TERNER CENTER FOR HOUSING INNOVATION

UC BERKELEY

SEPTEMBER, 2015

HOUSING HIGHLIGHTS FROM THE 2014 ACS

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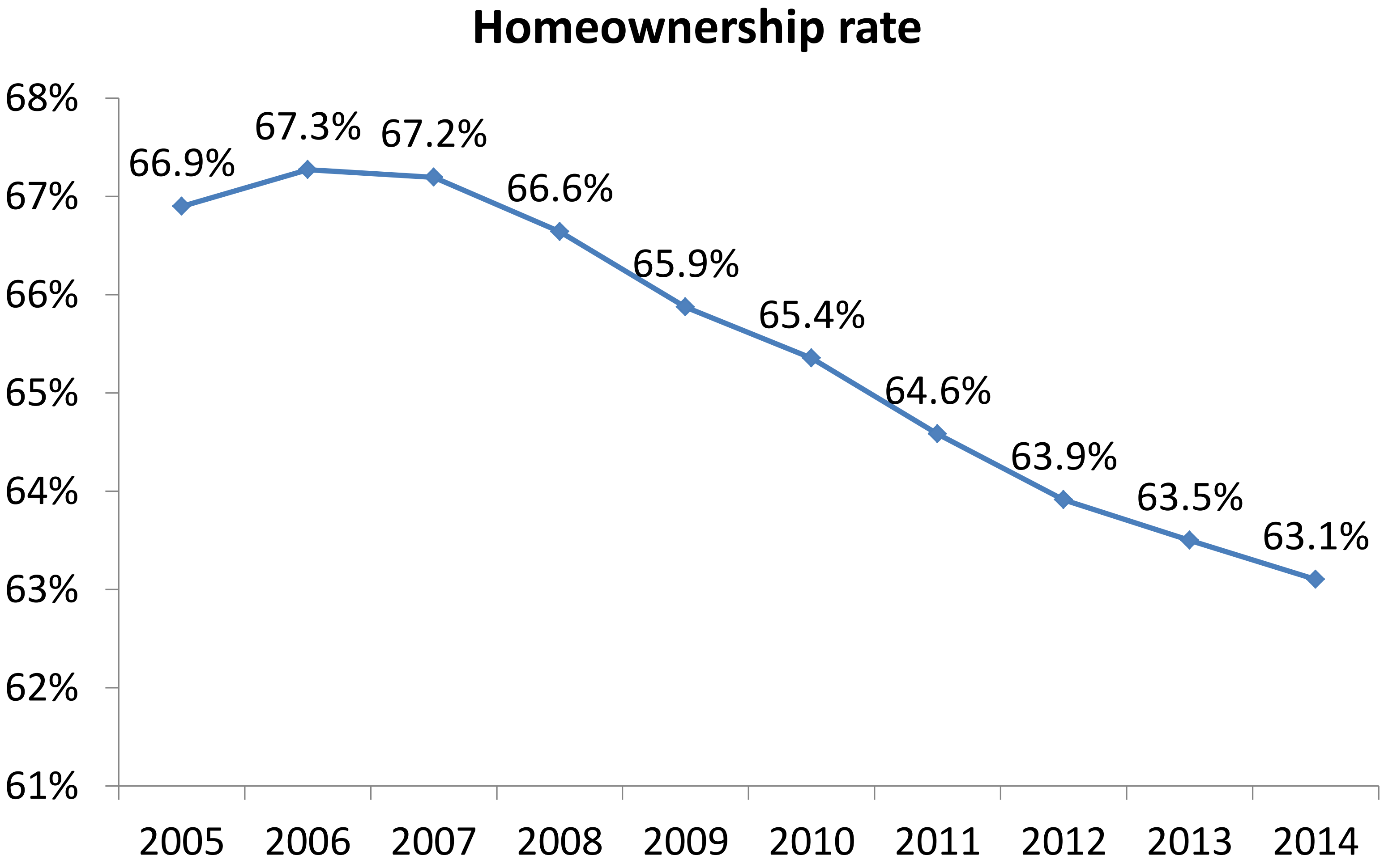
Housing highlights from the 2014 ACS

1. **Homeownership and household formation**
2. Housing costs
3. Vacancy rates
4. Appendix: ACS vs HVS
5. About the data

The homeownership rate continues to slide



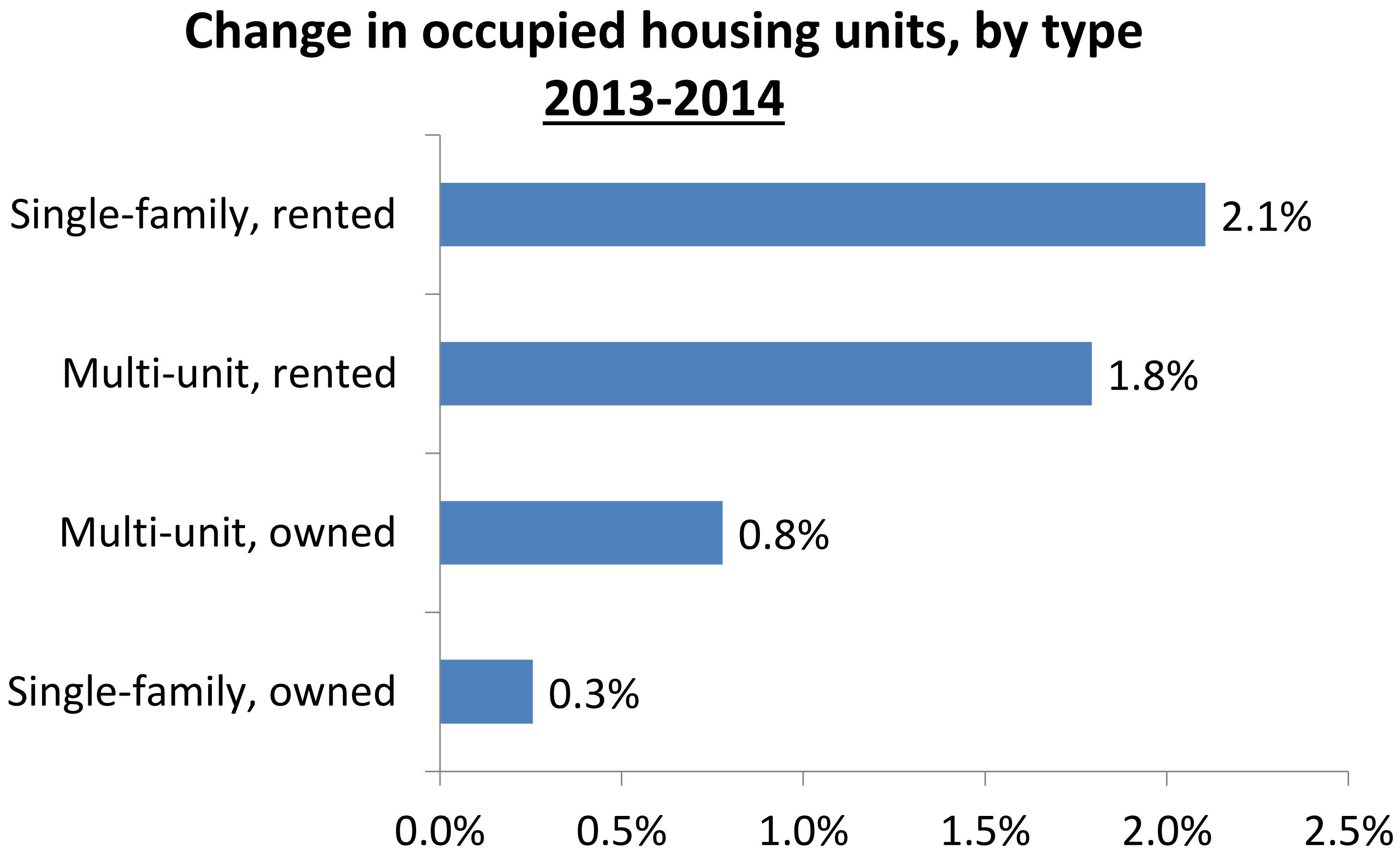
Homeownership higher in Midwest, lower in big coastal metros

Homeownership rate, 2014, large metros		
HIGHEST		
1	Minneapolis-St. Paul-Bloomington, MN-WI	69.9%
2	Pittsburgh, PA	69.3%
3	St. Louis, MO-IL	68.7%
4	Detroit-Warren-Dearborn, MI	68.0%
5	Birmingham-Hoover, AL	67.5%
LOWEST		
1	Los Angeles-Long Beach-Anaheim, CA	48.3%
2	Las Vegas-Henderson-Paradise, NV	50.3%
3	New York-Newark-Jersey City, NY-NJ-PA	50.7%
4	San Diego-Carlsbad, CA	52.2%
5	San Francisco-Oakland-Hayward, CA	53.2%

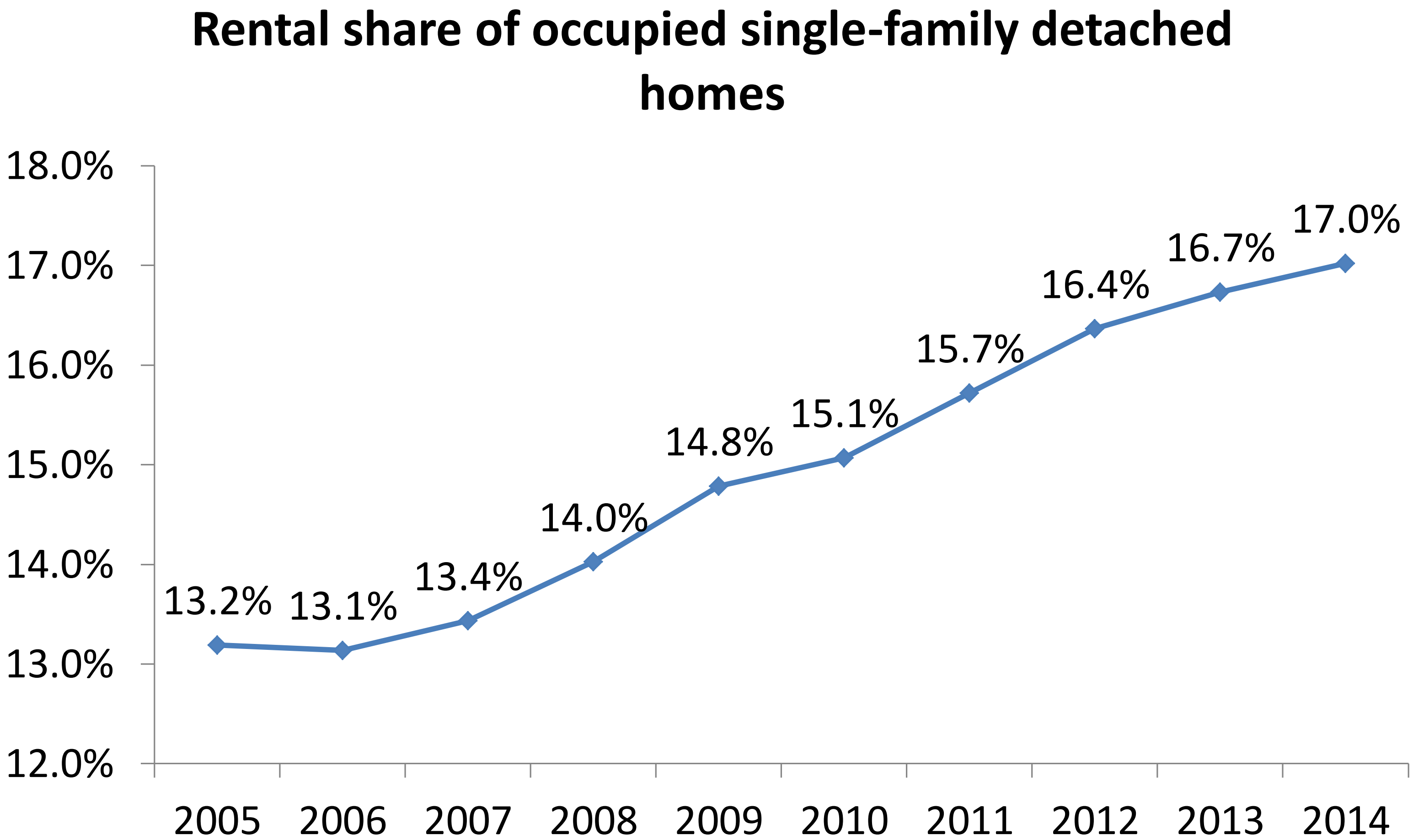
All growth in occupied housing units since 2006 has been in rentals

	2006 (millions)	2014 (millions)	Change, 2006-2014 (millions)	Change, 2006-2014 (%)
Single-family owner-occupied	65.5	65.2	-0.3	-0.4%
Single-family renter-occupied	11.3	15.2	+3.9	+34%
Multi-unit owner-occupied	4.2	4.0	-0.2	-6%
Multi-unit renter-occupied	23.4	26.1	+2.7	+12%
All occupied housing units (includes other housing types)	111.6	117.3	+5.6	+5%

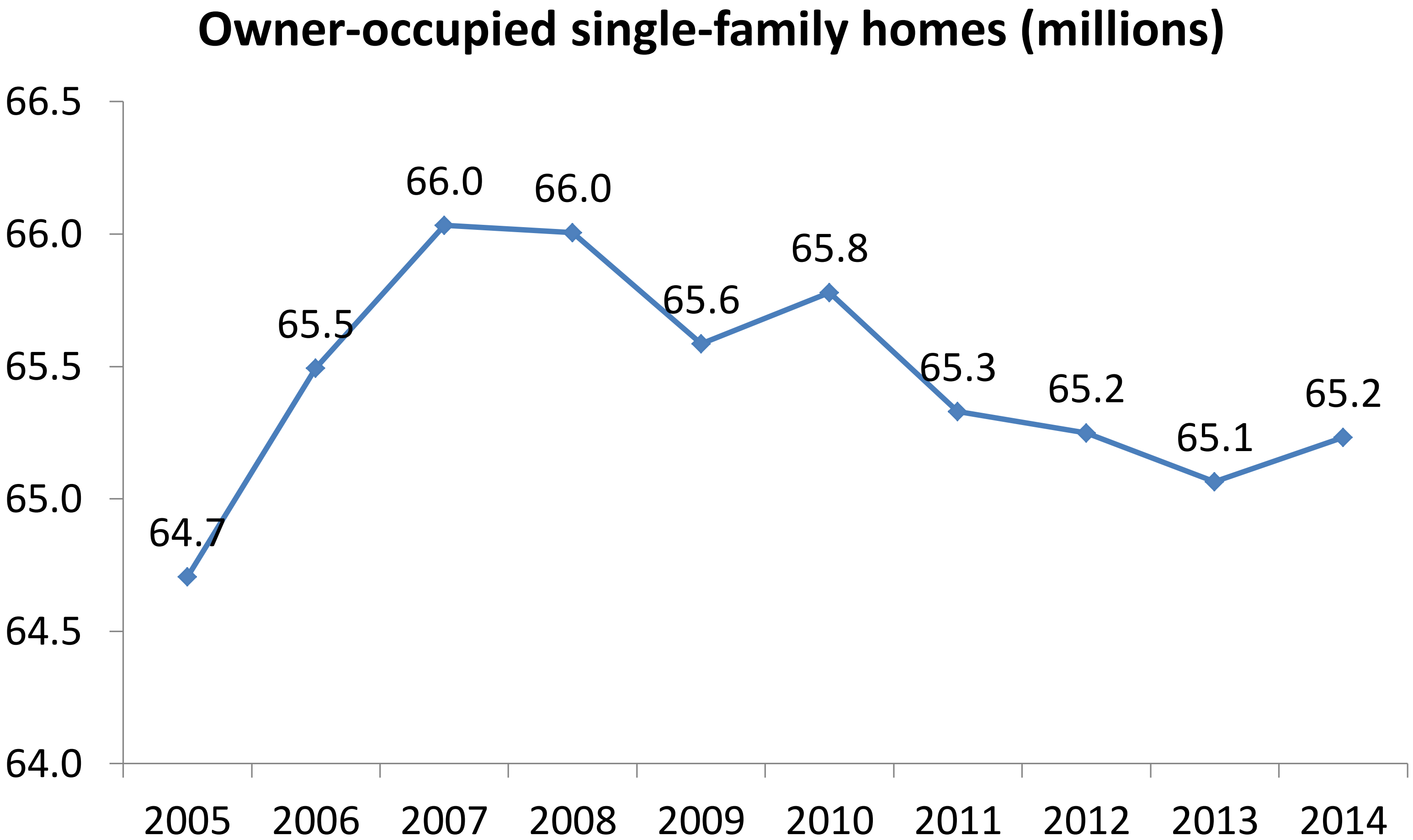
In past year, more of all housing types; but single-family rentals still lead



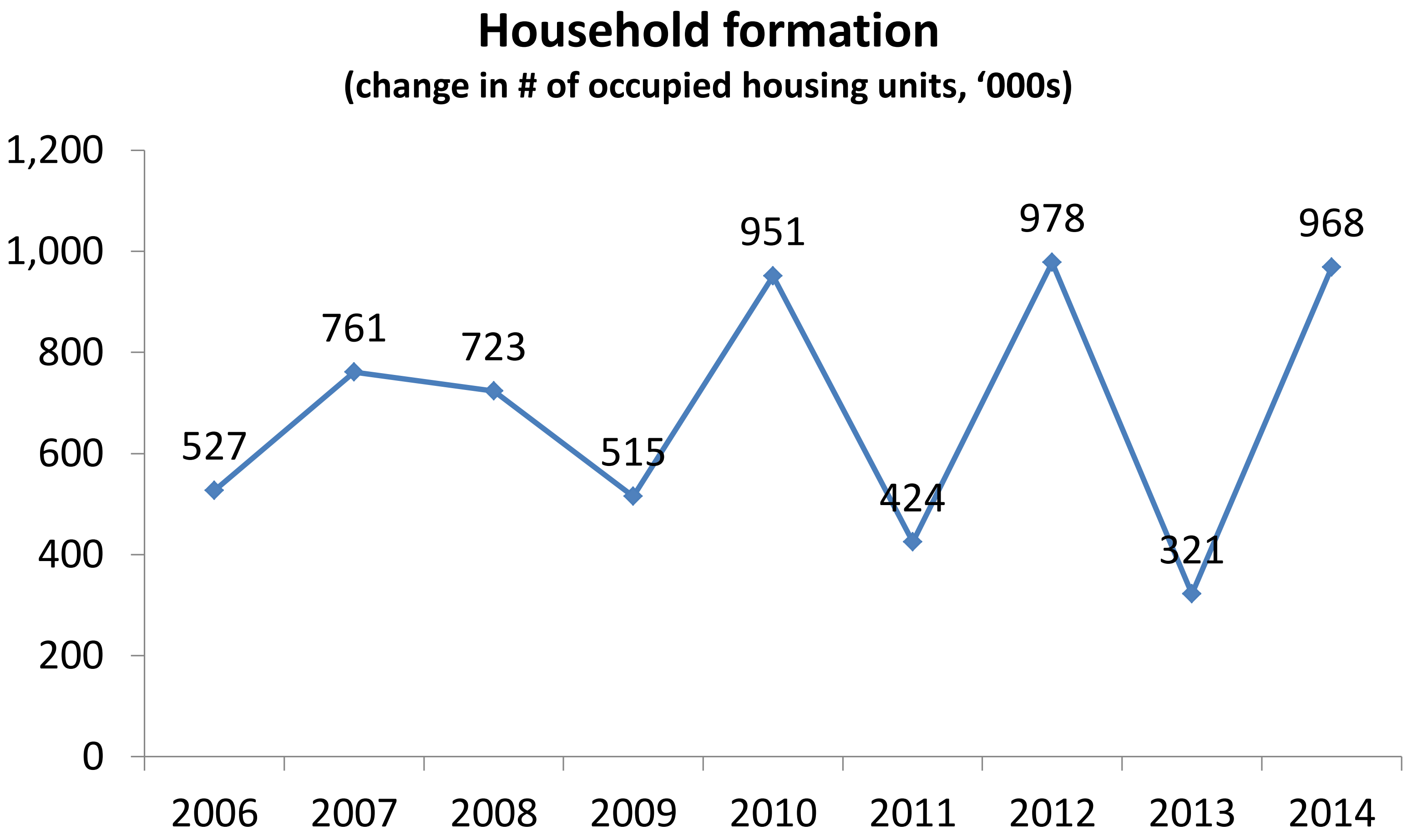
No slowdown in single-family rentals



Finally, after several years, an increase in owner-occupied single-family homes



Household formation volatile but remains consistently below 1.2m “normal” level



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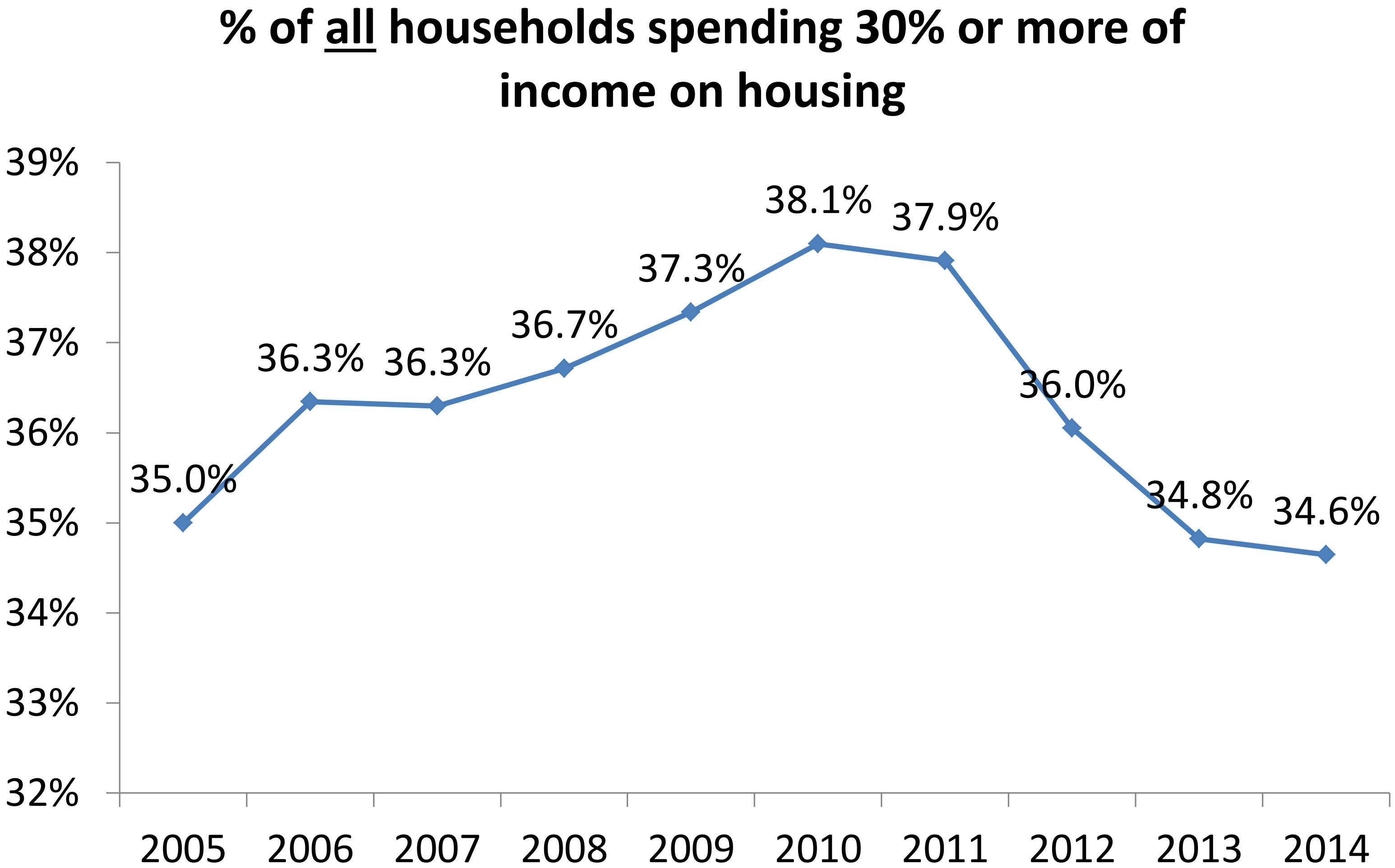
Overall housing cost burden at post-bubble low

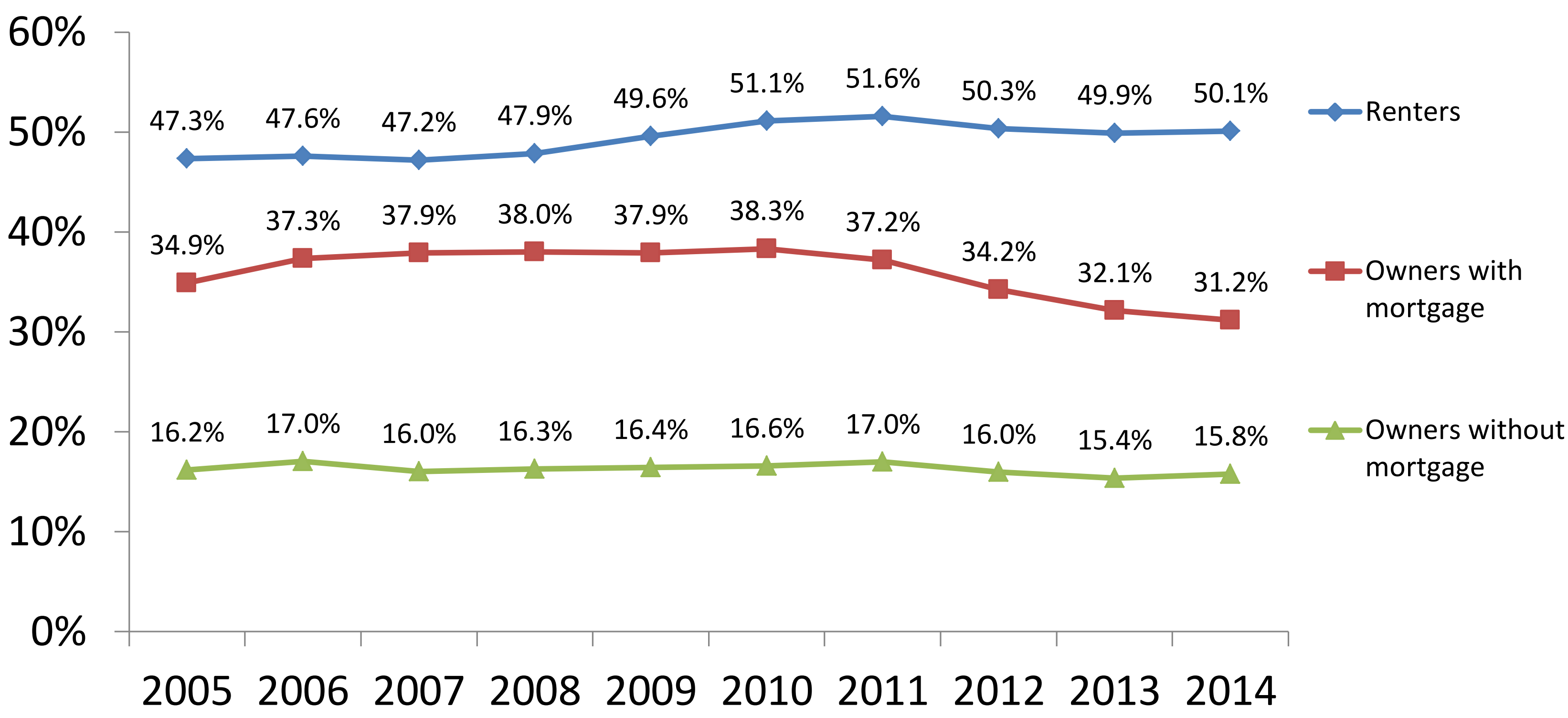


Almost half of LA & Miami households are cost-burdened

% of households spending 30%+ of income on housing, 2014, large metros		
HIGHEST		
1	Los Angeles-Long Beach-Anaheim, CA	48.4%
2	Miami-Fort Lauderdale-West Palm Beach, FL	47.0%
3	San Diego-Carlsbad, CA	45.8%
4	New York-Newark-Jersey City, NY-NJ-PA	45.8%
5	Riverside-San Bernardino-Ontario, CA	44.6%
LOWEST		
1	Pittsburgh, PA	26.8%
2	Oklahoma City, OK	28.4%
3	Louisville/Jefferson County, KY-IN	29.0%
4	Minneapolis-St. Paul-Bloomington, MN-WI	29.4%
5	Kansas City, MO-KS	29.8%

Lower mortgage rates have made owning less burdensome

% of households spending 30% or more of income on housing, by tenure & mortgage status



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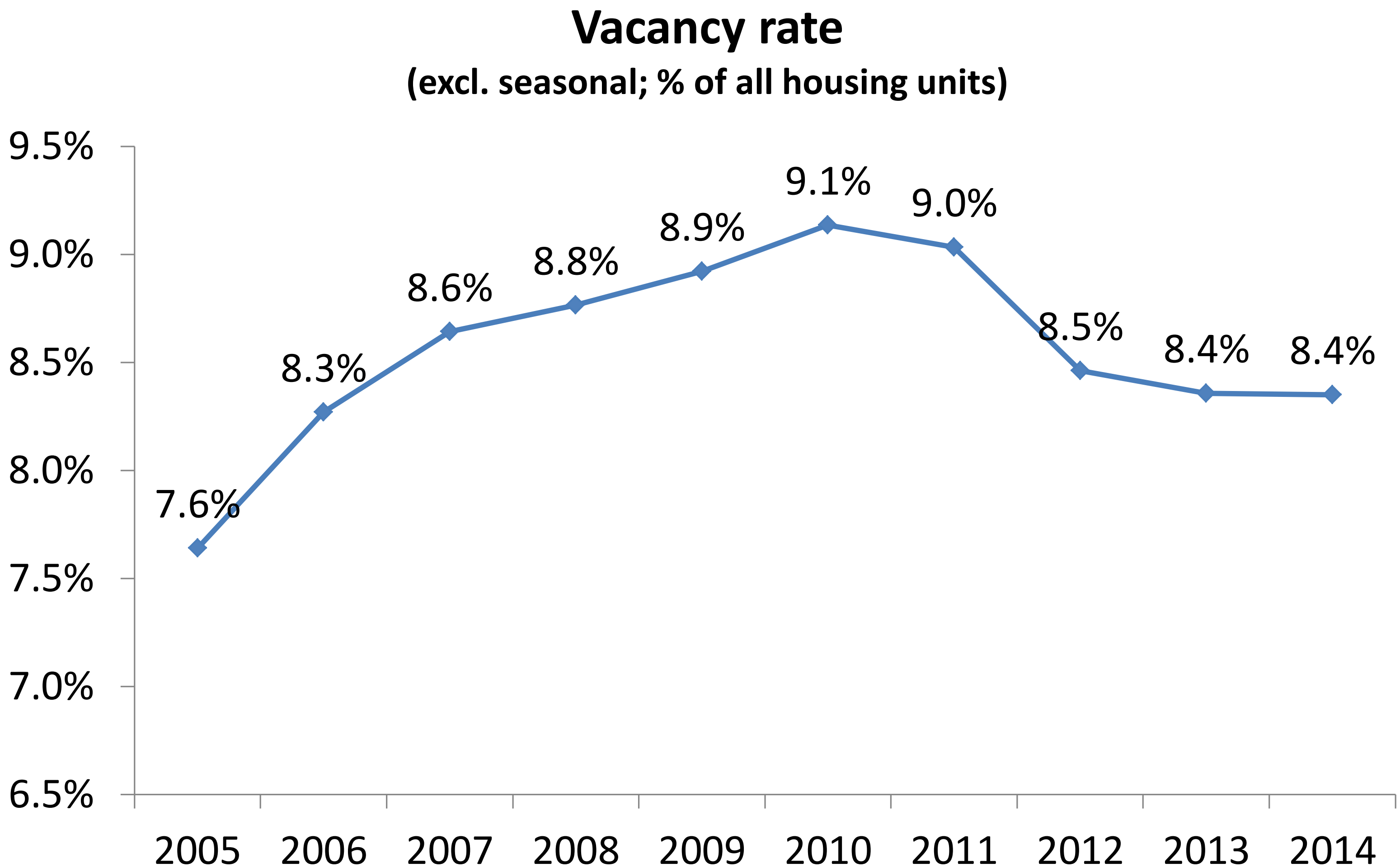
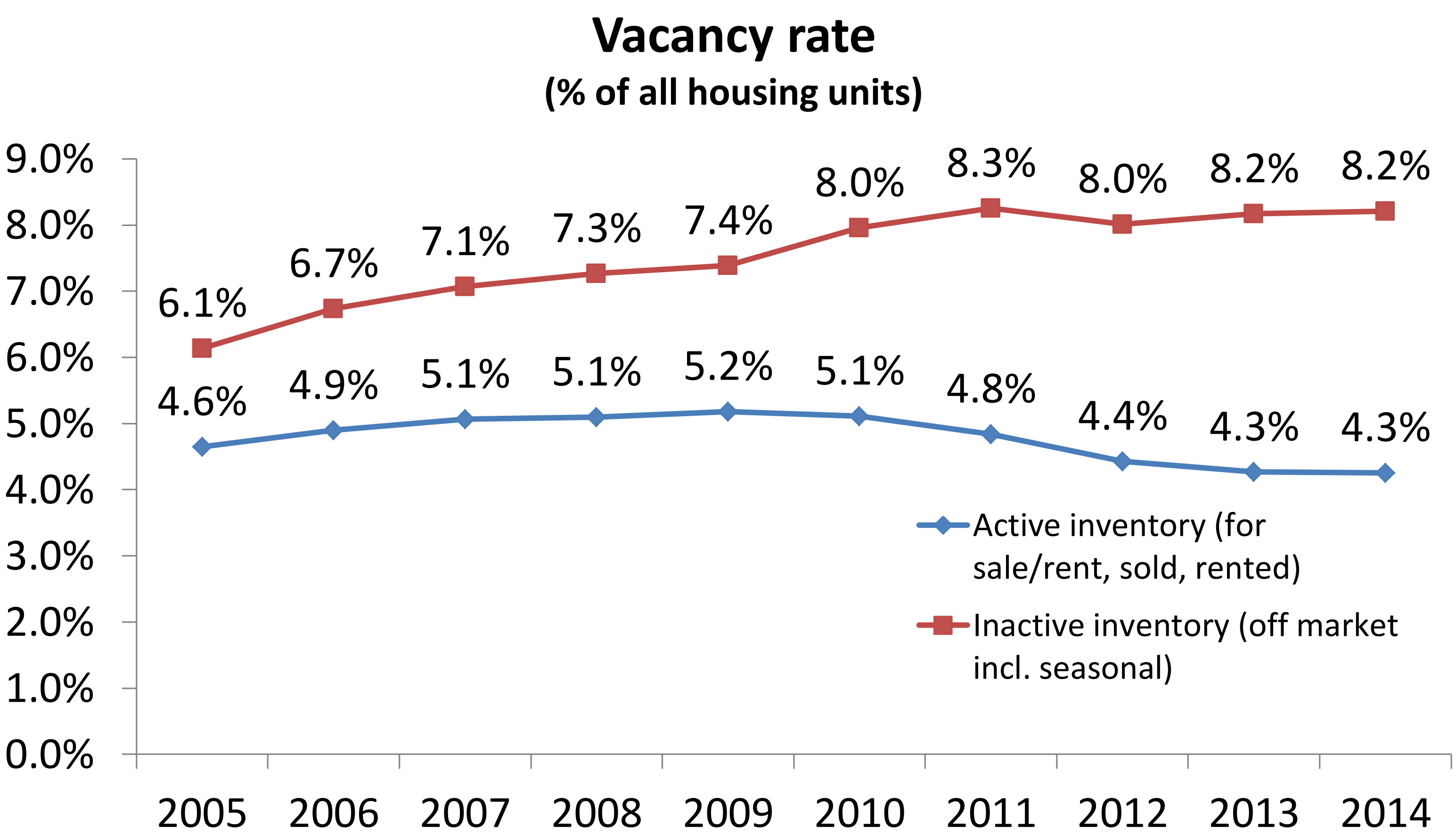
Despite below-normal construction activity, vacancy rate holds steady



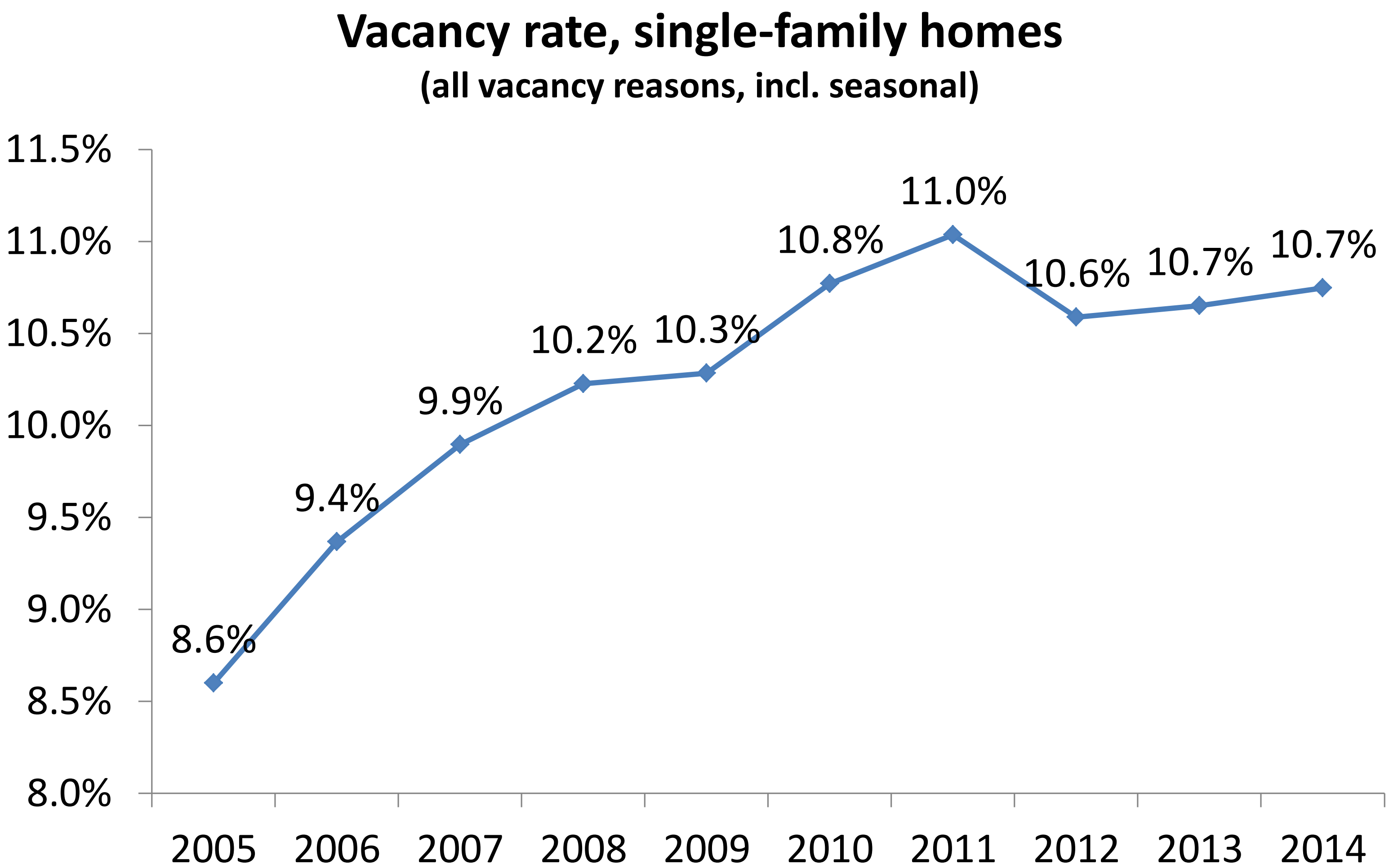
Vacancy rate high in slow-growing Detroit and fast-growing Vegas

Vacancy rate, excluding seasonal, 2014, large metros		
HIGHEST		
1	Birmingham-Hoover, AL	12.1%
2	Memphis, TN-MS-AR	11.9%
3	New Orleans-Metairie, LA	11.9%
4	Detroit-Warren-Dearborn, MI	11.3%
5	Las Vegas-Henderson-Paradise, NV	10.9%
LOWEST		
1	San Jose-Sunnyvale-Santa Clara, CA	3.8%
2	Denver-Aurora-Lakewood, CO	4.1%
3	Portland-Vancouver-Hillsboro, OR-WA	4.3%
4	Salt Lake City, UT	4.3%
5	Minneapolis-St. Paul-Bloomington, MN-WI	4.3%

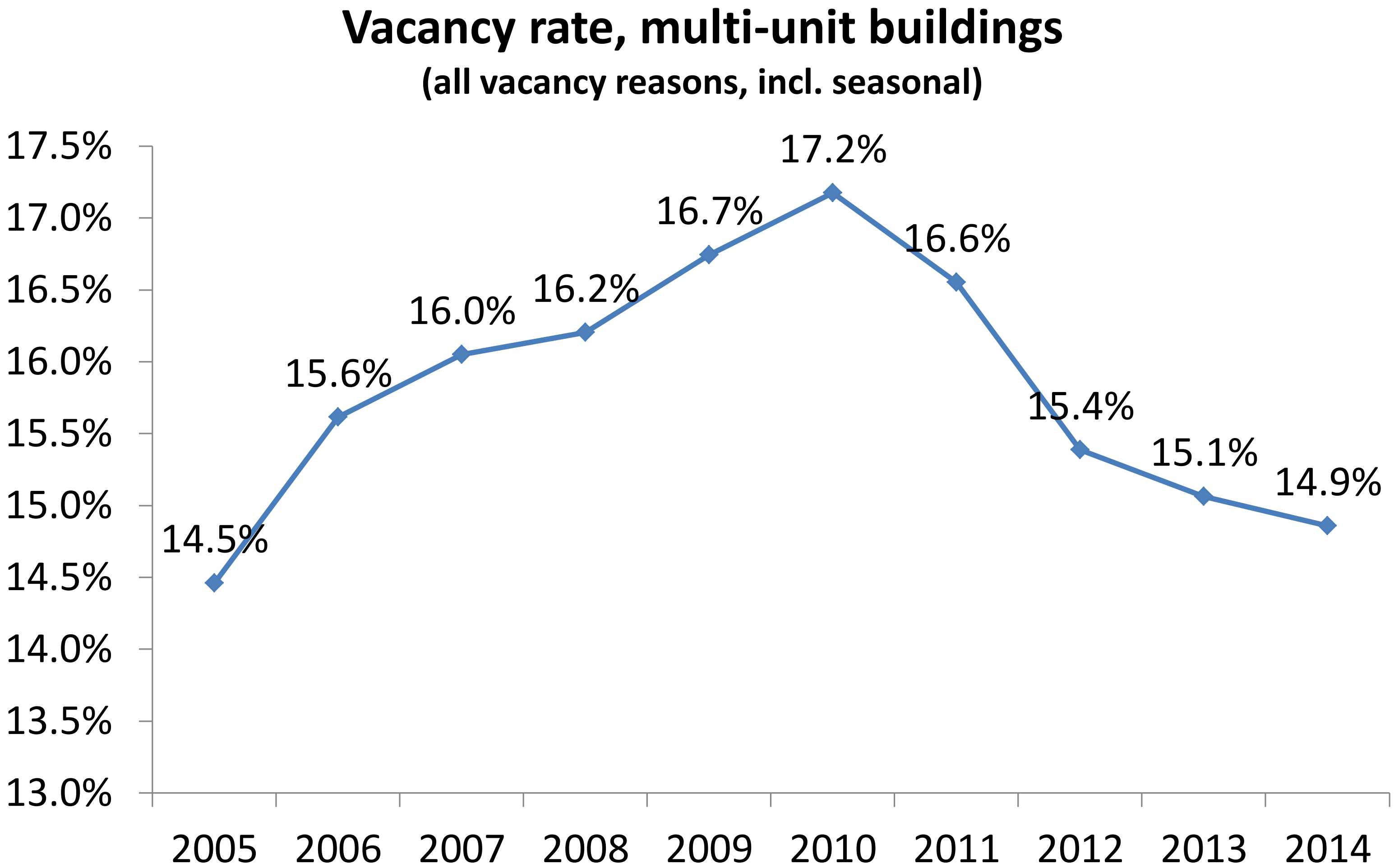
Active vacant inventory is low, while inactive vacant inventory remains high



Single-family vacancies are elevated and inching upward



Multi-unit vacancies down below 2006 level



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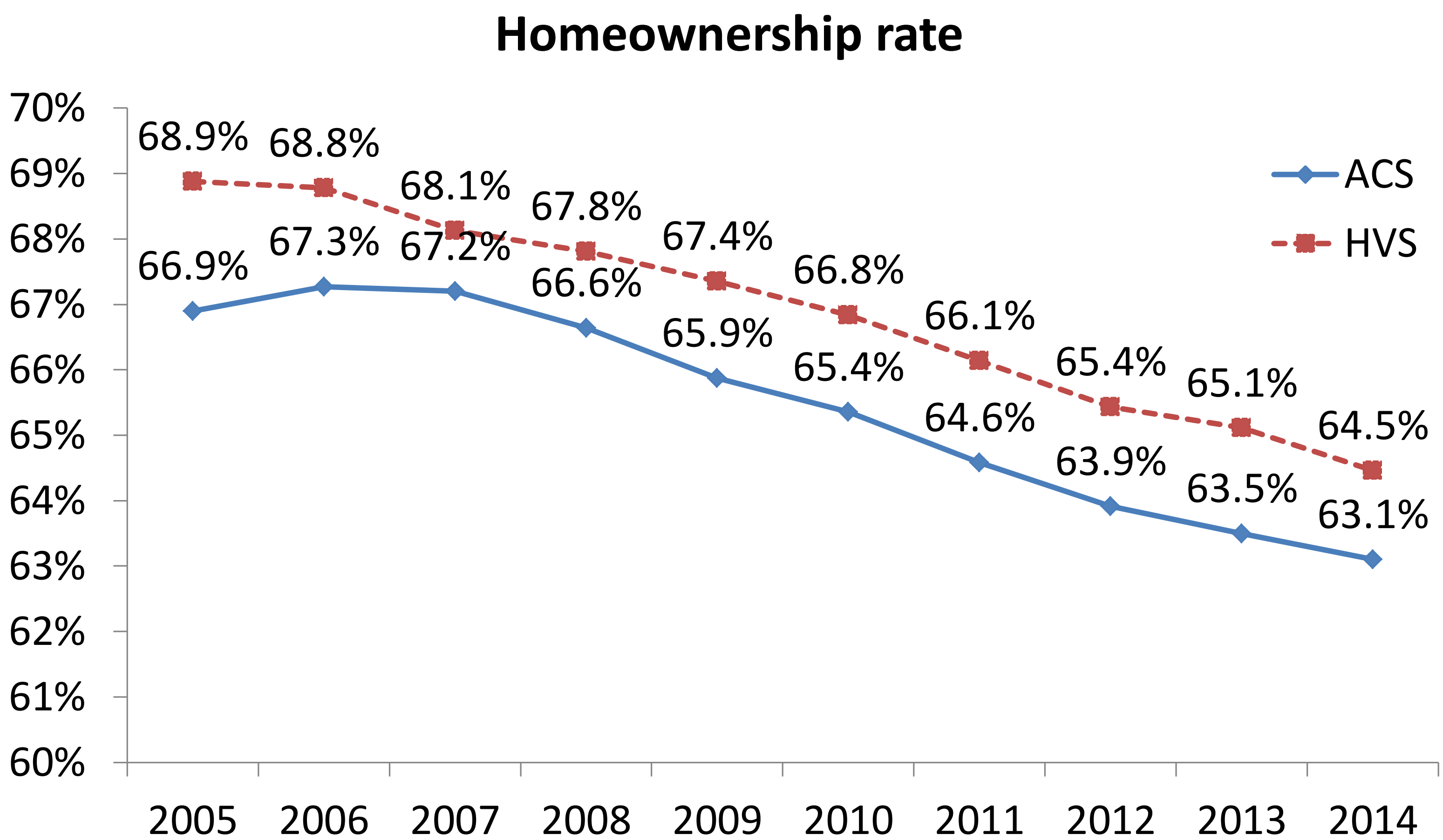
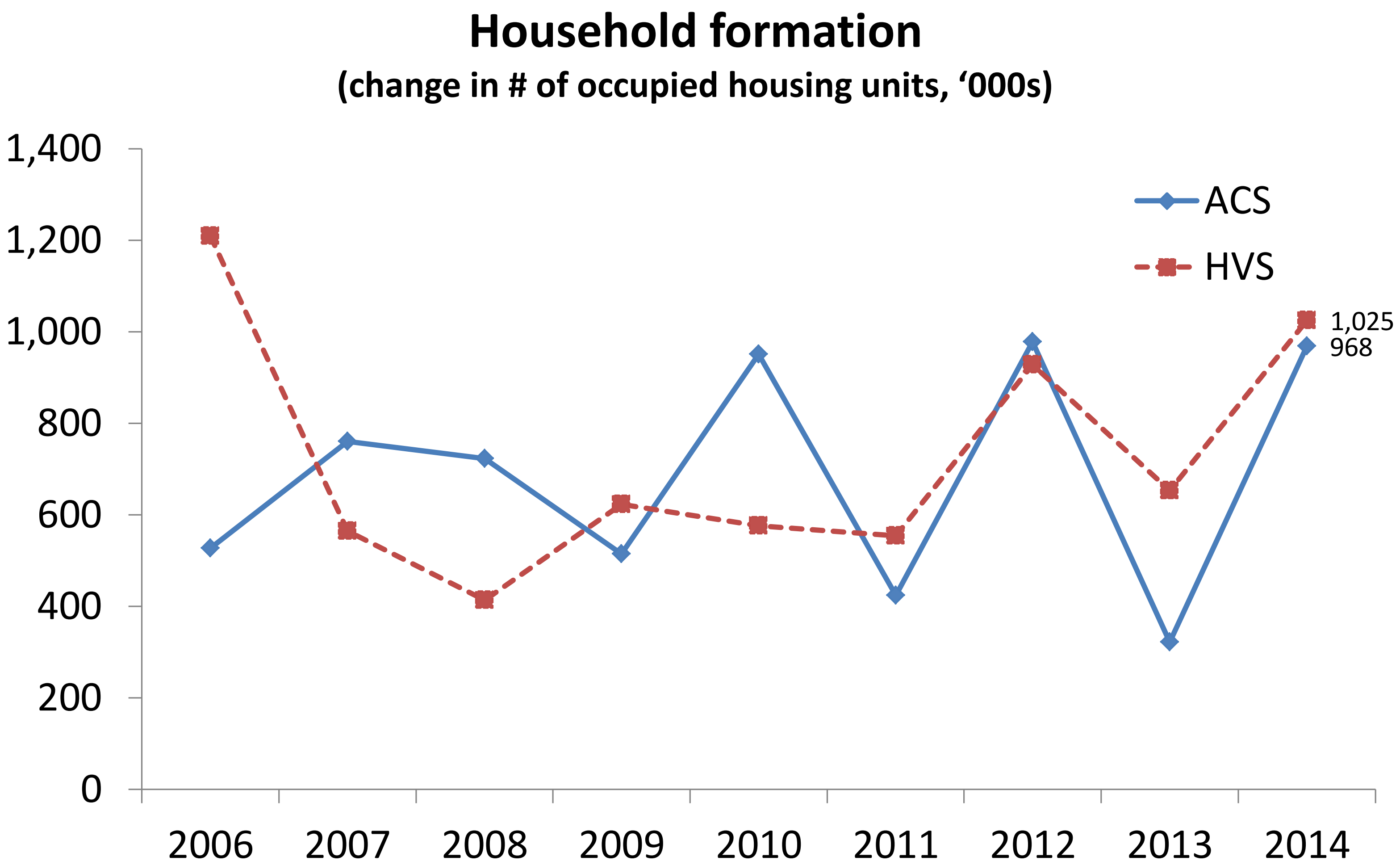
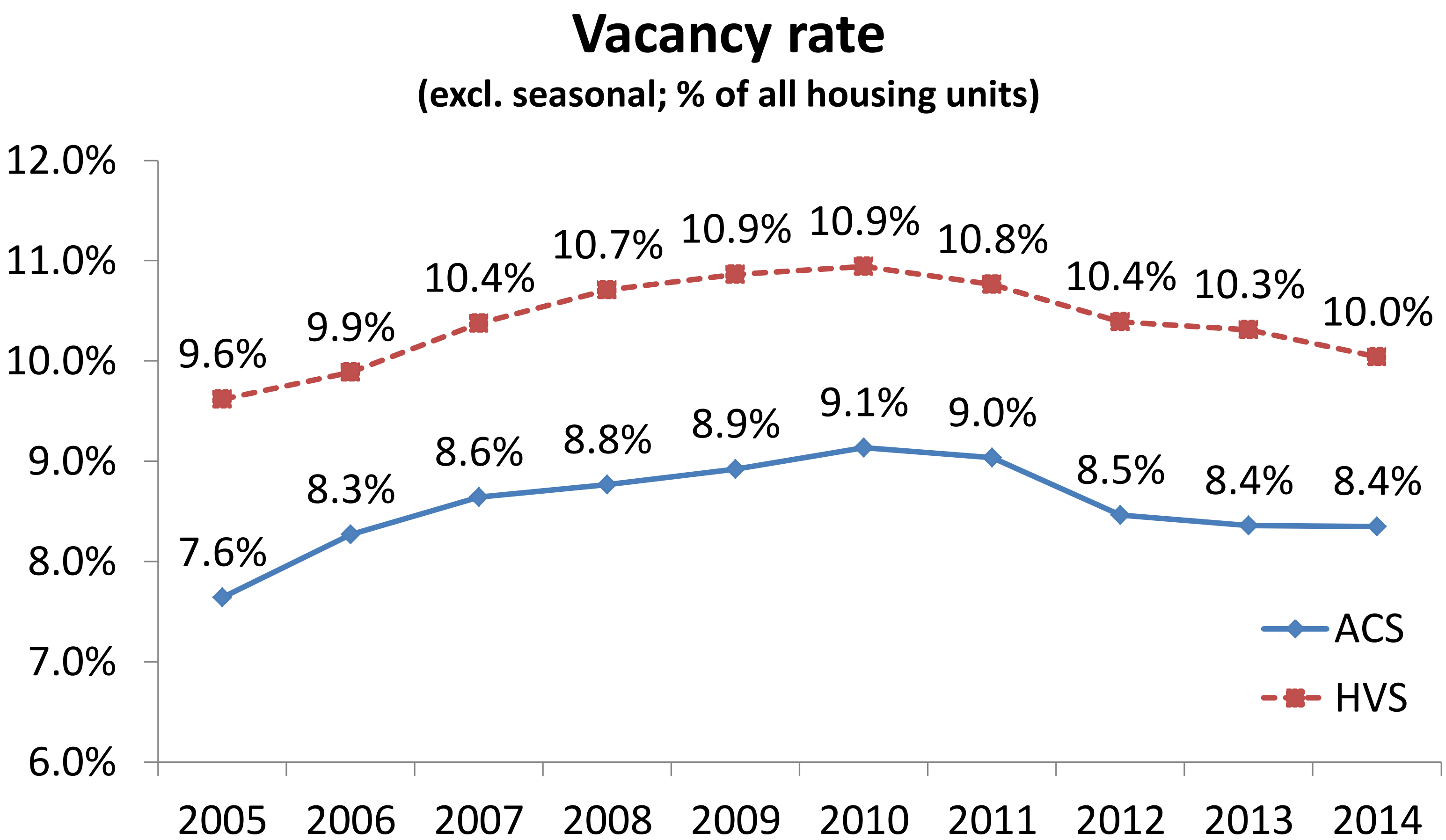
ACS reports lower homeownership than HVS, but similar trend



ACS and HVS both showed 2014 household formation of ~1m



ACS reports much lower vacancy than HVS, but similar trend



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About the American Community Survey

- Annually produced by the Census Bureau
- Most detailed and comprehensive regular source of housing data for the U.S. and local areas
  - Superior to quarterly Homeownership and Vacancy Survey (HVS), though less current
- 9/17/15 release: 1-year published tables. Still to come:
  - 1-year microdata (PUMS) for customized analysis: Oct '15
  - 5-year published tables, for data on smaller geographic areas: Dec '15
  - 5-year PUMS: Jan '16

ACS issues

- These slides are based on the published ACS tables, which provide less detail than the microdata (PUMS) that will be published in October. Estimates from published tables often differ from estimates based on microdata.
- Metropolitan areas are Core Based Statistical Areas (CBSAs). Metro-ranking slides are based on the 51 CBSA with 2010 Census population of one million or more.
- Despite the large sample size of the ACS, differences between metro areas – and differences over time for a single metro area – might not be statistically significant. Many ACS published tables provide margin-of-error estimates for calculating statistical significance.

Table reference guide

ACS data

- Homeownership and household formation: B25002, B25003
- Single-family vs multi-unit homes: B25024, B25032
- Housing cost burden: B25101, B25106
  - Our calculations differ from those published in table DP04. We include zero/negative income households as cost-burdened, and include no-cash-rent renters as not cost-burdened. Table DP04 excludes both of those groups and collectively counts them as “not computed.”
- Vacancies: B25002, B25004
  - Our calculations differ from the homeowner and renter vacancy rates published in table DP04. Those rates omit vacant units that are held off market / non-transacting, which are a large and growing component of vacancy.
- All slides based on ACS 1-year tables

HVS data

- All data: 7a (annual estimates of housing inventory)

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