HOUSING HIGHLIGHTS FROM THE 2015 ACS

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Senior Fellow, Terner Center
Housing highlights from the 2015 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 fall

Homeownership rate

66.9% 67.3% 67.2% 66.6% 65.9% 65.4% 64.6% 63.9% 63.5% 63.1% 63.0%
Homeownership higher in affordable markets, lower in big coastal metros

<table>
<thead>
<tr>
<th>Homeownership rate, 2015, large metros</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGHEST</strong></td>
</tr>
<tr>
<td>1 Pittsburgh, PA</td>
</tr>
<tr>
<td>2 Birmingham-Hoover, AL</td>
</tr>
<tr>
<td>3 Minneapolis-St. Paul-Bloomington, MN-WI</td>
</tr>
<tr>
<td>4 St. Louis, MO-IL</td>
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<tr>
<td>5 Detroit-Warren-Dearborn, MI</td>
</tr>
<tr>
<td><strong>LOWEST</strong></td>
</tr>
<tr>
<td>1 Los Angeles-Long Beach-Anaheim, CA</td>
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<tr>
<td>2 New York-Newark-Jersey City, NY-NJ-PA</td>
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<tr>
<td>3 Las Vegas-Henderson-Paradise, NV</td>
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<tr>
<td>4 San Diego-Carlsbad, CA</td>
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<td>5 San Francisco-Oakland-Hayward, CA</td>
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Nearly all housing growth since 2006 has been in rentals

<table>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Single-family owner-occupied</td>
<td>65.5</td>
<td>65.7</td>
<td>+0.2</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Single-family renter-occupied</td>
<td>11.3</td>
<td>15.2</td>
<td>+3.8</td>
<td>+34%</td>
</tr>
<tr>
<td>Multi-unit owner-occupied</td>
<td>4.2</td>
<td>4.0</td>
<td>-0.2</td>
<td>-5%</td>
</tr>
<tr>
<td>Multi-unit renter-occupied</td>
<td>23.4</td>
<td>26.5</td>
<td>+3.2</td>
<td>+14%</td>
</tr>
<tr>
<td>All occupied housing units</td>
<td>111.6</td>
<td>118.2</td>
<td>+6.6</td>
<td>+6%</td>
</tr>
</tbody>
</table>

(Change includes other housing types)
Multi-units rentals led in 2015; single-family rentals fell: a big reversal

Change in occupied housing units, by type
2014-2015

- Multi-unit, rented: +1.7%
- Multi-unit, owned: +1.1%
- Single-family, owned: +0.7%
- Single-family, rented: -0.1%
For first time since 2006, rental share of single-family fell

Rental share of occupied single-family detached homes

- 2005: 13.2%
- 2006: 13.1%
- 2007: 13.4%
- 2008: 14.0%
- 2009: 14.8%
- 2010: 15.1%
- 2011: 15.7%
- 2012: 16.4%
- 2013: 16.7%
- 2014: 17.0%
- 2015: 16.8%
Single-family ownership had biggest increase since 2007

Owner-occupied single-family homes (millions)

- 2005: 64.7
- 2006: 65.5
- 2007: 66.0
- 2008: 66.0
- 2009: 65.6
- 2010: 65.8
- 2011: 65.3
- 2012: 65.2
- 2013: 65.1
- 2014: 65.2
- 2015: 65.7
Household formation getting closer but still below 1.2m “normal” level
Housing highlights from the 2015 ACS

1. Homeownership and household formation

2. **Housing costs**

3. Vacancy rates

4. Appendix: ACS vs HVS

5. About the data
For five years straight, declining share of households who are cost-burdened

% of all households spending 30% or more of income on housing

35.0% 36.3% 36.3% 36.7% 37.3% 38.1% 37.9% 36.0% 34.8% 34.6% 33.6%

SEPTEMBER, 2016
TERNER CENTER FOR HOUSING INNOVATION UC BERKELEY
Cost-burdened share nearly twice as high in Los Angeles as in Pittsburgh

<table>
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<th>% of households spending 30%+ of income on housing, 2015, large metros</th>
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<td>3  New York-Newark-Jersey City, NY-NJ-PA</td>
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<td>5  Riverside-San Bernardino-Ontario, CA</td>
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<td><strong>LOWEST</strong></td>
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<td>1  Pittsburgh, PA</td>
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<td>2  Kansas City, MO-KS</td>
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<td>3  Louisville/Jefferson County, KY-IN</td>
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<td>4  Minneapolis-St. Paul-Bloomington, MN-WI</td>
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<td>5  Salt Lake City, UT</td>
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</table>
Lowest share of renters are cost-burdened since 2008

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

- Renters
- Owners with mortgage
- Owners without mortgage


47.3% 47.6% 47.2% 47.9% 49.6% 51.1% 51.6% 50.3% 49.9% 50.1% 49.1%
34.9% 37.3% 37.9% 38.0% 37.9% 38.3% 37.2% 34.2% 32.1% 31.2% 29.9%
16.2% 17.0% 16.0% 16.3% 16.4% 16.6% 17.0% 16.0% 15.4% 15.8% 15.3%
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Vacancy rate ticks down below 2006 level

Vacancy rate
(excl. seasonal; % of all housing units)

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SEPTEMBER, 2016
Vacancy rate highest in Southern metros; ranges hugely across US

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<td>1. San Jose-Sunnyvale-Santa Clara, CA</td>
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<td>2. Denver-Aurora-Lakewood, CO</td>
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Active inventory of vacant homes falling, but inactive inventory steady

Vacancy rate (% of all housing units)

- Active inventory (for sale/rent, sold, rented)
- Inactive inventory (off market incl. seasonal)

2005: 4.6%  |  6.1%
2006: 4.9%  |  6.7%
2007: 5.1%  |  7.1%
2008: 5.1%  |  7.3%
2009: 5.2%  |  7.4%
2010: 5.1%  |  8.0%
2011: 4.8%  |  8.3%
2012: 4.4%  |  8.0%
2013: 4.3%  |  8.2%
2014: 4.3%  |  8.2%
2015: 4.1%  |  8.2%
Single-family vacancies remain elevated, unchanged since 2012

Vacancy rate, single-family homes
(all vacancy reasons, incl. seasonal)

- 2005: 8.6%
- 2006: 9.4%
- 2007: 9.9%
- 2008: 10.2%
- 2009: 10.3%
- 2010: 10.8%
- 2011: 11.0%
- 2012: 10.6%
- 2013: 10.7%
- 2014: 10.7%
- 2015: 10.7%

SEPTEMBER, 2016
TERNER CENTER FOR HOUSING INNOVATION UC BERKELEY
Multi-unit vacancies fall for fifth year

Vacancy rate, multi-unit buildings
(all vacancy reasons, incl. seasonal)


14.5% 15.6% 16.0% 16.2% 16.7% 17.2% 16.6% 15.4% 15.1% 14.9% 14.4%
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ACS reports lower homeownership than HVS, but similar trend
ACS household formation in 2015 did not show HVS jump

Household formation
(change in # of occupied housing units, ‘000s)


ACS
HVS
ACS reports lower vacancy than HVS, 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
• 9/15/16 release: 1-year published tables for 2015
ACS issues

- These slides are based on the published ACS tables, which provide less detail than the microdata (PUMS) that will be published later. 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)
Contact

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