Walk the talk:
Matching different types of households to different types of homes

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UT Austin | Community and regional planning

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Overview

- How do demographics shape housing needs?
- What kind of households will need housing in our region moving forward?
- What type of housing would match these groups needs (owners v renters, size, location/amenities)
- How do different groups view housing/neighborhood types?

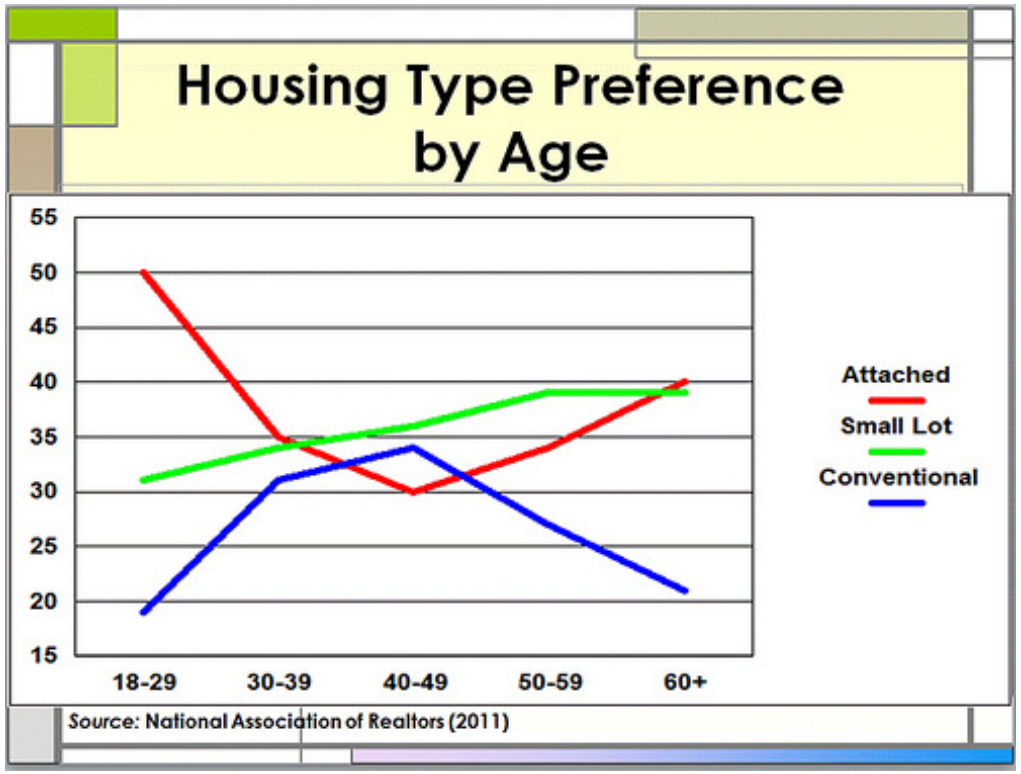
How demographics shape housing needs

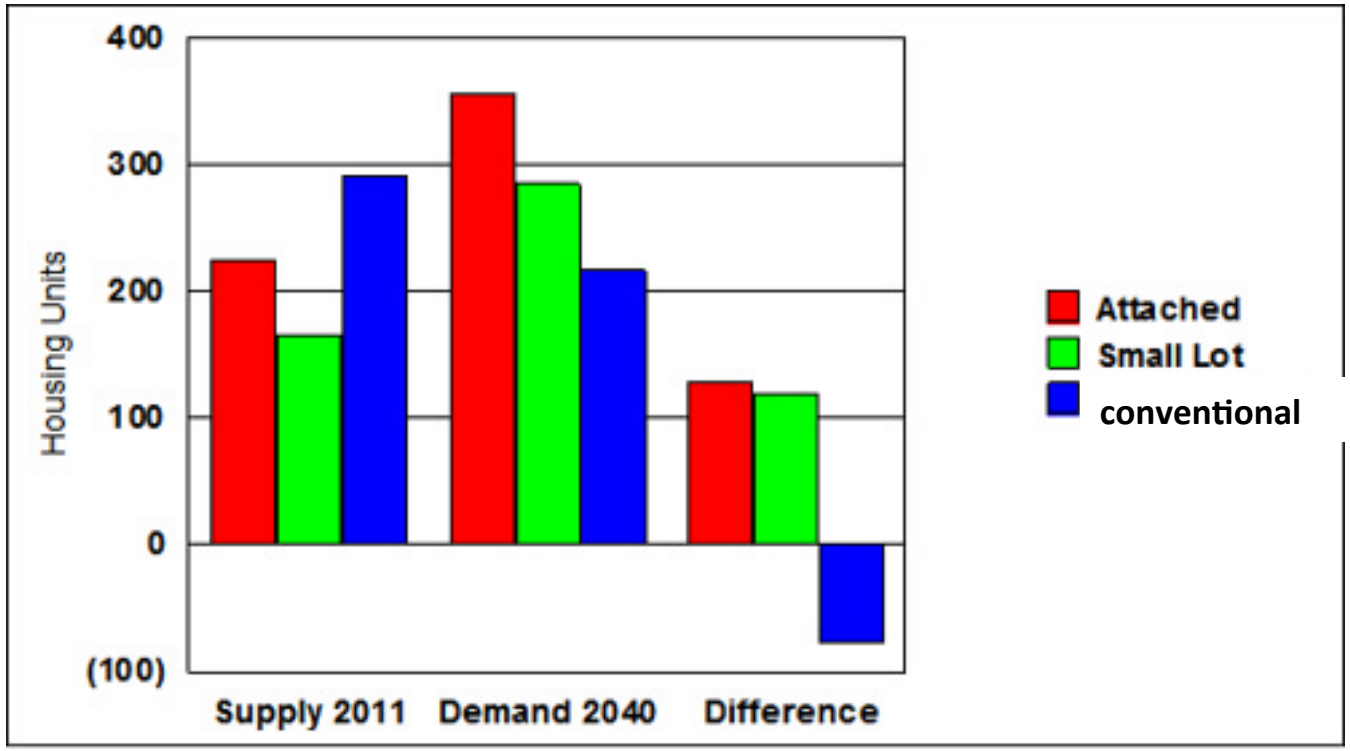
- Age, race/ethnicity profile of a region's households shape:
  - The number of *households* in the region
  - The share of renters vs owners
  - Whether owners want/need smaller/lower priced homes
- A younger age profile means, more new households are forming, more homes needed
- More young households and more minority households means rents/ homes must be priced for lower incomes
- More older households means smaller homes, a return to renting for some

National demographic trends and homeownership

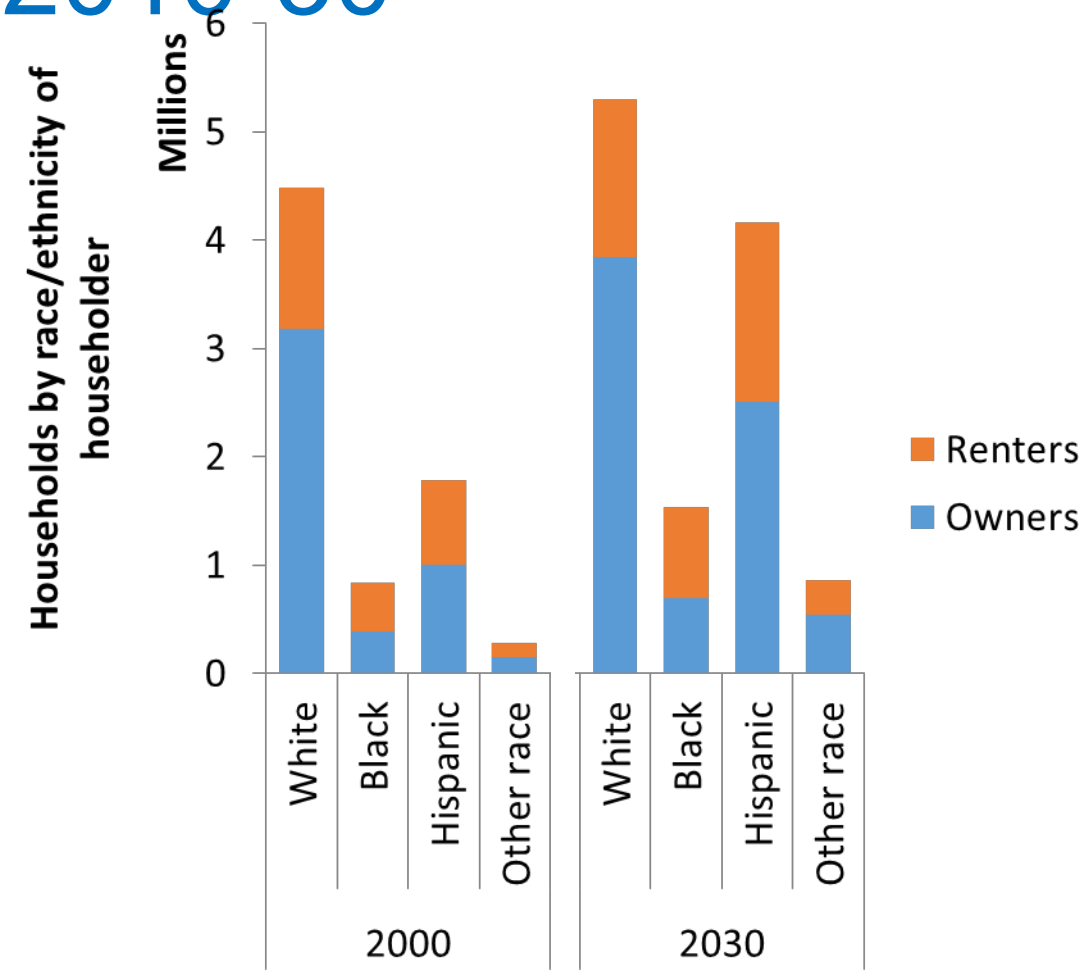
- Millenials (born 1981-1995) are key to next two decades in U.S. housing markets
  - Comparable in size to baby boom cohort.
  - Struggling economically, forming households later than previous generations.
  - Economy, job market and housing options critical to their stability.
- Continued racial/ethnic income disparities shape homeownership.
  - Gaps between white and black/Hispanic ownership rates have widened.
  - Seniors are mostly whites. Young aspiring owners mostly minorities.
- Homes currently occupied by seniors are too big for them, but too expensive for many in the next wave of homeowners.

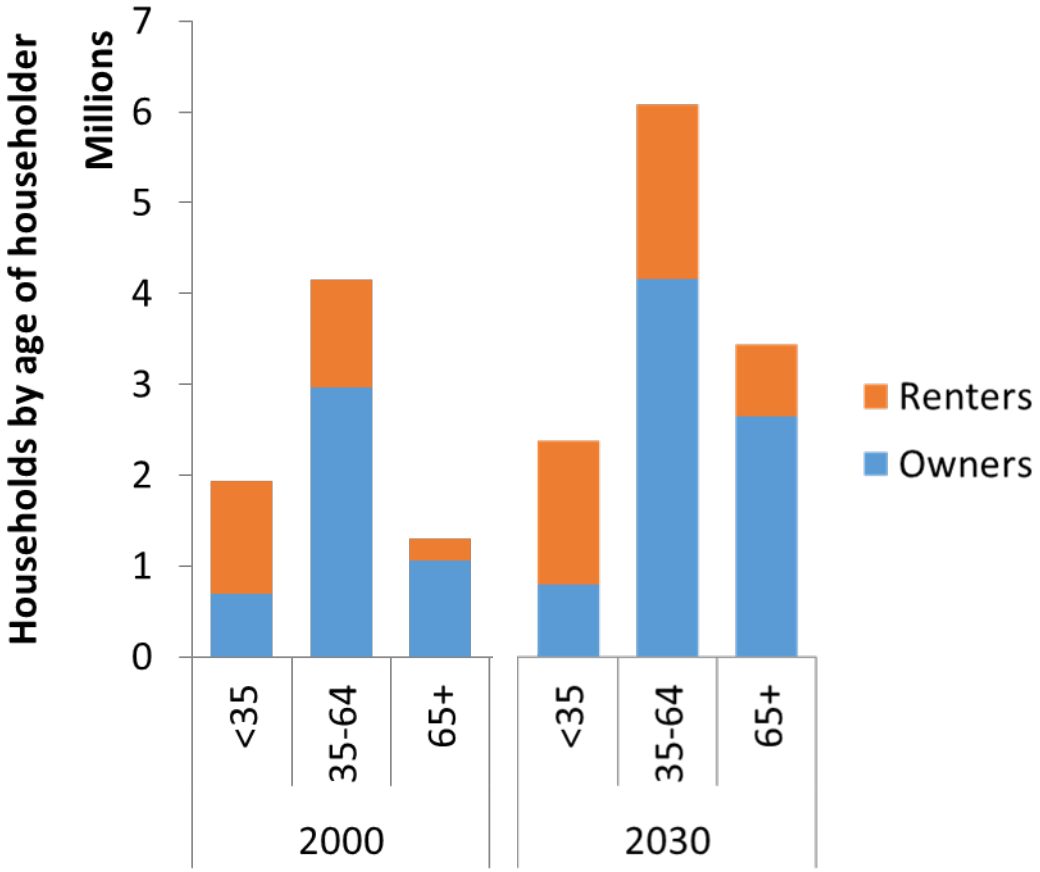
National mismatch between types of homes this population needs, what we have





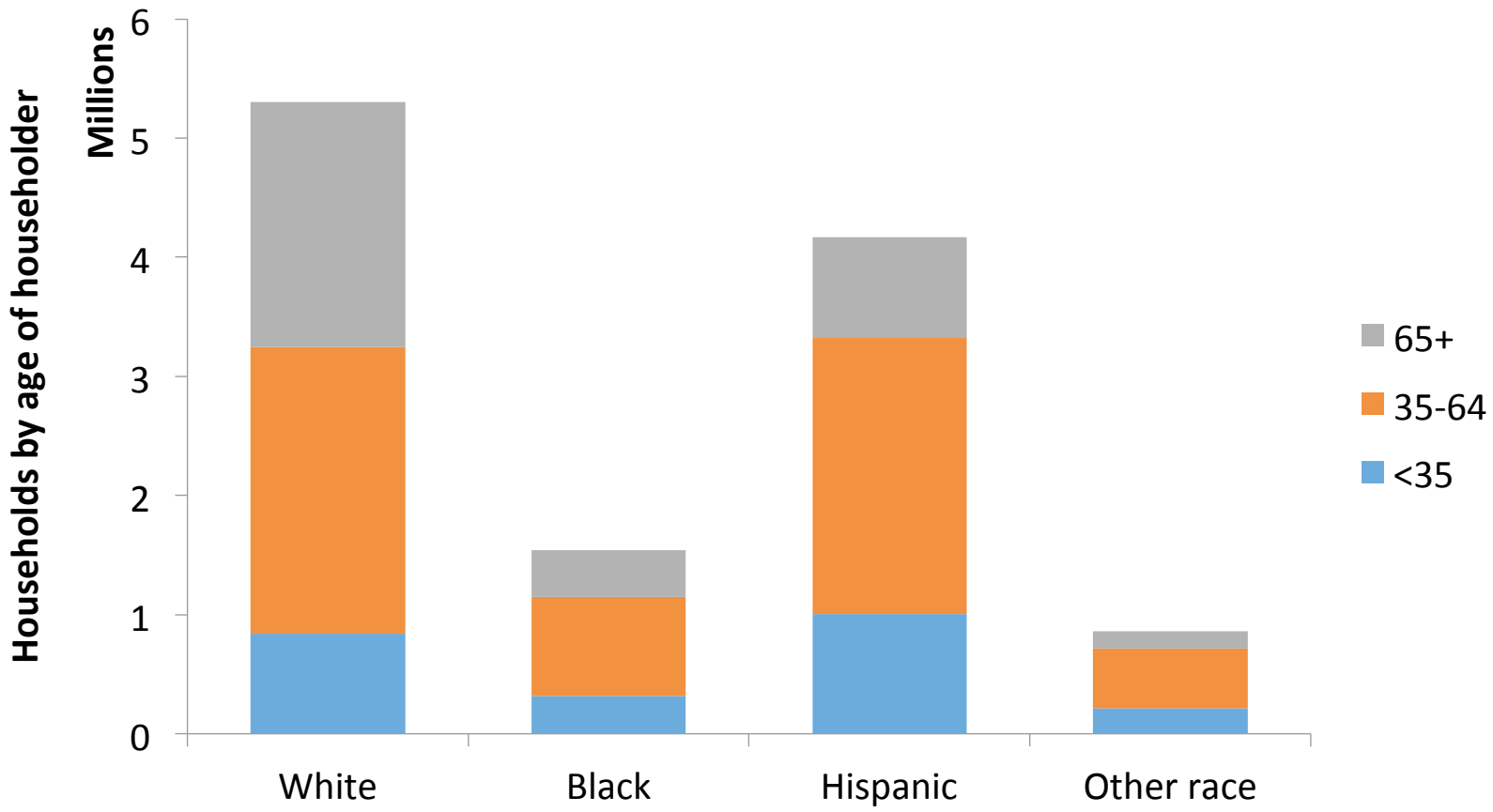
In Texas: Changes in demographics of owners, 2010-30





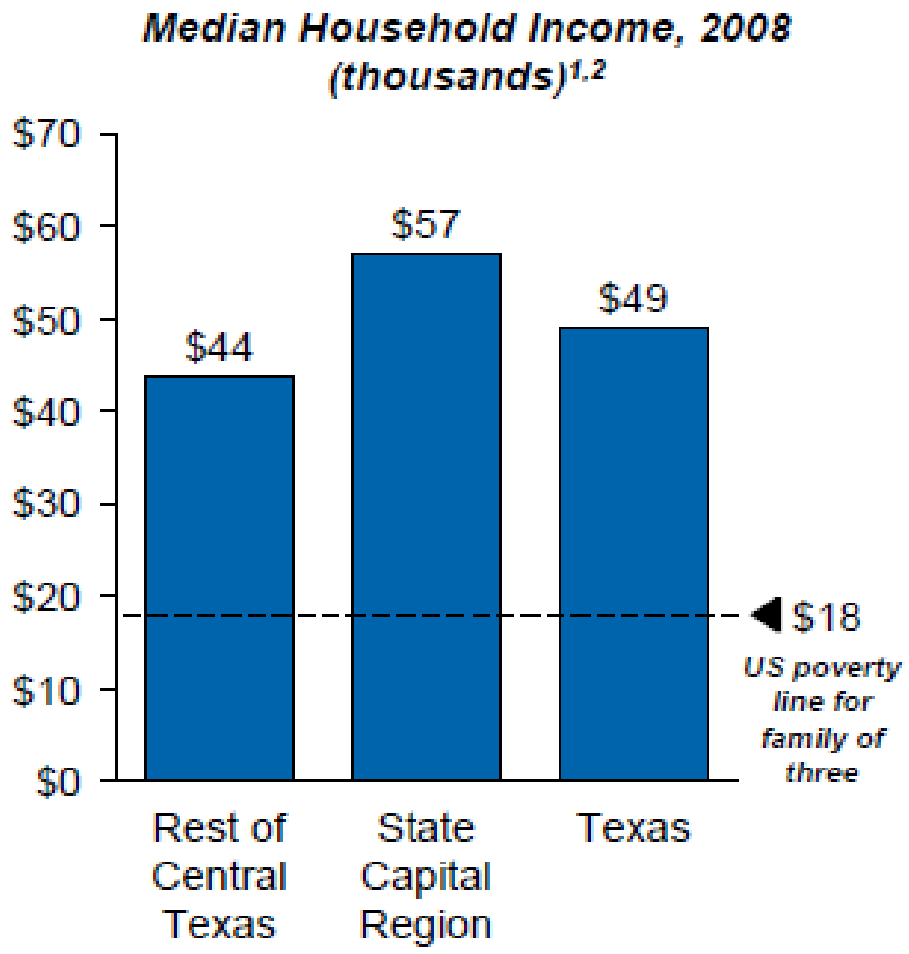
Source: U.S. Census 2000-2010, Urban Institute Projections.

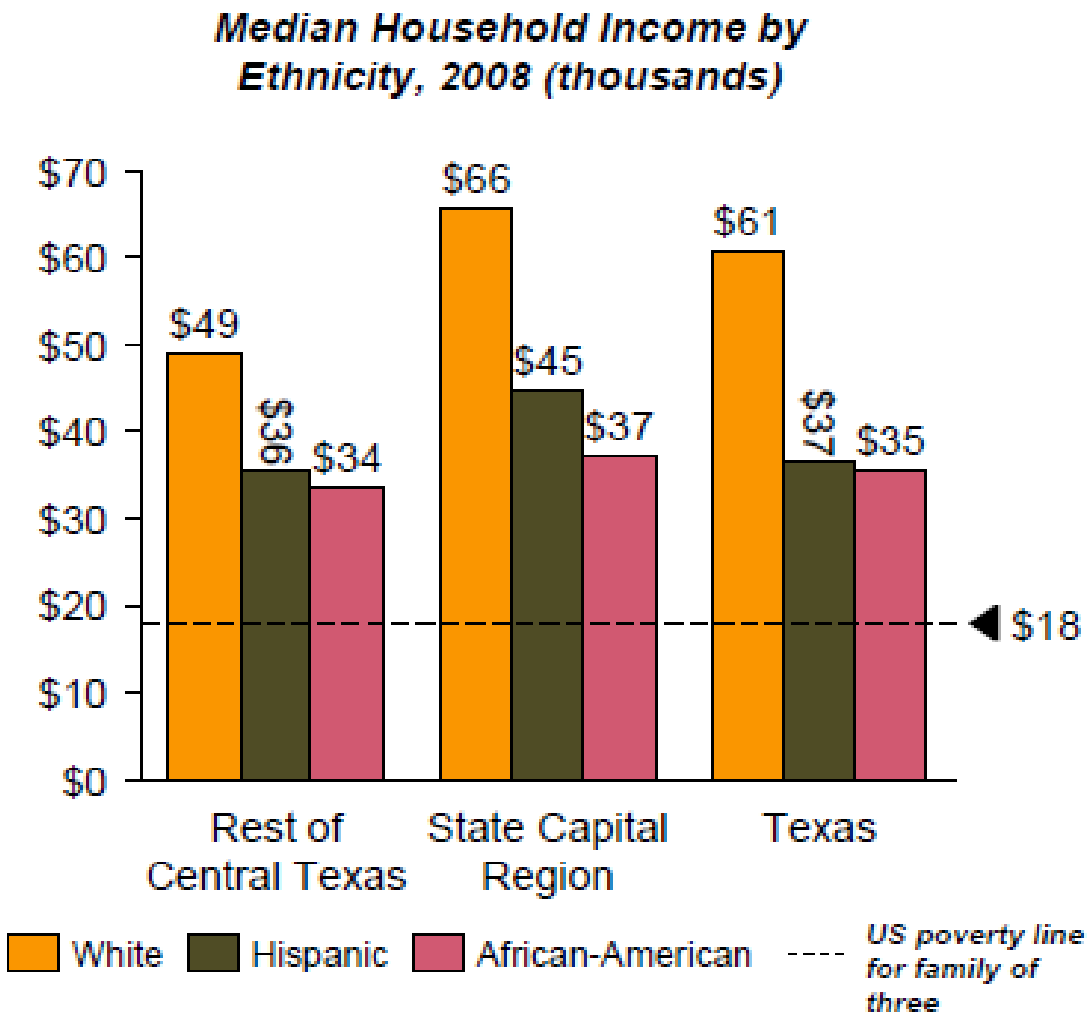
2030: Younger cohorts evenly split between white and Hispanic owners



Source: U.S. Census 2000-2010, Urban Institute Projections.

The State Capital Region Has a Higher Income Than Regional and State Averages But Also Has the One of the Widest Ethnic Gaps





Notes: (1) Median Household Income by Ethnicity calculated using the median household income per county and weighting by 2008 county population, (2) Federal poverty level for a 3 person household was $17,600 for 2008, State Capital region includes Bastrop, Blanco, Burnett, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson Counties but for above income analysis Blanco, Lee and Llano counties were not used in calculating weighed average because data is not available for those counties

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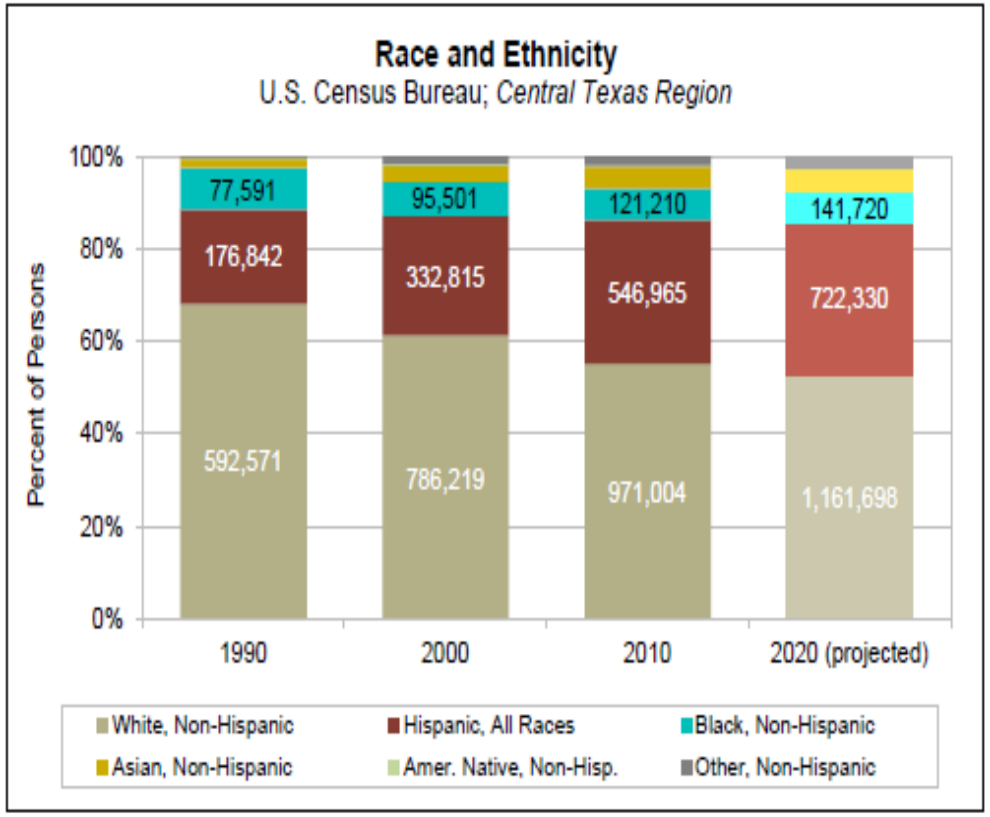
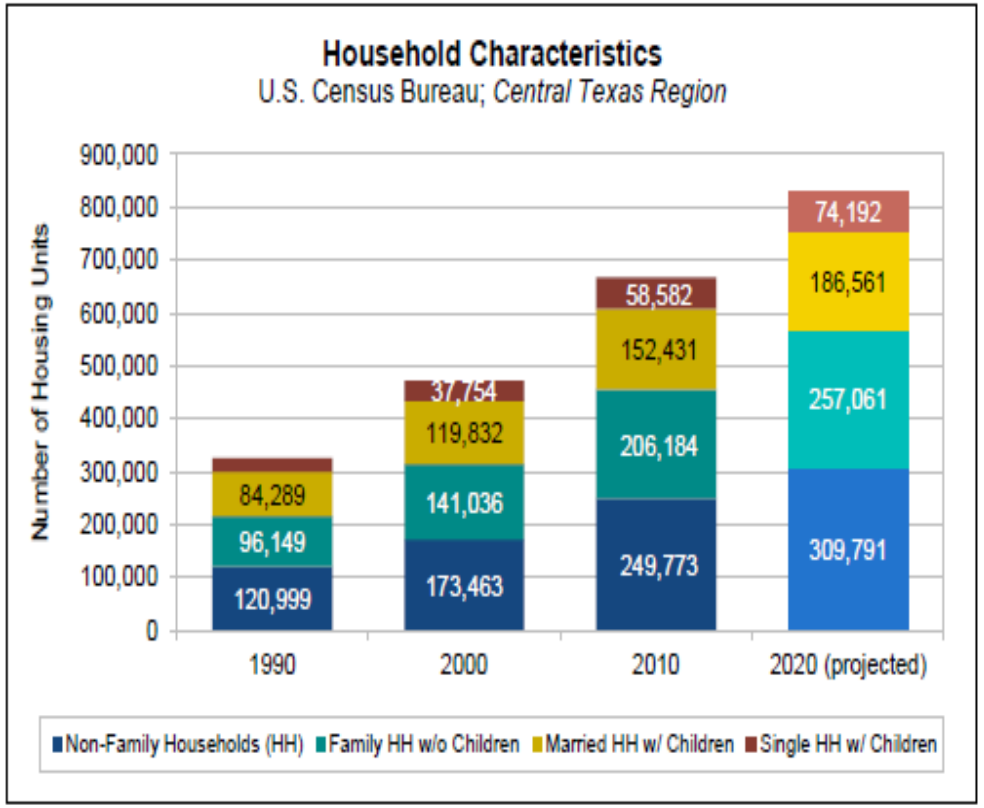
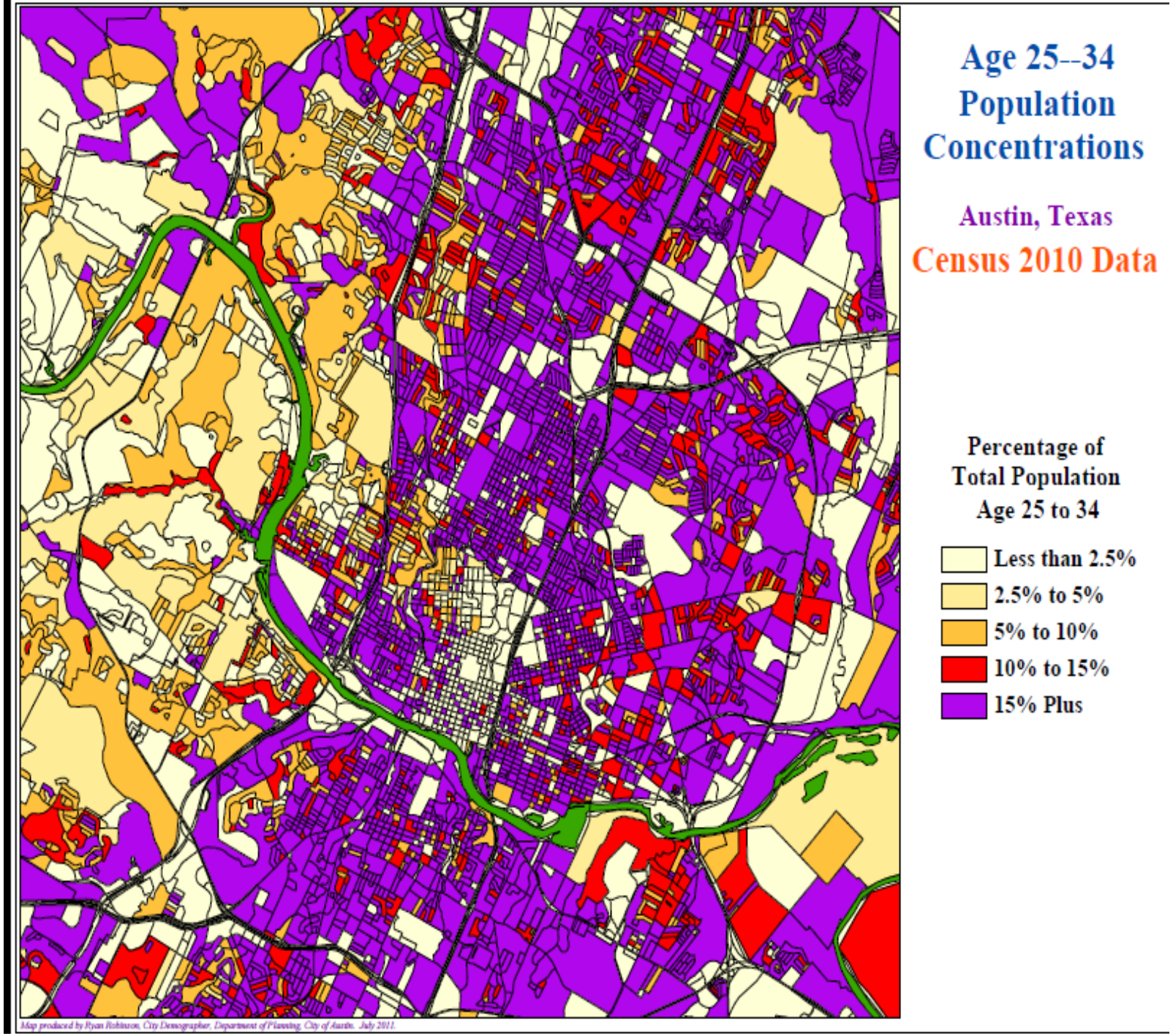
OUR REGION:


Race and Ethnicity
U.S. Census Bureau; Central Texas Region
Percent of Persons
100%
80%
60%
40%
20%
0%
77,591
176,842
592,571
95,501
332,815
786,219
121,210
546,965
971,004
141,720
722,330
1,161,698
1990
2000
2010
2020 (projected)
White, Non-Hispanic
Hispanic, All Races
Black, Non-Hispanic
Asian, Non-Hispanic
Amer. Native, Non-Hisp.
Other, Non-Hispanic

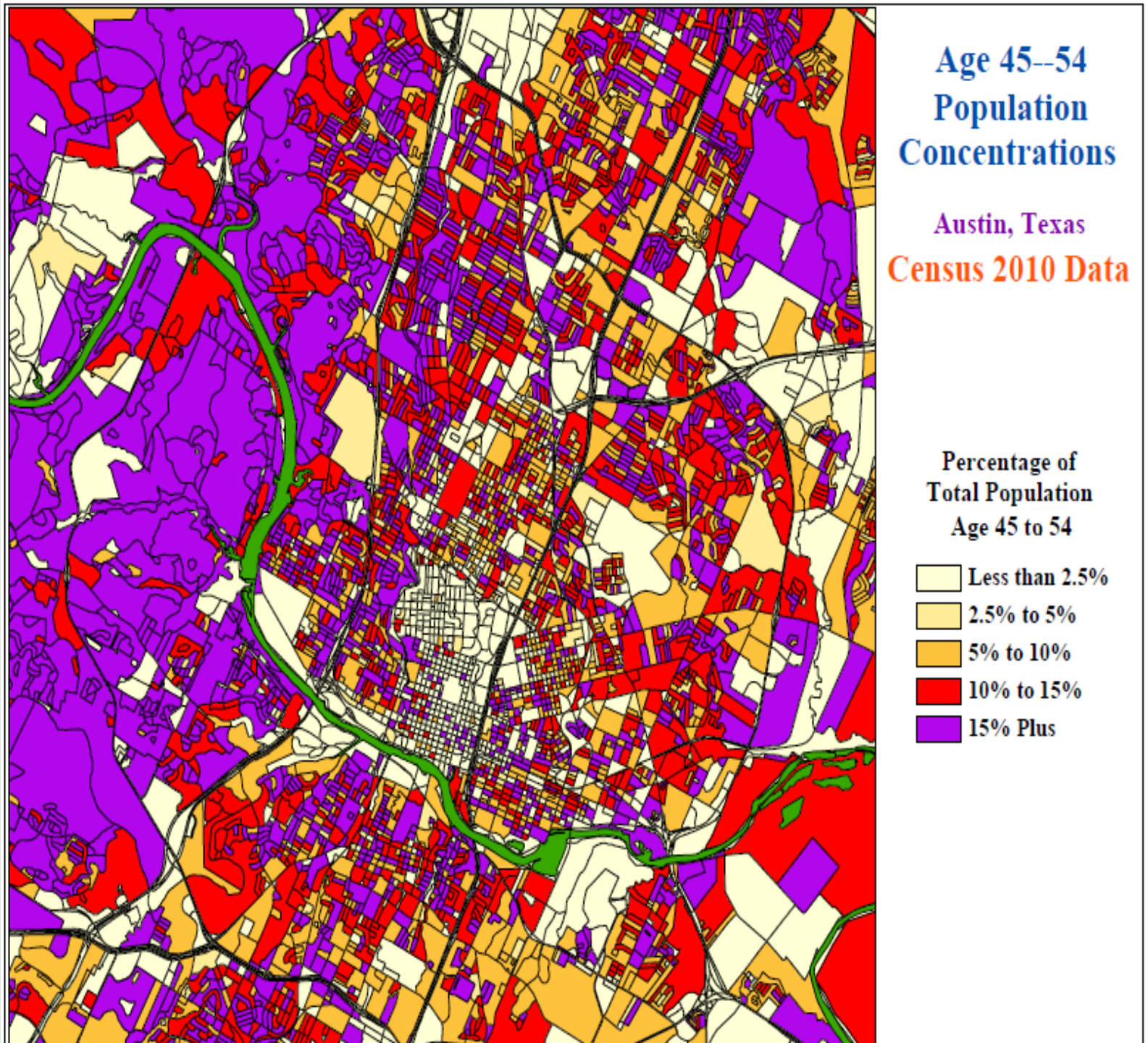

Household Characteristics
U.S. Census Bureau; Central Texas Region
Number of Housing Units
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
84,289
96,149
120,999
37,754
119,832
141,036
173,463
58,582
152,431
206,184
249,773
74,192
186,561
257,061
309,791
1990
2000
2010
2020 (projected)
Non-Family Households (HH)
Family HH w/o Children
Married HH w/ Children
Single HH w/ Children

Austin vs the Region: losing mid-career, families

GROUP	SHARE OF CITY HOUSEHOLDS 2010	SHARE OF MSA POP 2010	SHARE OF PROJECTED GROWTH	CITY RELATIVE TO REGION
HOUSEHOLDS WITH CHILDREN	28.5%	31.6%	29%	Under-represented
ELDERLY HOUSEHOLDS	10.4%	12.3%	32%	Under-represented
SINGLE PERSON HOUSEHOLDS	33.9%	28.2%	31%	Over-represented
HOUSEHOLD HEADS UNDER 35	39.0%	28.7%	24%	Very over-represented

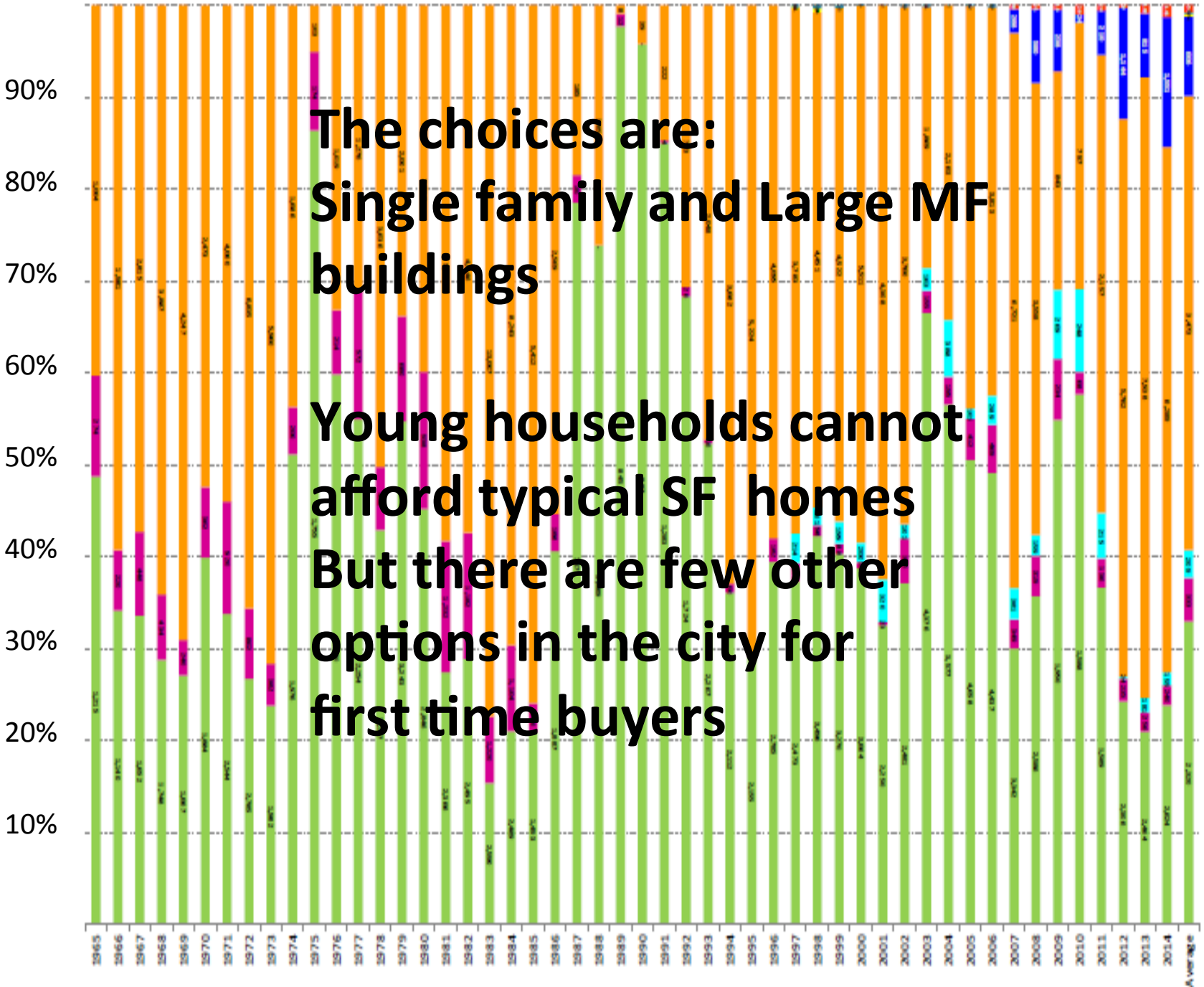


Young population concentrated in central core neighborhoods



Ten years later, they're living in the suburbs…

Austin Residential Growth over 50 Years—Unit type



The choices are:
Single family and Large MF buildings

Young households cannot afford typical SF homes
But there are few other options in the city for first time buyers

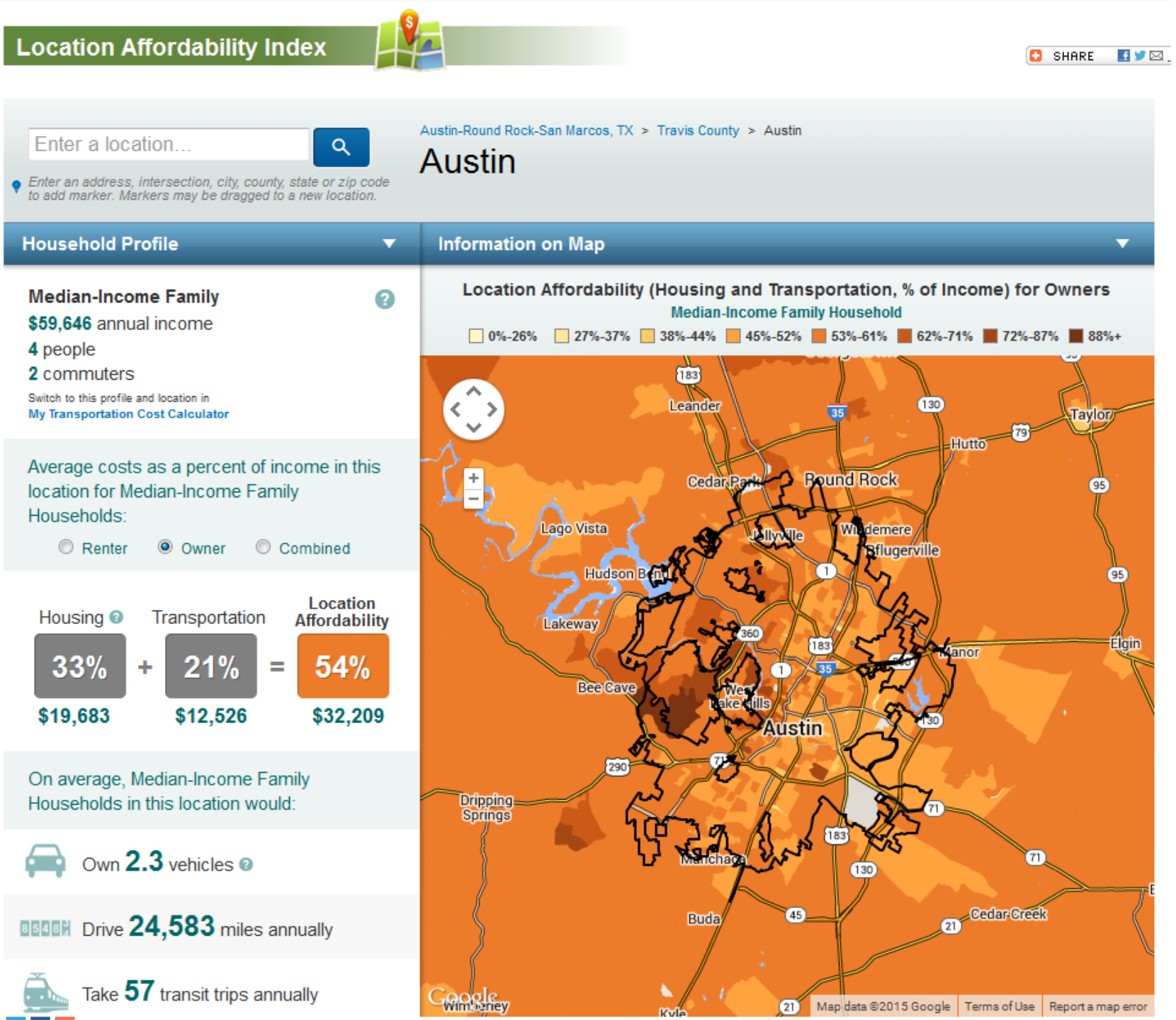
- Secondary apts
- Other resid.
- Mobile homes
- Mixed use
- Multifamily
- Tri/fourplex
- Duplex
- Single family

Note:
Based on permits issued for residential units.

In 2007, Mixed use and secondary apt categories were added & 'other res' and mobile home categories were dropped.

Until 1996, the MF category included tri/ fourplexes.

Few locations allow moderate income owners to spend < 45% of income for Housing + T



But maybe people want to live suburbia?

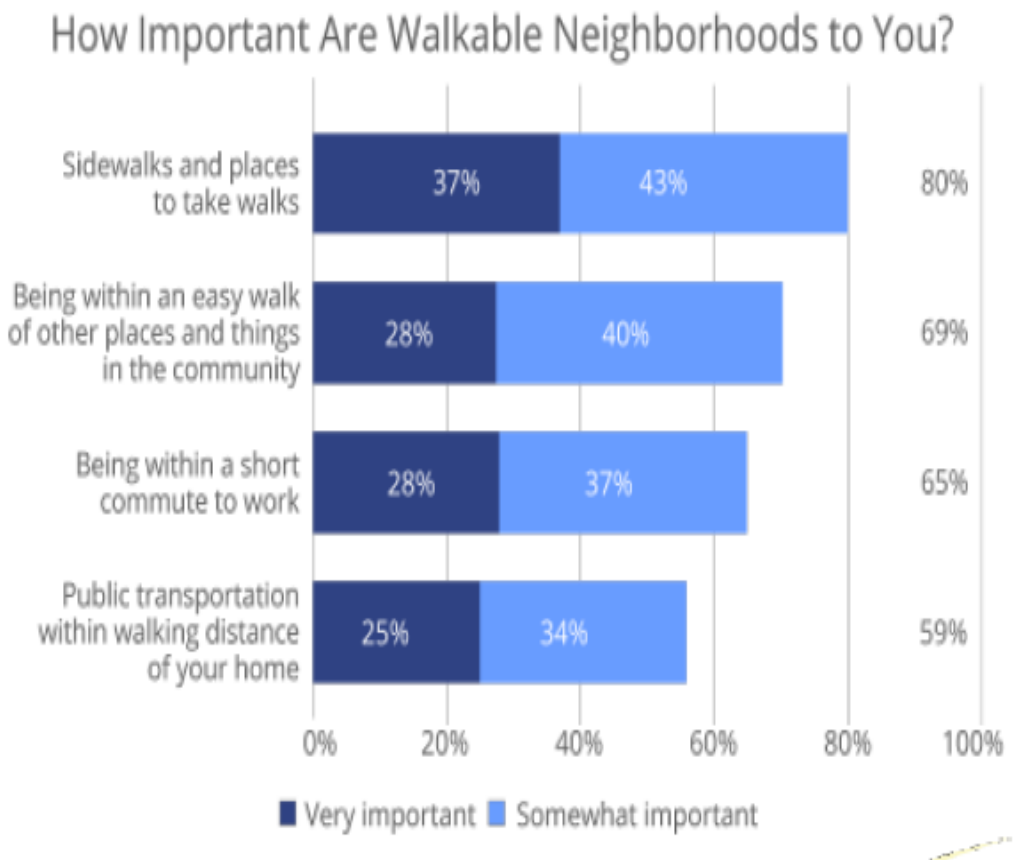


Table 6.
Trading Off Housing Attributes

PREFERENCE TRADEOFF QUESTION	US	TEXAS
Please select the community where you would prefer to live:		
Smaller house/lot, shorter commute	**59%**	**56%**
Larger house/lot, longer commute	39%	42%
Please select the community where you would prefer to live:		
Mix of houses/businesses easy to walk	**58%**	**57%**
Houses only, drive to businesses	40%	42%
Please select the community where you would prefer to live:		
Apartment/townhouse, easy walk	38%	35%
Single family house, drive	**59%**	**63%**
Source: Table 2.8 in CAPCOG, from NAR 2011.		

Generational divide in Texas in housing preferences

Table 4.
Willingness to Live in Smart Growth Communities, US and Texas

	WANT TO LIVE IN SMART GROWTH COMMUNITIES	
Group	US	Texas
All	47%	48%
Age		
18-34	51%	52%
35-54	45%	48%
55-69	47%	39%
70+	56%	40%
Income		
Low income	45%	48%
Mid income	41%	47%
High income	39%	47%
Household type		
Single HH	48%	54%
HH with children	46%	40%
No children in HH	46%	49%

Source: Porter Novelli, reported in CAPCOG, 2012. Percentages indicate sum of respondents who "would somewhat support" through "would definitely support"

Central Texans: Evidence suggests interest but also cost concerns

Group	Would you move closer to work if you could?
All	48%
18-34	65%
35-64	44%
55-69	31%
Very low income (<$40k)	70%
Low income (<$60k)	56%
Mid or high income	43%
Single person HH	53%
HH w/ children	51%
No children in HH	48%

- A majority of *households with children* would move closer to their central Austin workplace if they could
- Open ended responses express frustration with choices

More likely to move if…

Table 9.

Neighborhood Features desired by Movers

WHAT IMPACT WOULD THE FOLLOWING FACTORS HAVE ON YOUR DECISION TO MOVE?	MORE LIKELY TO MOVE
If new neighborhood…	
Included stores and services that you use routinely (banks, grocery stores, pharmacies, neighborhood eateries).	94%
Was in walking distance to public transportation.	80%
(If you have children) Had bike paths or sidewalks safe for children.	77%
Included a good public school.	62%
Note: Includes "more likely" and "much more likely" responses.	

Table 10.

Housing characteristics desired by movers

WHAT IMPACT WOULD THE FOLLOWING FACTORS HAVE ON YOUR DECISION TO MOVE?	MORE LIKELY TO MOVE
If your new neighborhood…	
Allowed you to live in a single family home.	94%
Allowed you to have a private yard.	91%
Had a mix of types of housing.	54%
Included both owners and renters.	50%
Note: Includes "more likely" and "much more likely" responses.	

Take aways

- Regional demographics show rise in groups that will have more trouble buying homes, will value central locations but also price
- Preference for access but also for SF homes…
- Aging population also needs smaller homes, MF options in central locations.

- Need for high quality public spaces to support family households and to improve neighborhood conditions

- *Can we provide more housing for a wider array of households in central neighborhoods?*
- *Can transit access and rental income help new owners make ends meet?*