Framing the Workforce Housing Discussion

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June 2018

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Demographics

119 million households

- 34.3 million have incomes between 60 and 120 percent of AMI

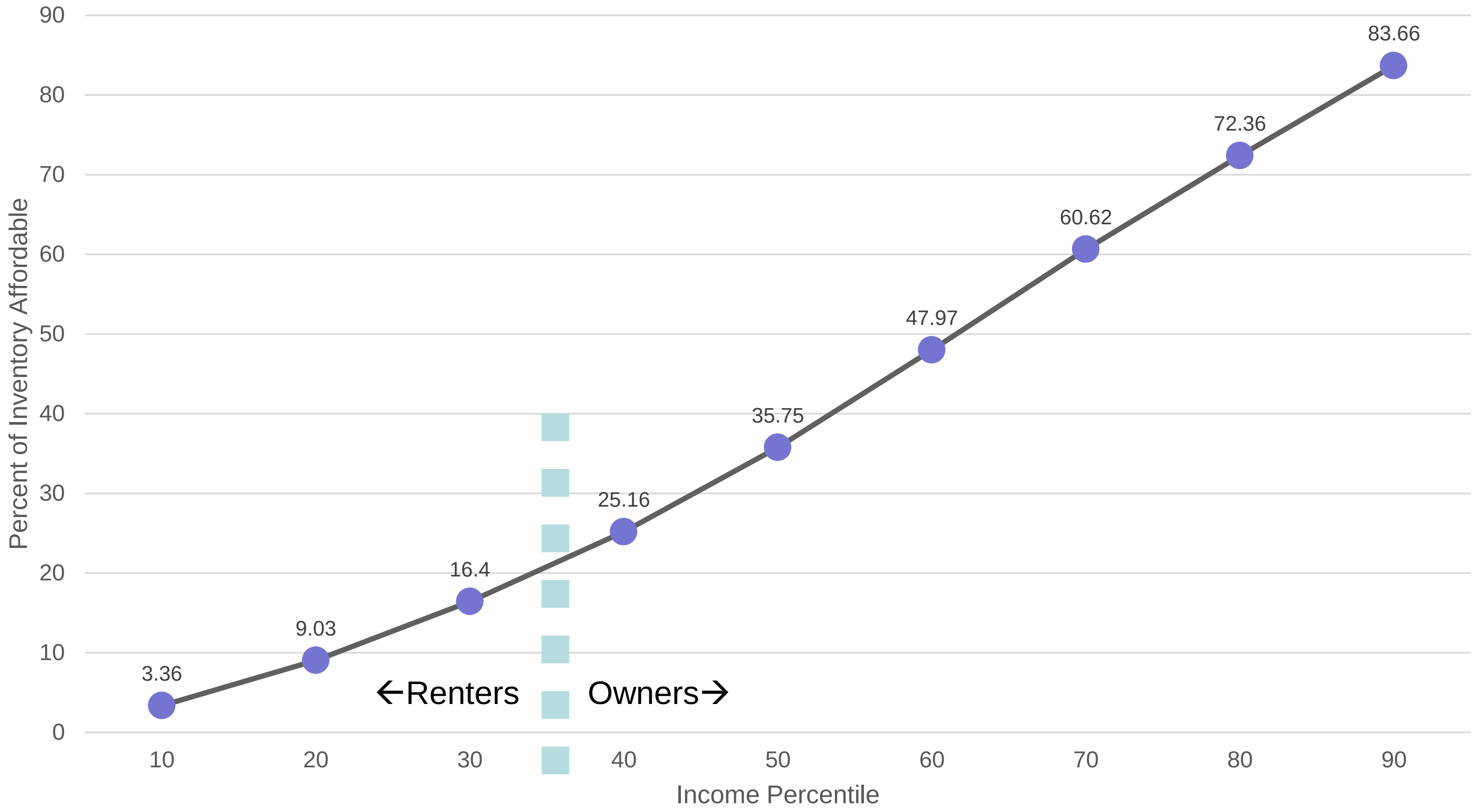
44 million renters

- 21 million <=60 AMI
- 10 million >120 AMI

13 million "workforce" renters

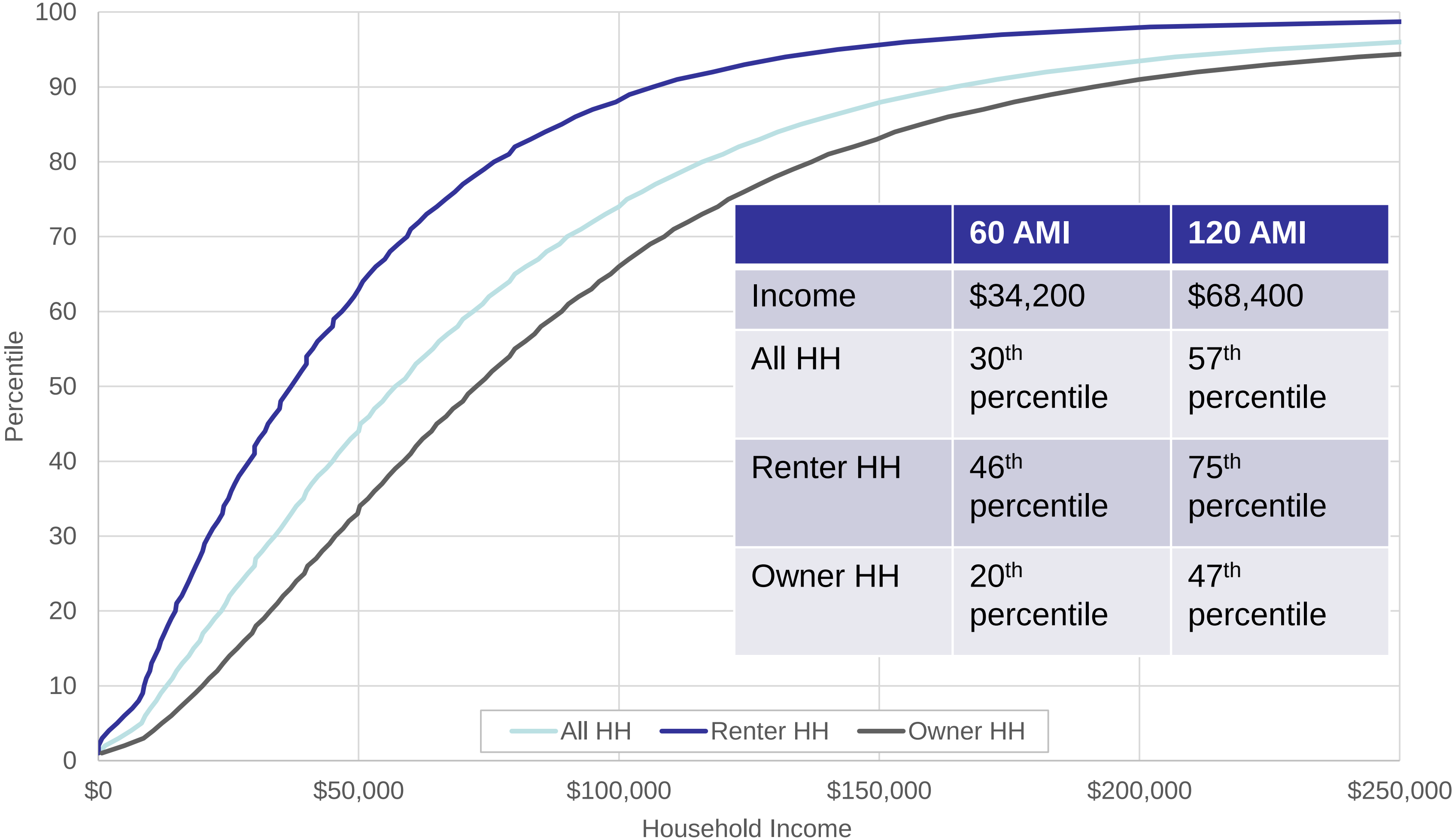
Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

Tenure Options and Affordability



Source: National Association of Realtors; Housing Vacancy Survey

Income Percentiles by Tenure



	60 AMI	120 AMI
Income	$34,200	$68,400
All HH	30th percentile	57th percentile
Renter HH	46th percentile	75th percentile
Owner HH	20th percentile	47th percentile

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

Where do Workforce Renters Live Affordably?

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	All Workforce Renters
Single Family	3,417,000	1,388,000	200,000	5,004,000
2-4 family building	1,808,000	500,000	38,000	2,346,000
5-9 family building	1,146,000	343,000	27,000	1,516,000
10-19 family building	1,087,000	400,000	29,000	1,516,000
20-49 family building	718,000	286,000	44,000	1,048,000
50+ family building	737,000	414,000	128,000	1,278,000
Other	545,000	67,000	3,000	615,000
Total	9,458,000	3,398,000	469,000	13,325,000

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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Workforce Renter Cost Burdens

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	Total Renter Households	% Moderately Burdened	% Severely Burdened
60-80% AMI	3,065,000	1,985,000	313,000	5,363,000	37.0%	5.8%
80-120% AMI	6,393,000	1,413,000	156,000	7,962,000	17.7%	2.0%
All Workforce	9,458,000	3,398,000	469,000	13,325,000	25.5%	3.5%
60-80% share of all workforce	32.4%	58.4%	66.7%	40.2%		

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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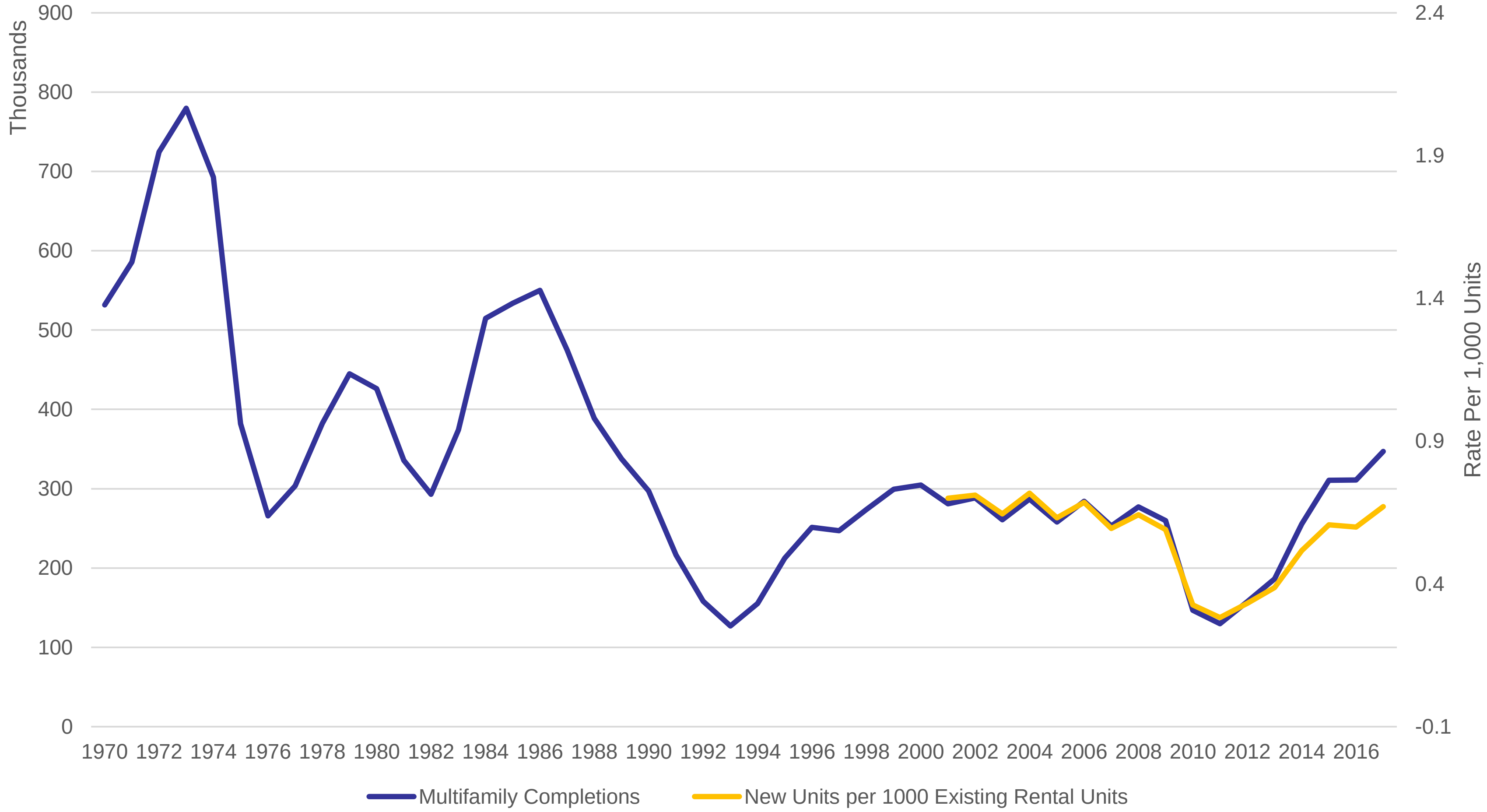
Multifamily Construction



Source: Census Bureau, New Residential Construction and Housing Vacancies Surveys

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Construction Skewed to High End of Market

Zillow Metropolitan Area	Zillow Rent Index (ZRI) among Low-End Apartments	Low-End ZRI YoY Change	ZRI Among High-End Apartments	High-End ZRI YoY Change	Overall Multifamily Rental Market ZRI	Overall Multifamily Rental Market ZRI YoY Change	Percent of New Construction in Low-End Since 2014	Percent of New Construction in High-End Since 2014
Los Angeles-Long Beach-Anaheim, CA	$2,029	27.50%	$3,176	20.80%	$2,370	6.70%	17.20%	53.50%
Chicago, IL	$1,155	6.40%	$1,947	-1.00%	$1,580	1.00%	8.50%	79.20%
Dallas-Fort Worth, TX	$1,020	16.30%	$1,712	8.00%	$1,324	5.50%	11.20%	63.50%
Philadelphia, PA	$1,102	17.90%	$1,792	6.70%	$1,234	3.00%	14.20%	68.90%
Washington, DC	$1,551	7.70%	$3,229	25.70%	$1,904	1.00%	13.30%	55.70%
Miami-Fort Lauderdale, FL	$1,482	14.20%	$2,367	6.30%	$1,626	5.30%	10.70%	69.40%
Boston, MA	$1,908	17.30%	$2,684	-1.00%	$2,178	3.90%	16.80%	68.40%
San Francisco, CA	$2,456	24.60%	$5,944	29.30%	$3,026	9.20%	n/a	56.30%
Seattle, WA	$1,263	13.70%	$2,409	20.80%	$1,763	8.70%	7.40%	65.40%
San Diego, CA	$1,754	21.70%	$2,992	21.90%	$2,101	6.10%	11.20%	64.20%
St. Louis, MO	$693	5.50%	$1,059	8.10%	$936	0.40%	25.30%	61.60%
Tampa, FL	$934	13.10%	$1,513	16.60%	$1,196	5.70%	n/a	93.10%
Denver, CO	$1,164	8.60%	$2,060	13.90%	$1,604	6.50%	6.60%	60.00%
Charlotte, NC	$868	12.00%	$1,535	14.00%	$1,195	3.40%	4.20%	71.30%
Sacramento, CA	$1,186	32.70%	$1,946	28.40%	$1,350	7.40%	n/a	n/a

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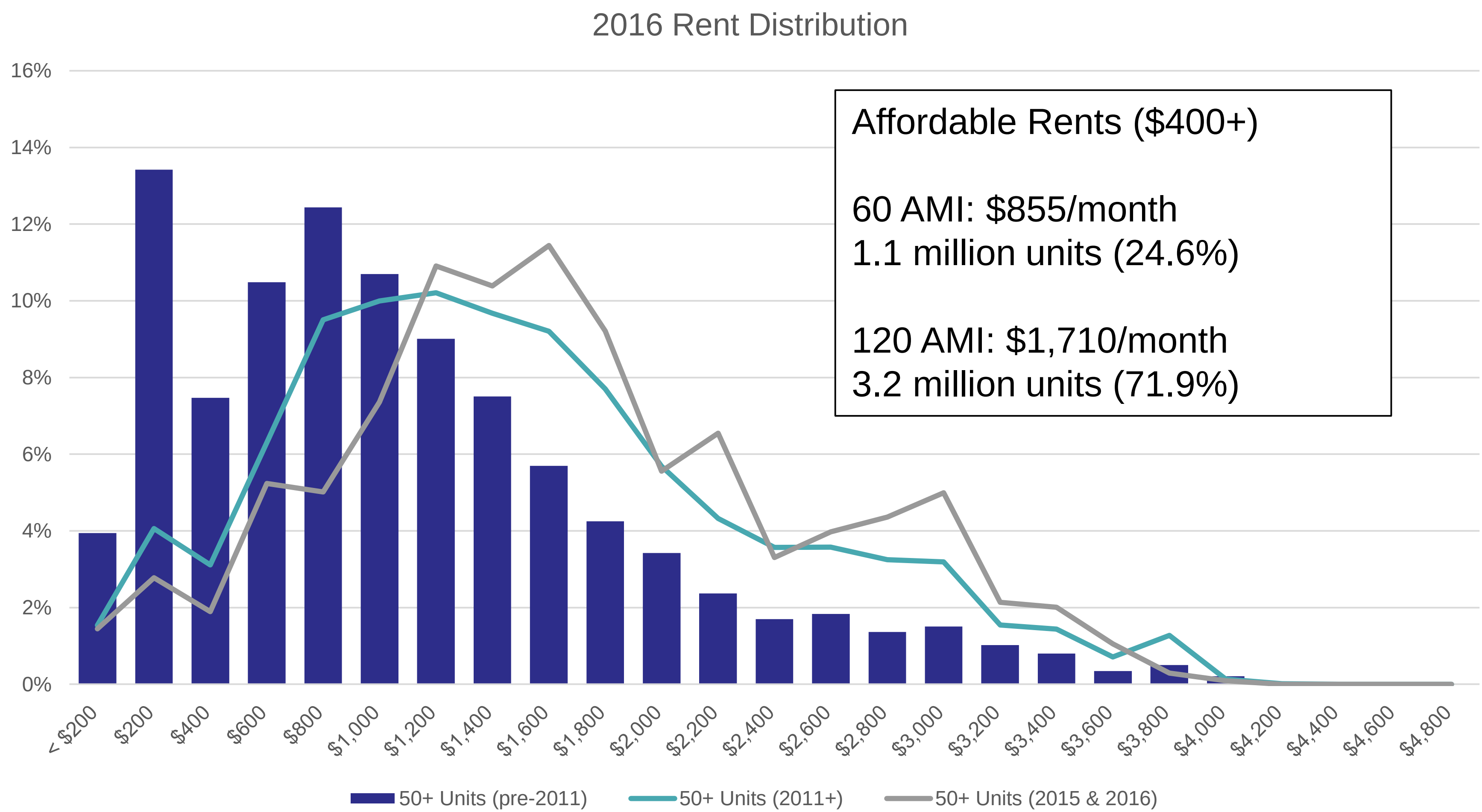
Large Multifamily Rents by Year Built



Affordable Rents ($400+)

60 AMI: $855/month
1.1 million units (24.6%)

120 AMI: $1,710/month
3.2 million units (71.9%)

Source: Calculations based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA

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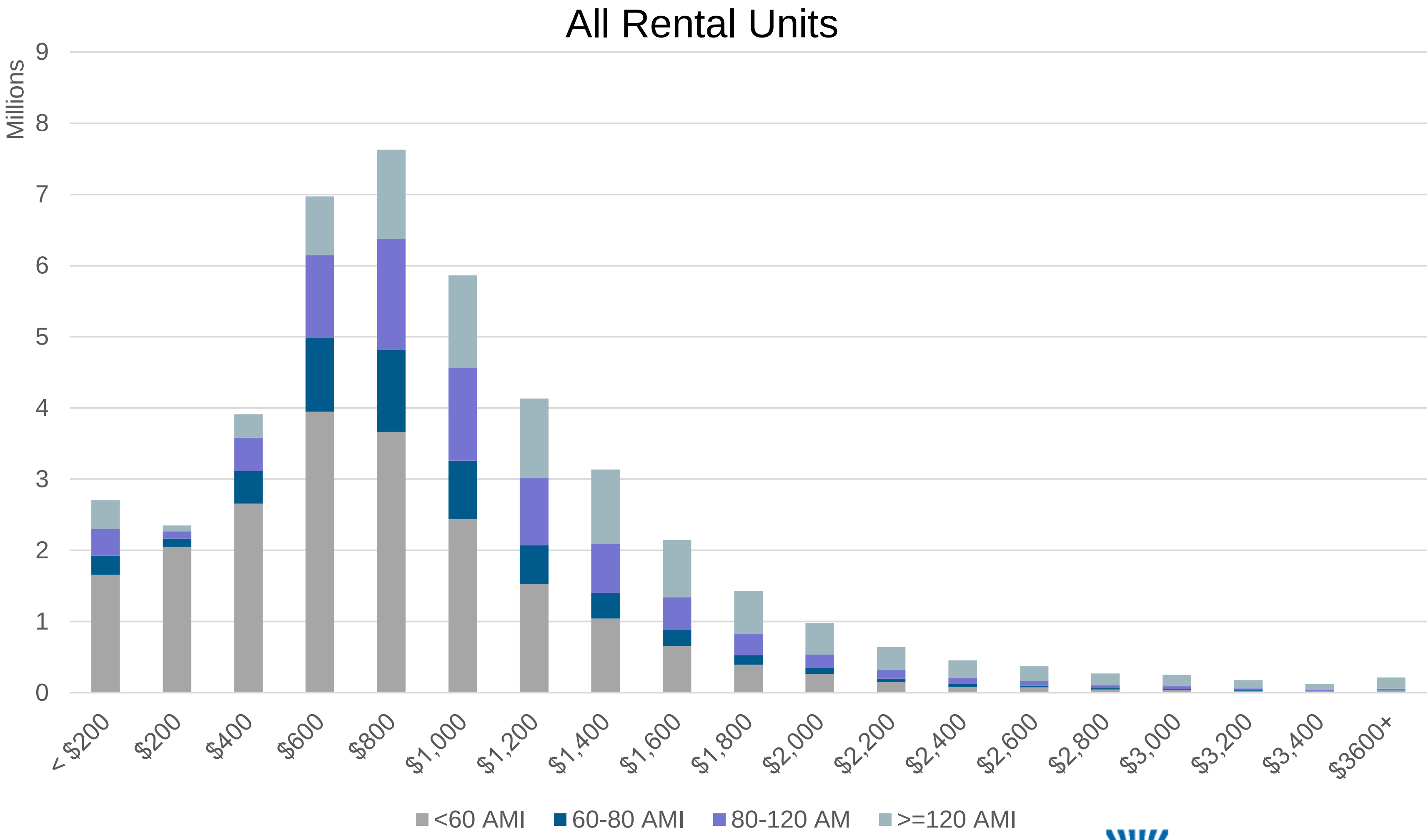
Renter Incomes by Gross Rent



Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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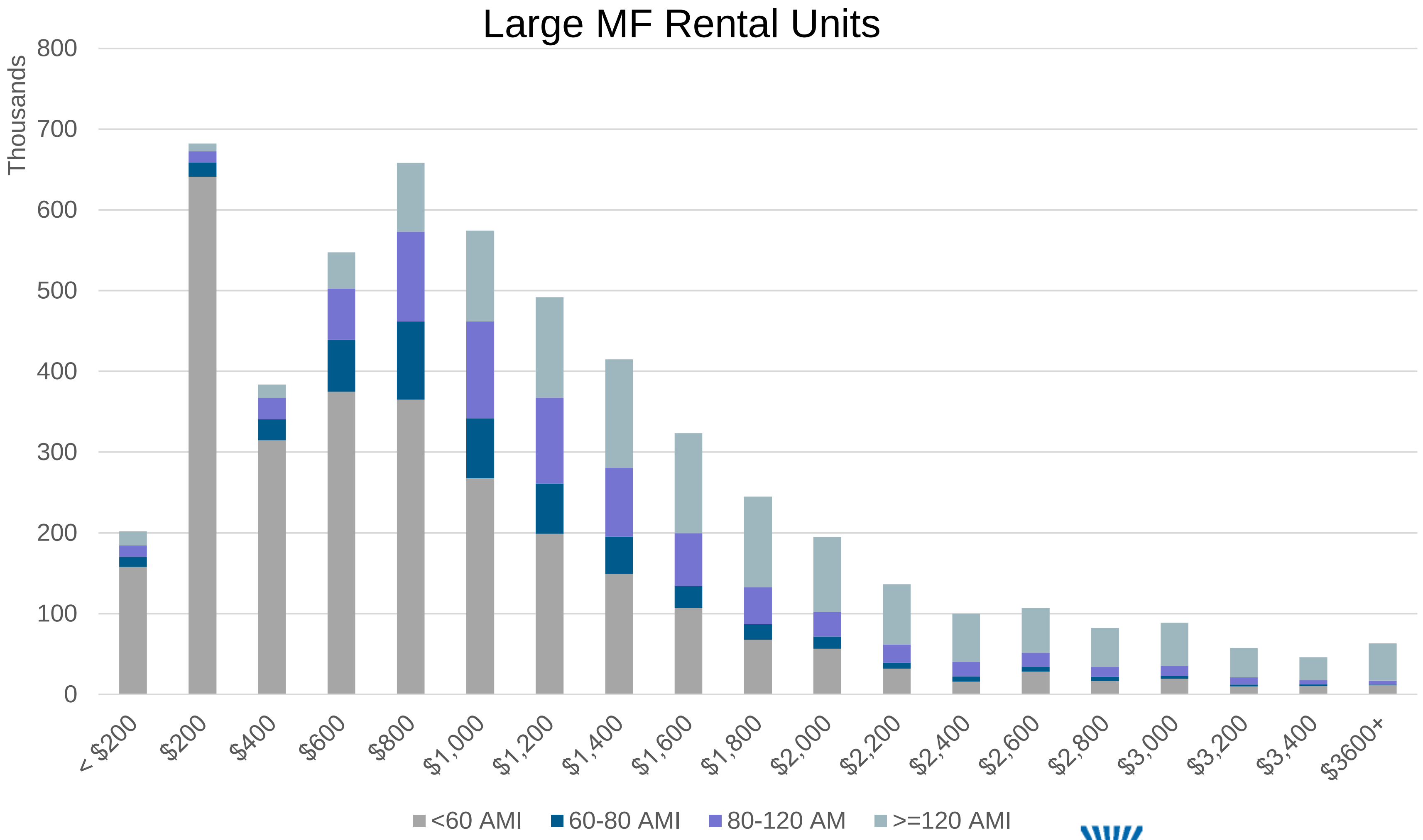

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

Where do Workforce Renters Live?

All Rental Units	60 AMI and below	Workforce	Over 120 AMI	Total
1939 or earlier	15%	13%	13%	13%
1940-1949	6%	5%	5%	4%
1950-1959	10%	10%	9%	8%
1960-1969	12%	11%	11%	10%
1970-1979	18%	17%	17%	14%
1980-1989	14%	15%	15%	14%
1990-1999	12%	13%	14%	14%
2000-2009	9%	11%	12%	16%
2010-	4%	4%	4%	7%

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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Where do Workforce Renters Find Affordability?

All Rental Housing by Year Built

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	Workforce Renters Total
1939 or earlier	14%	10%	10%	13%
1940-1949	6%	4%	3%	5%
1950-1959	10%	8%	7%	10%
1960-1969	12%	10%	7%	11%
1970-1979	18%	15%	11%	17%
1980-1989	15%	16%	15%	15%
1990-1999	13%	15%	17%	13%
2000-2009	9%	15%	22%	11%
2010-	3%	6%	8%	4%

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

Where do Workforce Renters Find Affordability?

Large Multifamily (50+) Rental Housing by Year Built

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	Workforce Renters Total
1939 or earlier	11%	7%	7%	9%
1940-1949	3%	2%	1%	3%
1950-1959	8%	5%	5%	7%
1960-1969	14%	10%	5%	12%
1970-1979	19%	14%	9%	16%
1980-1989	14%	15%	17%	15%
1990-1999	13%	15%	19%	14%
2000-2009	11%	19%	23%	15%
2010-	6%	14%	13%	9%

Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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Where do Workforce Renters Find Affordability?

Small and Medium-Sized Multifamily (5-49 units) Housing by Year Built

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	Workforce Renters Total
1939 or earlier	9%	8%	13%	9%
1940-1949	3%	2%	3%	3%
1950-1959	6%	4%	4%	5%
1960-1969	12%	9%	8%	11%
1970-1979	22%	16%	13%	20%
1980-1989	19%	19%	12%	19%
1990-1999	15%	18%	18%	16%
2000-2009	10%	16%	20%	12%
2010-	4%	8%	9%	5%

Note: We typically define SMMF as 2-49 unit properties, but because 2-4 unit buildings are financed as single family, for the purpose of these tables, we have included 2-4 unit buildings in the single family chart.
Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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Where do Workforce Renters Find Affordability?

“Single Family” (1-4 units) Housing by Year Built

	Not Cost Burdened	Moderately Cost Burdened	Severely Cost Burdened	Workforce Renters Total
1939 or earlier	19%	12%	11%	17%
1940-1949	8%	6%	4%	7%
1950-1959	14%	11%	10%	13%
1960-1969	13%	11%	7%	12%
1970-1979	16%	15%	12%	15%
1980-1989	11%	14%	14%	12%
1990-1999	9%	13%	15%	10%
2000-2009	8%	14%	22%	10%
2010-	2%	3%	5%	2%

Note: We typically define SMMF as 2-49 unit properties, but because 2-4 unit buildings are financed as single family, for the purpose of these tables, we have included 2-4 unit buildings in the single family chart.
Source: Calculation based on 2016 American Community Survey 1-Year Sample, as provided by IPUMS-USA, and HUD 2016 income limits

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Challenges in Providing Greater Affordability

- New Construction:
  - Regulations (zoning process/fees, code changes, additional development requirements)
  - Increasing costs of materials
    - Steel +7.8%, cement +4.6%, lumber/plywood +11.1% in 2017
  - Limited labor supply
    - Still more than 10% below 2006 peak
- Preservation:
  - Hard to rehab while maintaining affordability
    - Acquisitions have gotten more expensive
    - Upgrades to housing quality (adding $15-$25k/unit)
      - New building systems, in-unit improvements
  - Comes at cost of needing to turn over units to do the work and raise rents to pay for it

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