

TINY HOMES

DARRIN FRYER

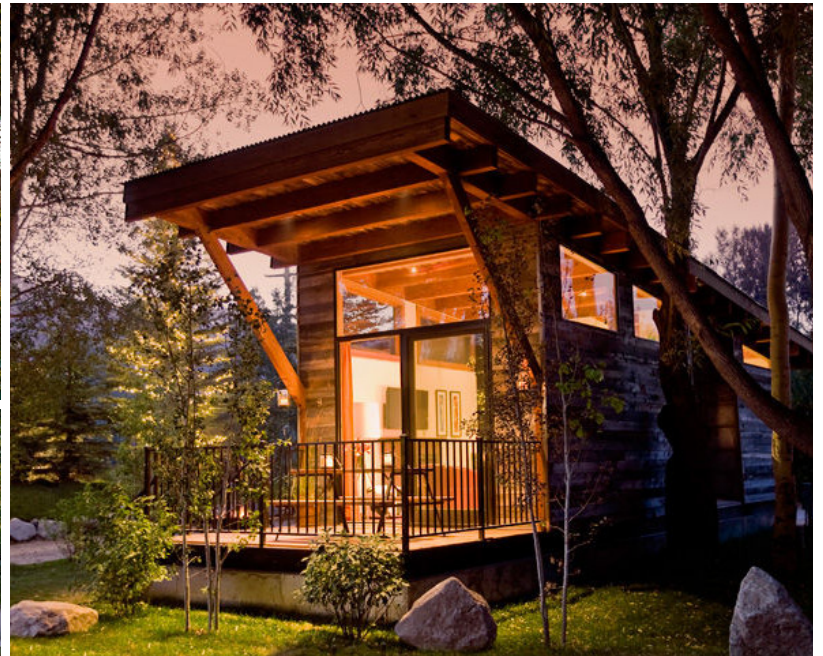
Steamboat | **Sotheby's**
INTERNATIONAL REALTY

THE ORIGINAL TINY HOME



WHAT IS A
TINY HOME?



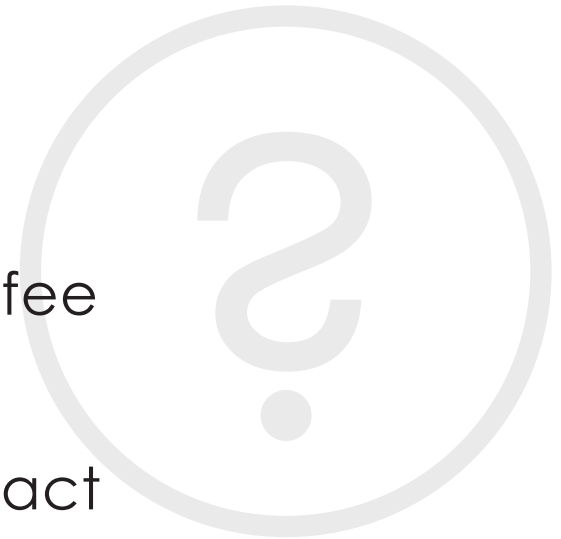


- A home Between 200–600 sq ft
- On a foundation or trailer
- They Come in All shapes & sizes

WHY PEOPLE
LIVE IN
TINY HOMES



- FINANCIAL FACTORS
 - To own the home outright
 - No monthly mortgage or rental fee
- LIVING SIMPLY
 - To decrease environmental impact
- INDEPENDENCE
 - Not have to conform to a HOA
 - No shared walls



Whatever their reasons, most “Tiny Houser’s” say their quality of life has increased as they can focus more time and energy on relationships and experiences instead of home maintenance or belongings.

OTHER STEAMBOAT REASONS

- Air space/grass next to you
- Ability to ride bikes up to doorstep
- To not have people living above & beside you
- Opportunity to own slice of Steamboat paradise
- Something to call your own
- It's like a single family home only smaller + cuter



WHAT IS MY
INVOLVEMENT IN
TINY HOMES?



WHAT CLIENTS TELL ME

- Clients looking for rentals, and buyers who can afford to buy a condo, choose to move to locations 30 minutes from town to have “their own” space or just stay in town and rent, or leave Steamboat
- Whole movement of people choosing more efficient spaces—Spec homes were 6,000/7,000 sq ft and now are 3,000/4,000 sq ft
- Baby boomers are looking for small pads to allow more of their finances to be used for travel and don't want to be tied down with big mortgages



MY ROLE IN THIS MOVEMENT

I have been retained by Sprout Tiny Homes to provide market information and strategic advice about how to create a tiny home community here



SPROUT TINY HOMES



Sprout Tiny Homes are built from structural insulated panels and are super high efficiency so they have very low utility bills... They're essentially a tight box w/a bdrm, kitchen/dining & bath.

THE CURRENT MARKET REALITY



CURRENT MARKET

- Home prices moving up in lower end of the market approx 10%/yr (*low interest rates, building industry, plethora of jobs, economy is up*)
- Rents are increasing 10-15% for last 3 years 1 bedroom condos now \$1300 + per month
- 2 lots under 200K with least in silver spur for \$179,000
- 30 lots under 300,000 only 2 of which don't have subdivision covenants with minimum SQ/FT
- There's 1 home under \$450,000 in Steamboat II and it still needs work



LAND & HOME PRICES

\$250,000 LOT

\$100,000 TINY HOUSE

+ all sewer, water requirements,
tap fees driveway requirements,
building department fees, engineering

\$350,000



*Therefore, NO REAL OPPORTUNITY on a retail basis
and financial equation does not make sense*

LAND
& HOUSING
COSTS



RETAIL DEVELOPMENT PARCELS

- Offerings from \$1,000,000 – \$4,000,000
all trying to maximize sale price for current lot owners
- The City has a minimum lot requirement
They require large Lots = High cost/low density
- Not zoned for tiny homes
- Land cost ÷ Tiny land units = Too high to be affordable

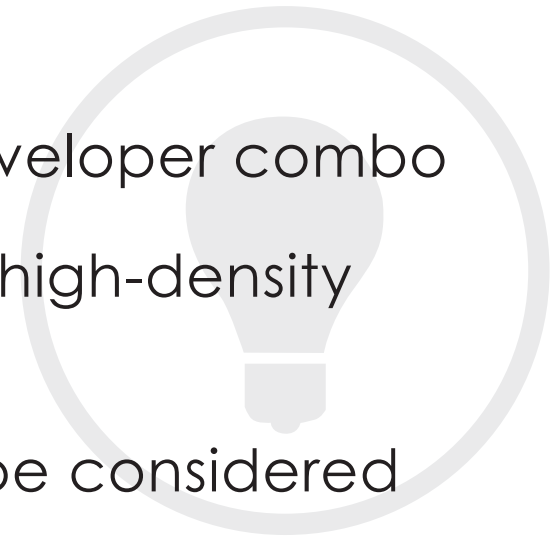
Therefore, NO REAL OPPORTUNITY...

HOW CAN
WE MAKE
THIS WORK?



ANSWER

- Sits with Planning & City Council / Developer combo
- We need to rezone low-cost land for high-density tiny houses/small parcels
- There's a high cost for developer to be considered
- We need a progressive Planning Department – our opportunity
- PUD rezoning is costly, follows typical planning process and runs with the land for perpetuity – No guarantee for the developer
- Instituted process of CDP (Conceptual Development Plan) – Tyler's area of expertise
- Supply and demand is fundamental
Increasing low cost supply is the answer



EXAMPLE OF TINY HOME COMMUNITY

River View at Cleora • Salida, CO



- 200 Tiny Homes
- 96 Storage Units
- Community Parks
- Walking Trails
- Restaurant Site
- Clubhouse/Fitness Ctr

THE BENEFITS
FOR THE
CITY AND
OUR TOWN?



ANSWER

- ECONOMIC DRIVER – Steamboat workforce is increasingly coming from outside of town including Oak Creek, Hayden and Craig
- The shortage of workforce

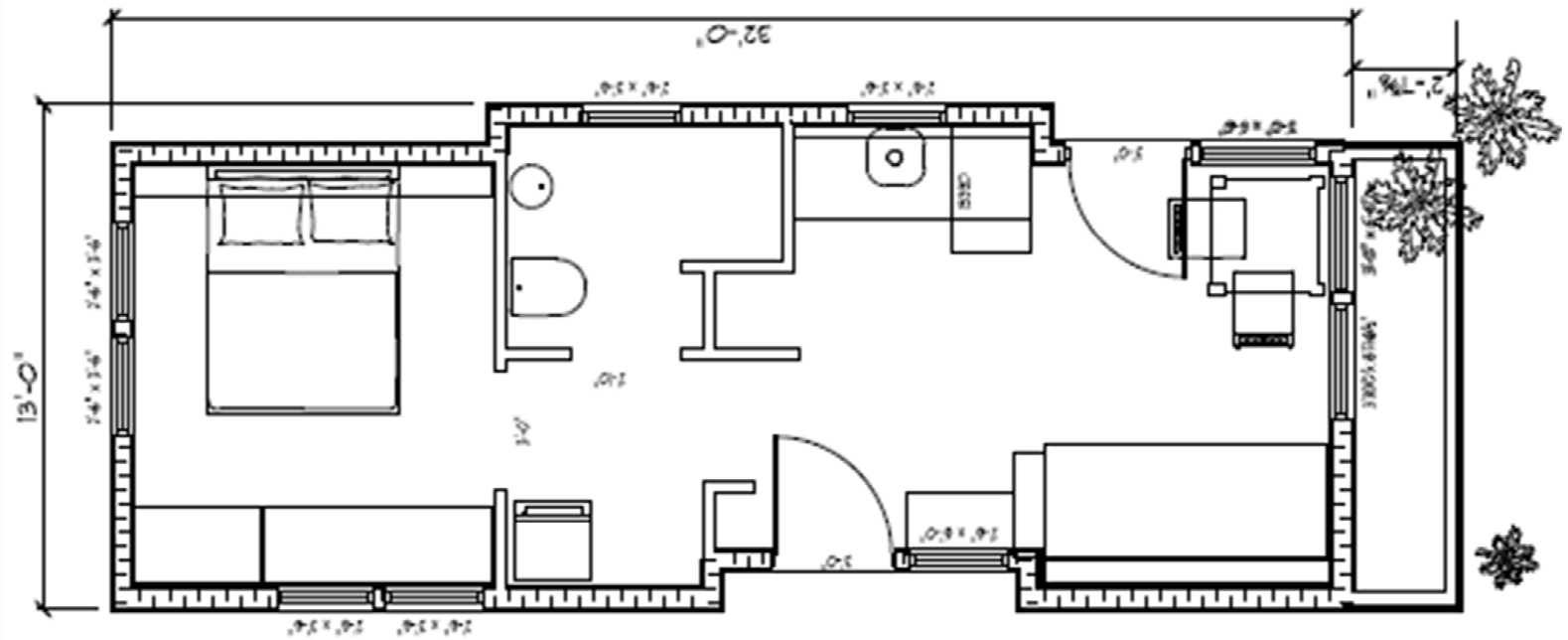
While infrastructure is being one Tiny Homes can be manufactured congruently to deliver fast build out of community vs. 1 – 2 year build process after the 6 – 12 months of planning process

- Supply and demand



AN EXAMPLE
HOME
OWNERSHIP



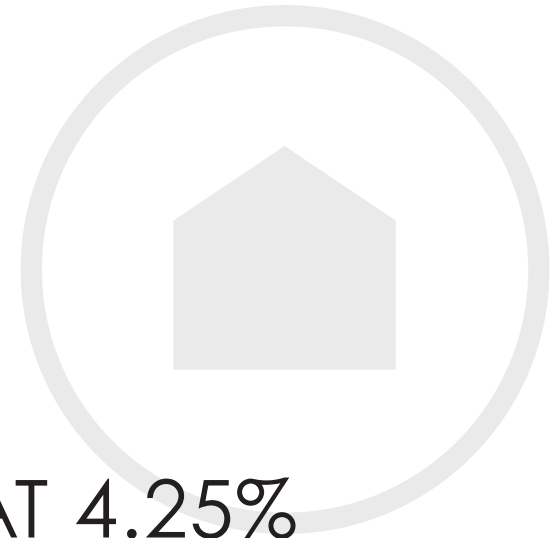


FINANCING

\$200,000 TINY HOUSE

10% DOWN

LOAN FOR \$180,000 AT 4.25%



MONTHLY MORTGAGE = \$885/month
with \$247 principle building equity

+ LOW utilities

\$100/month for taxes and insurance

TOTAL ESTIMATED COST = \$985/month

WHY IT'S
EXCITING
FOR BUYERS



THIS IS ABOUT INNOVATION

- Less than rent
- Building equity
- Fixed cost home for 30 years
- Own home



*This is not about a trailer park.
This is about empowerment and
being modern and innovative*