SECTION II.

Housing Affordability

SECTION II.
Housing Affordability

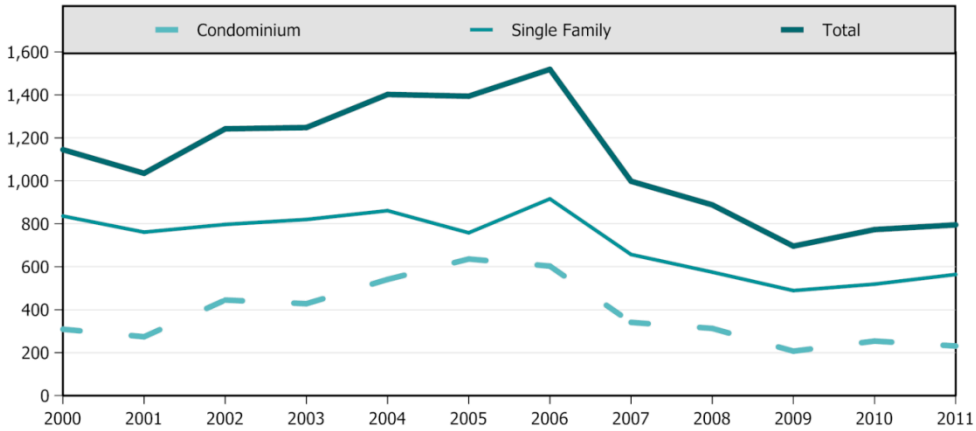
This section discusses housing affordability in the Santa Fe market for both ownership and rental properties. A gaps analysis is also included to identify any possible mismatches in housing supply and demand. Housing market data for this section are primarily from the Santa Fe Association of Realtors MLS Statistics (MLS), the American Community Survey (ACS) and the Apartment Association of New Mexico (Apartment Association).

Residential Sales

Since the 2007 HNA, the number of home sales and the median price of homes sold have declined considerably. Due to the dramatic changes in both the housing market and the economy over the past 5 years, ownership affordability has fluctuated year to year for both current homeowners and renters who would like to purchase homes. However, the long term trend in Santa Fe indicates that both current and prospective homeowners (renters) have lost purchasing power in the residential sales market between 2000 and 2011.

Number of sales. As was the case across the country, the number of home sales in Santa Fe dropped substantially after 2006. In Santa Fe, 1,519 single family homes and condos were sold in 2006 compared to only 696 single family homes and condos sold in 2009—a 54 percent decline. Sales began to increase in 2010 and, for single family home sales, rose again in 2011, but condo sales fell slightly. Figure II-1 shows trends in the number of sales transactions by home type.

Figure II-1.
Number of Single Family and Condominium Home Sales, City of Santa Fe, 2000 through 2011



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	**1,145**	**1,035**	**1,242**	**1,248**	**1,402**	**1,394**	**1,519**	**998**	**888**	**696**	**773**	**795**
Single Family	836	761	797	820	861	758	916	657	575	489	519	564
Condominium	309	274	445	428	541	636	603	341	313	207	254	231

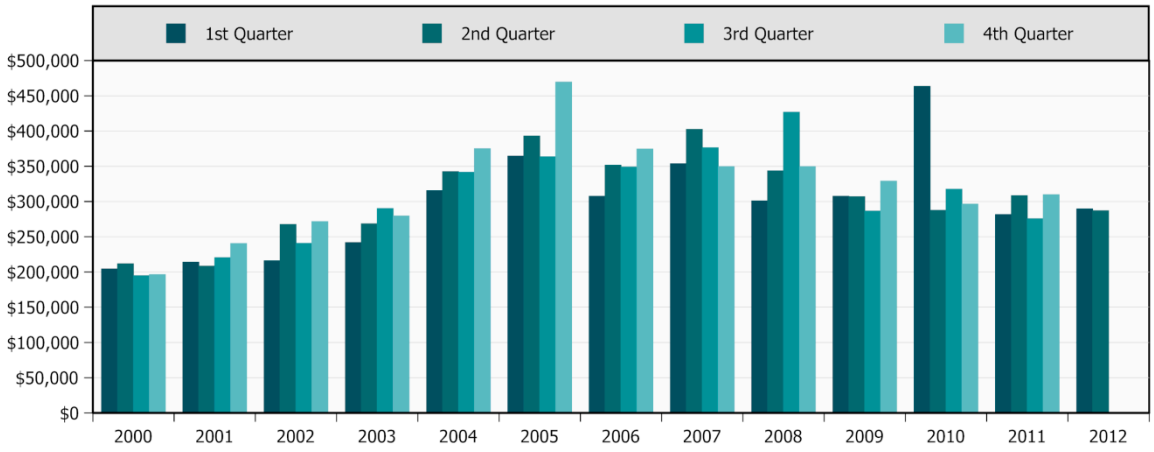
Note: Figures for 2006-2011 include sales in the Airport area; previous years do not.
Sales figures do not include townhomes, multifamily units and mobile/manufactured homes.

Source: 2007 HNA and Santa Fe Association of Realtors.

Sale prices and home values. The median sale price and the median value of homes in Santa Fe have both declined over the past five years after increasing swiftly early in the decade. On average, the largest percentage increase in prices occurred between 2003 and 2004. The most significant years for declines were 2005-2006 and 2008-2009.

As displayed in Figure II-2, sale prices of single family homes in Santa Fe have steadily declined since 2007, excluding a few quarter spikes. Data for the first two quarters of 2012 suggest that home prices may be leveling out.

Figure II-2.
Median Sale Price of Single Family Homes, City of Santa Fe, by Quarter 2000 through Q2 2012



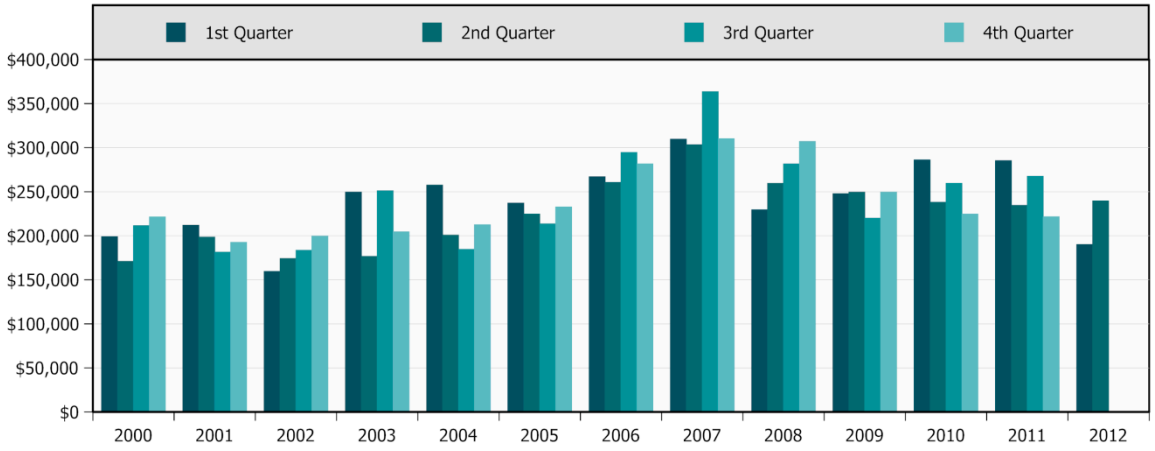
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter	$205,000	$214,500	$216,432	$242,400	$315,950	$365,000	$308,000	$354,125	$301,500	$308,000	$464,000	$282,000	$290,000
2nd Quarter	$212,250	$209,000	$268,119	$269,000	$343,000	$393,440	$352,000	$403,000	$344,000	$307,500	$288,000	$309,000	$287,500
3rd Quarter	$195,350	$221,000	$241,250	$290,500	$341,950	$364,000	$349,500	$376,950	$427,250	$287,000	$318,000	$276,250	
4th Quarter	$197,000	$241,000	$272,000	$280,000	$375,500	$470,000	$375,000	$350,000	$350,000	$329,500	$297,000	$310,250	

Note: Figures for 2006-2011 include sales in the Airport area; previous years do not.

Source: 2007 HNA and Santa Fe Association of Realtors.

A similar sale price trend is evident in condo sales in Santa Fe. Figure II-3 displays the quarterly median sale price of condos from 2000 through the second quarter of 2012. Since a decline in 2008 and 2009, condo prices seem to have stabilized in 2010 and 2011. However, relatively low median sale prices for the first two quarters of 2012 may indicate another drop in prices for the coming year.

Figure II-3.
Median Sale Price of Condominiums, City of Santa Fe, 2000 through Q2 2012



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter	$199,375	$212,450	$159,950	$250,000	$258,000	$237,500	$267,500	$310,000	$229,975	$248,250	$286,500	$285,750	$190,500
2nd Quarter	$171,500	$199,000	$174,650	$177,000	$201,250	$225,000	$261,100	$303,802	$260,000	$250,000	$238,500	$235,000	$240,000
3rd Quarter	$212,000	$181,900	$184,000	$251,500	$185,000	$214,000	$295,000	$364,000	$282,000	$220,500	$260,000	$268,000	
4th Quarter	$221,750	$193,000	$200,000	$205,000	$213,000	$233,137	$282,000	$310,605	$307,500	$250,000	$225,000	$222,000	

Note: Figures for 2006-2011 include sales in the Airport area; previous years do not.

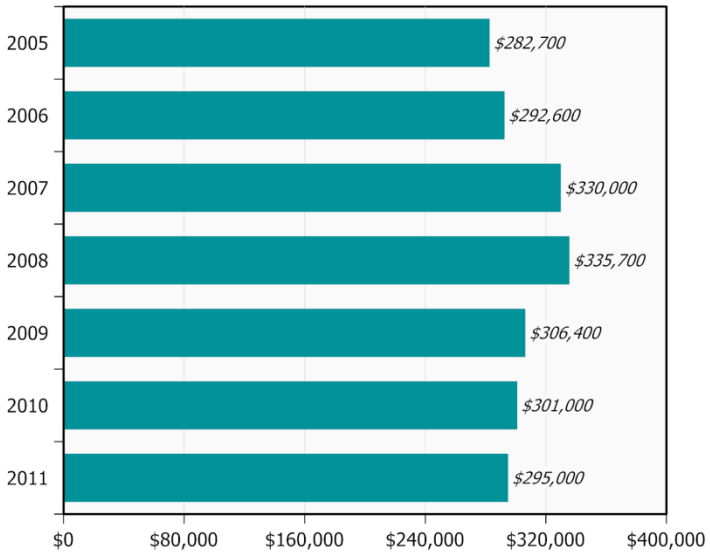
Source: 2007 HNA and Santa Fe Association of Realtors.

The U.S. Census Bureau provides an estimate of home *value* for all owner-occupied housing in Santa Fe. This statistic includes all owner-occupied homes, not just those for sale (which the prior graphs reported). According to the Census, Santa Fe's home values peaked in 2008 at $335,700 and have since declined to $295,000 in 2011 for a 12 percent loss in value.

Figure II-4.
Median Home Value, City of Santa Fe, 2005 through 2011

Source:

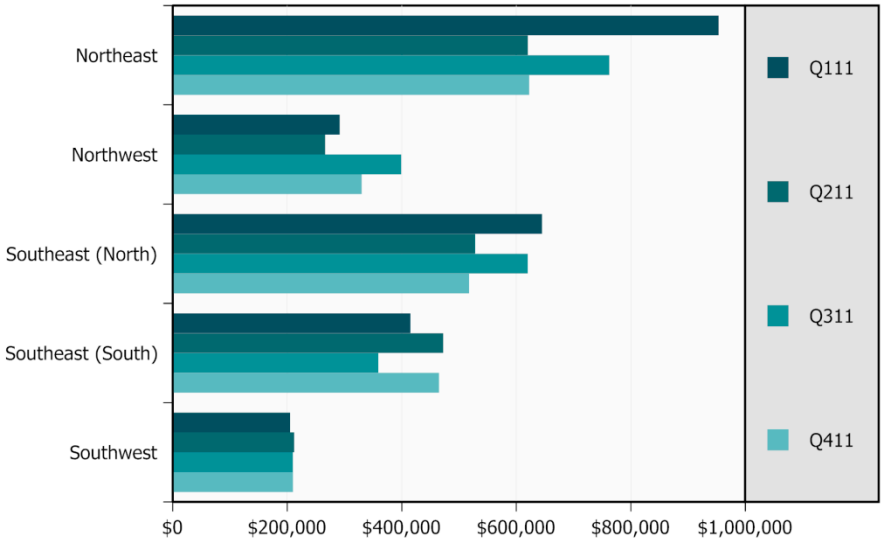
U.S. Census Bureau 2005, 2006, 2007, 2008, 2009, 2010 and 2011 ACS.



The northeast quadrant of the city has traditionally been the most expensive area in which to purchase a single family home, followed by the southeast and the northwest quadrants, with the southwest portion of the city being the least expensive.[1] Figure II-5 displays 2011 sale prices for single family homes by area of the city. The northeast portion of the city has the highest median sales price and the southwest has the lowest. Just over half (51%) of all single family home purchases in 2011 were made in the southwest quadrant of the city.

Figure II-5.
Median Price of Single Family Homes by Area, City of Santa Fe, 2011

Source:
Santa Fe Association of Realtors.



Trends in sale price and income. Even with the recent declines in sale prices, the residential housing market in Santa Fe has become less affordable since 2000. As displayed in Figure II-6, growth in median home values and in median sale prices for both single family homes and condos has far outpaced the growth in income from homeowners and renters. This is especially true for renter households, whose median income increased by only 4 percent between 2000 and 2011. As a result, it has become increasingly difficult for renters who wish to buy a home in Santa Fe to find an affordable property for purchase.

[1] Starting in 2010 the Santa Fe Association of Realtors divided the Southeast quadrant into two areas: Southeast-North and Southeast-South. As a result, 2010-2012 data for sales in the Southeast quadrant are not directly comparable to previous years.

Figure II-6.
Residential Affordability,
City of Santa Fe, 2000 to 2011

Source:
U.S. Census Bureau 2000 Census and 2011 ACS.

	2000	2011	Percent Change
Median Home Value	**$182,800**	**$295,000**	**61%**
Median Price of Single Family Homes			
1st Quarter	$205,000	$282,000	38%
2nd Quarter	$212,250	$309,000	46%
3rd Quarter	$195,350	$276,250	41%
4th Quarter	$197,000	$310,250	57%
Median Price of Condominiums			
1st Quarter	$199,375	$285,750	43%
2nd Quarter	$171,500	$235,000	37%
3rd Quarter	$212,000	$268,000	26%
4th Quarter	$221,750	$222,000	0%
Median Household Income			
Owners	$52,634	$64,690	23%
Renters	$28,177	$29,291	4%

Rental Market

Similar to the for-sale market, rental affordability declined in the Santa Fe rental market between 2000 and 2011. Although rental costs did not fluctuate as much as home prices, renter incomes were harder hit by the economic recession than homeowner incomes—the net result is a more significant decline in rental affordability.

Trends in rents. The rental market in Santa Fe has not experienced the same dramatic price swings as the for-sale market. Average rents dropped slightly (4%) between 2007 and 2011 and median rents increased by half a percent. Still, even with this recent decline, rents increased overall between 2000 and 2011 by 25 percent. During the same period, renter incomes increased by only 4 percent, indicating a decline in affordability relative to income for Santa Fe renters between 2000 and 2011. This is demonstrated by Figure II-7.

Figure II-7.
Contract Rent, City of Santa Fe, 2000 through 2011

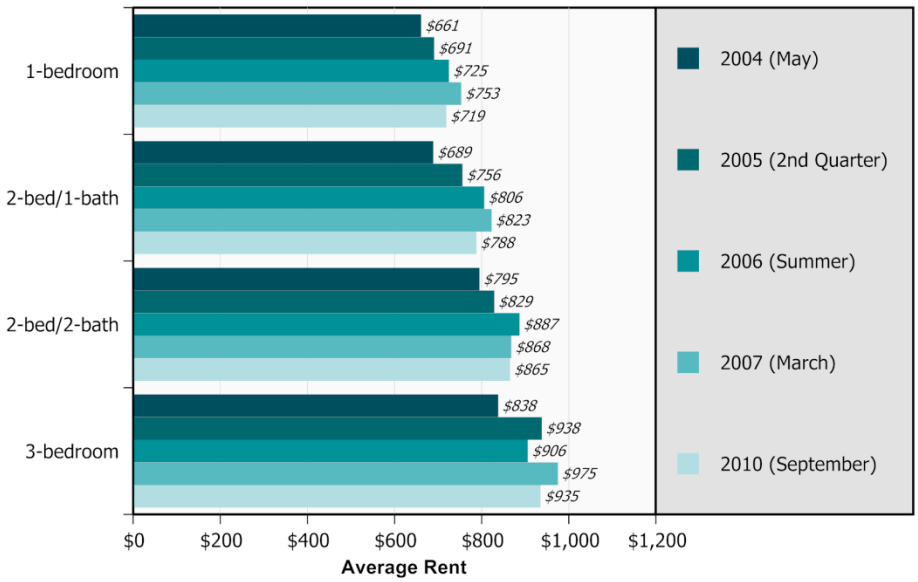
	2000	2007	2010	2011	Percent Change 2007-2011	Percent Change 2000-2011
Average Contract Rent	$639	$837	$784	$800	-4.4%	25%
Median Contract Rent	$644	$800	$767	$804	0.5%	25%

Source: U.S. Census Bureau 2000 Census and 2007, 2010 and 2011 ACS.

Figure II-8 displays the average rent by unit type in Santa Fe from 2004 to 2010. Average rent for 2-bedroom/1-bath units increased the most (14%), followed by 3-bedroom units (12%). Rent for both 1-bedroom and 2-bedroom/2-bath units increased by 9 percent between 2004 and 2010.

Figure II-8.
Average Rent by Unit Type, City of Santa Fe, 2004 to 2010

Source:
2007 HNA and Apartment Association of New Mexico CBRE Apartment Market Survey, September 2010.



Affordability by AMI. According to the 2007 HNA, a quarter of rental units in Santa Fe were affordable to households earning 50 percent of the Area Median Income (AMI). ACS data from 2011—although not directly comparable because of shifts in AMI—suggest that affordability has increased for lower AMI categories: Forty-one percent of Santa Fe rental units were affordable to households earning 50 percent of AMI ($33,900). This does not mean that rents have declined, however—in 2007, half of units rented for less than $792 per month; in 2011, 41 percent rented for less than $859 per month.

Figure II-9.
AMI Distribution of Rents, City of Santa Fe, 2007 and 2011

Income as a Percent of AMI	2007		2011	
	Max Affordable Rent	*Distribution of Rents*	*Max Affordable Rent*	*Distribution of Rents*
0-30% of AMI	$396	9%	$515	10%
31-50% of AMI	$660	16%	$859	31%
51-60% of AMI	$792	25%	$1,030	16%
61-80% of AMI	$1,056	29%	$1,374	24%
81-100% of AMI	$1,320	13%	$1,717	9%
More than 100% of AMI	$1,321+	8%	$1,718+	10%

Note: Affordable rent in 2007 based on HUD AMI of $52,800; affordable rent for 2011 based on FY2010 HUD AMI of $67,800.

Source: 2007 HNA, U.S. Census Bureau 2011 ACS and BBC Research & Consulting.

Figure II-10 shows trends in HUD Fair Market Rents (FMRs) from 2000 through 2012. FMRs increased the most between 2008 and 2009 and again the following year, but declined significantly between 2011 and 2012.

Figure II-10.
Fair Market Rents, City of Santa Fe, 2007 through 2012

Year	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	*Change in 2 Bedroom Fair Market Rent from Previous Year*
2000	$423	$600	$741	$995	$1,126	
2001	$428	$607	$749	$1,006	$1,139	***1%***
2002	$443	$628	$775	$1,041	$1,178	***3%***
2003	$455	$644	$795	$1,068	$1,210	***3%***
2004	$457	$646	$798	$1,072	$1,214	***0%***
2005	$534	$661	$818	$1,038	$1,090	***3%***
2006	$559	$693	$843	$1,103	$1,319	***3%***
2007	$578	$717	$872	$1,141	$1,365	***3%***
2008	$586	$727	$884	$1,157	$1,383	***1%***
2009	$615	$763	$928	$1,215	$1,452	***5%***
2010	$641	$795	$967	$1,266	$1,513	***4%***
2011	$646	$801	$974	$1,275	$1,524	***1%***
2012	$583	$723	$880	$1,152	$1,377	***-10%***

Note: Components of the area's geography changed in 2006.
Source: HUD.

Vacancy Rates

As displayed in Figure II-11, between 2005 and 2010 the residential vacancy rate in Santa Fe increased from 3.1 percent to 6.7 percent. The Apartment Association Market Survey reports a large spike in the vacancy rate in 2009 (17%) before dropping to 7 percent in 2010. Although there is not a clear cause of the vacancy rate spike, it could be related to renters leaving Santa Fe in the wake of the economic downturn. Another explanation could be second homeowners putting their vacation homes on the long-term rental market.

Figure II-11.
Vacancy Rates, City of Santa Fe, 2005 through 2010

Source:
2007 HNA and Apartment Association of New Mexico CBRE Apartment Market Survey, September 2010.

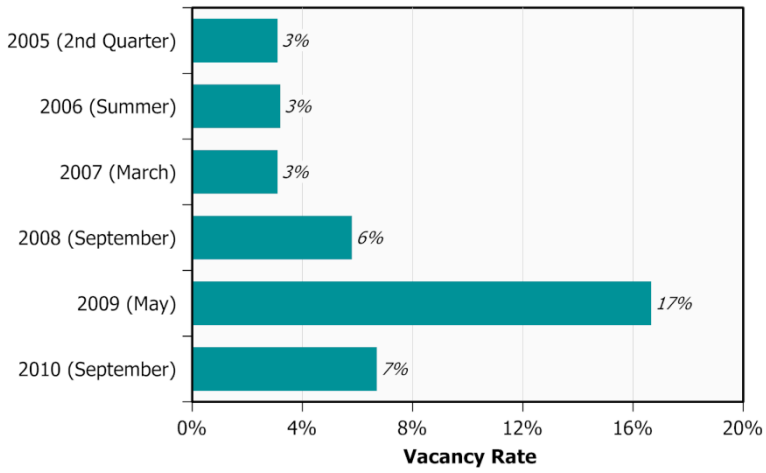


Figure II-12 displays vacancy rates by unit type in 2005, 2007 and 2010. In 2005 the vacancy rate was highest for 3-bedroom units but in both 2007 and 2010 rates for 2-bedroom/2-bath units were highest.

Figure II-12.
Vacancy Rates by Unit Type, City of Santa Fe, 2005, 2007 and 2010

Source:

2007 HNA and Apartment Association of New Mexico CBRE Apartment Market Survey, September 2010.

	2005 (2nd Quarter)	2007 (March)	2010 (September)
Overall	**3.1%**	**3.1%**	**6.7%**
By Unit Type			
1-bedroom	3.2%	3.7%	5.4%
2-bed/1-bath	3.2%	0.0%	6.7%
2-bed/2-bath	2.9%	7.5%	7.8%
3-bedroom	4.5%	3.2%	6.3%

Gaps Analysis

The analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Santa Fe. It reports the results of a modeling effort called a gaps analysis, which compares the demand for and supply of housing by income level. Instead of estimating the type of housing each household in the city would prefer, income is used as a proxy, as income is the most important factor in accessing housing.

The gaps analysis used ACS data on household income ranges and rent distribution; rental vacancies from the Apartment Association survey; property tax information from the Santa Fe Assessor; and home sales from MLS.

Housing is "affordable" if no more than 30 percent of a household's monthly income is needed for rent, mortgage payments (including interest, taxes and insurance) and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered "cost burdened."

The model assumes that 30 percent of the monthly mortgage payment is used to pay for taxes and insurance.

Gaps in 2007. The 2007 Housing Needs Assessment identified gaps in the housing market based on "catch-up" and "keep-up" needs. Catch up needs included city residents looking to purchase housing and in-commuters who expressed a desire to move to the city. Keep up needs were based on future employment projections that would lead to population growth and subsequent housing needs.

The largest homeownership gap identified for both catch-up and keep-up needs was for units priced between 60 and 100 percent AMI.

Within the rental market, the study found a shortage of units affordable to those earning less than 30 percent AMI. Although there was an abundance of units available at rates affordable to households earning between 50 and 100 percent AMI, a shortage of units at higher rents indicated that many households earning over 100 percent AMI were occupying units at lower affordability levels, making it difficult for lower income renters to find units in their affordability range.

Current rental market gaps. The gaps analysis displayed in Figure II-13 compares the number of renter households in Santa Fe in 2011, their income levels, the maximum monthly housing payment they could afford, and the number of units in the market that were affordable to them. The "Rental Gap" column shows the difference between the number of renter households and the number of rental units affordable to them. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units. The rental gaps analysis shows the following:

- The greatest need in Santa Fe's market is for rental units priced less than $500 per month, serving renters earning 30 percent of the AMI and less (incomes of less than $20,000).

- The gaps model estimates that as many as 3,000 renters earning $25,000 and less cannot find affordable units and, as such, are cost burdened. Most of these renters earn less than $20,000.

- Future production of rental units in the city should focus on mitigating growth in the gap of units for household earning 30 percent of AMI and less.

Figure II-13.
Rental Market Mismatch, City of Santa Fe, 2011

Income Range	Renters*		Maximum Affordable Rent, Including Utilities	Rental Units		Rental Gap
	Number	*Percent*		*Number*	*Percent*	
Less than $5,000	646	5%	$ 125	105	1%	(542)
$5,000 to $9,999	1,326	10%	$ 250	442	3%	(884)
$10,000 to $14,999	1,153	9%	$ 375	389	3%	(764)
$15,000 to $19,999	1,193	9%	$ 500	478	3%	(715)
$20,000 to $24,999	1,147	9%	$ 625	978	7%	(169)
$25,000 to $34,999	1,742	14%	$ 875	3,804	28%	2,062
$35,000 to $49,999	1,813	14%	$ 1,250	4,625	34%	2,812
$50,000 to $74,999	1,950	15%	$ 1,875	2,253	16%	302
$75,000 or more	1,831	14%	$ 1,875+	649	5%	(1,182)
Total/Low Income Gap (<$25,000/year)	**12,803**	**100%**		**13,722**	**100%**	**(3,074)**

Percent of AMI	Renters*		Maximum Affordable Rent, Including Utilities	Rental Units		Rental Gap
	Number	*Percent*		*Number*	*Percent*	
0-30% of AMI	4,397	34%	$ 509	$ 1,414	10%	(2,983)
31-50% of AMI	2,620	20%	$ 848	$ 4,364	32%	1,744
51-60% of AMI	878	7%	$ 1,017	$ 2,170	16%	1,292
61-80% of AMI	1,457	11%	$ 1,356	$ 3,256	24%	1,798
81-100% of AMI	1,058	8%	$ 1,695	$ 1,222	9%	164
101-120% of AMI	807	6%	$ 2,034	$ 814	6%	7
121-150% of AMI	739	6%	$ 2,543	$ 484	4%	(256)
More than 150% of AMI	847	7%	$ 2,543+	$ -	0%	(847)
Total/Low Income Gap (30% AMI and less)		**100%**		**13,722**	**100%**	**(2,983)**

Source: BBC Research & Consulting.

Current for-sale market gaps. An analysis of renters' ability to buy relative to the price of units for sale during select years is shown in Figure II-14. On average, since 2006, just 14 percent of the city renters made enough to purchase the median home. This is a marked change from 2000, when the median home was affordable to about one-third of the city's renters.

Figure II-14.
Renters' Ability to Buy, City of Santa Fe, 1999/2000–2011

	1999/2000	2006	2007	2010	2011
Median Home Value	$182,800	$ 292,600	$ 330,000	$ 301,000	$ 295,000
Income needed	$45,857	$73,402	$82,784	$75,509	$74,004
Approximate percent of renters who can afford	***34%***	***14%***	***12%***	***14%***	***14%***

Source: BBC Research & Consulting.

MLS data from August 2012 of median for sale listings by quadrant in the city suggest that renters earning $75,000 and looking for affordable unit to purchase will have the most options in southwest Santa Fe and near the airport. Condominiums and townhomes offer affordability in some areas (southwest, southeast and airport road), but not all—overall the median sales price for condos and townhomes in August 2012 ($290,000) is still priced out the vast majority of renters.

SECTION III.

Survey Results

SECTION III.
Survey Results

This section presents results of the household and employer surveys conducted to update the housing needs assessment.

Approach

In consultation with the City of Santa Fe, BBC adapted the 2007 Housing Needs Assessment (HNA) surveys for residents and employers. Printed copies were distributed in English and Spanish and online links to the surveys were promoted on the city's website. Residents were eligible to participate in a random drawing for a $100 Visa gift card.

- A total of 299 residents responded—229 in English and 70 in Spanish;
- For the employer survey, 34 responded—18 in English and 16 in Spanish.

The resident survey included questions regarding where people live, housing quality, the importance of various factors related to selecting a housing unit, housing costs, opinions on housing policies and characteristics of the household. Where appropriate, comparisons are made by tenure—renters versus owners—and between residents who responded to the survey in English compared to Spanish-language respondents. The employer survey examined current and planned employment levels, the impact of access to affordable housing on their ability to attract and retain employees and perspectives on housing programs.

Summary Findings

- The majority of resident survey respondents live in the City of Santa Fe. Only a small proportion of those living outside the city limits are former city residents. The majority of these former residents left the city because of housing affordability.
- Most homeowners (82%) and one-quarter of renters live in single family homes. Overall, most owners and renters are satisfied with the quality of their housing, with homeowners being slightly more satisfied.
- Among the many factors associated with choosing a home, the overall quality and condition was most important to homeowners and renters, followed by energy efficiency. Having a garage is more important to homeowners than to renters.
- The average monthly mortgage paid by homeowners is $1,577 and renters pay an average of $827 in rent.
- Most homeowners do not anticipate any changes in their living situation in the next five years. About two in five renters plan to purchase a home in the City of Santa Fe in the next five years.

- Among those who do not own a home in the City of Santa Fe, affordability was the reason cited by the greatest proportion of respondents. After affordability, a lack of down payment or an inability to obtain a mortgage were the factors noted by renters.

- With respect to homeownership programs, about two in five renters would consider buying a deed-restricted property and 65 percent would consider down payment assistance.

- Respondents were mixed in their evaluation of assistance programs for persons age 65 and older. Renters were more likely than homeowners to indicate a willingness to use these services, particularly those services tailored to renters, such as affordable rental housing or rental housing with services.

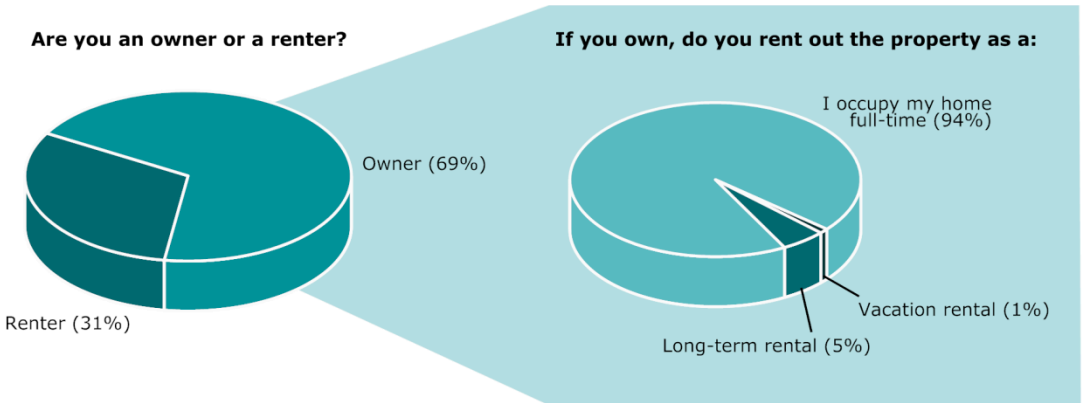
- Santa Fe's cost of living is a challenge for some employers as they recruit and retain employees. Employers' ability to recruit and retain has not changed in recent years. Most consider affordable housing to be a serious problem in the city.

Household Characteristics

Respondents to the resident survey provided information about their household.

Tenure and property use. As shown in Figure III-1, nearly seven out of ten residents responding to the survey are homeowners in the Santa Fe area, and nearly all occupy their property full-time. One in twenty use their property as a long-term rental versus one percent offering the property as a vacation rental. Respondents to the survey in English were more likely than Spanish-language respondents to be homeowners (73% compared to 54%).

Figure III-1.
Tenure and Occupancy



Note: n=270 owner and n=161 renter respondents.

Source: BBC Research & Consulting 2012 Resident Survey.

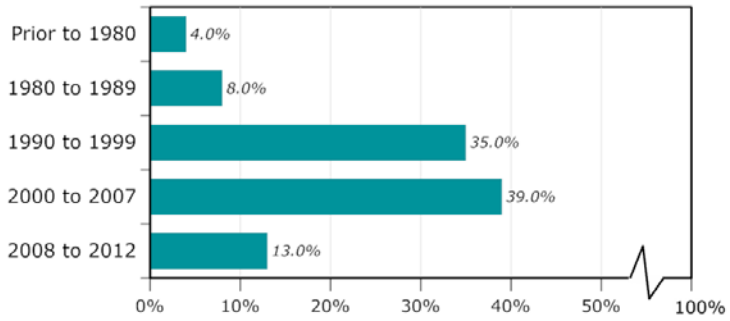
Guest homes. Slightly less than one in ten homeowners (7%) report that their property includes a guest house.

Year purchased. Figure III-2 presents the year that homeowners purchased their property in the Santa Fe area. The average year of purchase was 1999. Slightly more than one in ten respondents purchased their property in the years since the last housing needs assessment.

Figure III-2.
Year Purchased

Note:
n=158 owner respondents.

Source:
BBC Research & Consulting 2012 Resident Survey.



Household size. The overall average household size for residents responding to the survey is 2.6. As shown in Figure III-3, there is little variation between renters and owners. Respondents to the Spanish-language survey had the largest average household size (3.6 members).

Figure III-3.
Average Household Size

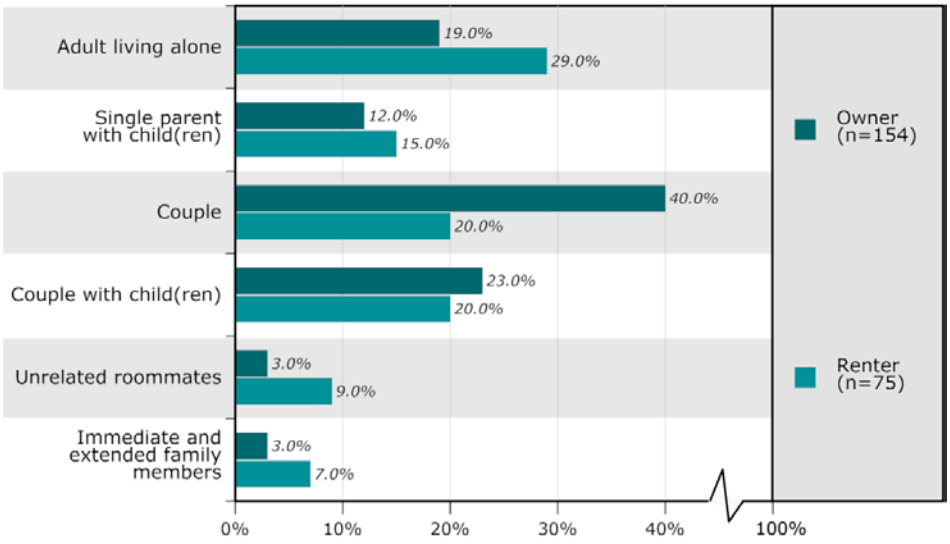
Note:
n refers to sample size.

Source:
BBC Research & Consulting 2012 Resident Survey.

	Mean	n
All respondents	**2.6**	**248**
Owners	2.5	158
Renters	2.7	79
English survey	2.3	191
Spanish survey	3.6	57

Household composition. Figure III-4 presents the household composition of resident survey respondents by housing tenure. Renters are more likely to be adults living along than homeowners. About two in five homeowners are couples with no children in the home.

Figure III-4.
Household Composition

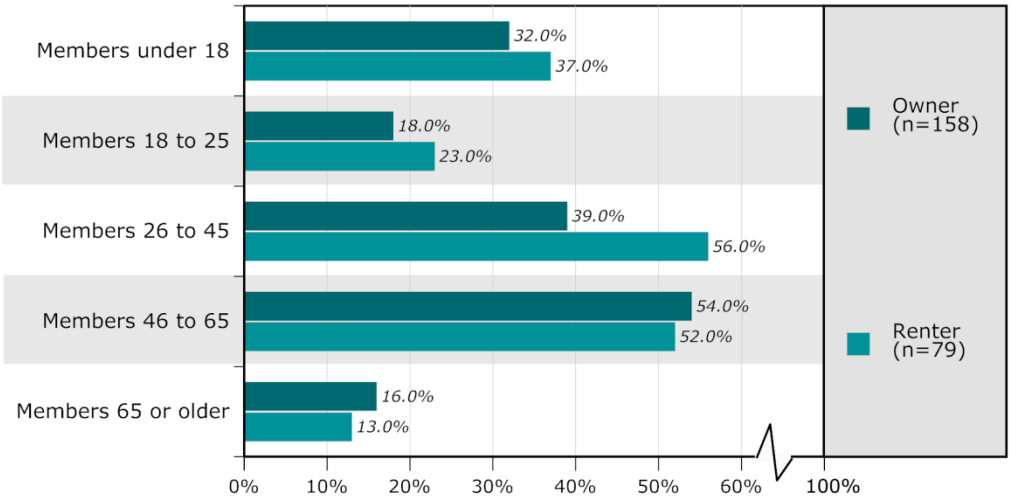


Note: n=154 owner and 75 renter households.

Source: BBC Research & Consulting 2012 Resident Survey.

Ages of household members. Among homeowners, 54 percent of the households represented include at least one member age 46 to 65. Nearly 60 percent of renter households include a member between the ages of 26 and 45. Figure III-5 shows the percentage of households that include at least one member in various age cohorts by tenure.

Figure III-5.
Percentage of Households with Members in Various Age Cohorts by Tenure



Note: n=158 owner and 79 renter households.

Source: BBC Research & Consulting 2012 Resident Survey.

Households supporting others. As shown in Figure III-6, more than one in ten households—regardless of tenure—include adult members who live in the home because they cannot afford to live on their own. Although the sample sizes are quite small, the majority of those households that are supporting other members are supporting family.

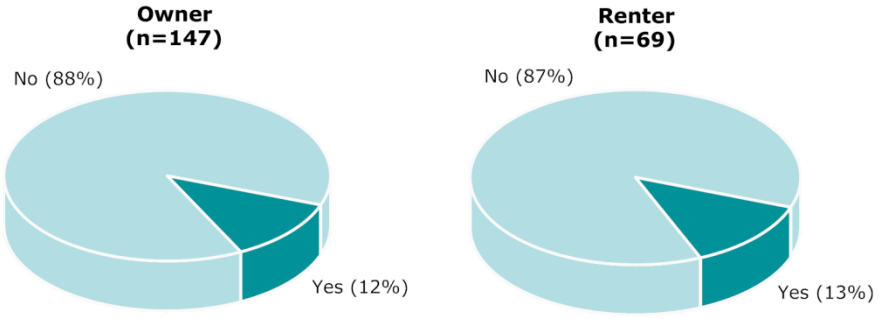
Figure III-6.
Households Supporting Other Members

Note:

n=147 owner and n=69 renter households. n=18 owner households supporting others and n=10 renter

Source:

BBC Research & Consulting 2012 Resident Survey.



Employment. For each of the adults in the household, survey respondents reported their employment status. As shown in Figure III-7, homeowners' households are more likely than renter households to include self-employed adults. Working adults in owner households report an average of 1.4 jobs and renters 1.2. The average number of employees per household is 1.6 for both owner and renter households.

Figure III-7.
Employment Status of Adults

Note:

Number of adults refers to the total number of adults in households represented by the survey.

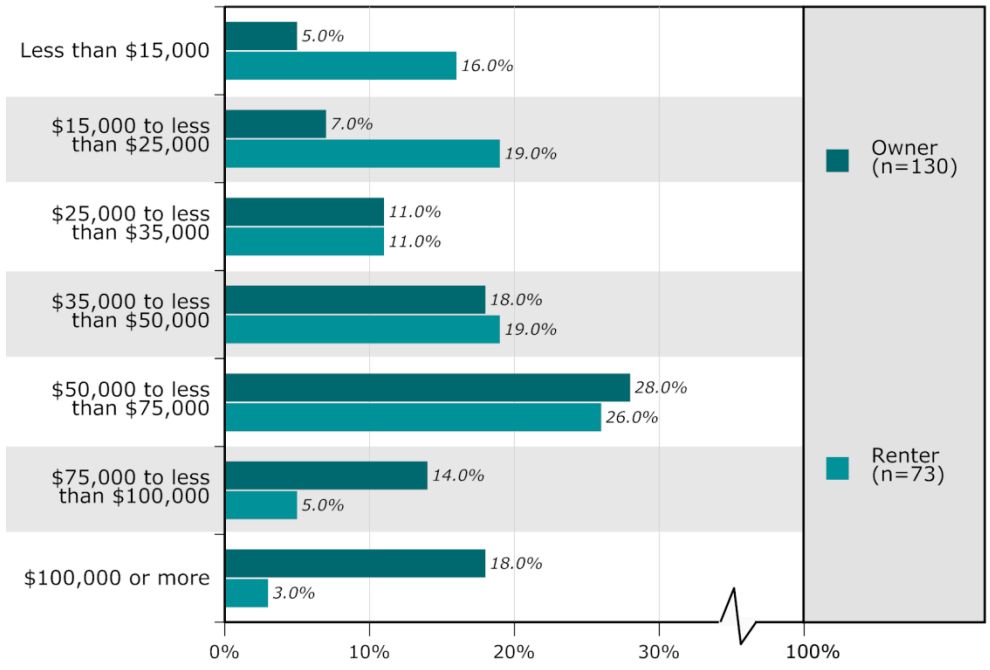
Source:

BBC Research & Consulting 2012 Resident Survey.

	Owner (n=293)	Renter (n=154)	Total (n=447)
Self-employed	30 %	14 %	24 %
Employed by others	49	60	53
Unemployed	4	3	4
Homemaker	1	4	2
Retired	10	14	11
Student	8	7	8

Income. Figure III-8 presents household income for owners and renters. As shown, owners have a higher median income ($50,000 to $75,000) than renters ($30,000 to $50,000). While three out of 25 owners report incomes of less than $25,000, more than one in three renter households have incomes less than $25,000.

Figure III-8.
Household Income by Tenure



Note: n=130 owner households and n=73 renter households.

Source: BBC Research & Consulting 2012 Resident Survey.

Disability. Fewer than one in 10 owner households and one in 20 renter households include a member with a disability. Among homeowner households with a disabled member, three respondents live in housing that does not meet their accessibility needs, similar to the one renter whose housing does not meet accessibility needs. The homeowners all indicated that front step ramps were needed. The renter expressed sensitivity to lawn care toxins and exterior electromagnetic frequencies.

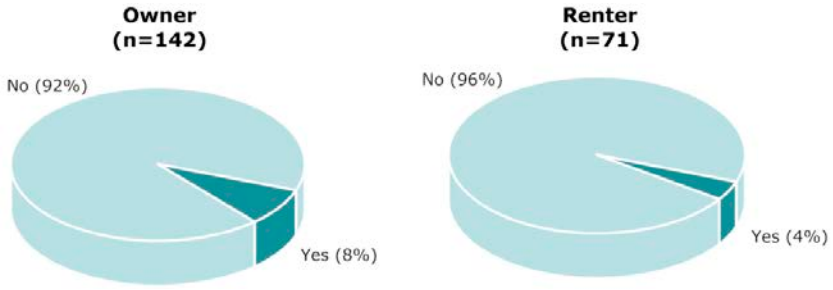
Figure III-9.
Disability

Note:

n=142 owner households and 71 renter households.

Source:

BBC Research & Consulting
2012 Resident Survey.



Choosing Housing Location

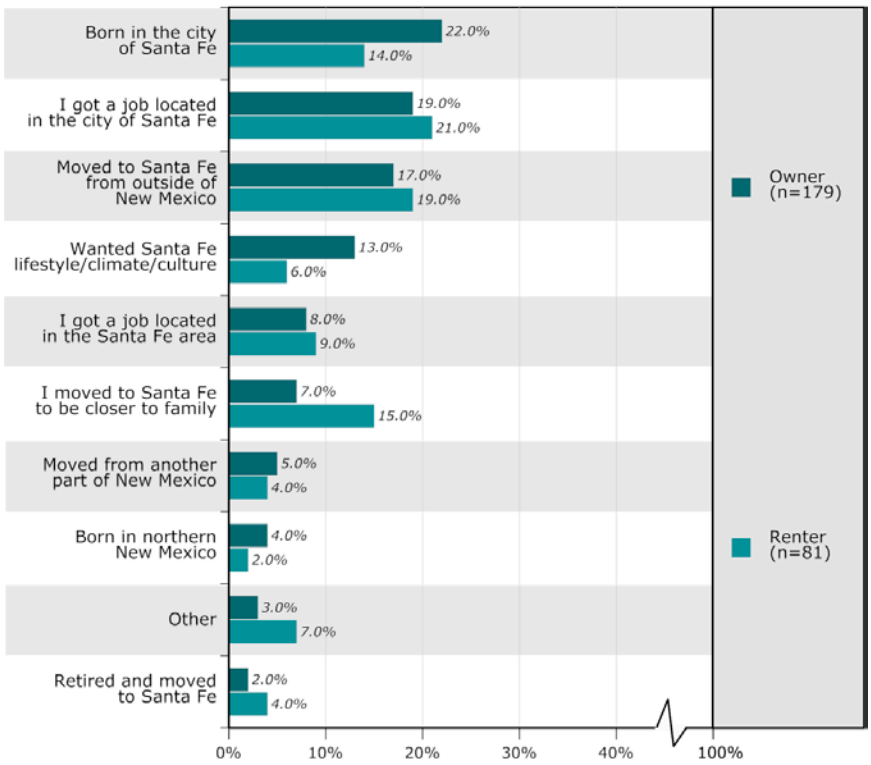
Survey participants responded to a series of questions related to their decision to locate in the Santa Fe area and factors that contributed to their choice of housing location.

Factor that brought respondent to Santa Fe area. Figure III-9 compares the primary reason why owners and renters located in the Santa Fe area. As shown, renters are less likely than owners to be Santa Fe natives, but are more likely to have moved to Santa Fe to be near family. About one in five owners and renters moved to the area because they got a job in the City of Santa Fe.

Figure III-9.
What brought you to the Santa Fe area?

Source:

BBC Research & Consulting
2012 Resident Survey.



Those who located in Santa Fe because of a job named the employers listed in Figure III-10.

Figure III-10.
Employers that Brought Respondent to the Santa Fe Area

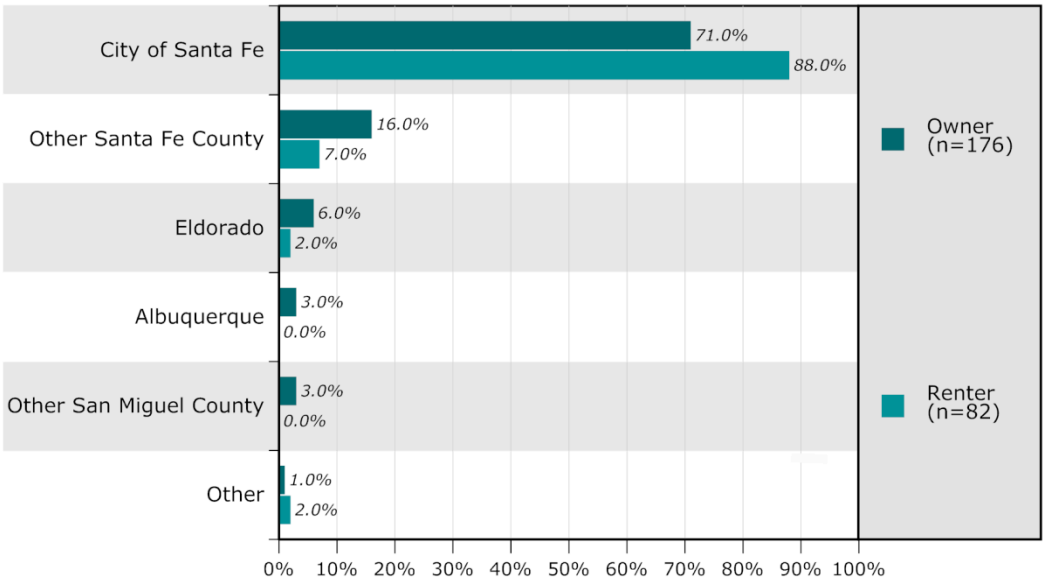
Company		
• City of Santa Fe	• LANL	• Plants of the Southwest
• CIty of Santa Fe Water Department	• Las Campanas	• Police Department
	• Nambe Mills	• Santa Fe New Mexican
• Department of Health	• National Park Service	• Santa Fe Recovery Center
• Farmers Insurance	• New Mexican newspaper	• Santa Fe Trust Inc.
• FedEx Express	• New Mexico Repertory Theatre	• St. Vincent's, old hospital
• Heard Robins Cloud & Lubel	• New Mexico State Library	• State of New Mexico
• Honeywell	• OSM/VISTA Volunteer with the Railyard Stewards	• SunCor Construction
• IBM		• Upaya Zen Center
• KTRC radio	• Outside Magazine (Mariah Media Inc.)	

Note: Several employers were named by multiple respondents.

Source: BBC Research & Consulting 2012 Resident Survey.

Current housing location. The majority of respondents live in the City of Santa Fe, as shown in Figure III-11. About 16 percent of owners and 7 percent of renters live outside of the city limits in Santa Fe County.

Figure III-11.
Location of Residence

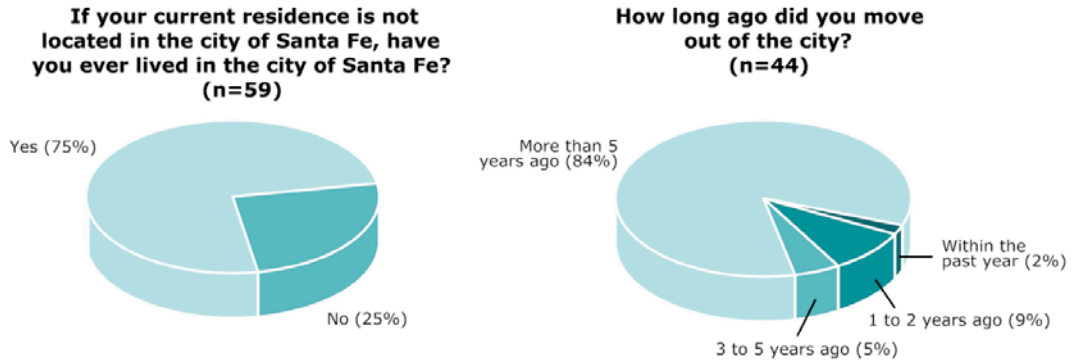


Note: n=176 owners and 82 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Previous City of Santa Fe residents. The majority of survey respondents currently live in the City of Santa Fe. Among those living outside of the city, most (75%) are previous City of Santa Fe residents, and the majority (84%) moved out of the city more than five years ago.

Figure III-12.
If your current residence is not located in the City of Santa Fe, have you ever lived in the City of Santa Fe? How long ago did you move out of the city?



Note: n=59 and n=44 respectively. There were too few respondents to allow for reliable comparison between owners and renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Reasons for moving out of the City of Santa Fe. Slightly more than seven out of 10 respondents who left the City of Santa Fe did so because housing was too expensive, as shown in Figure III-13.

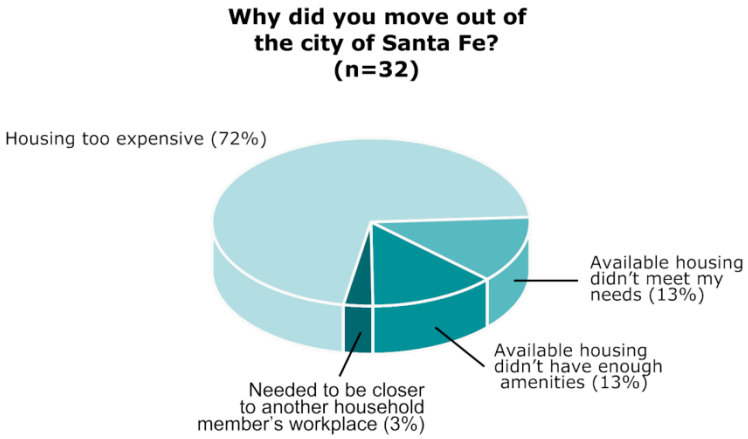
Figure III-13.
Reason for Moving Out of the City of Santa Fe

Note:

n=32. There were too few respondents to allow for reliable comparison between owners and renters.

Source:

BBC Research & Consulting 2012 Resident Survey.



City of Santa Fe in-commuters. Among those who work within the city limits but live elsewhere, nearly half would not move to the City of Santa Fe even if housing were available that they could afford. Nearly all of those who would not move to the city cited their preference for living in their current community over the City of Santa Fe. As shown in Figure III-14, one-third of in-commuters would move to Santa Fe if they could buy an affordable single family home. Affordable rental units appealed to less than 10 percent of in-commuters.

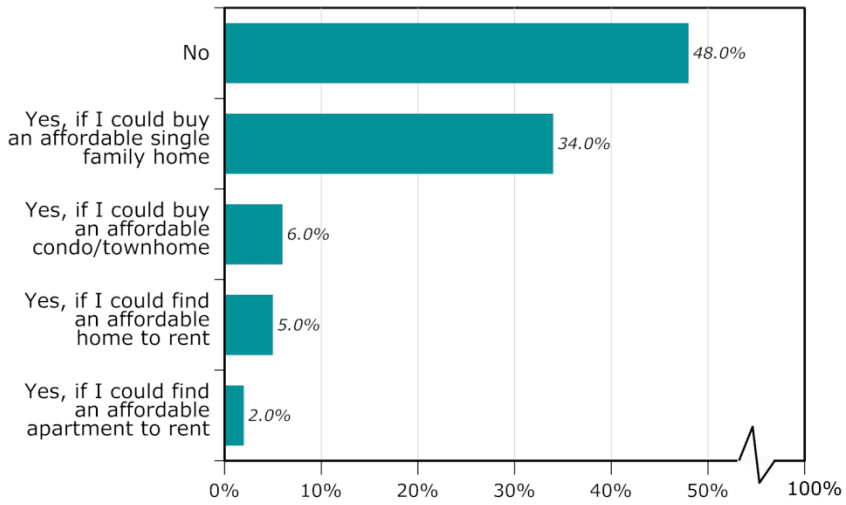
Figure III-14.
Potential New Residents

Note:

n=32. There were too few respondents to allow for reliable comparison between owners and renters.

Source:

BBC Research & Consulting 2012 Resident Survey.

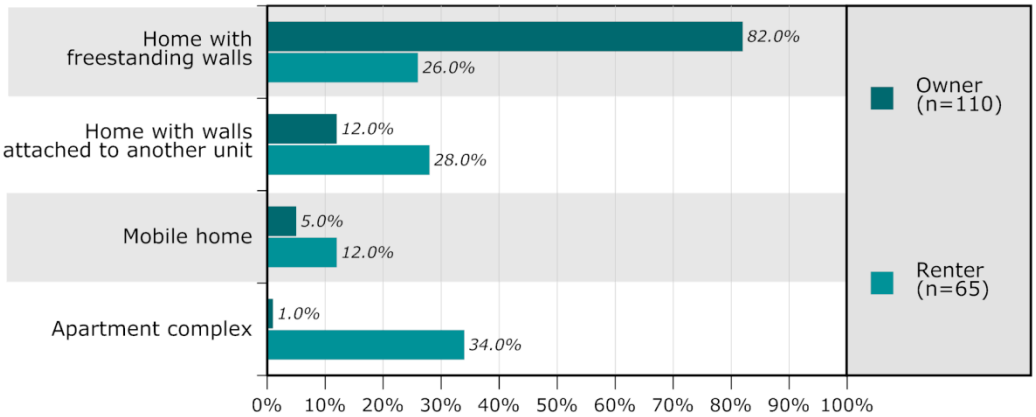


Current Housing Choice

Survey participants responded to a series of questions about their current home, including its type, quality, their satisfaction, the importance of various factors to choosing a place to live and housing costs.

Type of home. Not surprisingly, four out of five owners live in single family homes, compared one in four renters, as presented in Figure III-15. Of those living in mobile homes, regardless of whether or not the mobile home is owned or rented, most (62%) live on rented land.

Figure III-15.
Type of Home

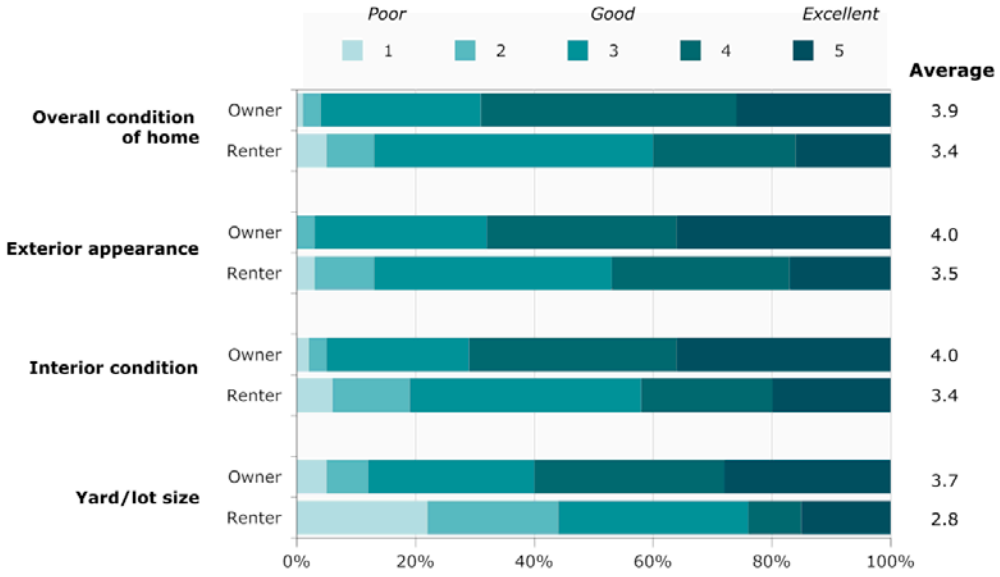


Note: n=110 owners and n=65 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Quality of home. Participants rated the quality of aspects of their current home on a scale from one (poor) to five (excellent). As shown in Figure III-16, both renters and owners rate the overall condition of their home in Santa Fe as better than "good." More than one in four owners rates the condition of their home as excellent. Renters rate their yard/lot size more poorly than homeowners.

Figure III-16.
Home Quality Ratings: Condition, Appearance and Yard/Lot Size

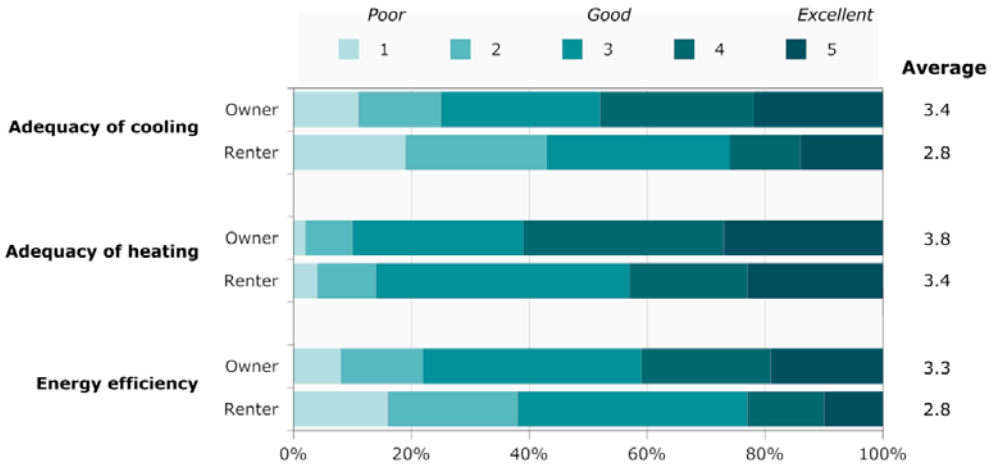


Note: n=115 owners and 70 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Owners rated their home's cooling, heating and overall energy efficiency more highly than renters. For example, one in five renters consider their home's cooling to be "poor" compared to one in ten owners. Figure III-17 presents respondents ratings for cooling, heating and energy efficiency.

Figure III-17.
Home Quality Ratings: Cooling, Heating and Energy Efficiency

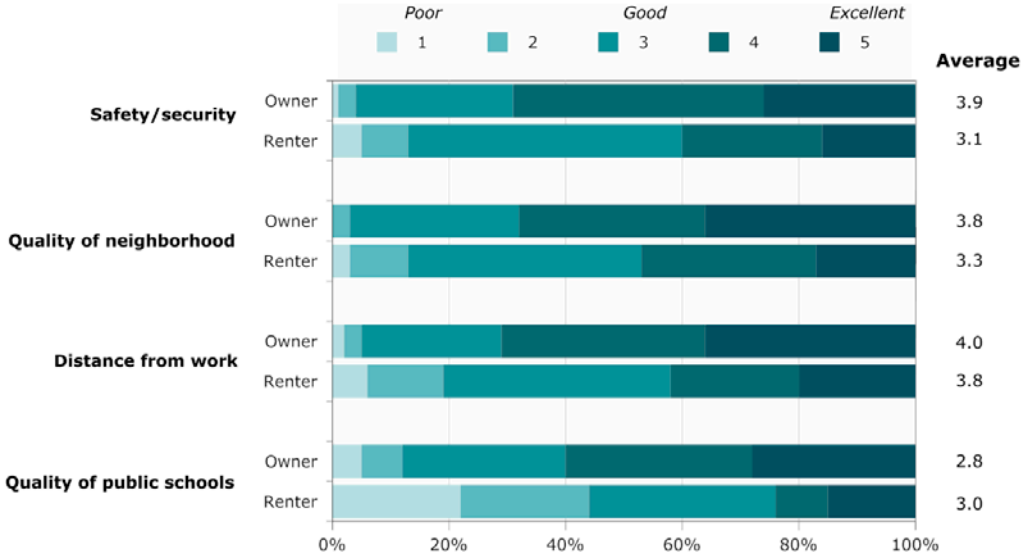


Note: n=115 owners and 70 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Figure III-18 presents respondents' ratings of safety/security, neighborhood quality, distance of their home to their workplace and the quality of public schools. On average, renters and owners gave similar ratings for distance from work. However, nearly half of owners rated distance to work as "excellent," compared to 25 percent of renters. Owners are twice as likely as renters to rate public school quality as "poor."

Figure III-18.
Home Quality Ratings: Safety, Neighborhood, Commute Distance, School Quality

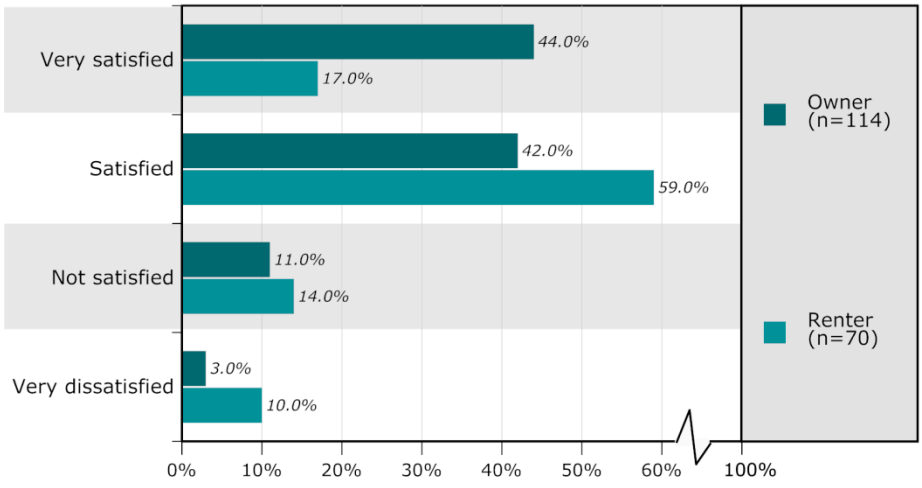


Note: n=115 owners and 70 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Satisfaction. The majority of respondents are satisfied with their current residence in the City of Santa Fe. Owners are more likely to be "very satisfied," while the greatest proportion of renters (59%) are "satisfied" with their housing. One in ten renters are "very dissatisfied" with their housing, as shown in Figure III-19.

Figure III-19.
Satisfaction with Current Residence



Note: n=114 owners and 70 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Respondents who were not satisfied with their housing had a range of explanations, ranging from needing more square footage, repairs, or deterioration of their neighborhood.

Renters expressed their dissatisfaction with their current housing in terms of affordability, crime and safety, and the responsive of landlords to repair needs.

- "Half of my income goes to pay rent. The carpet and flooring in my apartment is very bad but owner won't clean or replace it. The dishwasher is on a recall list as a fire hazard but owner won't replace it. There is no recycling at this complex."
- "I have had to downsize the square footage of my home and move into a complex on the south side of town because it is the only affordable housing in Santa Fe. The area is low-income with a higher crime rate, consistently poor performing schools and limited commerce tailored towards the industrial and the underclass; dollar stores, liquor stores, etc."
- "Poorly constructed, house is not built to code, rent is way too expensive for what we're paying for. The neighborhood is dismal."
- "Neighborhood drug dealers, domestic violence, unleashed dogs on the streets every day, feral cats everywhere, neighbors have lots of trash and debris in yards. I love our little house but it seems like the more time goes on, the more I seem to live in the ghetto as neighbors allow their homes and property to deteriorate."

Homeowner dissatisfaction was primarily related to maintenance, and crime and safety.

Two homeowners bought through an affordable housing program.

- "As a single mother it's hard to maintain a house and keep up with repairs."
- "I currently own a house through an affordable housing program. Due to extreme restrictions, I have been trying to sell for two years without being able to find a qualified buyer. This speaks to the un-sustainability of some programs. I can't move on, and someone who needs affordable housing is unable to buy mine."

Importance of various factors when choosing a place to live. Participants rated the importance of a number of factors when looking for a place to live on a scale from one (not at all important) to five (extremely important). Figure III-20 summarizes the average importance of these factors for homeowners and renters. In general, owners and renters placed similar importance on a number of factors, including overall condition and energy efficiency. A garage or carport is less important to renters than owners. Proximity to work and access to transit are more important to renters than owners.

Figure III-20.
Average Importance of Various Factors When Choosing a Place to Live

	Average Importance	
	Owner (n=113)	Renter (n=66)
Overall condition of home	4.6	4.4
Energy efficiency/low heating costs	4.2	4.3
Garage or carport	4.2	3.3
Community character (family-oriented, neighborhood appeal, etc.)	4.1	3.9
Allows pets (dogs, cats, etc.)	3.7	4.0
Common amenities, like landscaping and play areas	3.7	3.6
Views	3.6	3.7
Proximity to services (medical, shopping, etc.)	3.6	3.5
Community amenities (parks, libraries, etc.)	3.6	3.8
Low maintenance property (e.g., minimal yard)	3.5	3.4
Proximity to my place of employment	3.5	3.9
Age—want newer home	3.4	3.0
Quality of public schools	3.3	3.2
Property with acreage/rural property	3.0	2.9
Proximity to employment for others in my household	2.9	3.3
Availability of public transportation	2.7	3.2
More than 3 bedrooms	2.7	2.5
City/downtown location	2.5	2.8
Age—want older home	2.4	2.5
Suburban location	2.3	2.3
Proximity to family member(s)	2.2	2.4
Historic district	2.0	2.4
Rural location	1.9	2.2
Proximity to daycare	1.8	2.0

Note: n=113 owners and n=66 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Cost of housing. Figure III-21 presents the average housing and utility costs reported by respondents. Homeowners' average monthly mortgage payment is $1,567 and renters pay an average of $827 per month in rent. Homeowners report higher average utility costs than renters, which is to be expected.

Figure III-21.
Average Housing and Utility Costs

Note:

Sample sizes for each item range for two primary factors—non-response and the inapplicability of the item to the respondent. For example, only a small proportion of homeowners pay HOA dues. With respect to sewer, some respondents are on septic systems or their sewer is included with their water bill.

Source:

BBC Research & Consulting 2012 Resident Survey.

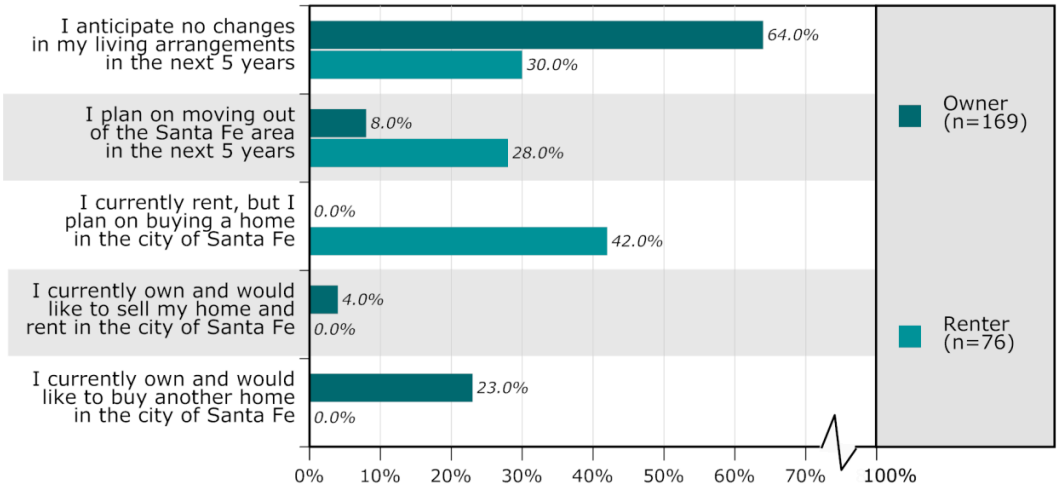
Average Housing Costs	Owners	n	Renters	n
Monthly rent			$827	65
Monthly mortgage	$1,567	106		
Monthly HOA fee	$79	49	$111	4
Average Utility Costs	**Owners**	**n**	**Renters**	**n**
Electricity	$86	126	$68	65
Water	$74	104	$54	39
Sewer	$40	71	$32	22
Gas	$69	116	$53	52
Insurance	$138	105	$84	32

Future Housing Plans

Resident survey respondents answered a series of questions about their housing plans in the next five years.

Anticipated housing choice in five years. Nearly two-thirds of homeowners anticipate no changes to their living arrangements in the next five years, compared to less than one-third of renters. The greatest proportion of renters (42%) plan to buy a home in the City of Santa Fe in the next five years. As shown in Figure III-22, about one in five homeowners would like to purchase another home in Santa Fe. Those homeowners wishing to purchase a different home offered several reasons for wanting a different home. The primary reasons include a bigger home, a bigger yard, and moving to a more desirable neighborhood. Some want to purchase another home as an investment property.

Figure III-22.
Which of the following best describes where you see yourself in the next five years?

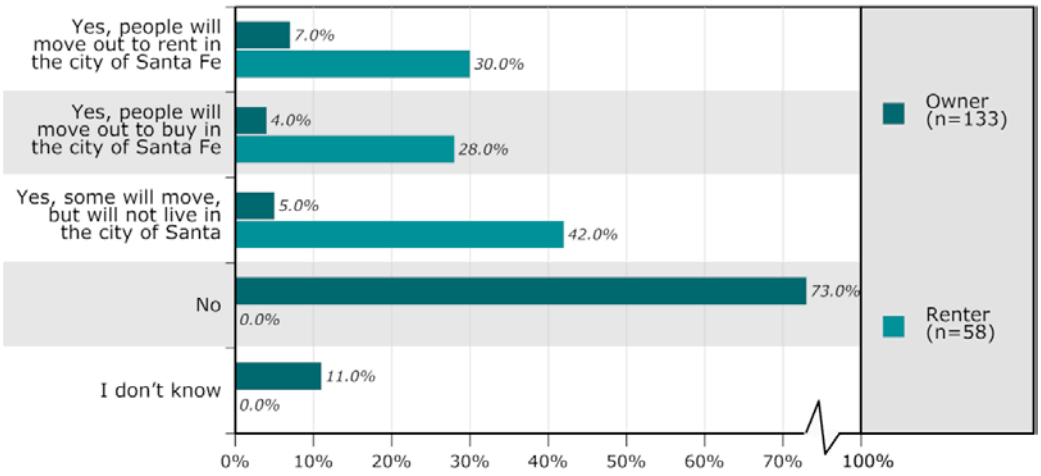


Note: n=169 owners and n=76 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Anticipated household changes in five years. The majority of homeowners and renters do not anticipate any changes to their household or housing situation in the next five years. Figure III-23 presents anticipated household changes. As shown, about 7 percent of homeowners and 7 percent of renters believe that household members will leave to rent in Santa Fe and a slightly smaller proportion (4% and 5% respectively) believe that household members will leave to purchase a home in Santa Fe.

Figure III-23.
Anticipated Household Changes in the Next Five Years

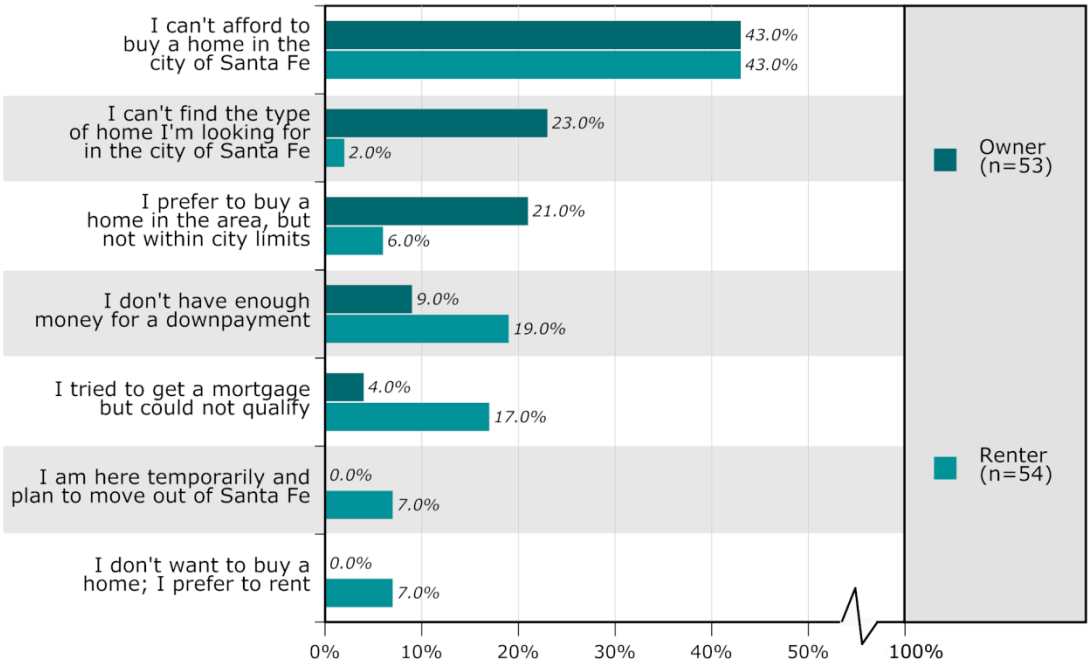


Note: n=133 owners and n=58 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Reasons why renters and in-commuters have not purchased a home in the City of Santa Fe. Renters and in-commuters could select up to two reasons for why they have not purchased a home in the City of Santa Fe. These participants cite a lack of affordability as one of the two primary reasons why they have not yet purchased a home (43% of responses). Among reasons offered by renters, 19 percent of responses noted insufficient funds for a downpayment.

Figure III-24.
If you rent or work in the City of Santa Fe, but own a home outside of Santa Fe, what are the top two reasons why you have not bought a home in the City of Santa Fe?



Note: n=53 responses from homeowners and n=54 responses by renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Desired type of housing for potential City of Santa Fe homebuyers. Figure III-25 presents the first and second choice housing types potential City of Santa Fe homebuyers prefer. As shown, the greatest proportion of homeowners and renters selected a mid-size home with freestanding walls as their first choice, followed by a smaller home with freestanding walls.

Figure III-25.
Desired Housing Type—First and Second Choice

	Owners (n=68)		Renters (n=57)	
	First Choice	Second Choice	First Choice	Second Choice
Large home with freestanding walls (5 or more bedrooms)	7%	25%	11%	25%
Midsize home with freestanding walls (3 to 4 bedrooms)	62%	15%	46%	33%
Smaller home with freestanding walls (1 or 2 bedrooms)	24%	38%	44%	35%
Homes with walls attached to another unit	1%	25%	0%	25%
Manufactured home	4%	13%	0%	26%
Mobile home	1%	15%	0%	16%

Note: n=68 homeowners and n=57 renters. Percentages for second choice housing type add to greater than 100 percent due to multiple responses.

Source: BBC Research & Consulting 2012 Resident Survey.

Desired price point for potential City of Santa Fe homebuyers. As shown in Figure III-26, both homeowners and renters would be willing to pay a wide range of price points for their preferred housing type in the City of Santa Fe. Not surprisingly, homeowners are willing to pay higher prices than renters, on average. Slightly more than one in four homeowners would be willing to pay $200,000 to $249,999 for their first choice home. The greatest proportion of renters (25%) would be willing to pay less than $95,000 for their first choice.

Figure III-26.
Desired Price Point—First and Second Choice

	Owner (n=68)		Renter (n=57)	
	First Choice	Second Choice	First Choice	Second Choice
Less than $95,000	3%	12%	25%	12%
$95,000 to $124,999	9%	12%	14%	26%
$125,000 to $149,999	18%	15%	23%	11%
$150,000 to $199,999	13%	22%	19%	23%
$200,000 to $249,999	26%	25%	12%	25%
$250,000 to $299,999	12%	19%	5%	11%
$300,000 to $349,999	10%	9%	4%	11%
$350,000 to $399,999	6%	12%	2%	11%
$400,000 to $499,999	3%	15%	0%	9%
$500,000 to $599,999	4%	15%	2%	9%
$600,000 or more	3%	12%	0%	9%

Note: n=68 homeowners and n-57 renters. Percentages add to greater than 100 percent due to multiple responses.

Source: BBC Research & Consulting 2012 Resident Survey.

Housing Programs

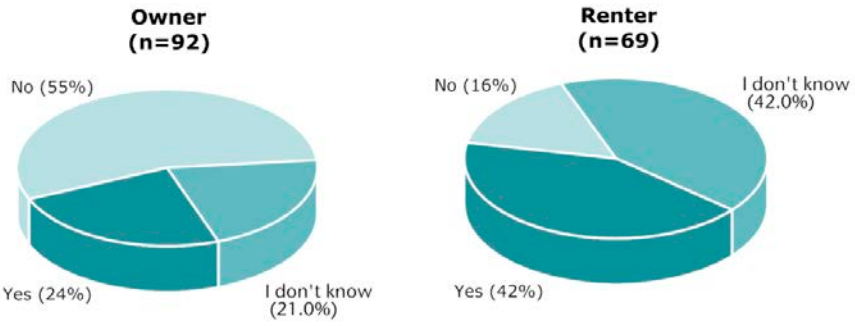
Residents responded to a series of questions related to housing programs, including assistance for residents over the age of 65.

Consideration of deed-restricted homeownership. Respondents were asked whether they would consider purchasing a home priced below market rate and affordable to their household, but which has a restriction on how much it can appreciate or grow in value in the future. Figure III-27 demonstrates that a much greater proportion of renters (42%) would consider this arrangement than homeowners (24%).

Figure III-27.
Consideration of Deed-Restricted Homeownership

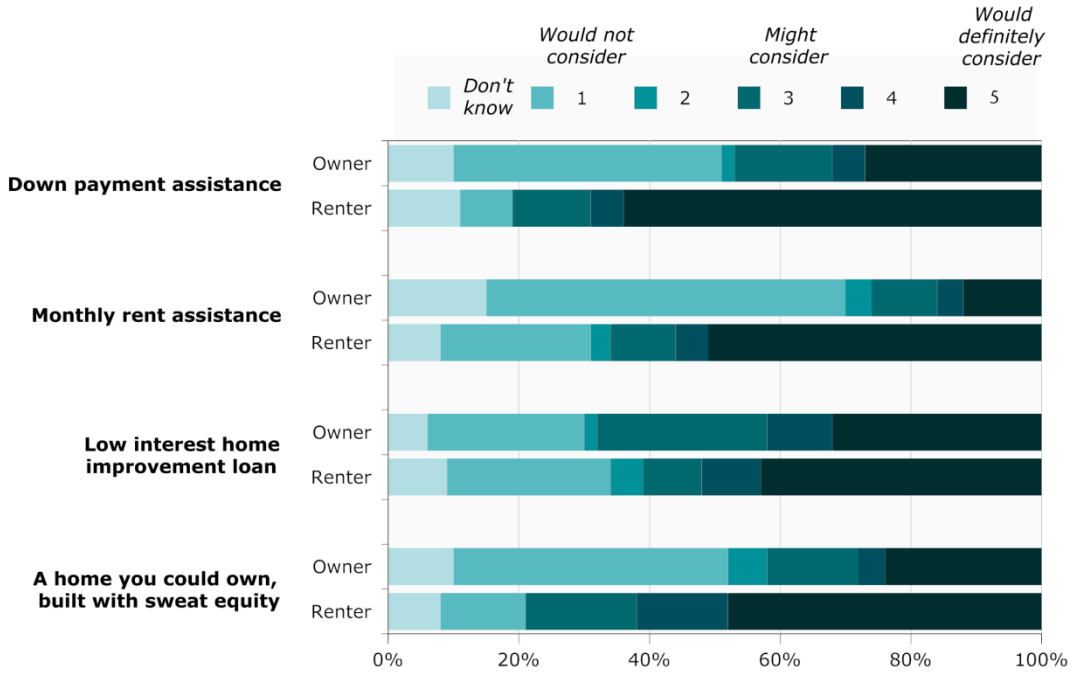
Source:

BBC Research & Consulting 2012 Resident Survey.



Consideration of homeownership assistance. Residents reviewed four types of homeownership assistance and indicated the degree to which they would consider using each type. As shown, nearly two-thirds of renters would definitely consider down payment assistance, and half would consider monthly rent assistance. One-third of homeowners would definitely consider a low interest home improvement loan, as shown in Figure III-28.

Figure III-28.
Please indicate which of the following types of housing assistance you might consider.

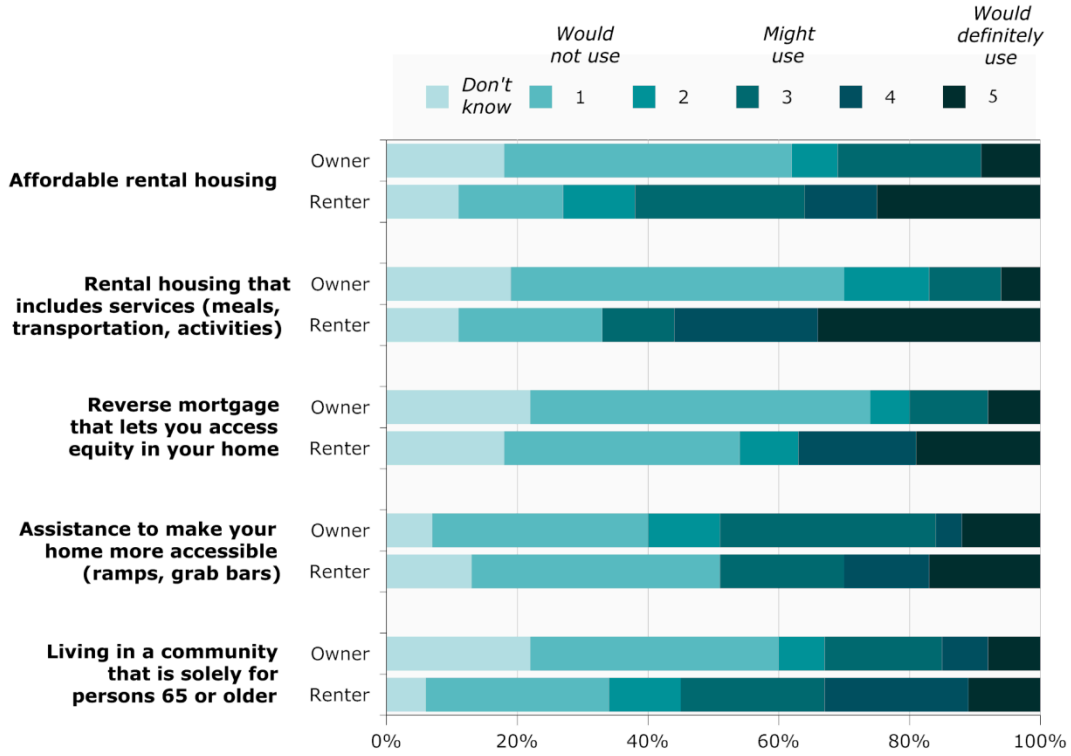


Note: n=132 homeowners and 66 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Consideration of assistance for persons age 65 and older. Those respondents with at least one household member age 65 or older reviewed four types of housing assistance for older adults and the indicated the likelihood that they would use the service. The likelihood of using assistance varied by service and correlated with programs tailored to renters or homeowners. For example, few homeowners would definitely use affordable rental housing or rental housing with services, while one-quarter and one-third of renters would definitely use these services.

Figure III-29.
If at least one person in your household is age 65 or older, please indicate how likely that household member would be to use the following services.



Note: n=55 owners and 19 renters.

Source: BBC Research & Consulting 2012 Resident Survey.

Employer Survey Results

A total of 34 business owners responded to the city of Santa Fe employer survey. Surveys were distributed by city staff and through the city of Santa Fe Chamber of Commerce. With one exception, responses represented small businesses. Due to the small number of surveys received, numbers should be interpreted with caution, and should not be projected across all employers. Rather, these responses provide a snapshot of a segment of the city of Santa Fe small business community. Figure III-30 shows the types of businesses represented by the survey responses.

Figure III-30.
Types of Businesses Represented

Note:
n=34.
Numbers add to greater than 100 percent due to multiple response.

Source:
BBC Research & Consulting 2012 Employer Survey.

Type of Business	
Nonprofit service provider	26%
Construction/development	21%
Bar/restaurant	15%
Professional services	15%
Real estate/property management	15%
Education	12%
Arts and culture	6%
Commercial and personal services	3%
Finance/banking	3%
Government, public utilities	3%
Lodging/hotel	3%
Manufacturing/wholesale trade	3%

Current and projected employment. As shown in Figure III-31, most businesses employ at least one full-time employee and half employ at least one part-time employee. Overall, one-quarter of businesses have an unfilled full-time position and 11 percent have an unfilled part-time position. Explanations for unfilled positions were split between not hiring due to increased efficiencies and not being able to find qualified people. Looking to the future, most business anticipate expanding the number of employees above today's level.

Figure III-31.
Current and Projected Employment

	Type of Employee	
	Full-Time	Part-Time
% of businesses with employees	86%	55%
Median number of employees in 2012	4	1
Average number of employees in 2012	10	3
% with open (unfilled) positions at time of survey	25%	11%
% projecting additional employees in 2017	63%	37%
Median number of additional employees in 2017	5	4
Average number of additional employees in 2017	8	9
% projecting additional employees in 2022	44%	24%
Median number of additional employees in 2022	6	3
Average number of additional employees in 2022	13	15

Note: n ranges from 25 to 29.

Source: BBC Research & Consulting 2012 Employer Survey.

Reasons for employees' leaving or not accepting jobs. Most of the employers responding to the survey (76%) did not indicate that employees leave their job or refuse job offers because of factors presented in Figure III-32. About one in four employers responding to the survey has had an employee leave or not accept an offer because of the cost of living in Santa Fe. In addition to the factors displayed in the figure, employers cited other factors, including moving out of the area, commute times, and leaving the business for a higher salary elsewhere.

Figure III-32.
Reasons Why Employee(s) Left Job/Did Not Accept Job Offer

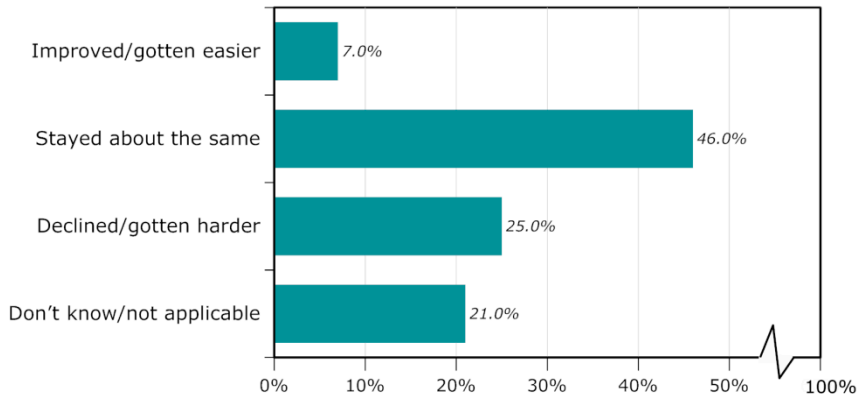
Reason	% of businesses impacted	# of employees impacted
Found cost of living in Santa Fe was too high	24%	218
Lacked/could not find affordable housing to rent	15%	215
Lacked/could not find affordable housing to buy	9%	207
Lacked access to public transit	9%	54
Lacked day care	9%	154

Note: n=34. "Number of estimated employees impacted" is weighted heavily toward the response of one large employer (200 impacted employees from this single respondent).

Source: BBC Research & Consulting 2012 Employer Survey.

Recruiting and retaining employees. Nearly half of employers rate their ability to recruit and retain employees as about the same over the past three years. For one-quarter, this task has gotten harder. Of those who believe it has gotten harder to recruit and retain employees, most named the high cost of living as the primary reason.

Figure III-33.
How has the ability to recruit and retain qualified employees for your business changed over the past three years?

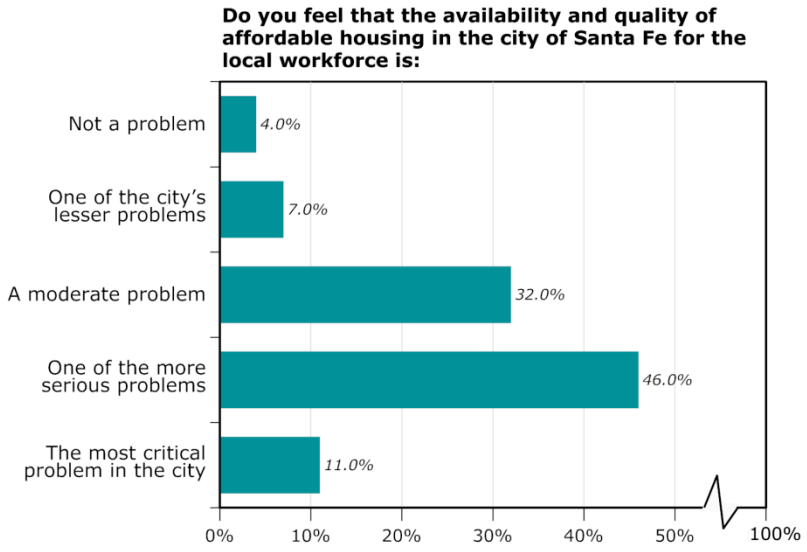


Note: n=28.

Source: BBC Research & Consulting 2012 Employer Survey.

Affordable workforce housing. As shown in Figure III-34, more than half of employers responding to the survey believe that the availability and quality of affordable housing in the city of Santa Fe is one of the city's more serious problems. Both rental and for sale housing were considered a serious problem.

Figure III-34.
Availability and Quality of Affordable Housing in the City of Santa Fe

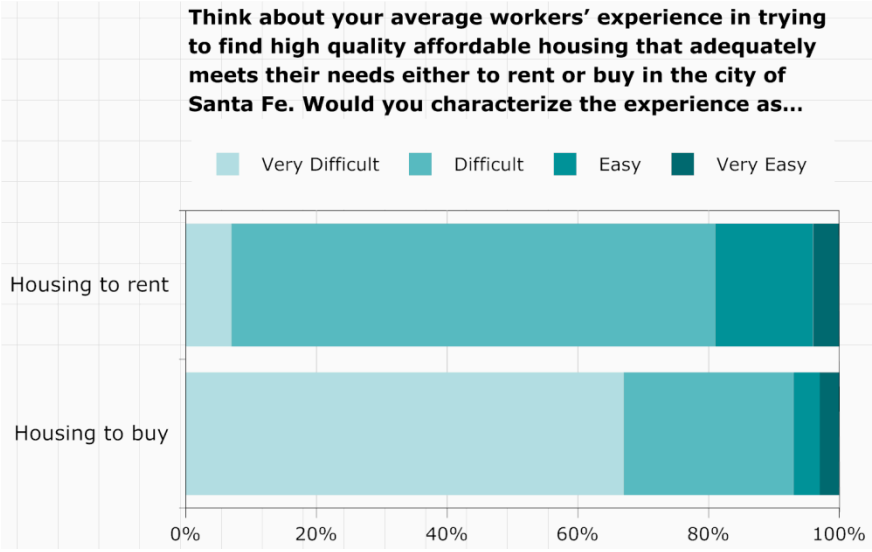


Note: n=28.

Source: BBC Research & Consulting 2012 Employer Survey.

Employers were asked to characterize employees' experience finding high quality affordable housing in the city. As presented in Figure III-35, employees experience difficulties finding affordable housing to rent or buy that meets their needs in the city of Santa Fe.

Figure III-35.
Ease of Finding Affordable Workforce Housing in the City of Santa Fe

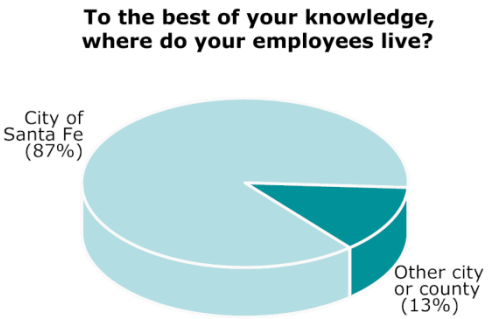


Note: n=27.

Source: BBC Research & Consulting 2012 Employer Survey.

Location of employees' housing. Despite the difficulties alluded to above, most of the employees represented in the survey live within the city of Santa Fe. Their residence in the city limits does not necessarily mean that their housing is quality affordable housing that meets their needs. Overall, 87 percent of the employees represented in the survey live in the city of Santa Fe, similar to the housing location profile found in the resident survey.

Figure III-36.
Location of Employees' Housing



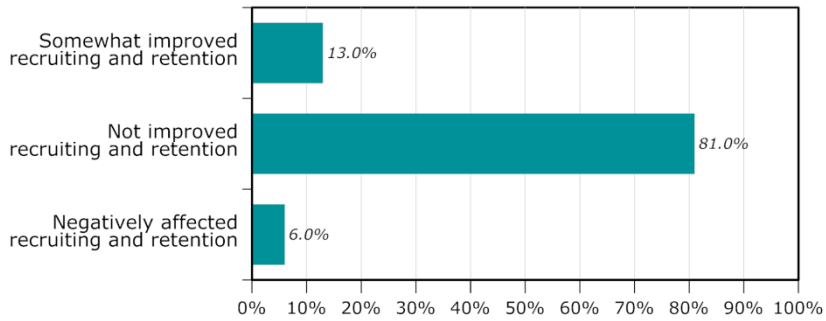
Note:
n=27.

Source:
BBC Research & Consulting 2012 Employer Survey.

Rail Runner and commute options. The impact of Rail Runner on recruiting and retention is modest, based on responses from the employer survey. About one in ten employers believe that the availability of Rail Runner has somewhat improved employee recruiting and retention. It is important to note that only 16 employers responded to this question, which limits interpretation of Rail Runner's actual impact. With respect to Rail Runner, employers included the following comments:

- "It costs less than driving, but they have to work by the schedule of the Rail Runner."
- "The Rail Runner is an inefficient mode of transportation because it does not connect to other reliable sources of transportation. Further, the hours of operation for the RailRunner are not business friendly."
- "Time spent commuting in the Rail Runner is longer than driving and people usually have to get on early train to get to Santa Fe before 8."
- "All hourly paid employees in New Mexico want to work in Santa Fe since minimum wage is the highest in the country."
- "This does not apply to me but I am a big fan of the Rail Runner and believe it is a tremendous resource."

Figure III-37.
Impact of Rail Runner on Recruiting and Retention



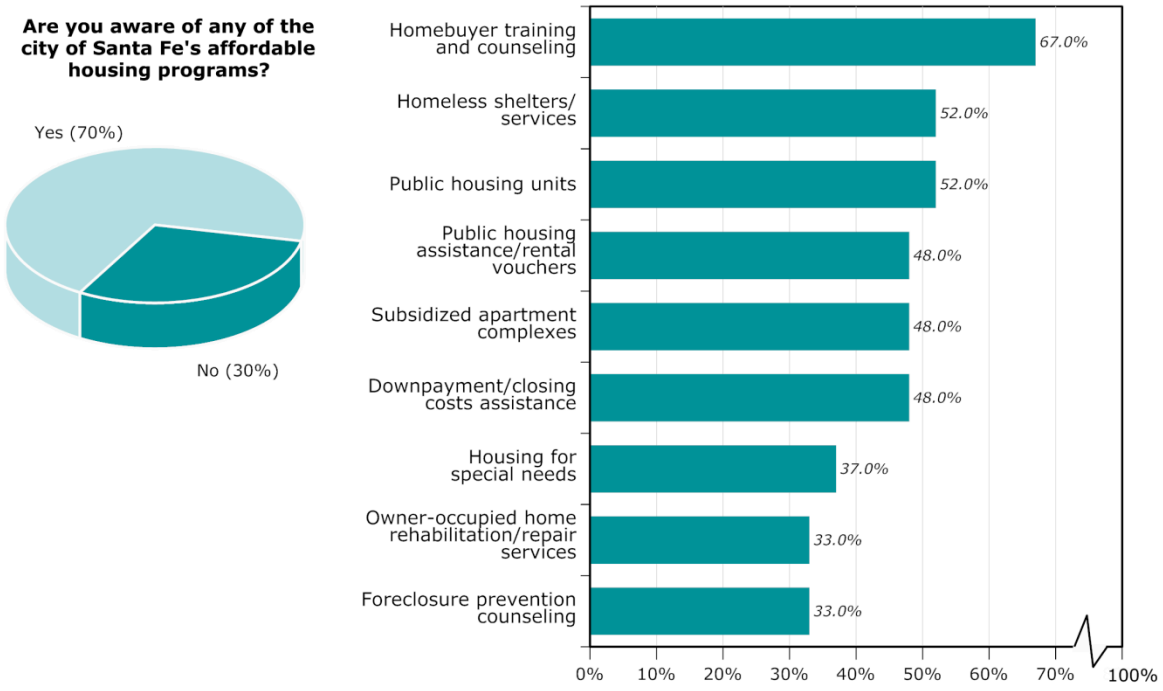
Note: n=16.

Source: BBC Research & Consulting 2012 Employer Survey.

Few employers participating in the survey offer work commute options. None offer telecommuting. Four provide company vehicles and four provide some form of travel stipend. Two offer an employee shuttle service and one offers bus/light rail passes.

City affordable housing programs. Most employers (70%) are aware of one or more city of Santa Fe affordable housing programs. As shown in Figure III-38, the greatest proportion of employers are aware of the homebuyer training and counseling program, followed by homeless shelters and services and public housing supports. Employers were least aware of home rehabilitation and foreclosure prevention services.

Figure III-38.
Awareness of City of Santa Fe Affordable Housing Programs



Note: n=27.

Source: BBC Research & Consulting 2012 Employer Survey.

Employee housing assistance. Overall, four of the employers responding to the survey provide some form of employee housing assistance. The types of employee housing assistance provided include:

- "Down payment assistance."
- "Providing a bedroom."
- "Lending money to put down for housing."
- "Reduced rents."

Employer perspectives on affordable housing. Employers shared their perspectives on city or county policies they would change to increase housing affordability as well as general comments about housing issues. Financing infrastructure and affordable home loans were two common topics, in addition to overall comments regarding a lack of affordability in the city. One employer commented that the city has sufficient affordable housing but lacks a sufficient entry-level workforce.

- "A long time issue is the development of affordable housing can be negatively affected by infrastructure minimum standards that add costs."
- "City should purchase vacant subdivision lots for re-sale to local builders and guarantee construction and development loans to get local builders back to work and to allow them to compete with Homewise and Centex."
- "Increase in single family rental housing would be a plus."
- "Rents are expensive in Santa Fe, due to high taxes paid—property and many other services."
- "Housing in Santa Fe is very expensive compared to other cities in New Mexico."
- "Put GO bonds to public vote to finance infrastructure development for new housing construction."
- "Have more loans with lower interest."
- "More affordable mortgages and bill payments."
- "Should be more accessible to everyone, so we all have an equal opportunity to rent or buy."
- "Santa Fe has a ton of affordable housing. In my experience, the problem with Santa Fe is that it does not have a qualified entry-level workforce. Finding people to stay put and have the 'want' to learn a business is almost non-existing."