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News Release: Issued March, 2005, Release at Will
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Five California Tourist Towns Rank Among Least Affordable for Housing

Housing has become prohibitively costly in many of America's best-known tourist communities, and five California towns are near the top of the list, according to a new study by The Wyndham Financial Group.

Carmel-by-the-Sea ranks highest among California's tourist destinations for lack of affordable housing, and fifth highest in the nation. Others in the top 50 include the Santa Catalina Island community of Avalon (15th), the Lake Tahoe community of Dollar Point (19th), the coastal community of Cayucos (27th), and the mountain destination of Mammoth Lakes (35th). The rankings use a formula based on housing prices, rent levels, and local incomes.

"This is a dangerous situation," says William Hettinger, Wyndham Financial's president and CEO. "Skyrocketing prices of second homes drive up all housing costs, forcing year-around residents to move. Local businesses can't find or keep workers as rents become unaffordable. As a result, communities risk losing the sense of community and quality-of-life benefits that made them attractive in the first place." He emphasized that California's tourist communities face less of a crisis than those in Colorado, where Aspen, with average home prices over \$4 million, tops the list, followed closely behind by nearby Snowmass Village.

The Wyndham Financial Group is a Connecticut-based consulting organization that focuses on housing and community development. Hettinger explores the specific issues faced by tourist communities in his new book, *Living and Working in Paradise: Why Housing is Too Expensive and What Communities Can Do About It* (2005, Thames River Publishing, \$21.95).

"Interestingly," Hettinger notes, "the steep rise in housing prices has not occurred in every beach-and-mountain community, even in places that are attracting large numbers of second-home buyers." Of the 250 communities listed, the most affordable is Bolivar Peninsula, Texas, where a typical house is in the \$60,000 range. Only two California towns, the neighboring mountain communities of Crestline and Running Springs, are on the list of the 50 that are most affordable, ranking 210th and 213th in housing costs respectively.

Hettinger points out that some of the most expensive communities are recognizing their problems and taking decisive action. Aspen—with the nation's highest-priced housing—is a good example, as income-based affordable housing is now provided to 64 percent of its residents.

Hettinger's book, *Living and Working in Paradise*, examines in detail the ways in which various communities have addressed their housing crises, analyzing the approaches with the highest rates of success. More information about the book, the housing problems faced by tourist towns, and the full rankings of 250 communities can be found on the Wyndham Financial Web site, <http://www.wyndhamfinancial.com>

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Notes: Review copies of Mr. Hettinger's book are available on request to journalists and broadcast hosts. Additional media resources, including the affordability rankings presented in various ways, can be found at <http://www.wyndhamfinancial.com/media.html> .