

Employee Housing

Survey Results 2006

Statistics & Solutions

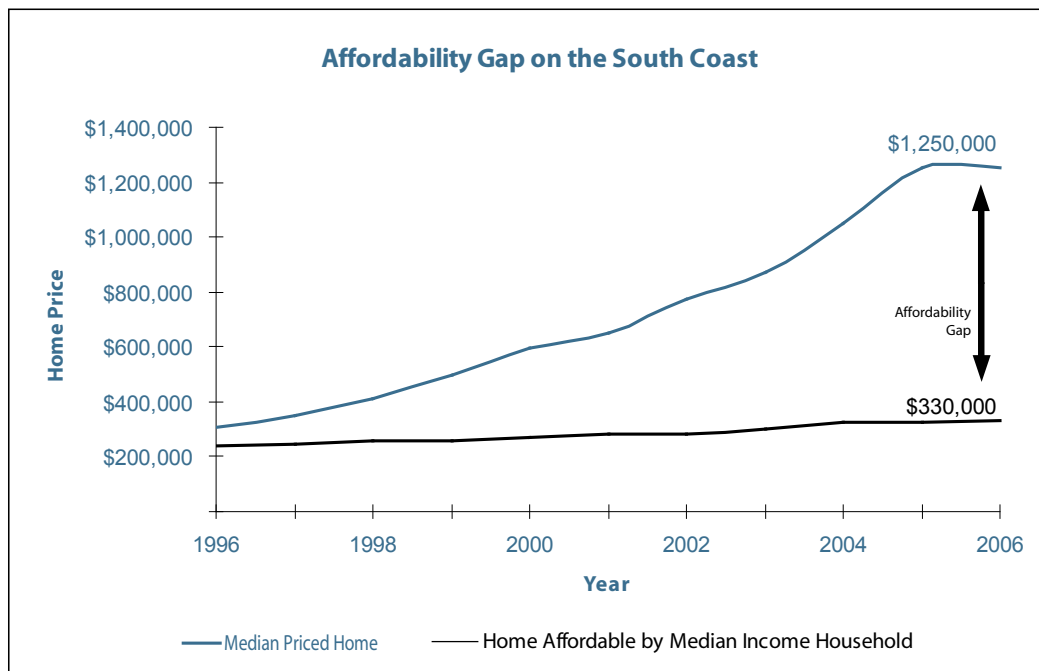
During the summer of 2006, Coastal Housing conducted its seventh annual *Employee Housing Needs Survey*. This survey is conducted to determine the housing needs of our local workforce and to measure the impacts on our community of the area's high cost of housing.

Coastal Housing is a non-profit organization dedicated to reducing the housing costs of local employees. We have a membership of 66 local companies, which employ about 33,000 South Coast workers—one third of the South Coast workforce. This year, twenty-four member

employers participated in this survey, which had an outstanding response rate of 27% with 2,488 employees responding.

Coastal Housing partnered with Dr. Mark Schniepp, Director, California Economic Forecast to conduct this survey. We would like to thank our sponsors for this year's survey - Santa Barbara Bank & Trust and Cottage Health System. Their generous contributions helped to offset the cost of this important survey.

Affordability Gap



The cost of working and living on the South Coast of Santa Barbara County is spiraling out of control for the area's workforce. The median home price has escalated dramatically over the last decade to \$1,250,000. Yet, a household earning the median income would only be able to afford a \$330,000 home. What will our community look like if those who work here lose any hope of ever being homeowners in our community?

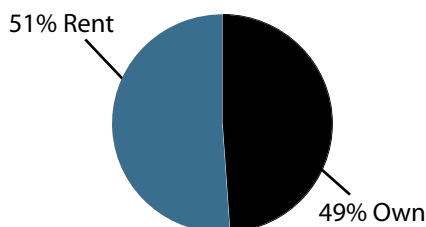
Renter/ Owner Profile

	Renters		Owners	
	2006	1999	2006	1999
Average Age	39	37	47	47
Married	39%	36%	71%	72%
Income (individual)	\$54K	\$33K	\$74K	\$56K
Income (household)	\$74K	\$52K	\$106K	\$80K
Have children at home	28%	33%	40%	44%
Have unrelated roommates	18%	7% (2003)	10%	6% (2003)
Average rent/ Mortgage payment	\$1,496	\$1,006	\$2,464	\$1,848
Would leave job for better housing	46%	27%	27%	7%
Considering purchase of a new or different home	25%	47%	15%	16%

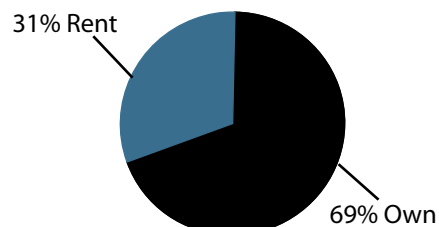
- Homeowners and renters are growing more dissatisfied with their housing on the South Coast. In 2006, renters indicated that they were much more willing to leave their job, the area, or both if they do not find suitable ownership housing close to their work.
- The number of respondents actively looking to Ventura County for housing has fallen sharply over time. In the 2006 survey, only 15 percent of all respondents who are looking to purchase a home are considering Ventura County. Why? Because median home selling values have leaped in Ventura County since 1999, rising from \$257,000 to \$700,000 at the time of the survey.
- More buyers are looking to the North County to purchase housing; however, that number also declined sharply. In 2005, 33 percent of respondents said they were considering a purchase there. In 2006, 20 percent of respondents were considering the North.
- The number of renters who are forced to have roommates in order to make ends meet has more than doubled since 2003. And the number of homeowners on the South Coast with unrelated roommates has almost doubled. As home prices escalate, more and more people who dream of homeownership on the South Coast are required to rent rooms or have second units on their property to be able to afford the high cost of housing.

Rent vs Own in Adjacent Communities

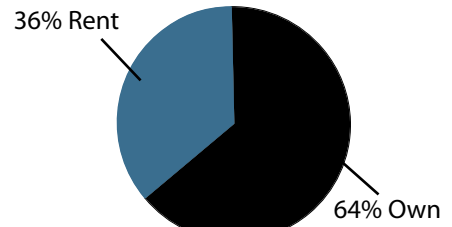
While 69% of North Santa Barbara County residents and 64% of Ventura County residents own their own homes, only 49% of South Coast residents do. The percentage of renters on the South Coast has increased from 42% in 1999 to 51% in 2006. More than 2/3 of South Coast workers who rent have indicated that they would be willing to leave the area if they are unable to purchase a home here.



South Coast Residents



North County Residents






Ventura County Residents

Cost of Housing

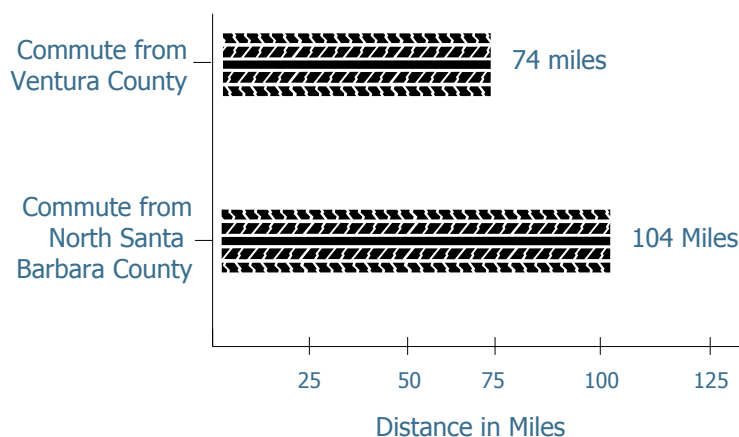
	Median Price December 2006	10% Down Payment	Required Annual Household Income	Monthly Housing Expense
South Coast Home	\$1,250,000	\$125,000	\$246,000	\$8,200
South Coast Condo	\$689,500	\$68,950	\$135,000	\$4,500
Ventura County Home	\$670,830	\$67,083	\$111,520	\$3,715
North SB County Home	\$431,710	\$43,171	\$85,000	\$2,835

The median-priced home on the South Coast has increased 155% since 1999, from \$490,000 to \$1,250,000. The median-priced condo on the South Coast has increased 170% from \$255,000 to \$689,500. During that same time period, the average household income of our survey respondents increased only 20% from \$75,000 to \$90,461.

The Impacts of Commuting

-  The average commute for workers who live outside of the South Coast is escalating. Workers who live in Ventura County drive an average of 74 miles per day for their round-trip commute. The commute is even more severe for employees who live in North Santa Barbara County. These workers drive an average of 104 miles per day to and from their jobs.
-  Local workers who commute spend, on average, 114 minutes – nearly two hours - commuting. This is the equivalent of six weeks a year spent on the road. With so much current focus on our carbon footprint and the associated transportation, circulation and air quality impacts that result from commuting, these numbers indicate that we are heading in the wrong direction for our environment.
-  The survey also shows some alarming trends from the impacts of long commutes on families and on community cohesiveness. More and more people are giving up community volunteerism and have less time to spend with their families. As the region's commuting time increases, family and community commitments suffer. In fact, research has shown that an individual's participation in civic activities declines by 10 percent for every ten minutes spent in traffic (smartgrowthamerica.org).

The Average Commute of South Coast Workers



It's Time to Put the "Force" Back in Workforce

Once again, the statistics and trends from Coastal Housing's *Employee Housing Needs Survey* paint a bleak picture for the region's workforce.

On the South Coast, housing close to jobs will stay out of reach for the vast majority of people who work in our region. As a result, working families are being pushed farther and farther away from employment centers, adding to traffic congestion and sprawl. This exacts a significant toll on these families, and the resulting growth is inefficient. It's time we turn this situation around.

A huge number of fully-employed people—service workers, office personnel, teachers, police officers, hospital workers, firefighters, municipal workers, management—are being squeezed by the housing crunch. In order to have a strong, vital, committed community, our local employees need to be able to live closer to where they work. Those who serve their communities should be embraced by their communities, not shut out. This is not only a matter of social equity, it also makes good sense for all members of our community. The shortage of workforce housing is compromising the economic well-being of our region.

When employers can't recruit a reliable workforce because of grueling commutes; when working parents can't find housing that puts them within reach of both jobs and their children; when quality of life begins to erode – people and businesses leave the area and the economy suffers.

The South Coast cannot afford to continue hemorrhaging workers. It's an issue that has far-reaching consequences for families and

businesses and threatens the region's economic future. This is both an economic and societal issue. Housing affordability is vital if we are to solve our job retention problem. We must begin to do something now to reverse these trends.

Now is the time for you get involved!

Do you want housing to be built in the price range that you and other local employees can afford? Make your voice heard. Elected officials need to hear from you. Let them know that now is the time to make employee housing a priority in our community.

How has the housing crisis affected you and your family? Let's get beyond statistics. Let the decision makers know how the lack of employee housing is affecting you, your family, and your life. Coastal Housing is committed to expanding rental and home ownership opportunities for local workers by:

ADVOCATING for an increase in the production of in-fill employee housing that is well designed and appropriately-located

INFLUENCING public policy to promote the production of a range of housing types to serve the diverse needs of our community.

Please join us so that we can send a powerful message to elected officials that now is the time to take action to create housing that is within financial reach of our local employees.
Make employee housing a priority.



We would like to thank Santa Barbara Bank & Trust and Cottage Health System for sponsoring this year's *Local Employee Housing Needs Survey*.

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Coastal Housing Coalition

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