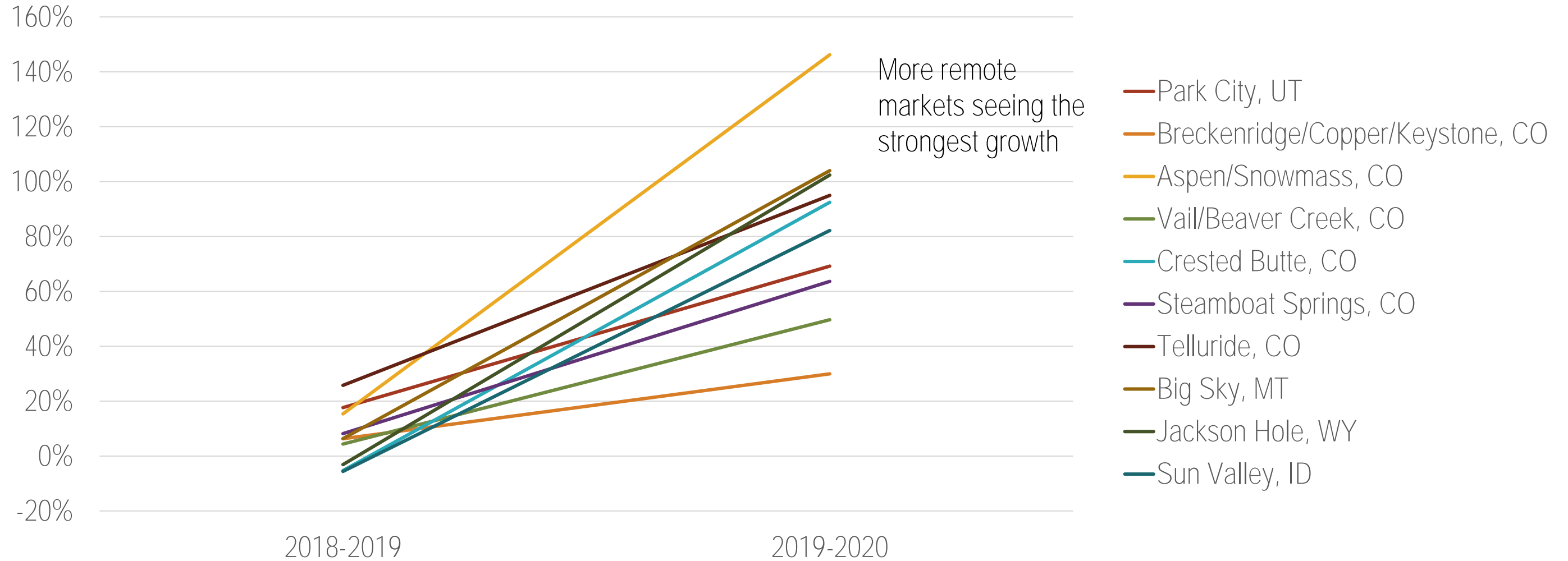
Reputations hold true for now – variation in eliteness and market size



- Park City, UT
- Vail/Beaver Creek, CO
- Telluride, CO
- Sun Valley, ID
- Breckenridge/Copper/Keystone, CO
- Crested Butte, CO
- Big Sky, MT
- Aspen/Snowmass, CO
- Steamboat Springs, CO
- Jackson Hole, WY

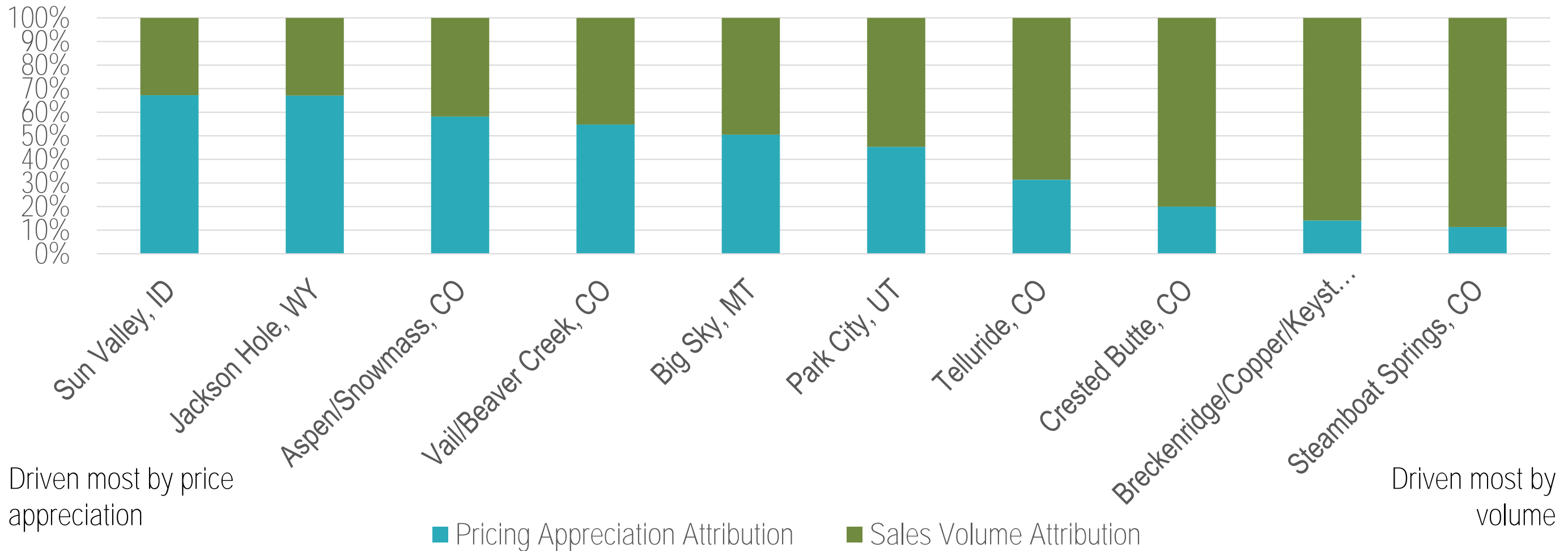
THE MOUNTAIN MARKETS ARE UP!

Average of 83% increase in total dollar volume across resorts compared to only 7% YOY previously



WHAT IS DRIVING EACH MOUNTAIN RESORT MARKET?

Some markets saw over 50% price appreciation, driving market increases, while others saw more volume-driven growth



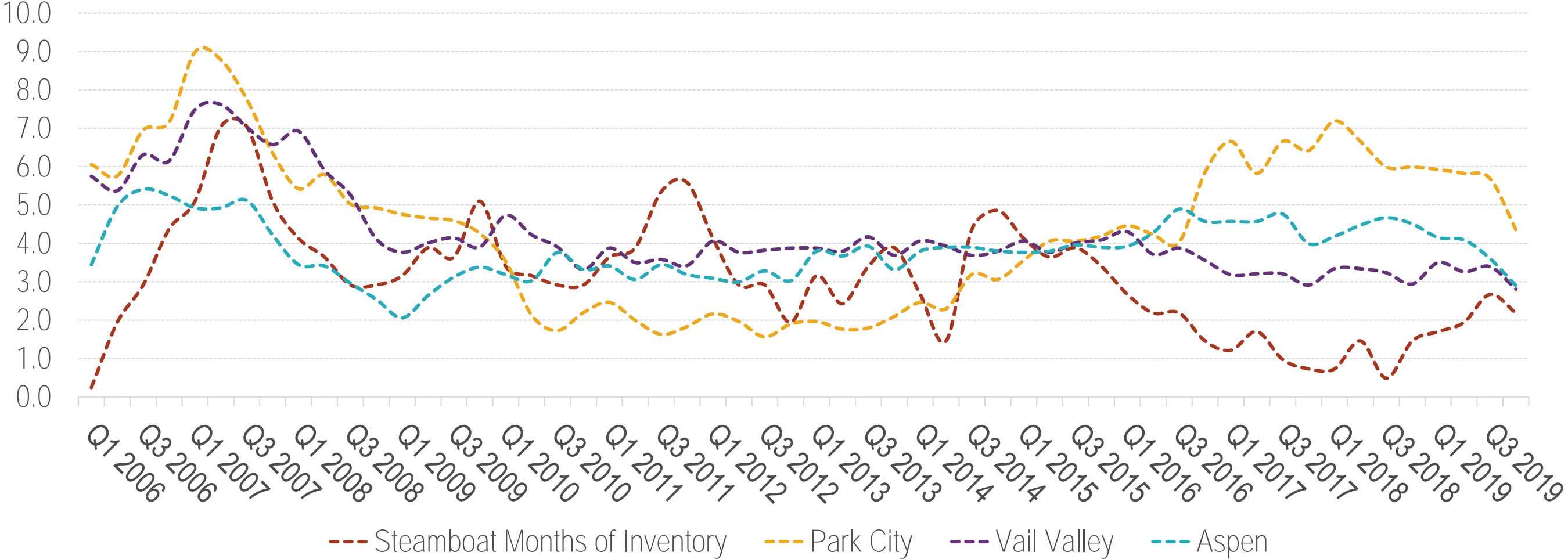
Driven most by price appreciation

Driven most by volume

■ Pricing Appreciation Attribution ■ Sales Volume Attribution

LONG-TERM MOUNTAIN INVENTORY SHORTAGES

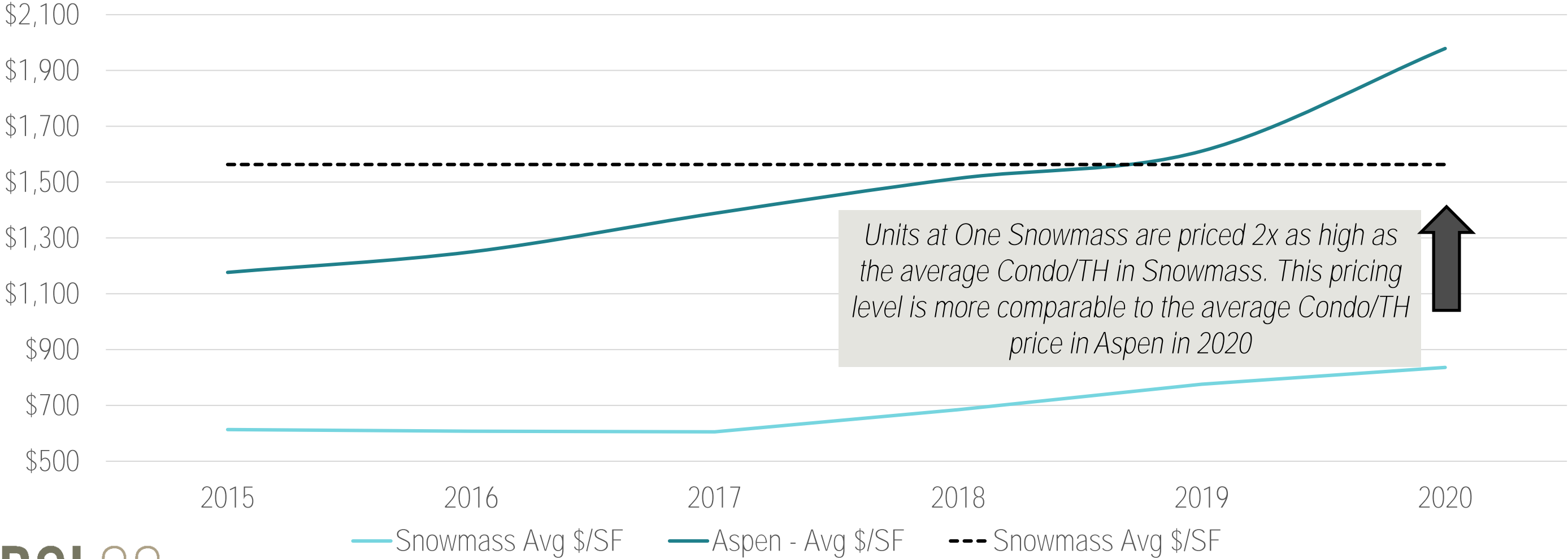
For the past fifteen years, luxury supply (\$1M+) has dwindled well below long-term averages due to limited high-quality inventory



Source: Park City Realtors;

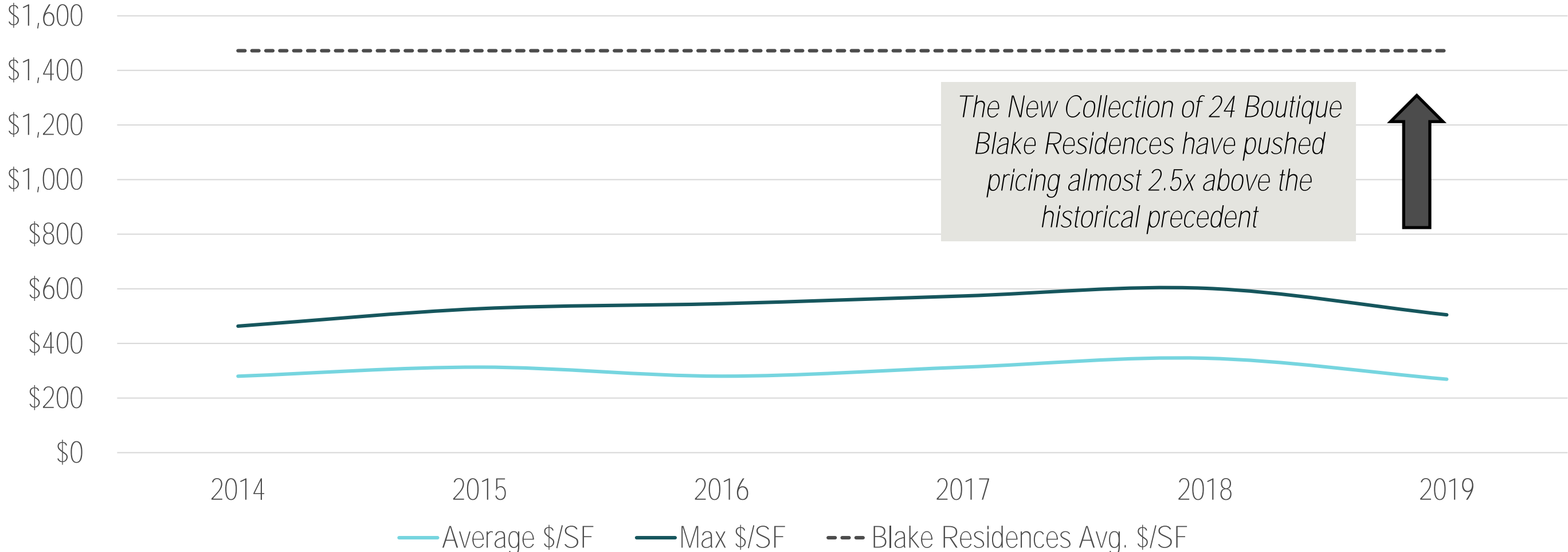
RE-DEFINING SNOWMASS BASE VILLAGE

\$600M Base Village Vision from Alterra/East West propels new luxury hotels, condos beyond existing levels



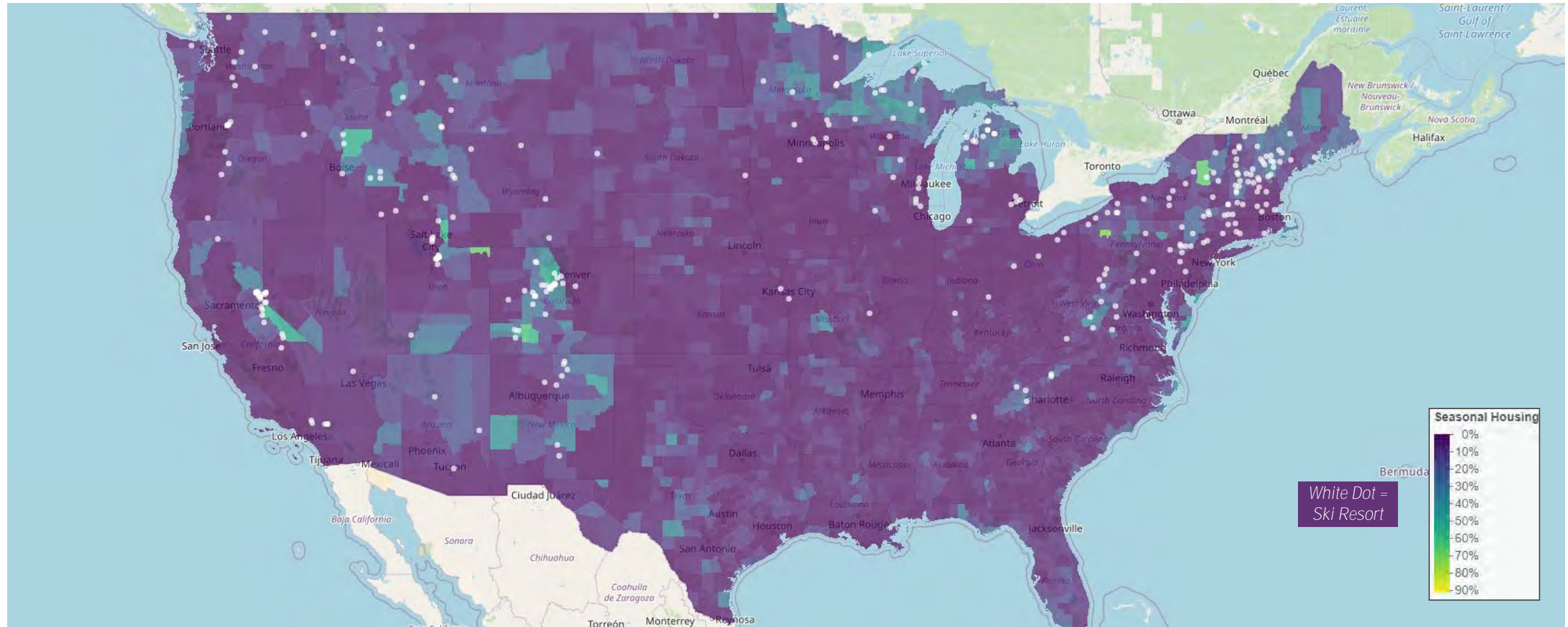
EVEN REMOTE MARKETS LIKE TAOS TAKING OFF

\$350M Base Village investment spurs new product in a market starving of luxury ski condos



SEASONAL HOUSING TOOLS

Counties with ski resorts represent 18% of U.S. seasonal housing stock



QUESTIONS?



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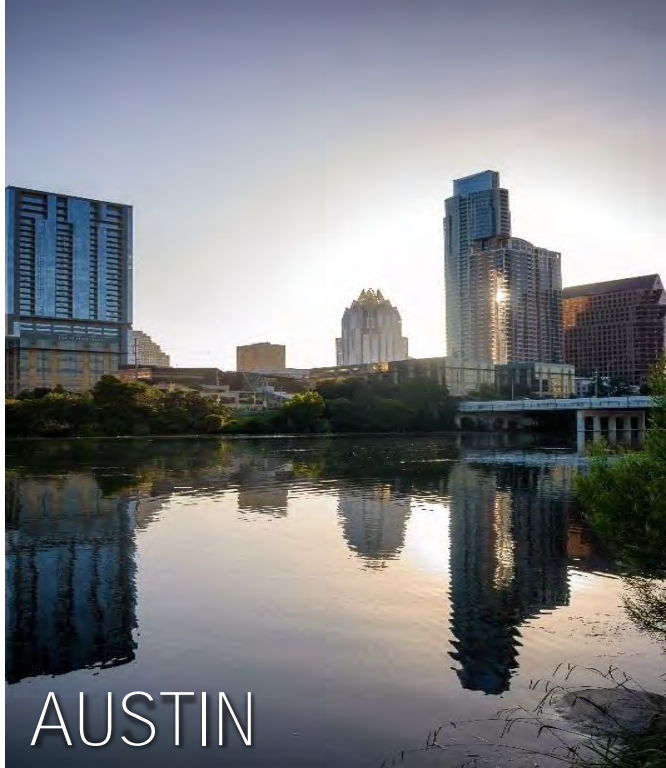


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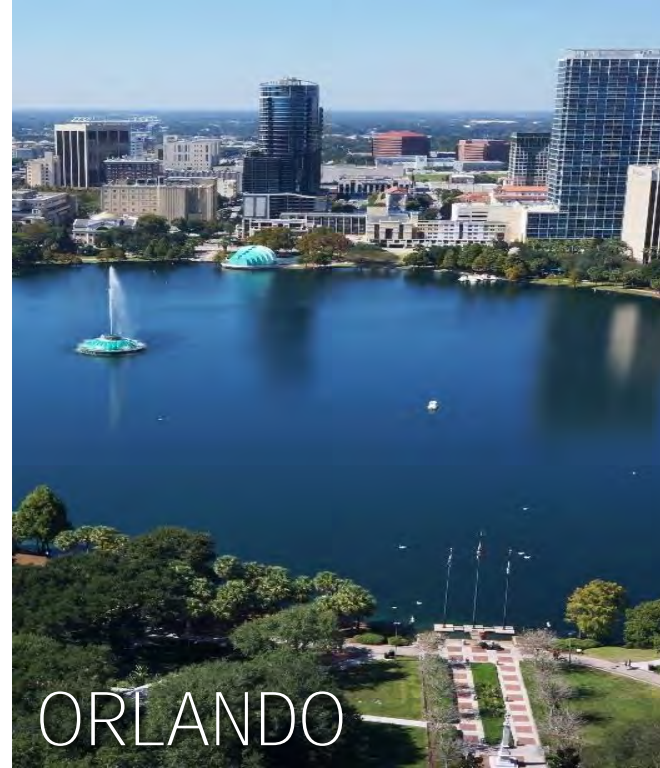
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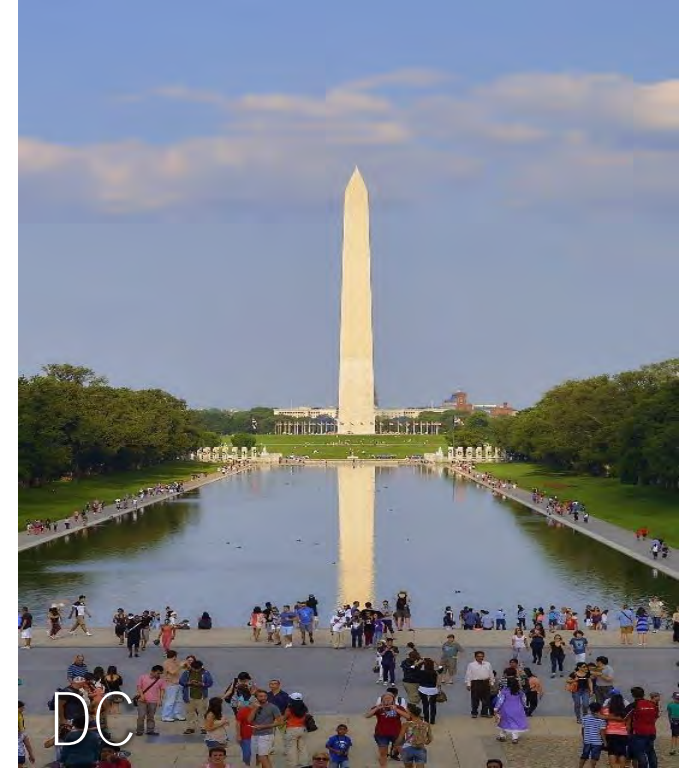
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