



**ANNUAL SECOND HOME
CONSUMER SURVEY RESULTS AND
THE STATE OF THE MOUNTAIN
RESORT MARKETS IN 2022**
RCLCO Monthly Round-Up

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2021 SECOND HOME CONSUMER RESEARCH SURVEY

During our webinar, Principal Kelly Mangold provided a live interactive demonstration of our latest consumer research survey

[Click here to explore the data >>](#)

STATE OF THE MOUNTAIN RESORT MARKETS

LONG-TERM TRENDS

The last time mountain resort markets experienced such strong pricing and sales velocity occurred in 2007, pre-Great Financial Crisis (GFC). However, fundamentals such as the rising inventory levels that ultimately drove the successive pricing crash in the late 2000s are drastically different than underlying fundamentals seen in mountain resort markets today. Sustained growth in these markets is supported by a number of macroeconomic factors:



Long-term inventory shortages – Markets continue to see months of inventory for attached and detached product at similar or lower levels than those seen over the past decade – with some markets seeing below one month's inventory this winter.



Long-term shift to outdoor recreation – COVID has further catalyzed long-term shift to outdoor recreation growth; from 2019-2020, the national outdoor participation rate jumped 4.3%, the largest one-year jump on record.



Workplace flexibility & economic opportunity – 70-80% of households with incomes over \$200k worked remotely during the Pandemic. These households represent the major ownership pool for luxury mountain resort homes.



Labor and supply shortages for new construction – During the GFC, many contractors left mountain resorts with the lapse in building. Many contractors have not returned to these markets, making labor and raw material supply difficult to source and contributing to high prices.



Millennial first-time second home buyers coming of age – In 2021, an estimated 30.2% of households in the U.S. are ages 25-44, the predominant home-buying years. Anecdotally, there is some evidence of Millennials foregoing primary market purchases in favor of continuing to rent and purchasing second homes.



Community investment – Major ownership groups such as Alterra are investing several hundred million in key resort markets, such as Mammoth, Deer Valley, and Steamboat. Resorts are also focusing on employee housing, and planning for long-term climate change, further enhancing the appeal of these markets as a place to reside or visit.

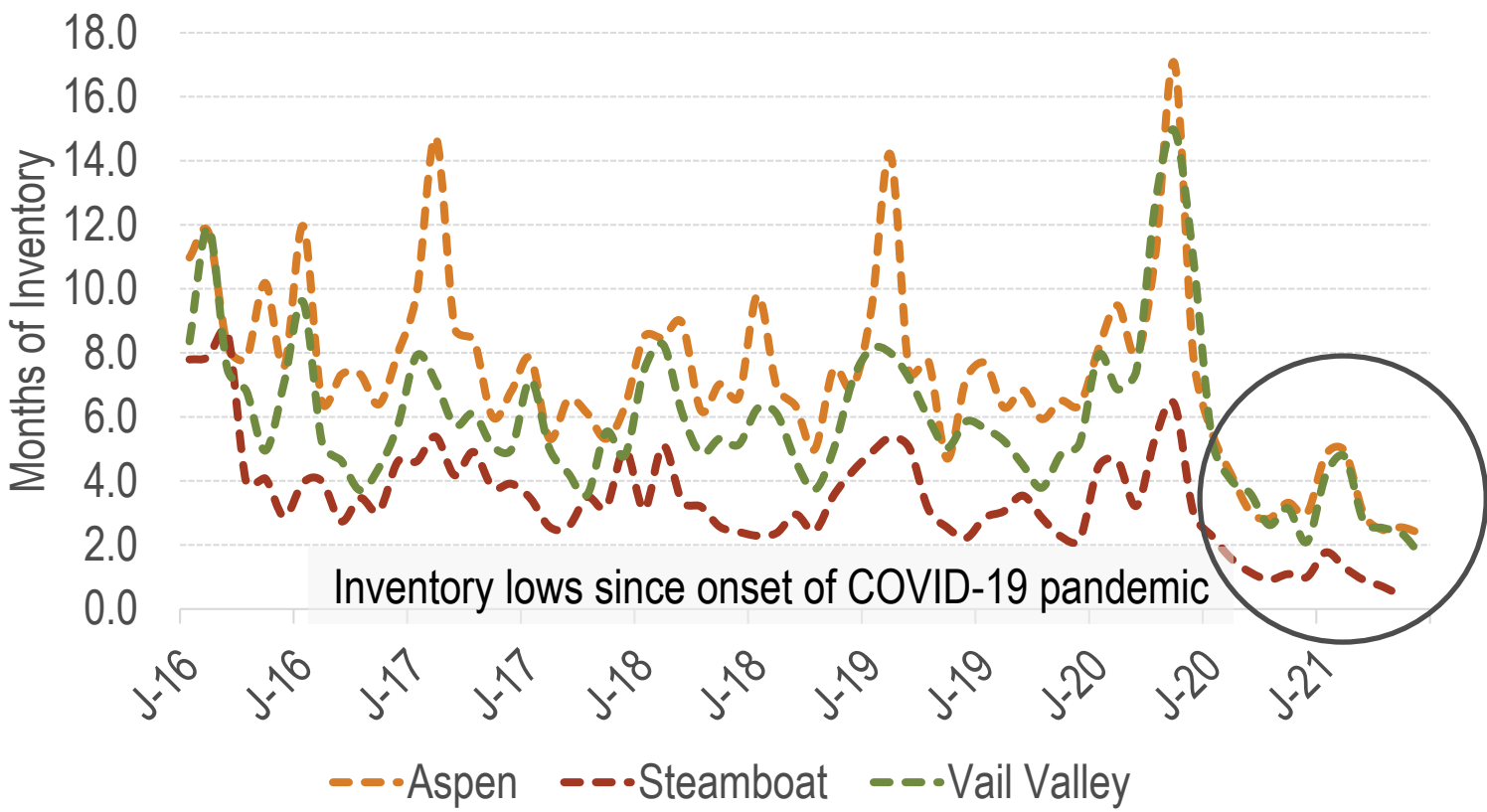


Inflation – Up over 6% YTD in 2021, consumer price escalations are expected to further elevate mountain resort pricing.

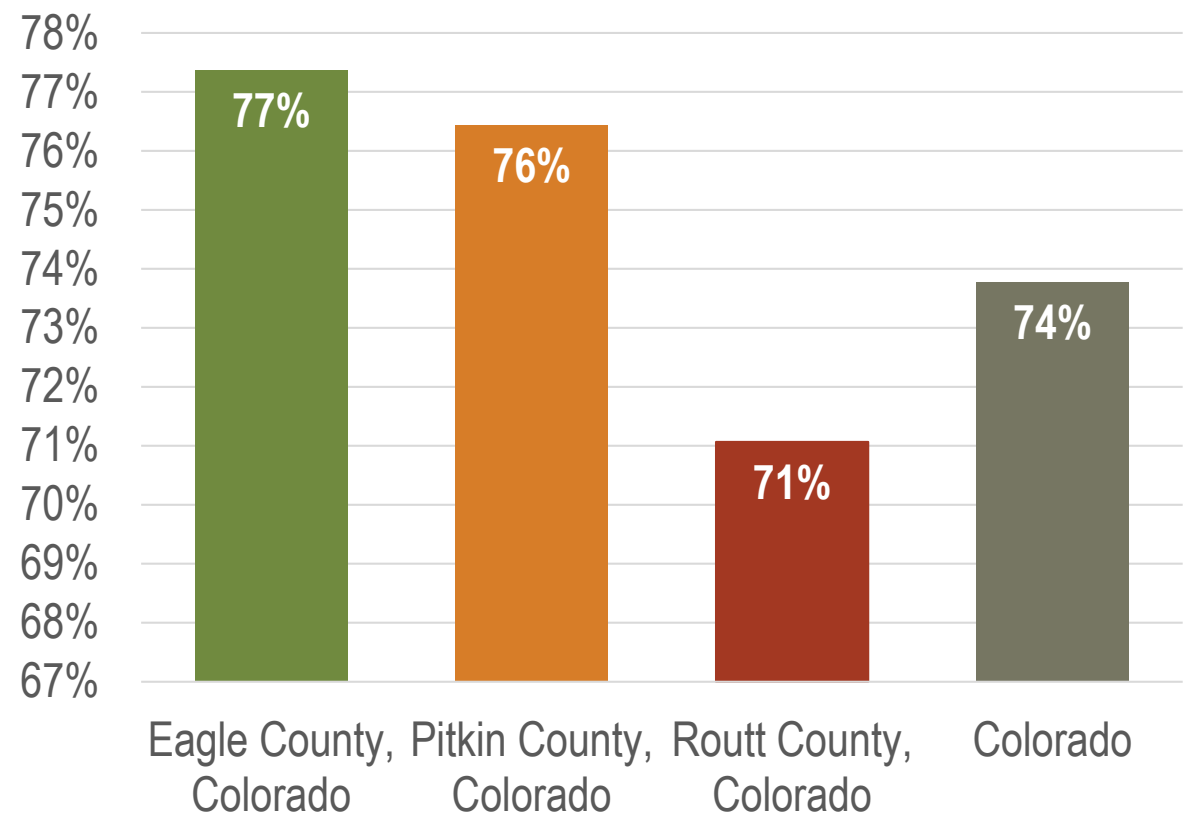
DATED PRODUCT & INVENTORY SHORTAGES

Mountain homes are on the upswing, yet existing product is dated and new construction activity is limited, creating additional shortages in housing

Months of Inventory for Select Ski Markets; 2016-2021



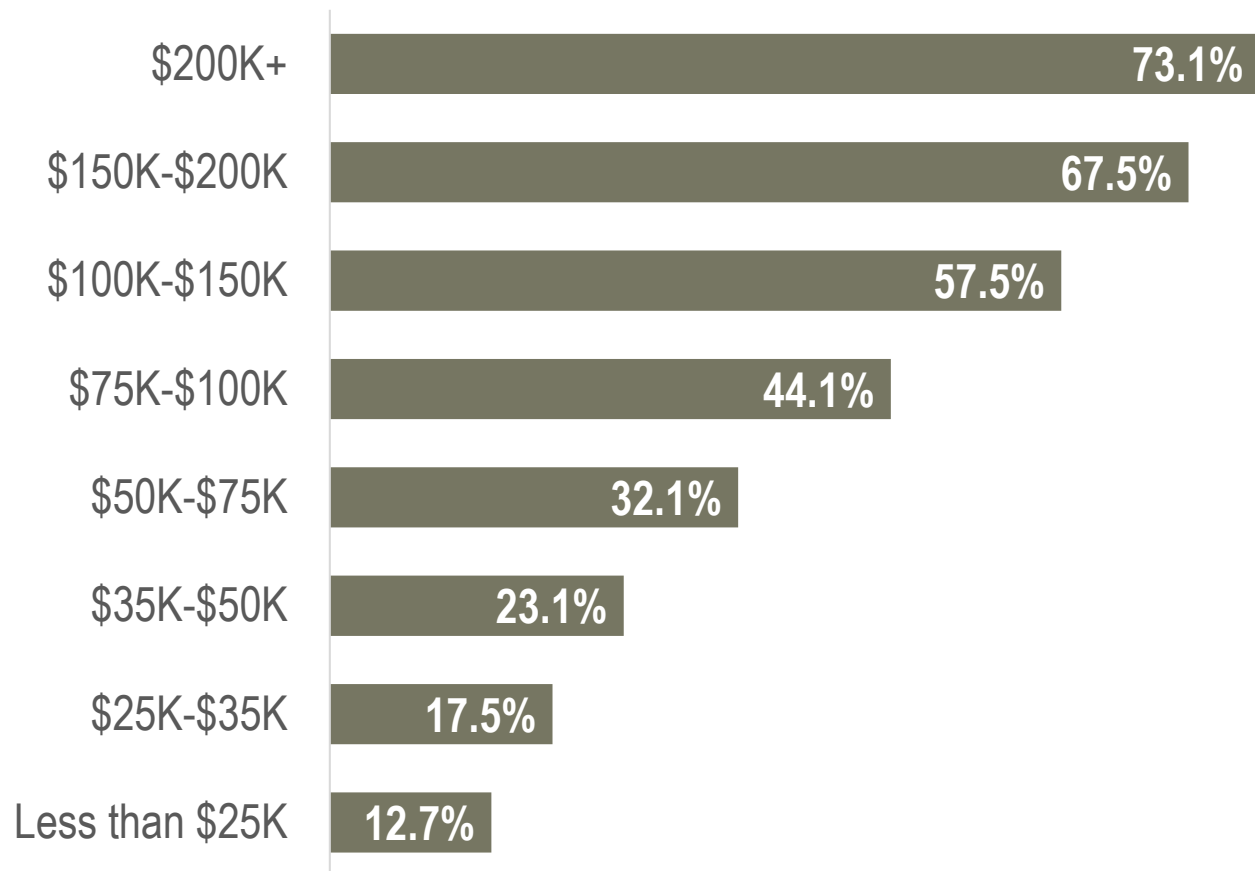
Percentage of Housing Built Before 2000 for Select Ski Markets; 2019



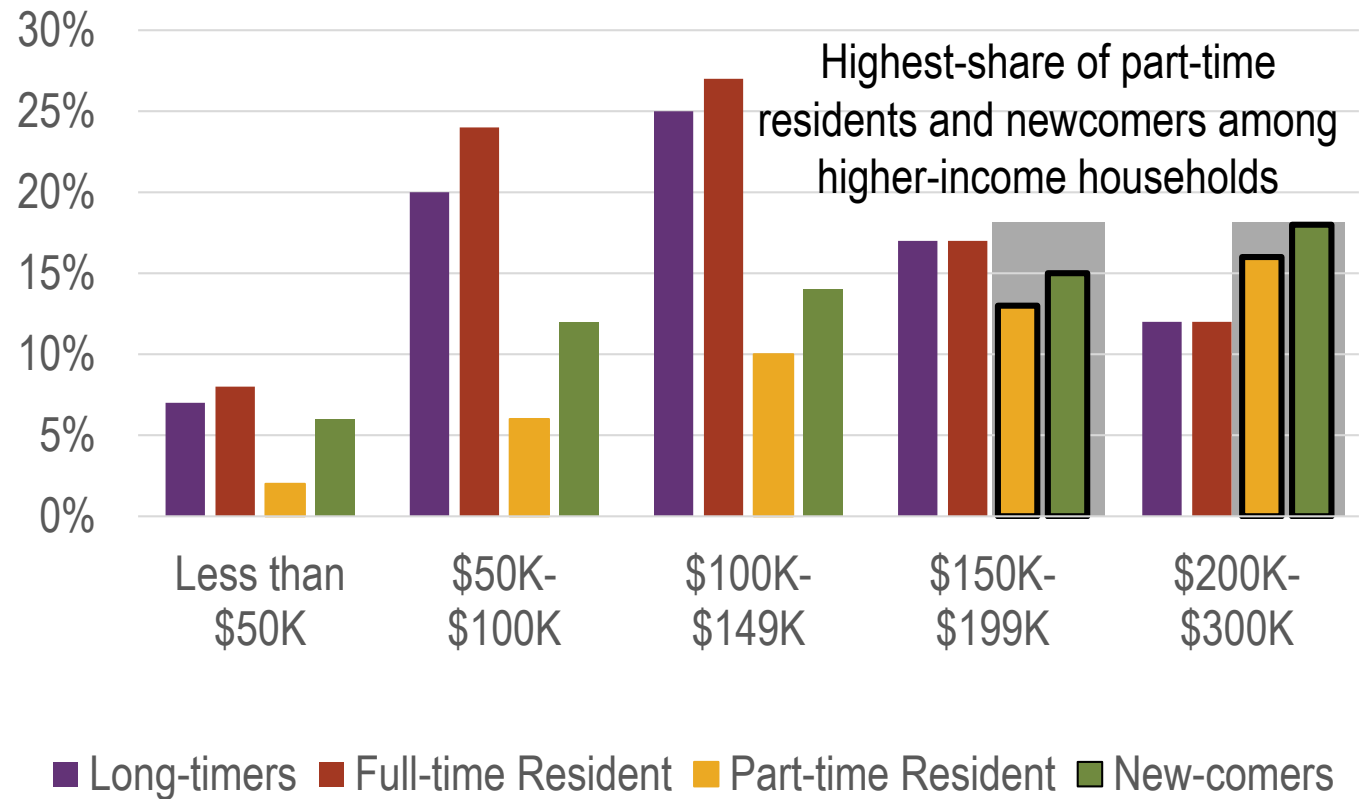
WORKPLACE FLEXIBILITY & HIGH QUALITY OF LIFE

High-income professional households with flexibility are moving to mountain towns and driving higher pricing

Percentage of Households Who Switched to Remote Work; August-December 2020



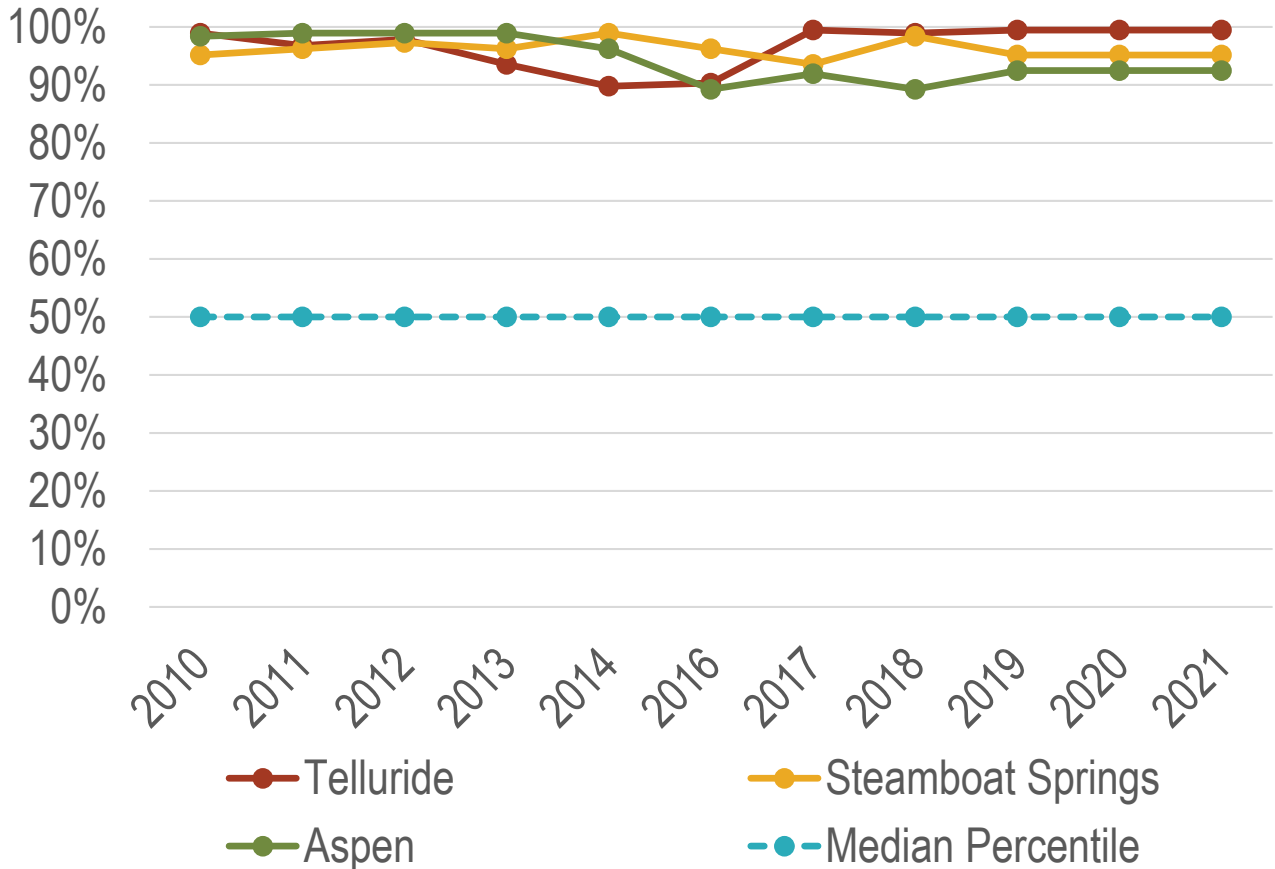
Gross Household Income by Residency Status in Select Ski Markets; 2021 Mountain Report Survey



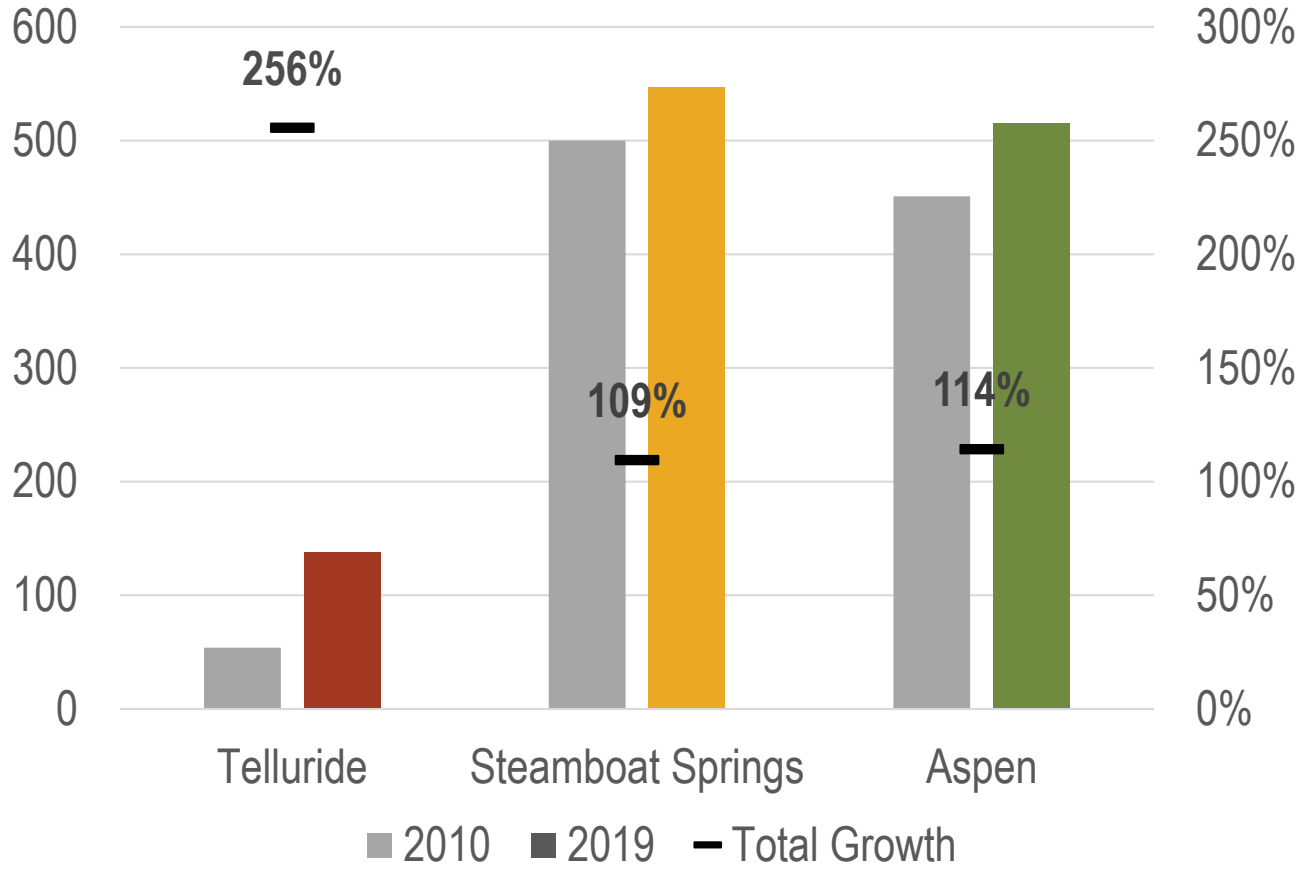
SCHOOLS AND ECONOMIC OPPORTUNITY ALSO DRIVE DEMAND

Like primary markets, good schools and increasing number of professional permanent jobs in resort towns also drive growth

Select Mountain Resort School District Ratings; 2010-2021



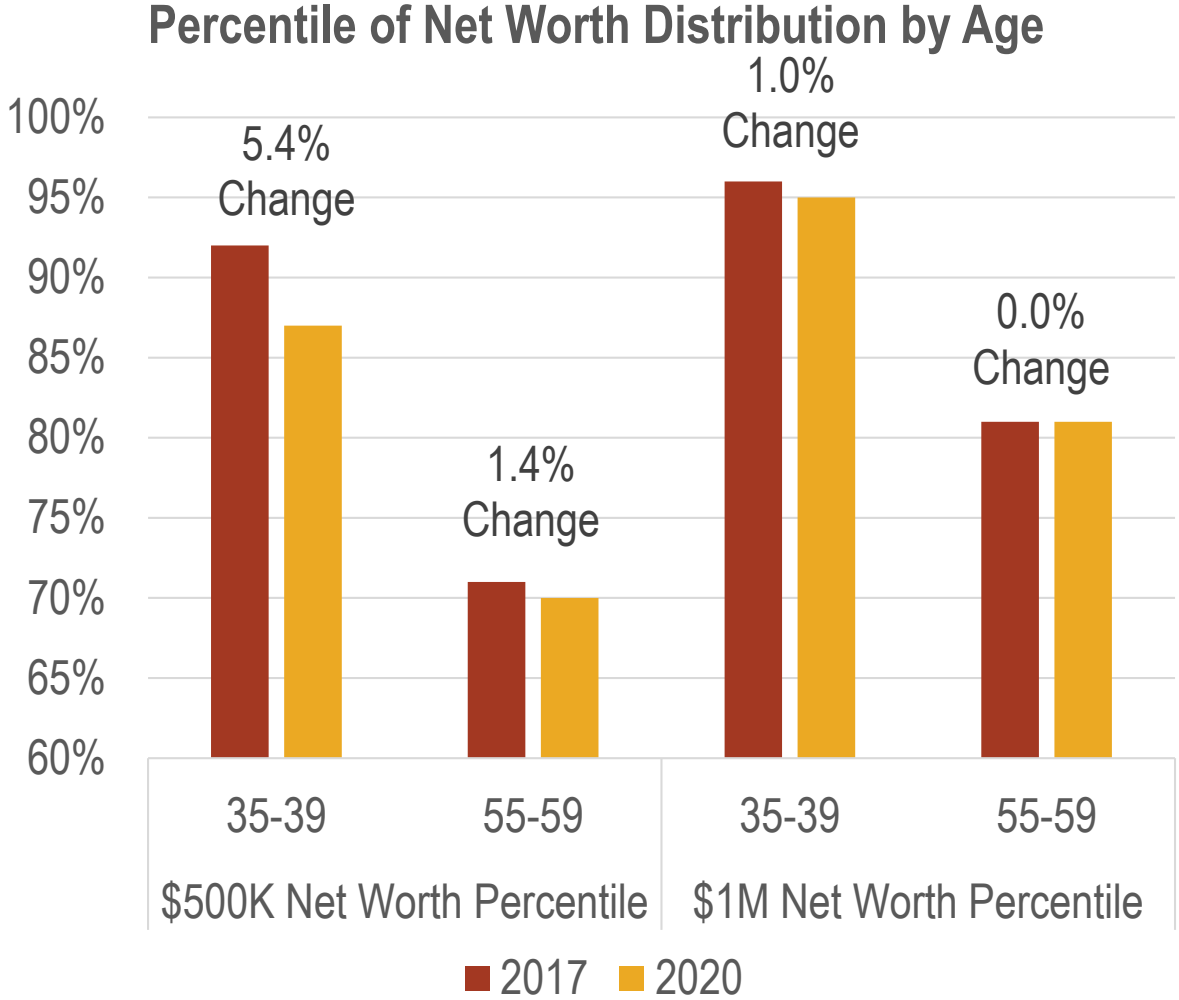
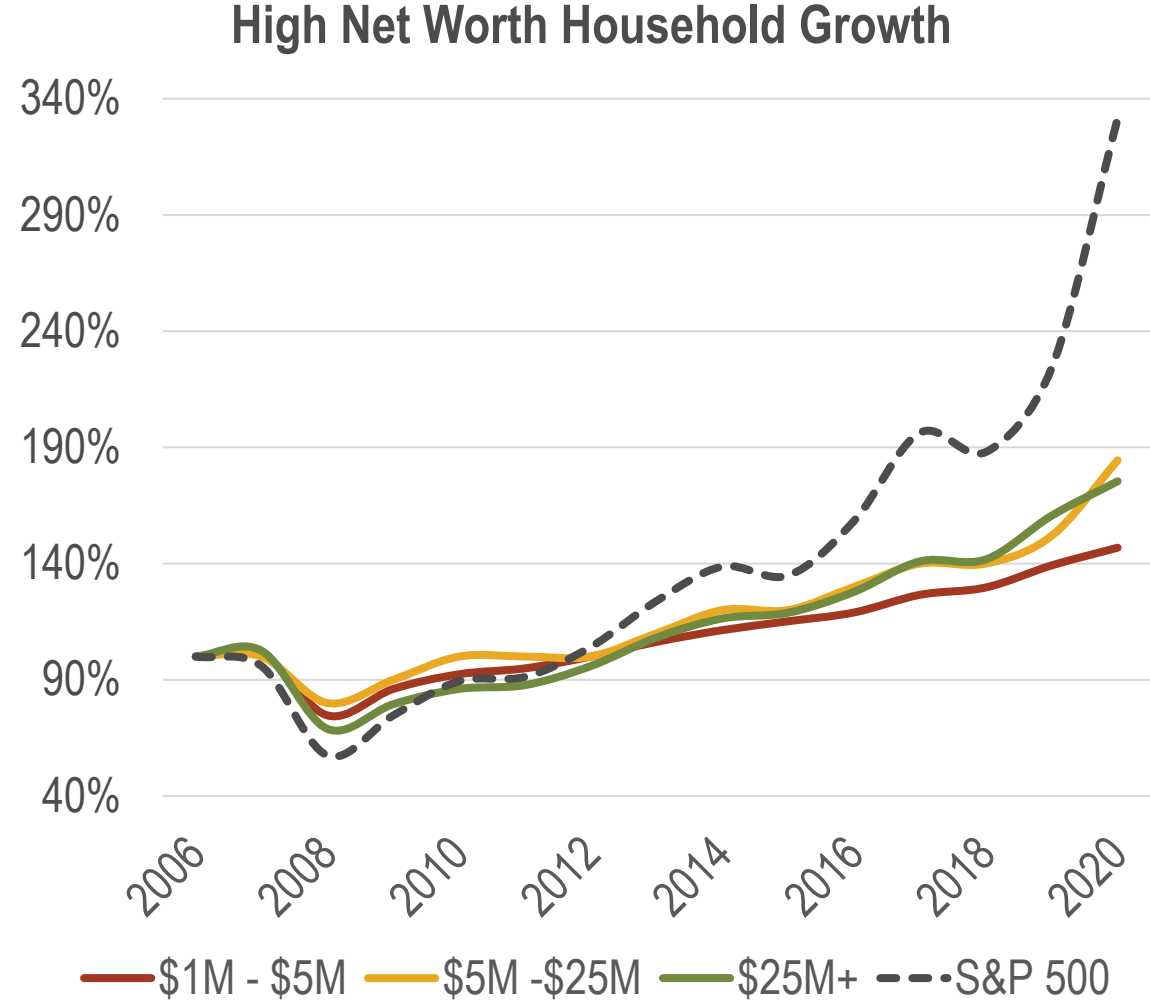
Total Professional and Technical Jobs and Growth in Select Ski Markets; 2010 and 2019



Note: Colorado District and School Performance Frameworks were not produced during 2014-2015 due to a legislative hold on accountability. Source: ESRI; Colorado Department of Education; US Census; RCLCO

ULTRA LUXURY & MILLENNIAL WEALTH WAVES

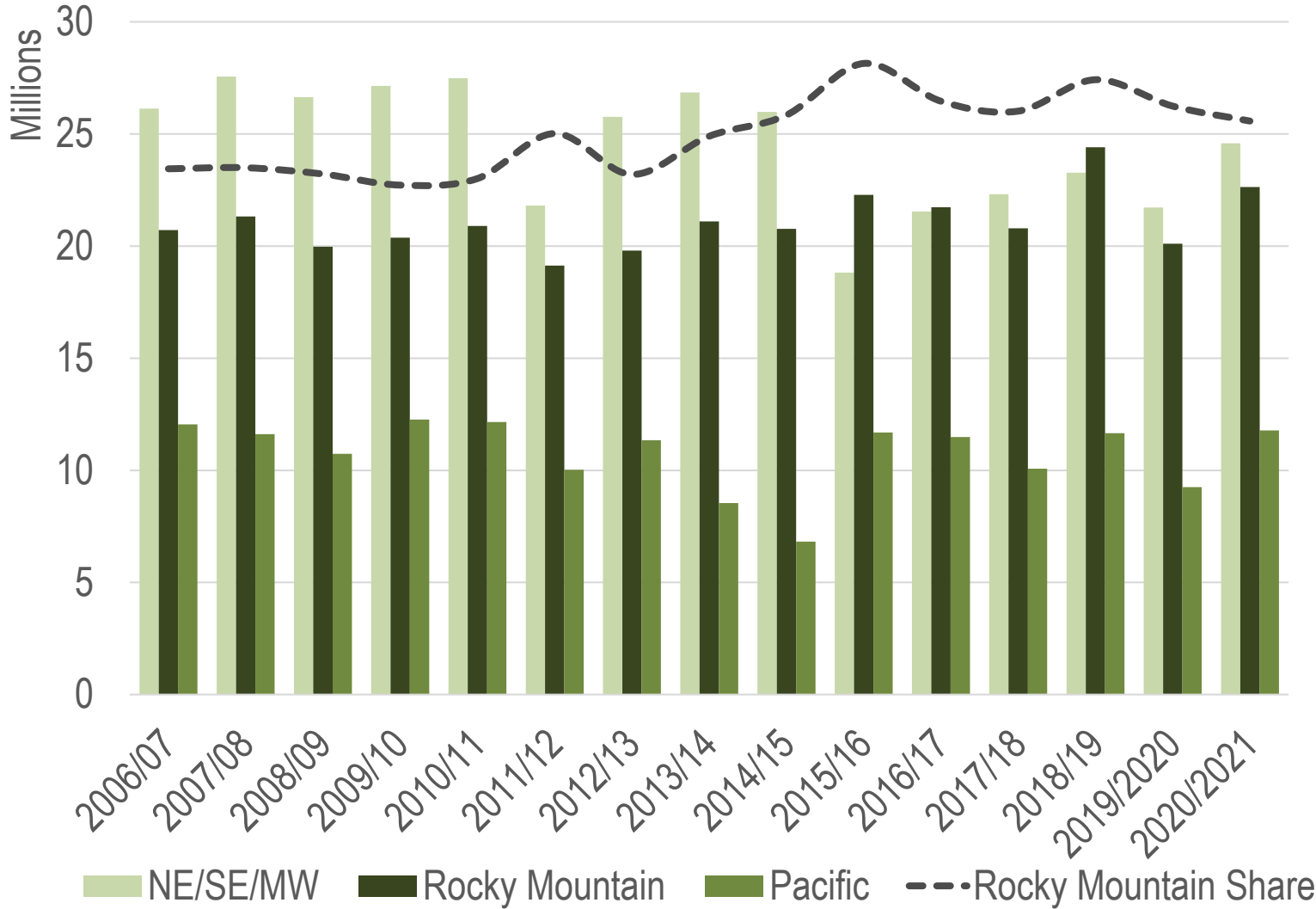
1% households drive luxury resort real estate, with growing millennial wealth levels for entry second homes outpacing baby boomers



Source: Federal Reserve SCF; Spectrem; Yahoo Finance; DQYDJ; RCLCO

RESORT INVESTMENT IN EXPERIENTIAL CONCEPTS – CAN IT OFFSET DREARY SKIER PARTICIPATION?

Historical Skier Visits by Region; 2000-2021



STEAMBOAT

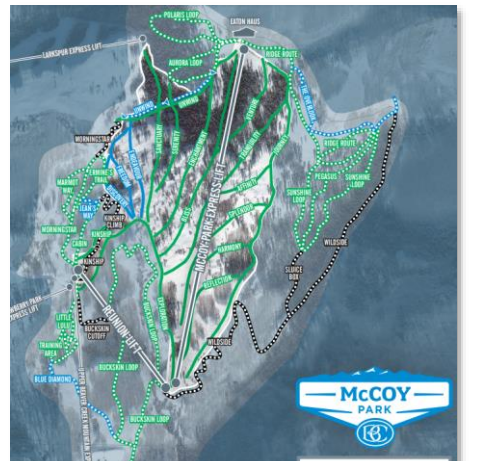


WILD BLUE GONDOLA
 Longest Gondola in North America; 650 acres of new terrain making Steamboat the second largest resort in CO



BASE AREA IMPROVEMENTS
 Upgraded Gondola Square with new restaurants, retail outlets, lodging options, and an ice rink

MCCOY PARK



250 NEW SKIABLE AREAS
17 NEW TRAILS
2 NEW CHAIRLIFTS

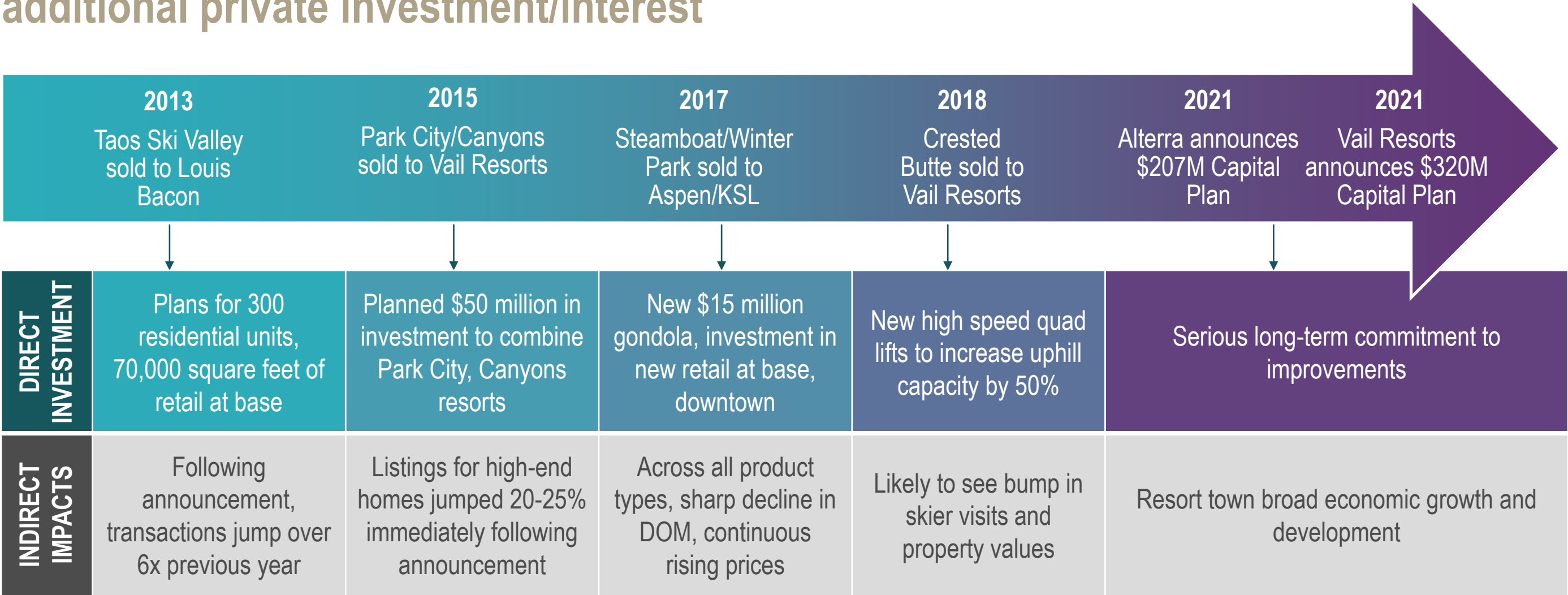
MAMMOTH MAIN LODGE



NEW BASE AREA
 Upgraded skier services and lifts
 Elevated variety of lodging, residential product and skier-oriented commercial space

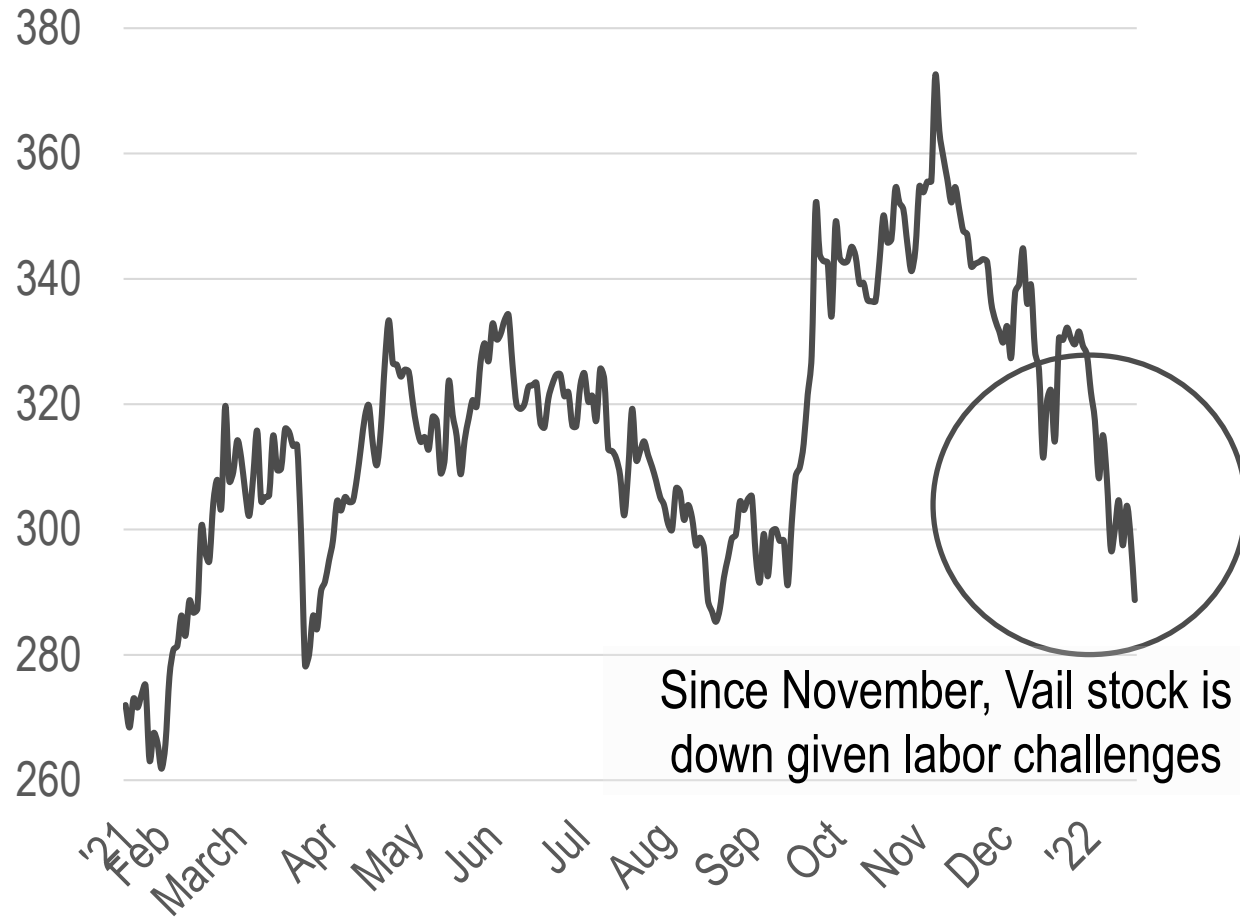
MAJOR RECENT ACQUISITIONS IMPACT MARKETS

Direct investment from resort ownership drives real estate speculation and additional private investment/interest

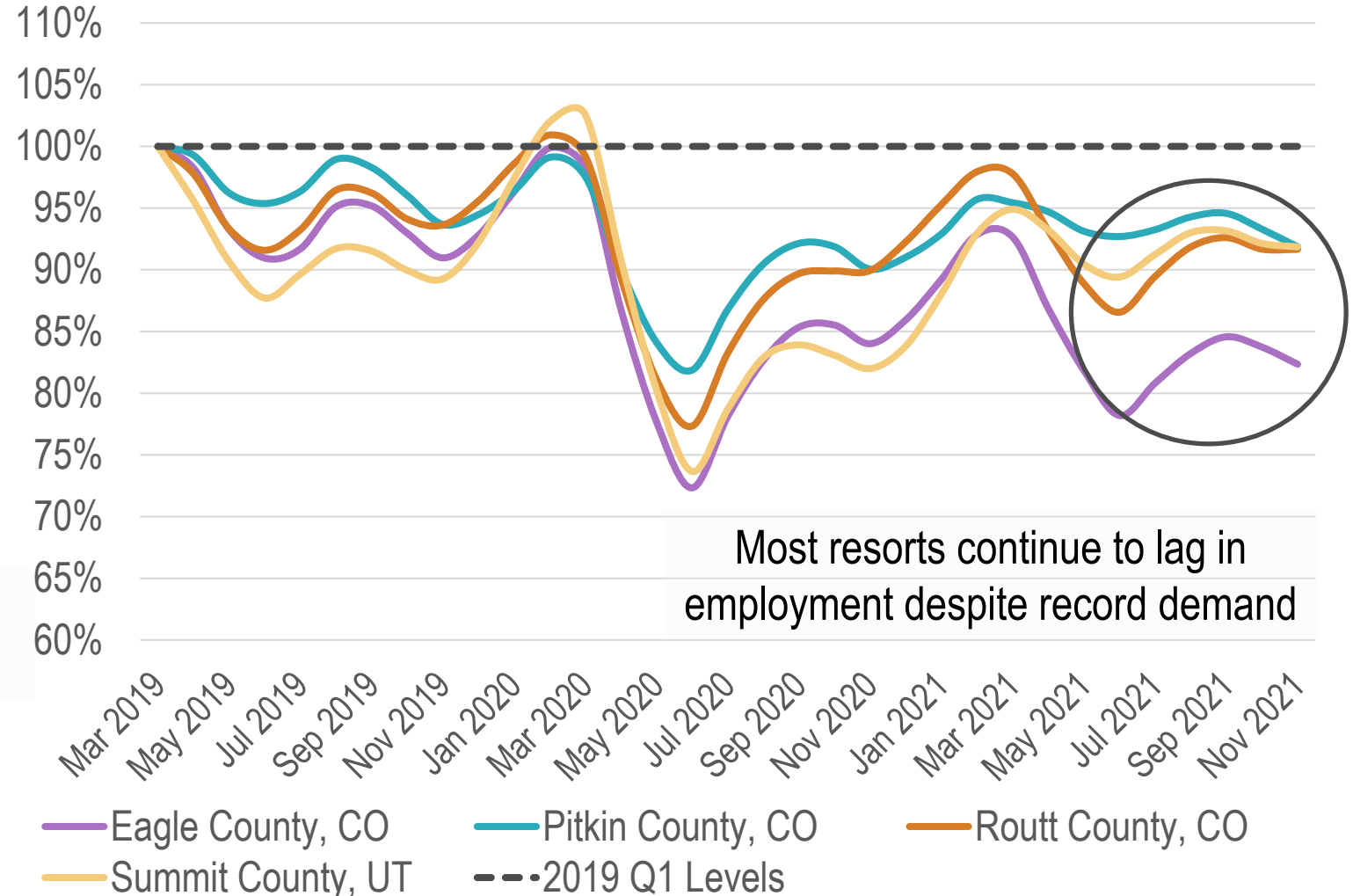


TOO MUCH DEMAND, SEVERE LABOR SHORTAGE FOR REAL ESTATE AND SERVICES SECTOR THAT DRIVES RESORT TOWNS

Vail Resorts, Inc. NYSE/MTN Close/Price; 2021-2022 YTD



Rolling Quarterly Employment Levels in Select Ski Counties Indexed to 2019; 2019-2021

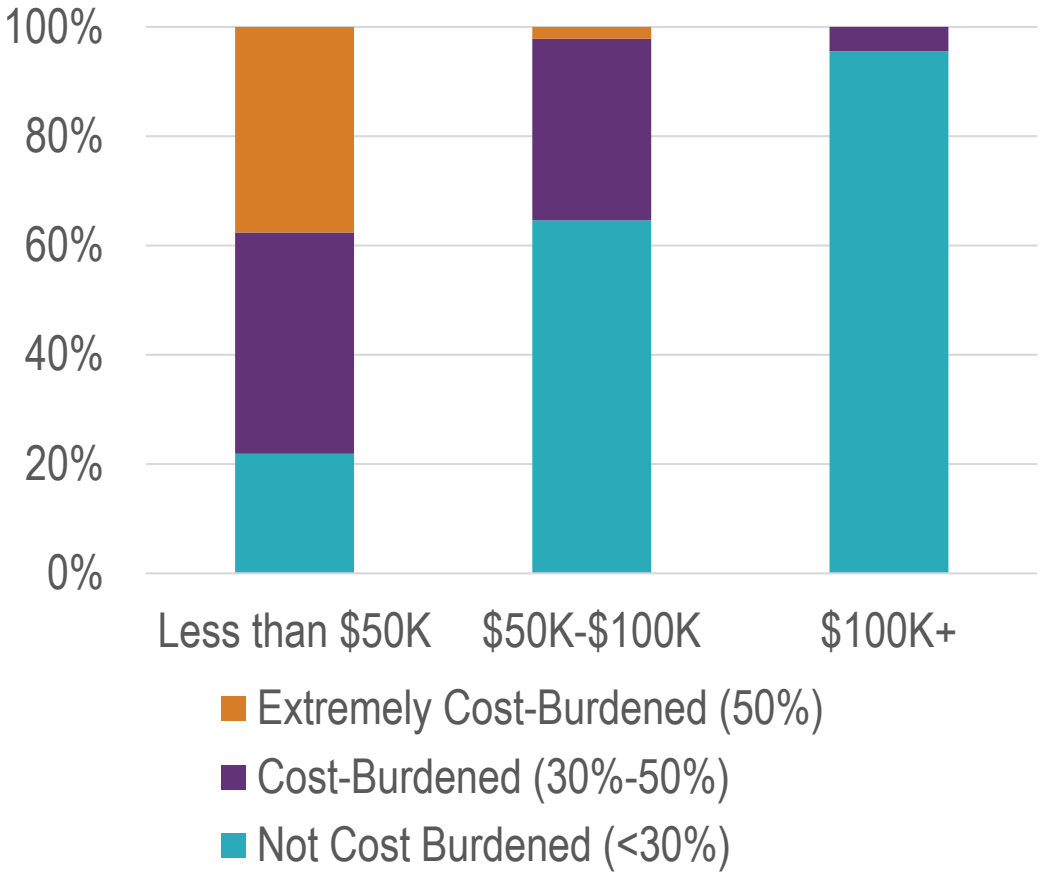


Source: Vail Resorts Investors; LAUS BLS; RCLCO

COMMUNITY INVESTMENT

Increasing awareness of what it takes to be a sustainable resort community, but some ongoing challenges with development

Share of Income Spent on Rent by Income Level in Select Ski Markets; 2019



Brown Ranch
Routt County, CO

- ❖ 536-acre property gifted to Yampa Valley Housing Authority to be used for long-term affordable housing opportunities

Silverthorne
Routt County, CO

- ❖ 15-20 rental units to support those in 60% AMI range

❖ Both projects in early planning stages

Dillon Valley Vistas
Summit County, CO

- ❖ 12 X 3&4-Bed For-Sale Units
- ❖ Deed-restricted for local workforce housing with appreciation caps

Village at Winter Green
Summit County, CO

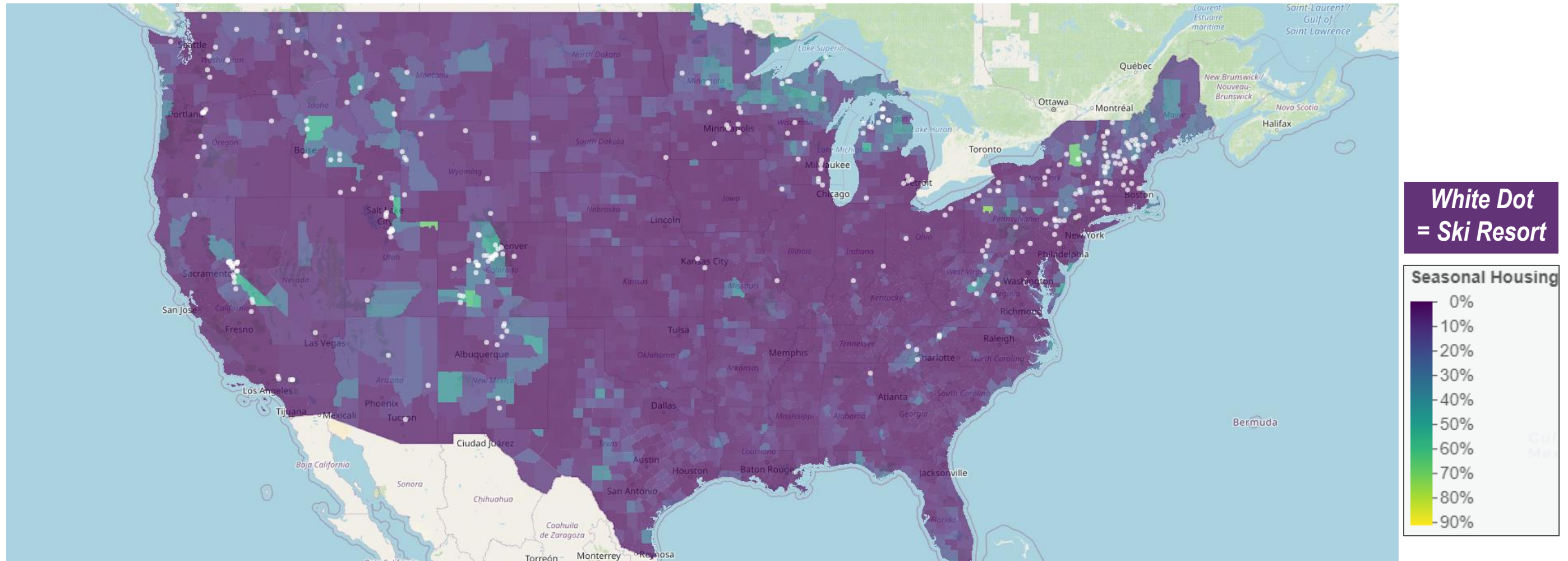
- ❖ 195 Rental Units
- ❖ 120 long-term rental (1&2-Beds) for full-time locals
- ❖ 40 LIHTC units for workers earning 30-60% AMI
- ❖ 36 seasonal rental units for seasonal employees



SEASONAL HOUSING TRENDS

Increase in vacation home housing share since the recession

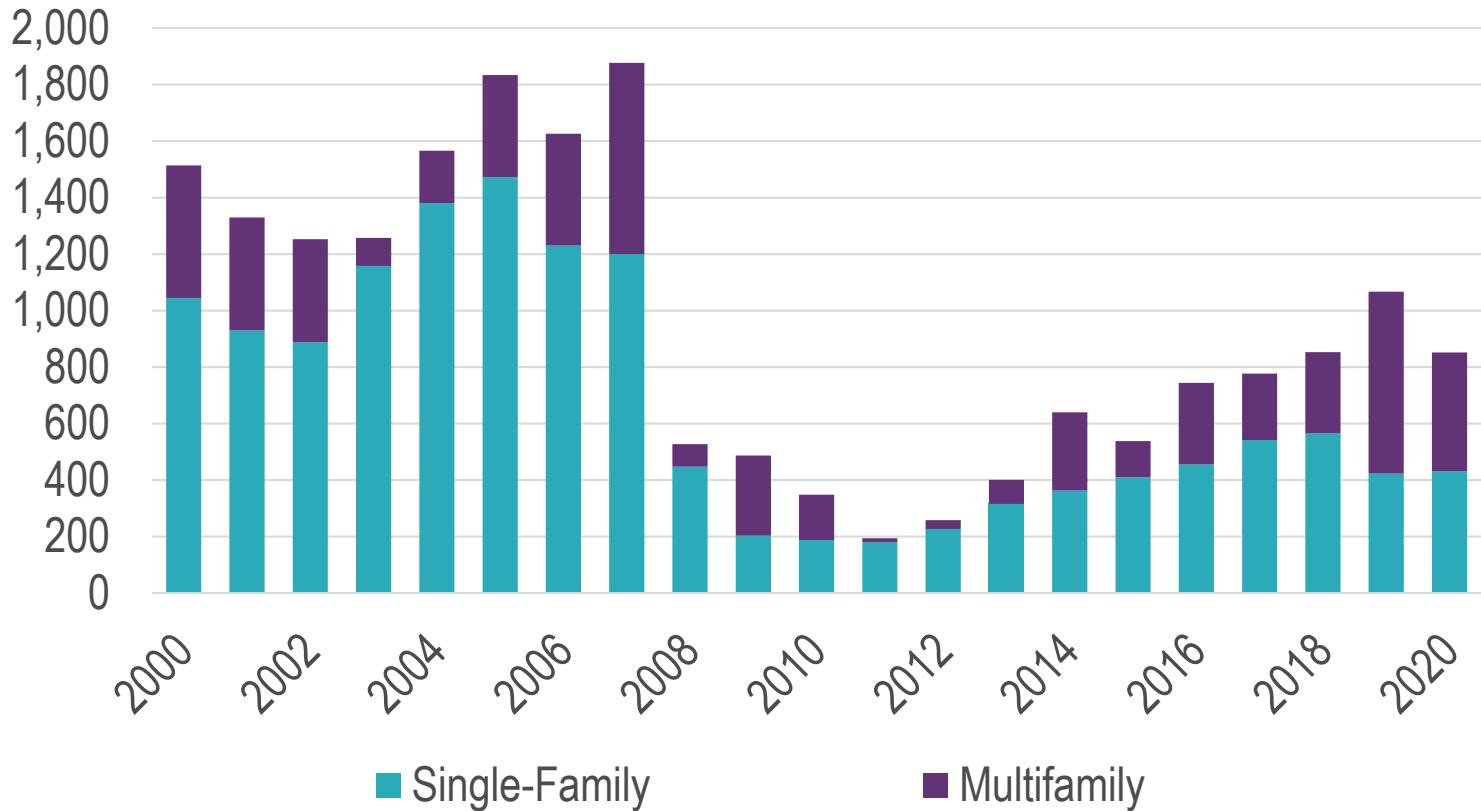
counties with ski resorts represent 18% of U.S. seasonal housing stock



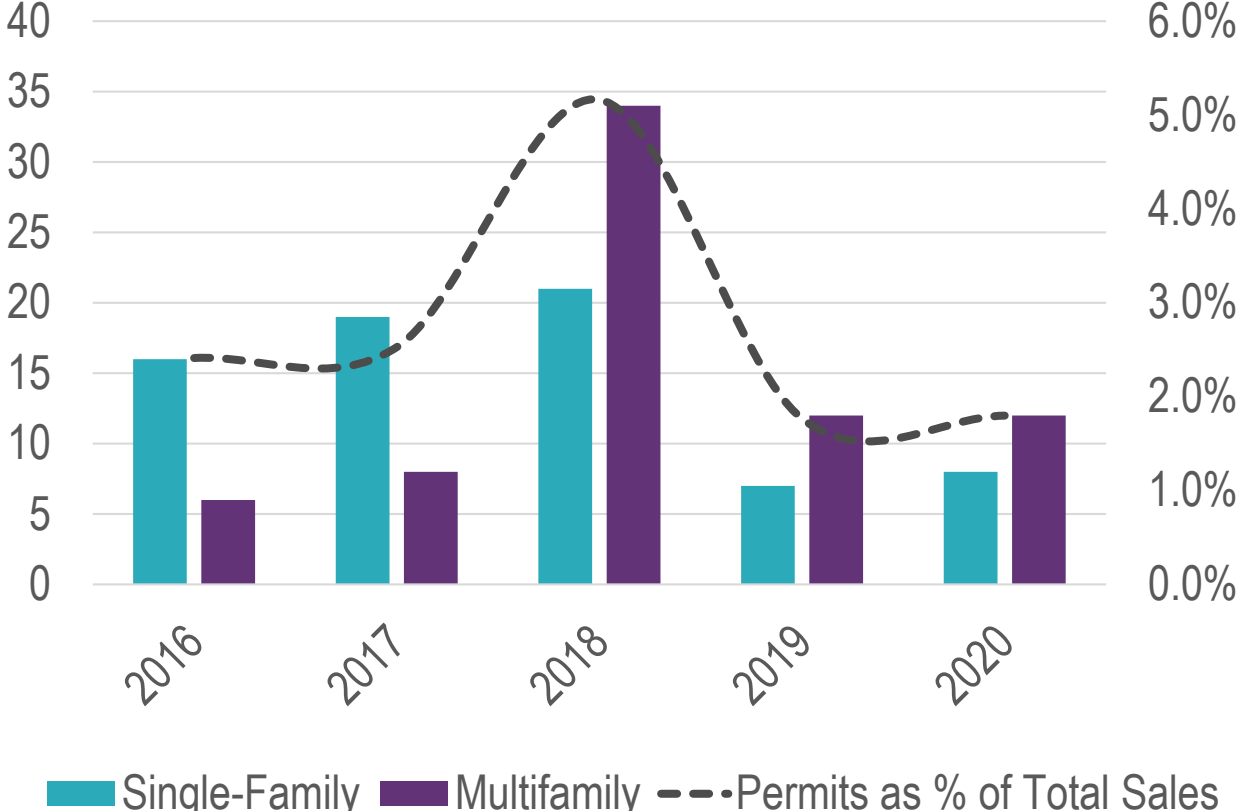
LACK OF NEW BUILDING

Building activity has not recovered from pre-recession, permits make up only a small share of annual sales

Historic Permitting Trends in Select Mountain Resort Markets; 2000-2020



Historic Permitting Trends in Aspen, CO; 2016-2020

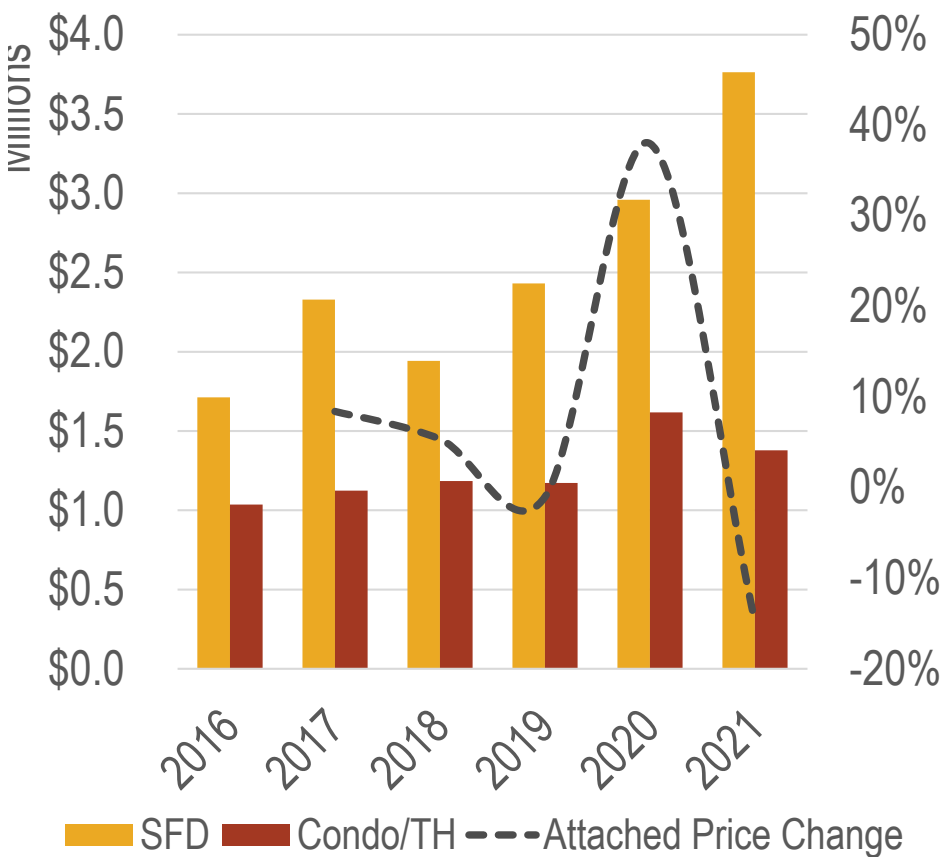


Note: Select Markets include Summit County, UT; Eagle County, CO; Pitkin County, CO
Source: HUD; MLS; RCLCO

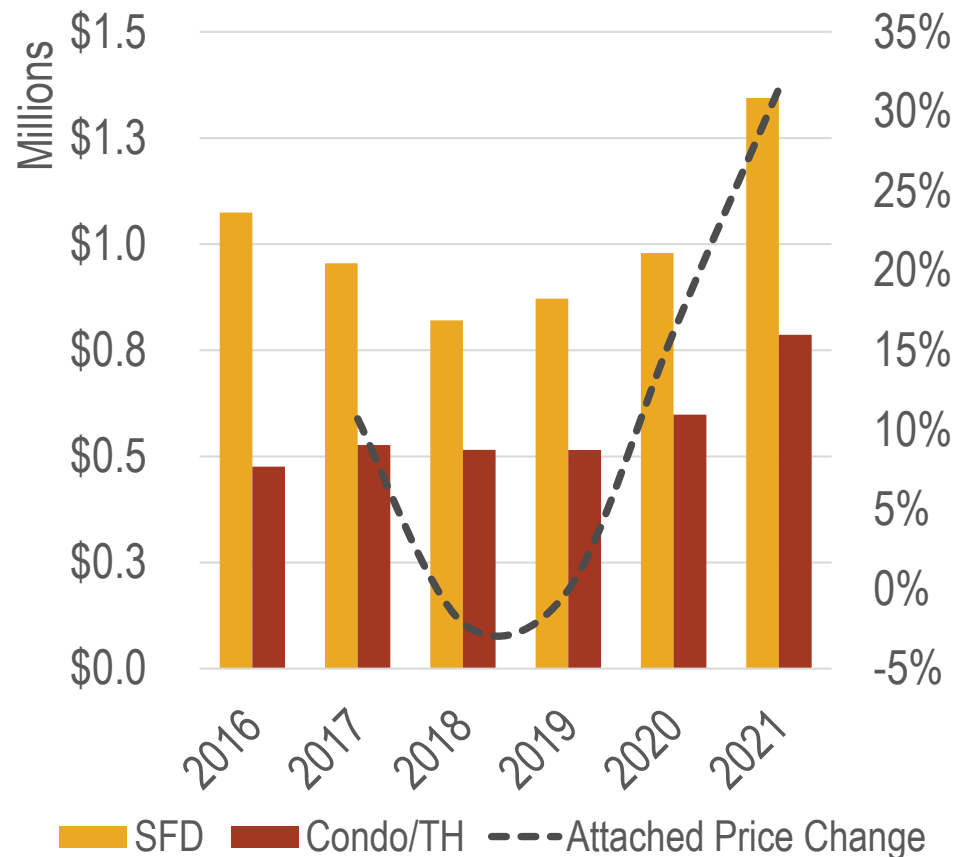
PRICE POINTS BY PRODUCT TYPE

In highly desirable Central Village Areas, attached product is at a significant discount but prices continue to climb

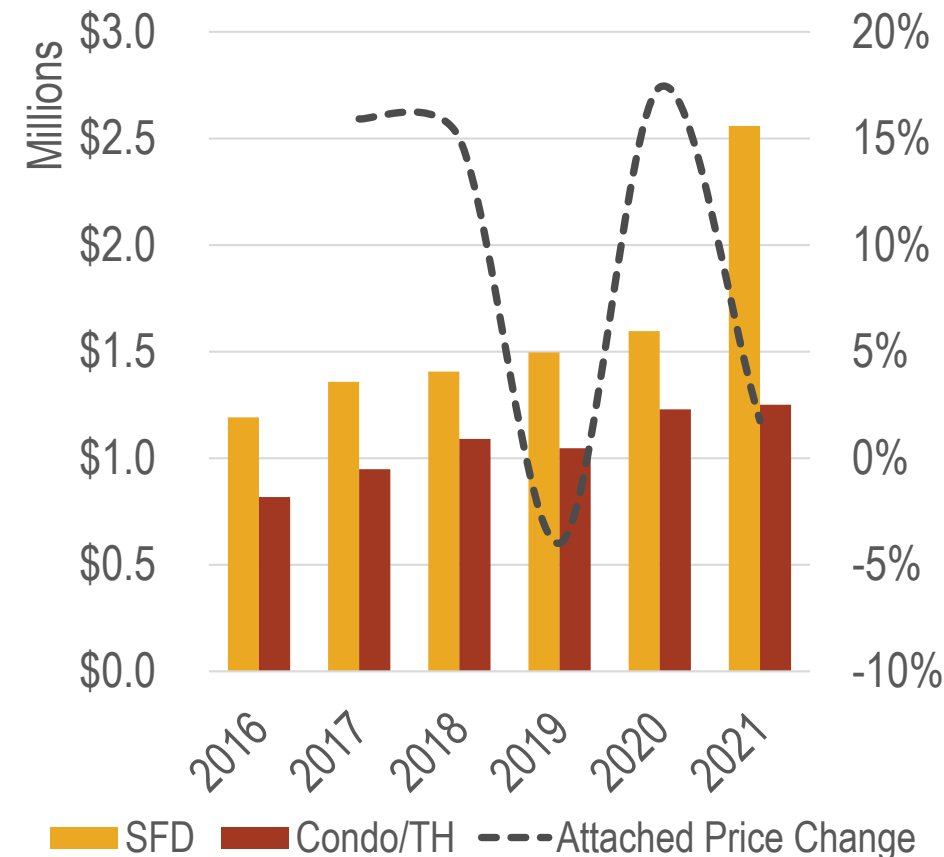
Average Sales Price by Product Type; Aspen, CO, 2016-2021 Q2



Average Sales Price by Product Type; Steamboat, CO, 2016-2021 Q2



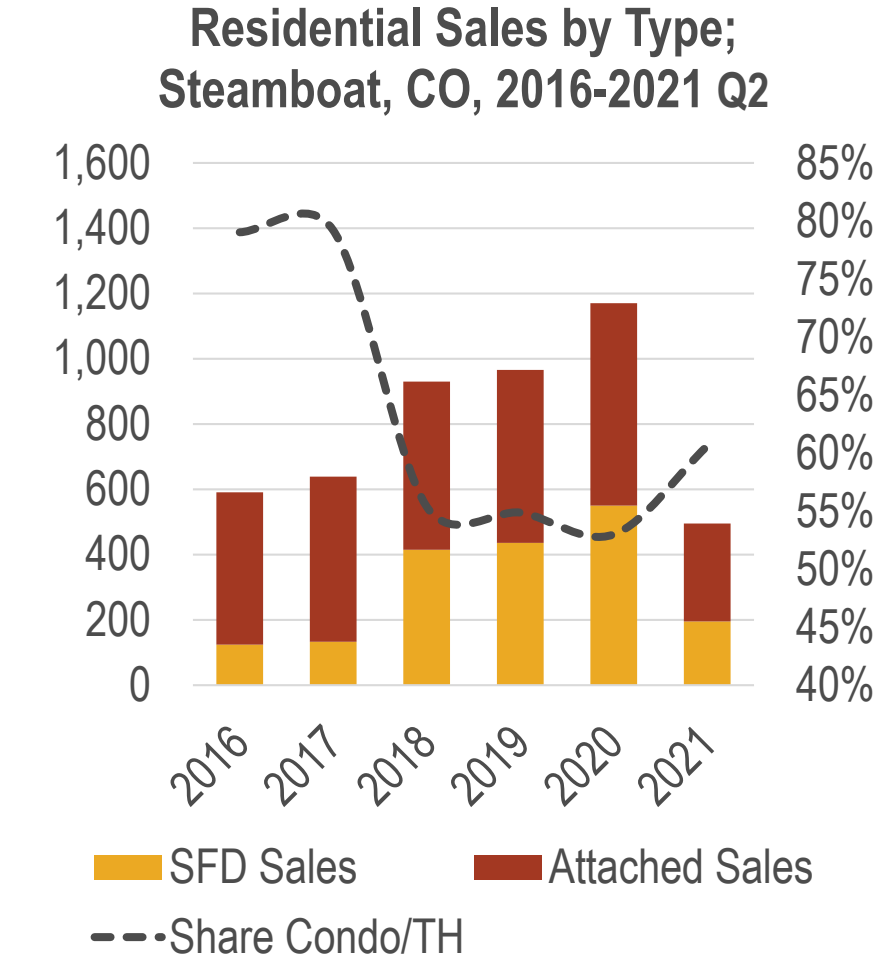
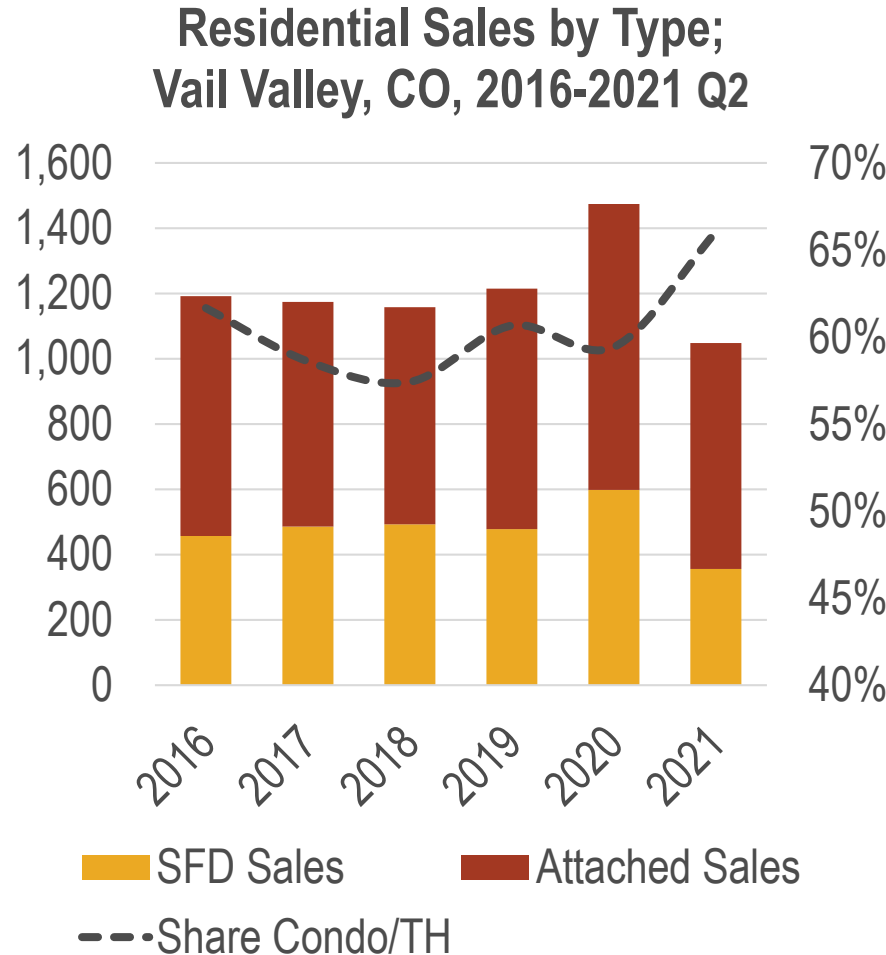
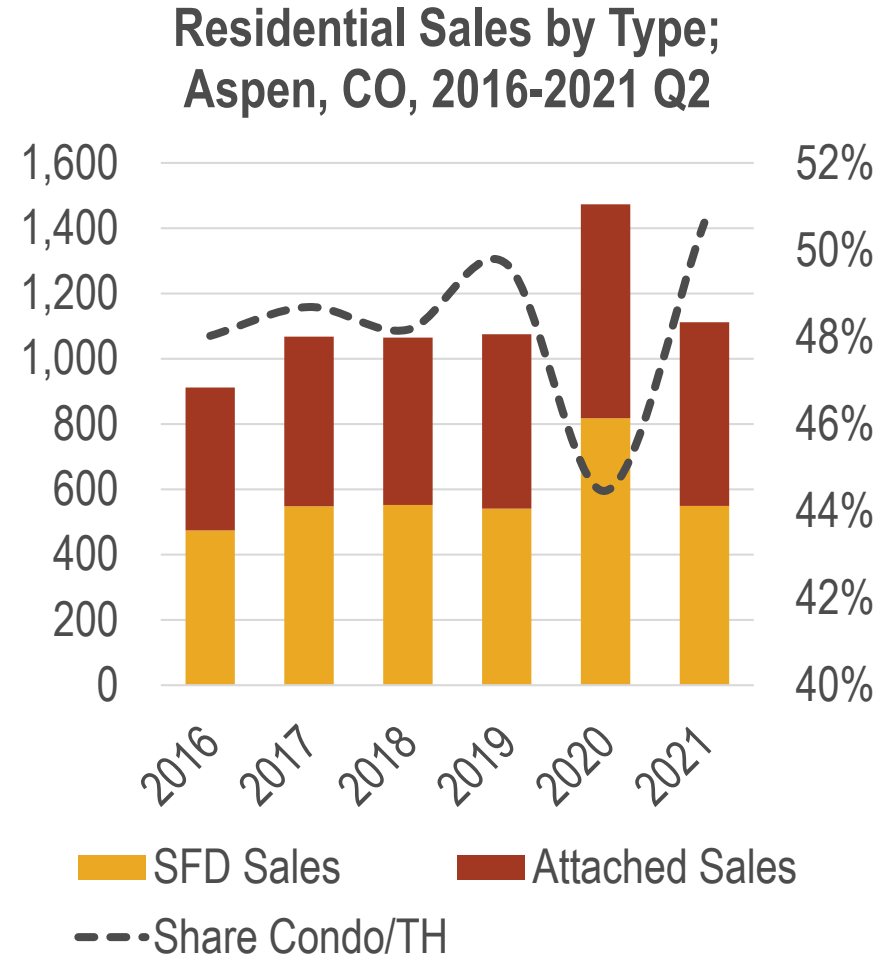
Average Sales Price by Product Type; Vail Valley, CO, 2016-2021 Q2



Note: MLS Data for 2021 through June 2021.
Source: MLS; RCLCO

PRODUCT TRENDS IN SELECT MARKETS

Attached Product Share of transactions ticking up post-pandemic across markets – due to lower price points/availability?

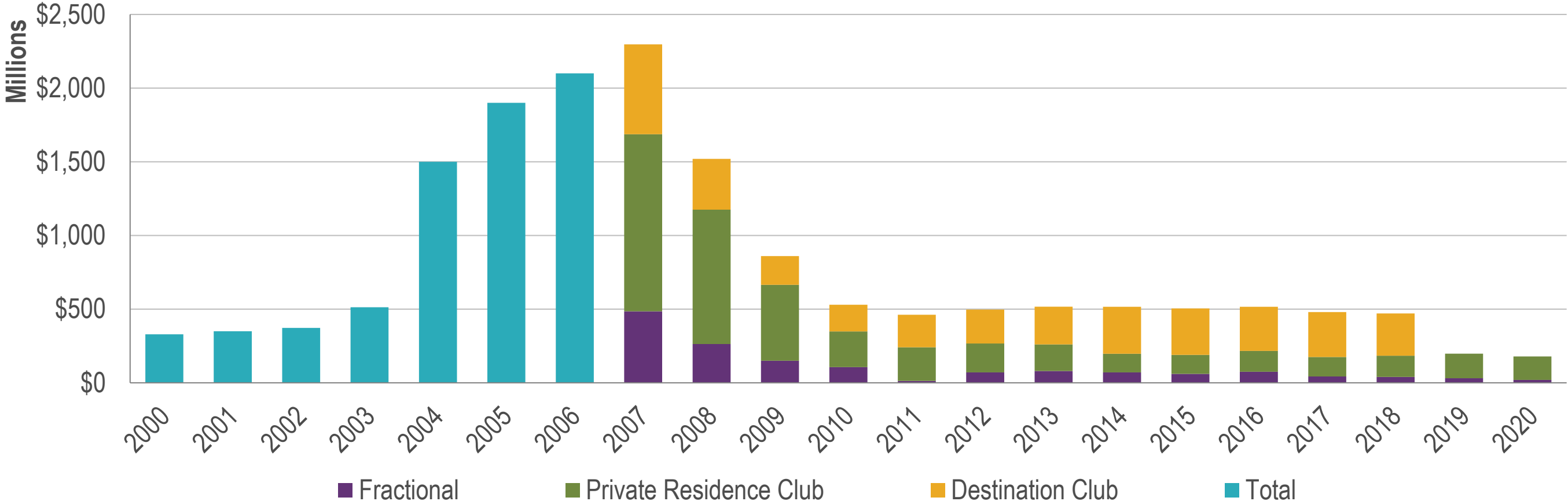


Note: MLS Data for 2021 through June 2021.
Source: MLS; RCLCO

MEANWHILE, LACK OF FRACTIONAL THIS CYCLE

Minimal development in part due to more flexible ownership structures available to buyers, including short-term rentals and condotels

Annual Sales Volume (\$M) of Fractional, Private Residence Club, and Destination Club Shares; United States, 2000-2020

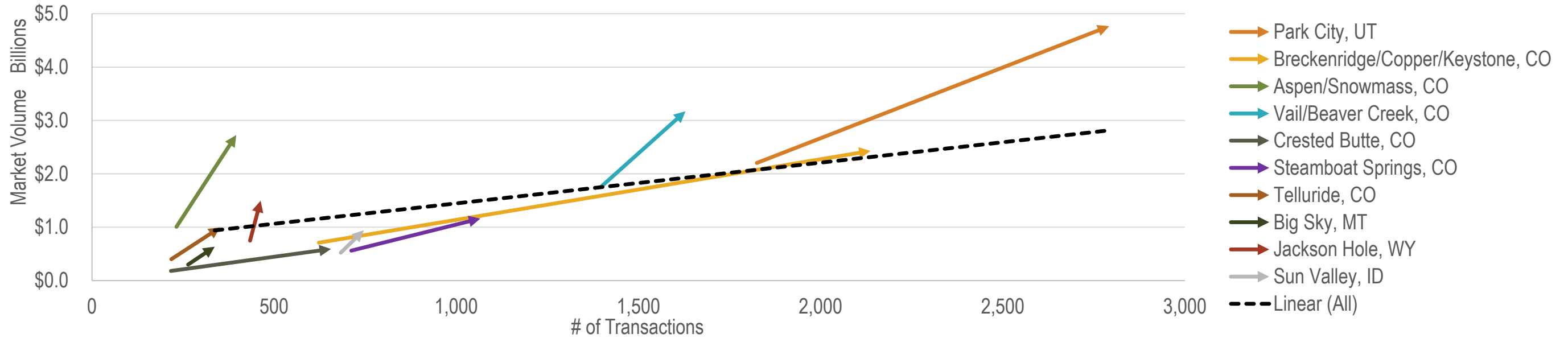


Note: Ragatz ceased including destination club data as of their 2020 Shared-Ownership Resort Real Estate Industry survey report.

Source: Ragatz; RCLCO

COMPARED TO PRE-COVID, ALL MARKETS HAVE BOOMED!

New price highs in 2021 across markets, while inventory growth stagnates for some, given supply shortages



Resort Market	# of Transactions (2019)	Sales Volume (2019)	# of Transactions (2020)	Sales Volume (2020)	# of Transactions (2021)	Sales Volume (2021)	% Annual Increase in Sales Volume (2019-2021)
Park City, UT	1,825	\$2,203,537,006	2,426	\$3,728,551,137	2,792	\$4,765,311,640	47%
Breckenridge/Copper/Keystone, CO	623	\$710,017,502	778	\$922,846,003	2,137	\$2,428,542,319	85%
Aspen/Snowmass, CO	232	\$1,008,271,949	343	\$2,482,535,400	396	\$2,726,125,269	64%
Vail/Beaver Creek, CO	1,399	\$1,766,806,313	1,682	\$2,644,668,179	1,629	\$3,171,004,292	34%
Crested Butte, CO	217	\$181,991,635	359	\$350,269,202	656	\$592,689,309	80%
Steamboat Springs, CO	712	\$561,107,312	1,091	\$918,269,554	1,066	\$1,162,796,798	44%
Telluride, CO	218	\$401,017,928	339	\$781,834,564	352	\$997,330,593	58%
Big Sky, MT	264	\$300,167,429	376	\$612,331,718	337	\$634,144,431	45%
Jackson Hole, WY	434	\$748,723,000	557	\$1,515,350,952	463	\$1,496,214,412	41%
Sun Valley, ID	683	\$522,065,377	842	\$951,142,811	746	\$942,691,346	34%
TOTAL	6,607	\$8,403,705,451	8,793	\$14,907,799,520	10,574	\$18,916,850,409	50%



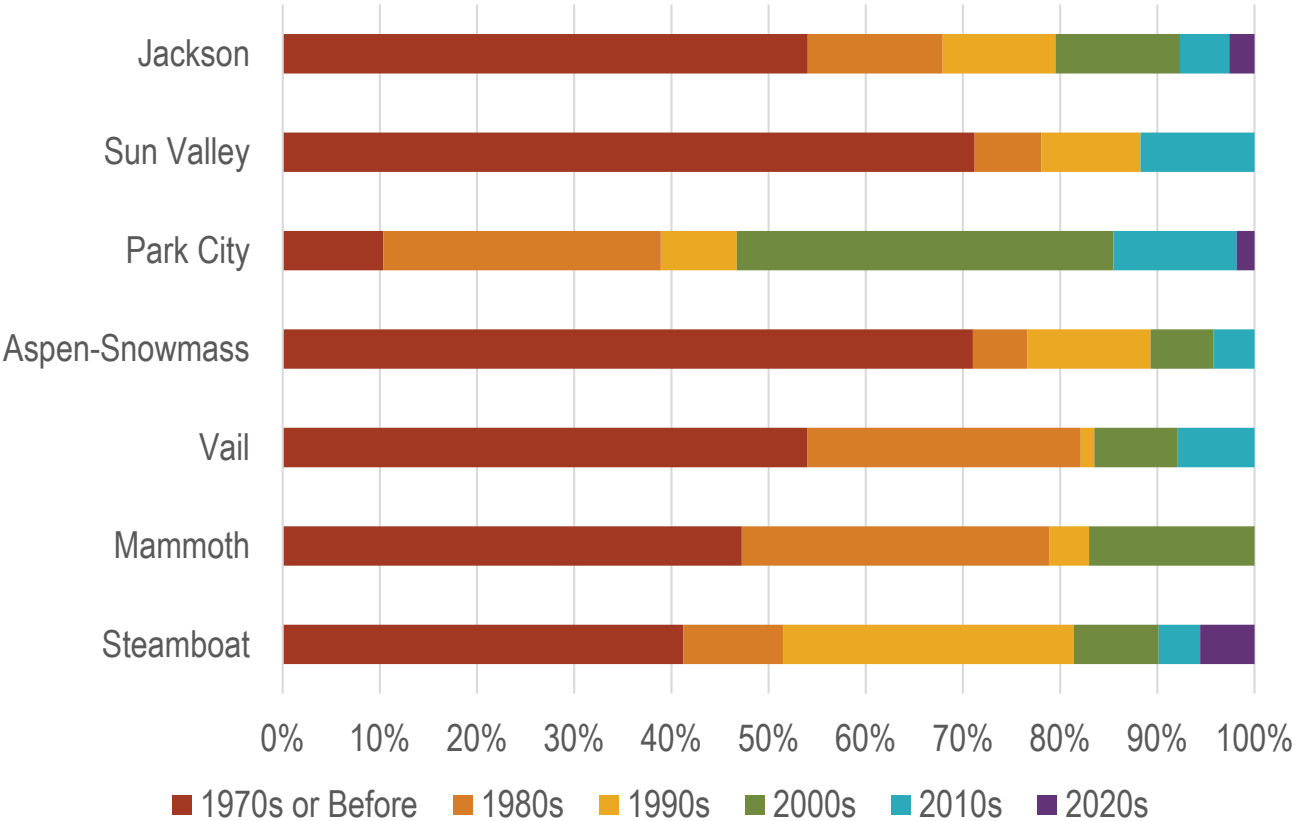
Peak Transactions (#)

Source: Sotheby's; Local Brokers; RCLCO

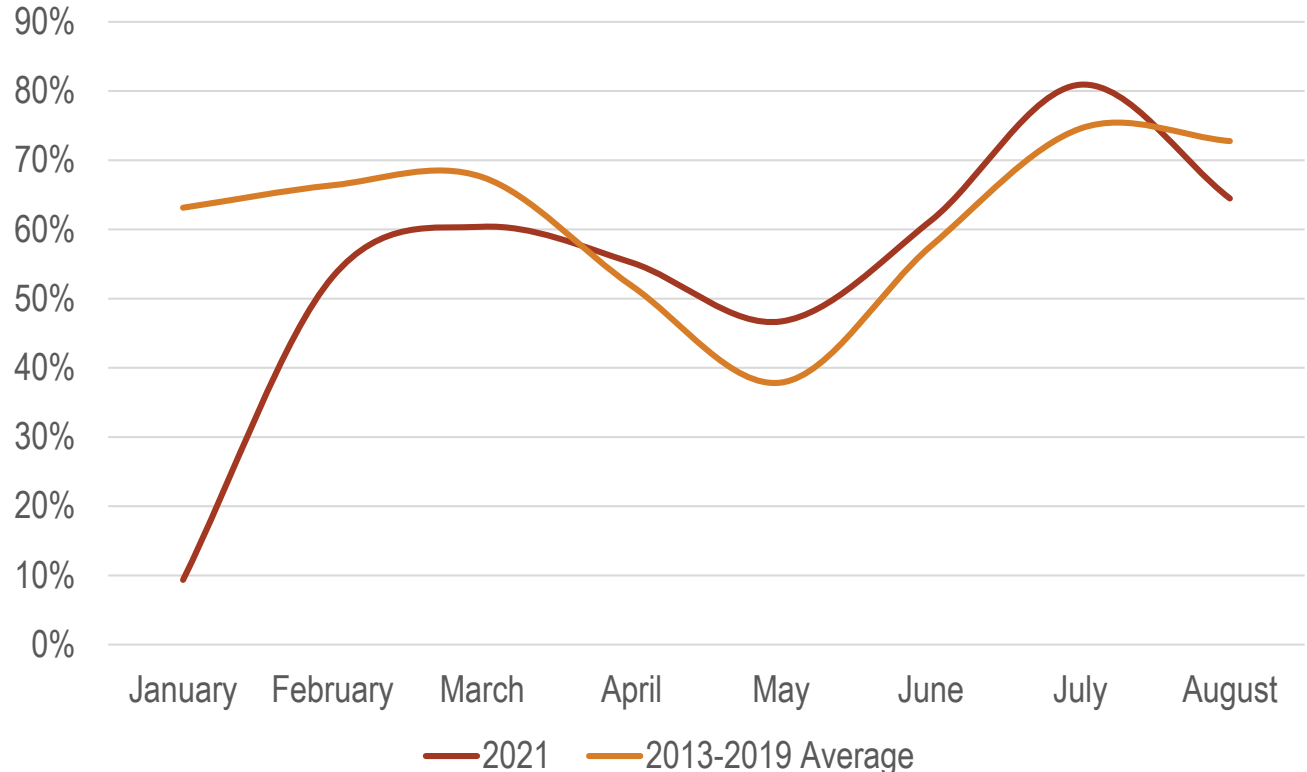
IN THE HOSPITALITY SPACE, MORE SUPPLY IS ALSO NEEDED

Dated inventory in need of redevelopment, new supply supportable emerging from COVID

Traditional Hotel Supply by Decade Built



Select Resort Market Hotel Occupancy Comparison

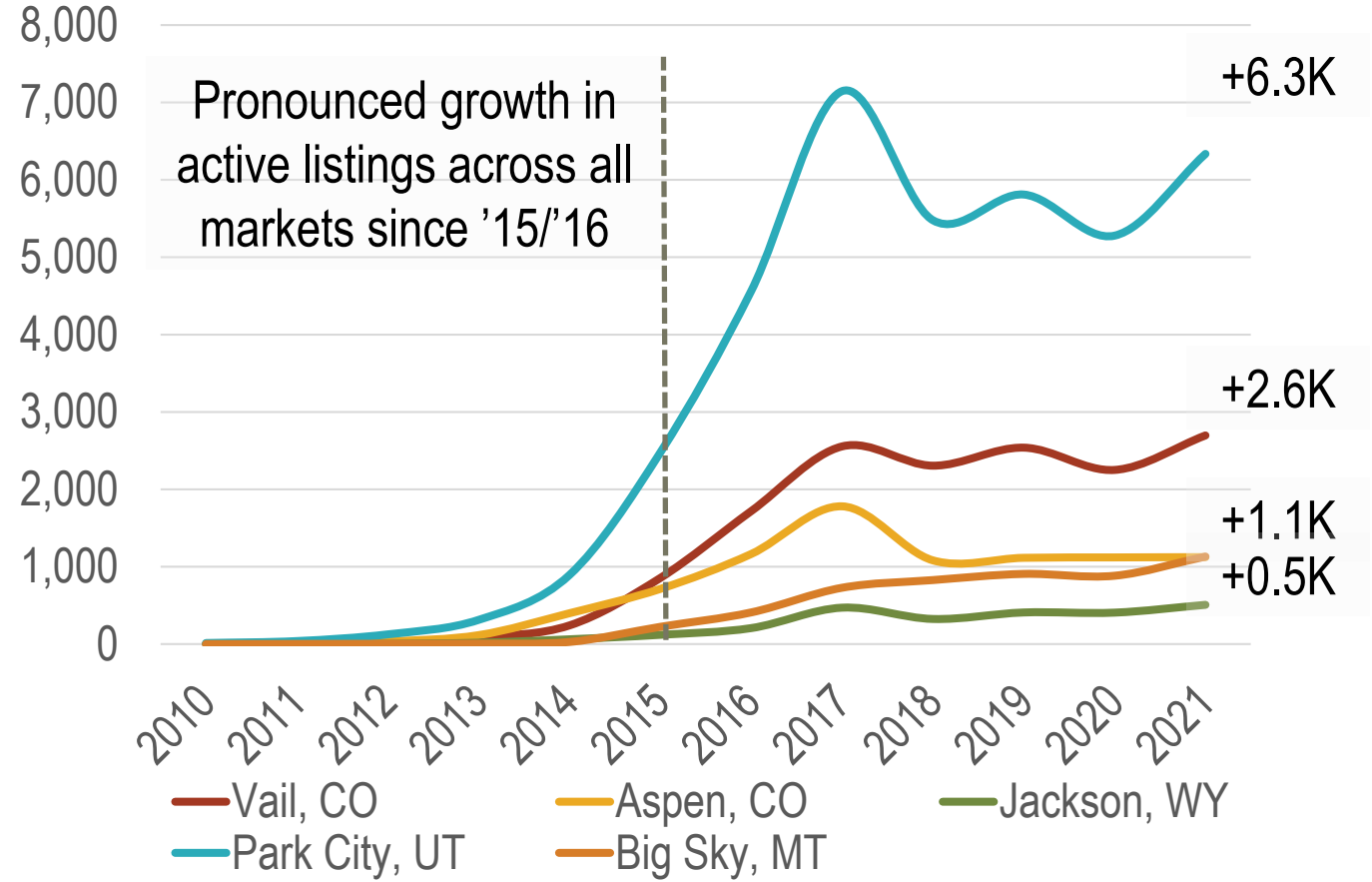


Source: STR; RCLCO Clients

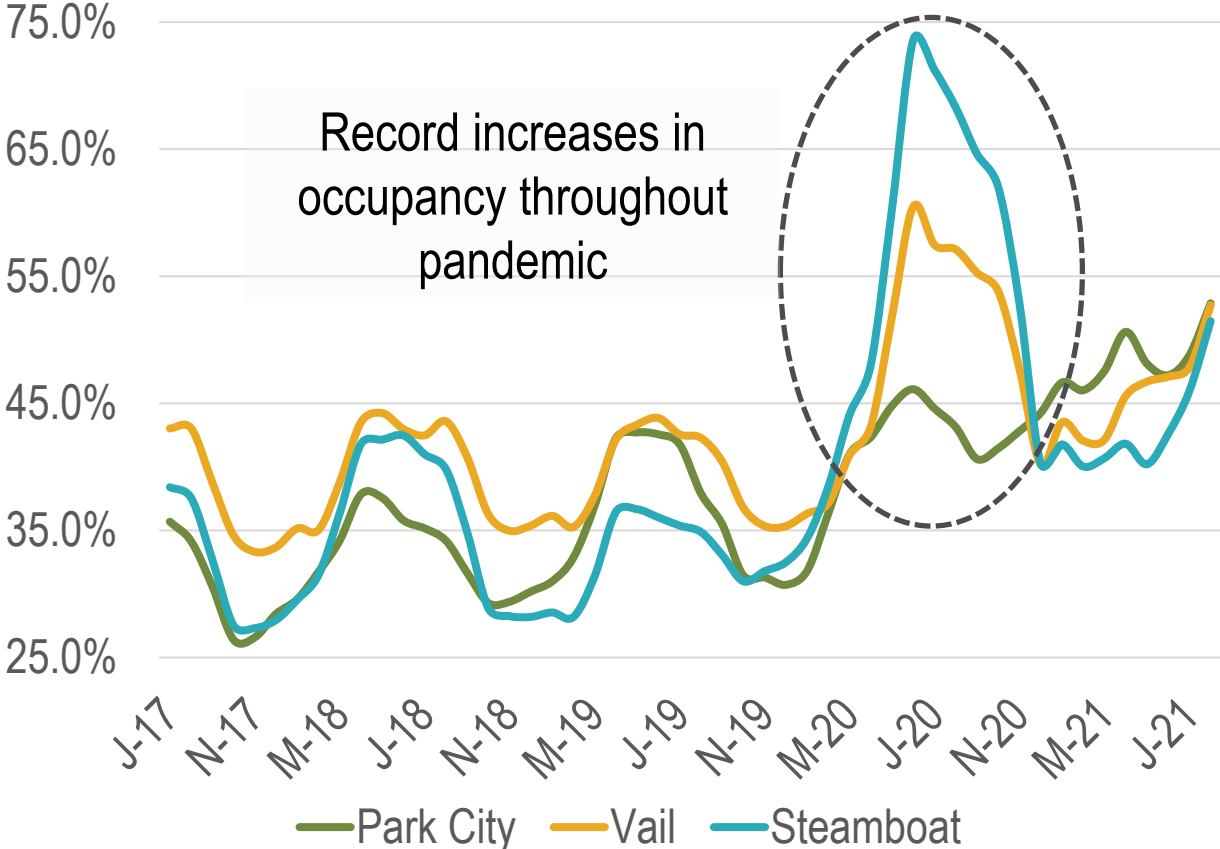
SHORT-TERM RENTAL TRENDS

Increased short-term rental uptick during COVID contributes to local rental shortages, fills hotel gap

**Total Active Airbnb/VRBO Units;
Select Ski Resort Markets, 2010-2021**



**Median 6 Month Trailing Occupancy Rate;
Select Ski Resort Markets, 2017-2021**



Source: Airdna; RCLCO

MOUNTAIN RESORT INNOVATION

Electric Pass Lodge in Snowmass pushes sustainability, Gravity Haus blends hotel and social club with eco-friendly partnership focus



Q & A



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