Memorandum

To: Fairmont Comprehensive Plan Steering Committee

From: Molly Patterson- Lundgren, Senior Planner

Date: May 2nd 2019

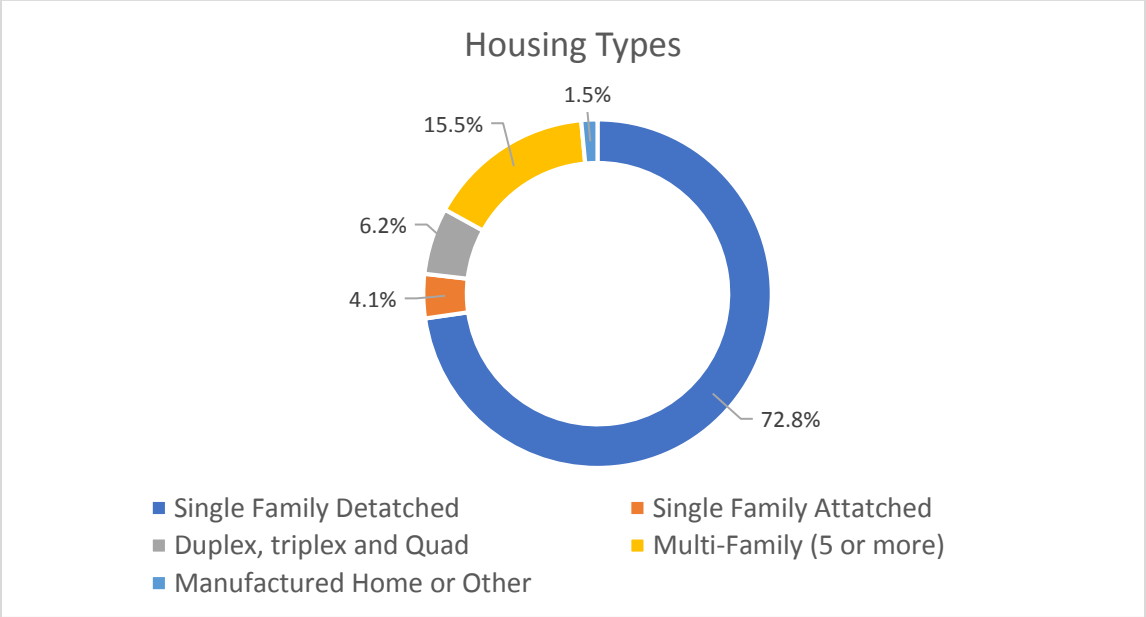
Re: Housing Analysis

Housing in The Comprehensive Plan

Housing typically comprises the single most active use of land within a City. The issue is typically viewed through the lenses of quality, affordability, availability and variety of of housing types within the community. The following data provides a basis for understanding housing in the City of Fairmont from these perspectives. This will also help to understand housing and its relationship to other issues in the City from both programmatic (e.g. economic development) and physical development (e.g. land use policies) of the City. The following data comes from several sources which are further explained at the end of this memo.

Current Housing Stock

As of 2017, the City of Fairmont had 5,288 total housing units according to the American Community Survey[i]. Of these housing units, approximately 70% of them are occupied by homeowners, while the other 30% are occupied by renters. This distribution is the same as it was in 2010, and has shifted slightly since 2000, when there were approximately 4% more home owners.



Source: ACS 2017

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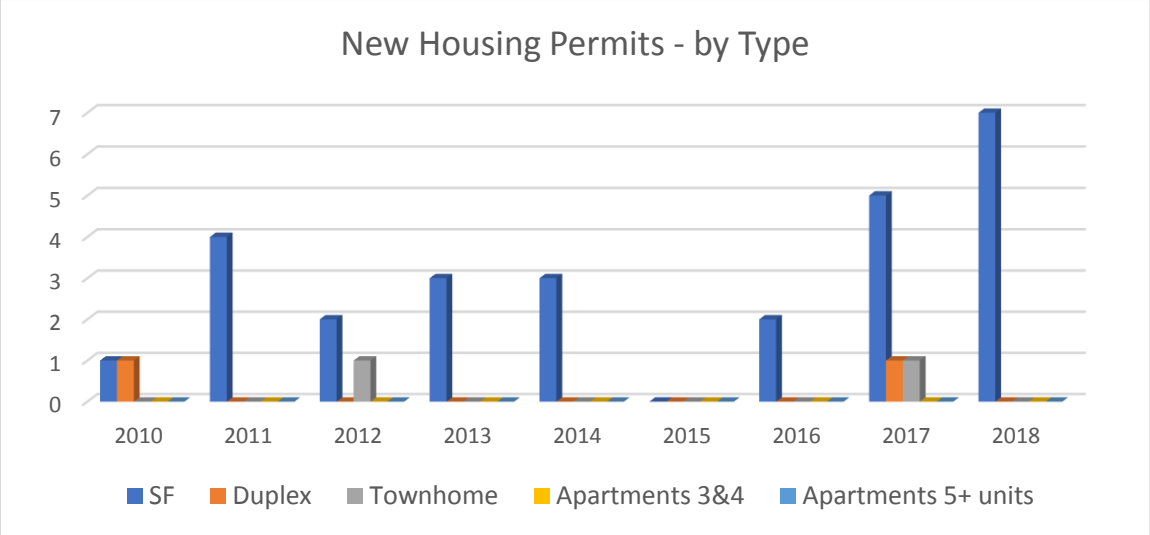
New Home Construction

Since 2010, the City of Fairmont has seen the construction of an average of about 4 new dwelling units annually, as illustrated in the following chart. The majority of these new homes are single-family detached homes. The biggest boom was in 2017 and 2018. Thirteen new single-family homes were constructed over that period.

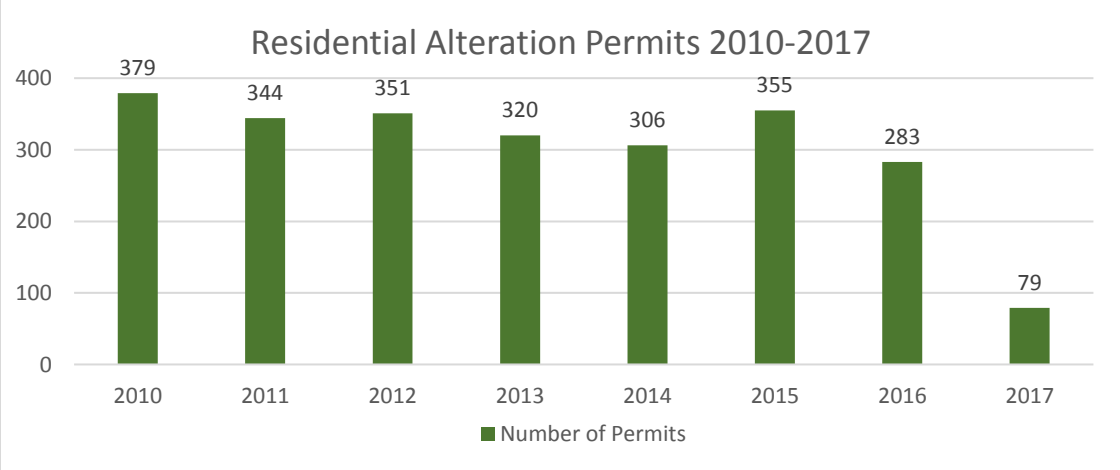
Some things to Consider:

- What are the sizes, and value/cost of new housing being added to the community?
- Are the new homes being purchased by new households in the community or being built by existing residents moving out of older homes?



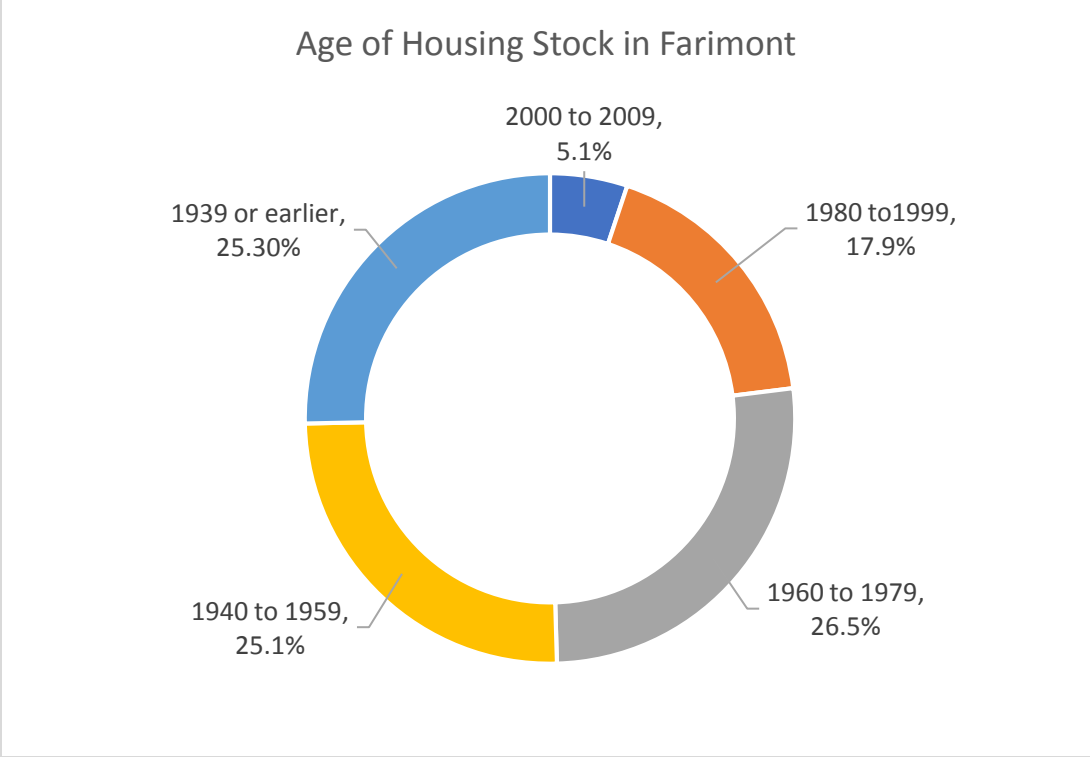
Source: City of Fairmont, 2018

There has also been consistent construction activity on existing residential properties over the past decade. While this trend slowed in 2017, given the history of residential alterations it can be expected to follow past trends.



Source: City of Fairmont, 2018

Characteristics of Housing



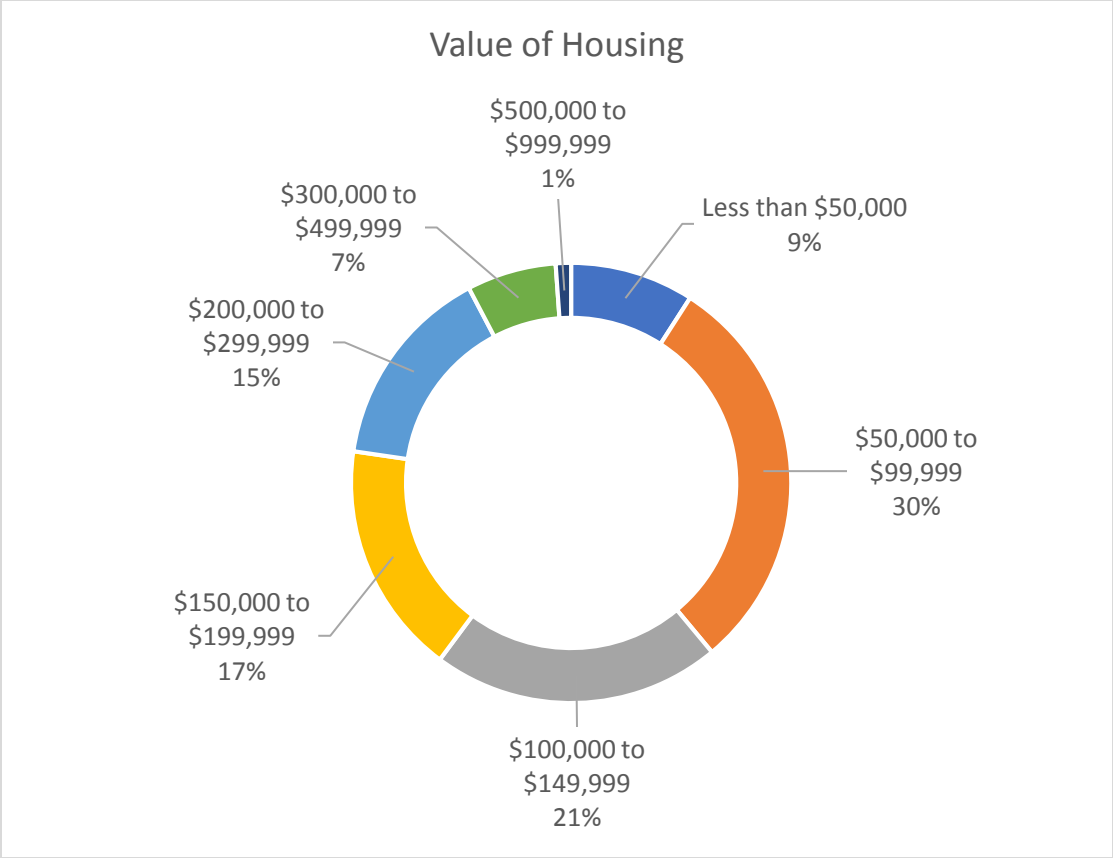
Source: ESRI, 2018

The ages of housing stock within the community reflect the continued growth of households over time. Approximately half of the housing stock within the City is 59 years or older (built prior to 1960).

Median value of housing 2017 (shown below) was $121,800. Over half of the housing stock in the City of Fairmont is valued at less than $150,000.

Some things to Consider:

- What is the condition of older housing within the community?
- Do the styles and layout of these old homes appeal to the different types (and sizes) of current and projected households in the community?
- Do the sizes of older homes match the size of households in the community?



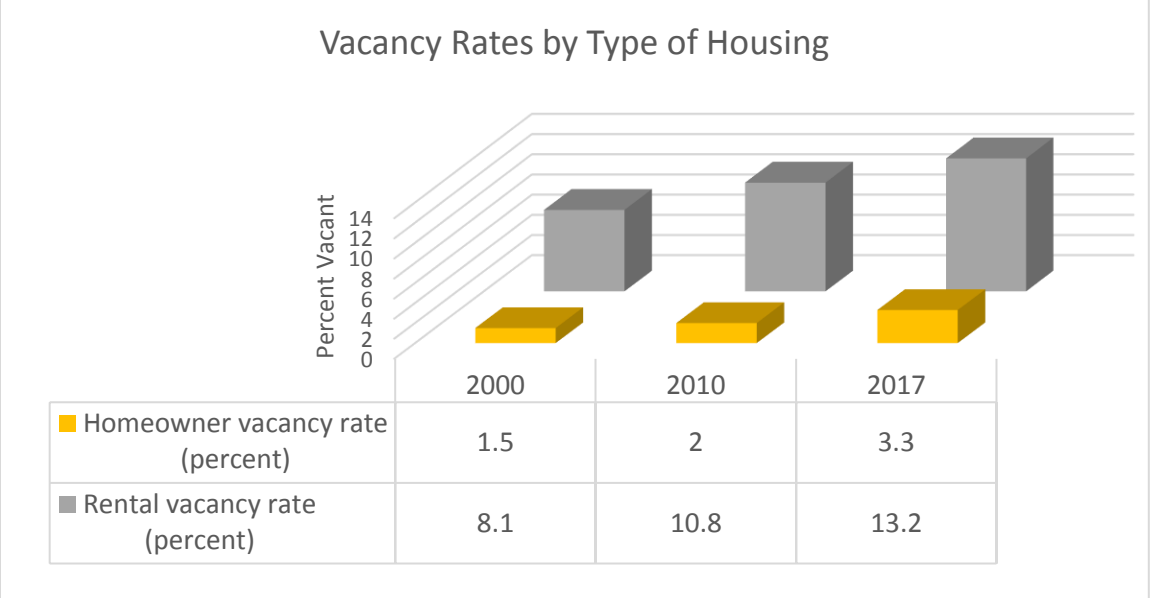
Source: ACS, 2017

Housing Availability

Housing unit vacancies in the City of Fairmont have increased over the past two decades with double the number of vacant housing units between 2000 and 2017.

	2000	2010	2017
Number of vacant units	334	439	679

The largest increase is seen in rental vacancies, where the number of vacancies has grown by about 5%. Vacancies in owner occupied housing has also increased, but at a much slower rate. As of December 2018, there were 49 homes for sale in the City of Fairmont.



Source: ACS 2017

Housing Affordability

Monthly Housing Costs

	All Occupied housing units		Owner-occupied units		Renter-occupied units	
Less than $300	397	9%	324	10%	73	5%
$300 to $499	1,098	23%	744	23%	354	24%
$500 to $799	1,136	24%	537	17%	599	40%
$800 to $999	762	16%	488	15%	274	19%
$1,000 to $1,499	774	17%	622	19%	152	10%
$1,500 to $1,999	317	7%	317	10%	0	0%
$2,000 to $2,499	47	1%	47	2%	0	0%
$2,500 to $2,999	94	2%	76	2%	18	1%
$3,000 or more	44	1%	44	1%	0	0%
No cash rent	14	0%	(X)	(X)	14	1%
Median (dollars)	721	721	797	797	583	583

Source: ACS 2017

The above table shows what households spend on an average monthly basis for housing in the community while the following shows the level of affordability of housing units within the community.

Affordability is based on income levels and the percentage of income a household spends on housing. Affordability is typically, considered to be housing on which a household spends 30% or less of the households income on housing.

Monthly Housing Costs as A Percentage Of Household Income in The Past 12 Months

	All Occupied housing units		Owner-occupied units		Renter-occupied units	
	4,683		3,199		1,484	
Less than $20,000	857	18%	304	10%	553	37%
Less than 20 %	11	0%	0	0%	11	1%
20 to 29 %	161	3%	94	3%	67	5%
30% or more	685	15%	210	7%	475	32%
$20,000 to $34,999	635	14%	377	12%	258	17%
Less than 20 %	180	4%	151	5%	29	2%
20 to 29 %	162	4%	71	2%	91	6%
30% or more	293	6%	155	5%	138	9%
$35,000 to $49,999	810	17%	550	17%	260	18%
Less than 20 %	432	9%	303	10%	129	9%
20 to 29 %	188	4%	138	4%	50	3%
30% or more	190	4%	109	3%	81	6%
$50,000 to $74,999	828	18%	621	19%	207	14%
Less than 20 %	680	15%	483	15%	197	13%
20 to 29 %	102	2%	92	3%	10	1%
30% or more	46	1%	46	1%	0	0%
$75,000 or more	1458	31%	1,330	42%	128	9%
Less than 20 %	1291	28%	1,163	36%	128	9%
20 to 29 %	167	4%	167	5%	0	0%
30% or more	0	0%	0	0%	0	0%
All Households	2594	55%	2100	66%	494	33%
	780	17%	562	18%	218	15%
	1214	26%	520	16%	694	47%

Source: ACS 2017

While housing is generally quite affordable within the City of Fairmont, the above table points out some needs and potential opportunities. 47% percent of renter occupied units in the City (a total of 694 housing units) are “unaffordable” to the households who live there. Most of these, 475 units or 32% of all occupied rental units in the City, are occupied by household who earn less than $20,000 per year.

Some things to Consider:

- What types of housing might provide affordable options to households paying more than 30% of their income?
- Is there an opportunity for higher income households to “move up” into newer housing, making available less costly housing for others?

By contrast, there are many households who can afford more on housing than what they currently spend. Households spending less than 20% of their income on housing fill a total of 2,594 housing units in the City. 2,100 of these are owner occupied and 494 are rental units in the City.

Characteristics of Households

"Housing" refers to the residential units and the structures in which they exist. These are houses and apartments, the places where people live. "Household" are individuals and groups who live together within the housing units. Households include individuals, families and unrelated people who live together as room-mates.

Between 2000 and 2010 the City experienced a 2% decline in population. This decline is projected to continue in the future at a 3.13% decline through 2030. Fluctuating numbers of households is less pronounced with an estimated decrease of .64% over the next 5 years as shown below. (source: ESRI).

Number of Households	
2000	4,704
2010	4,812
2018	4,706
2023	4,558
Source: ESRI 2018	

The number of individuals within a household (estimated) has also remained relatively consistent since the last census. The following table illustrates that the average number of people within owner occupied homes is 2.3 individuals while for renter occupied households that number is slightly smaller at 1.7.

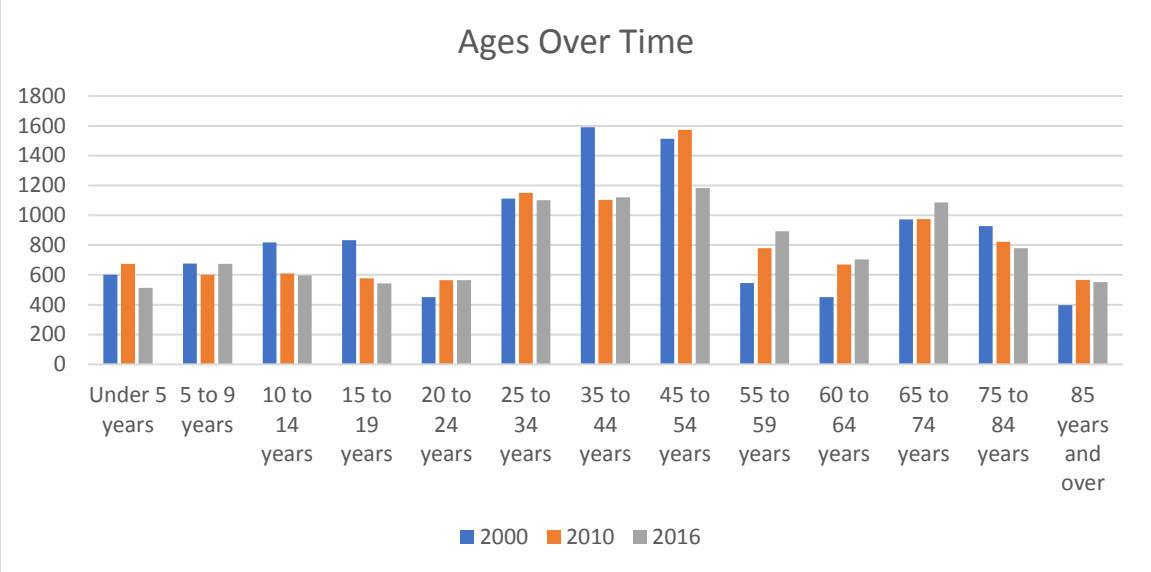
Average Household Size

	Owner-occupied	Renter-occupied
2010	2.38	1.55
2011	2.35	1.67
2012	2.38	1.72
2013	2.40	1.72
2014	2.41	1.74
2015	2.37	1.75
2016	2.36	1.70
2017	2.33	1.74
Source: ACS 2017		

As with much of the U.S., data shows aging of the population in the City of Fairmont. Over the periods of time shown below, we see individuals within the age ranges of 55 to 74 increasing. While the age cohorts over 75 show a decrease, this chart does not show a projection. We can anticipate that the number of individuals in the 75 and older group will continue increasing into the future.

Some things to Consider:

- What are the needs of households comprised of older individuals?
- Does the current housing stock provide for current and anticipated types (ages) of future households?



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Sources of Data

U.S. Decennial Census

The Decennial census is required in the US Constitution and seeks to accurately count all individuals within the Country along with the collection of other basic demographic information. While the information is considered highly accurate, it is only updated every ten years and is limited in the nature of information included. Data is broken down by political subdivisions (State, County, Municipal & Township) and by census blocks.

The Census Bureau also provides annual estimates of the population count. the Population Estimates Program utilizes current data on births, deaths, and migration to calculate population changes occurring since the most recent decennial census and produces a time series of estimates of population.

American Community Survey (ACS)

Is a nationwide survey and part of the Decennial Census Program of the U.S. Census Bureau. The ACS provides more detailed information about the population of the US. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data pertaining to community planning and housing. Unlike the actual Census, ACS data are estimates based on survey questions which are conducted annually. Data from the ACS for areas under 65,000 or more residents are available in 5-year estimates. The most recent 5-year estimates available are from surveys conducted between 2012 and 2016 and represent average characteristics over those five years. The ACS data from the 2014 Housing Study was collected 2008 to 2012.

American Fact Finder

American Fact Finder is a searchable web site by geographic location. It brings data from The U.S. Census Bureau (including the ACS) for several periods of time and from other federal survey sources

ESRI

ESRI is a private company and supplier of geographic information system software, web GIS (Geographic Information Systems) and geodatabase management applications. ESRI's business, consumer spending, and demographic data encompasses a wide variety of datasets that are updated quarterly, semiannually, annually, and decennially in the case of U.S. Census data. While not an official/government source of demographic data, ESRI allows for custom mapping queries of different parts of the community and the "Business Analyst" (used here) provide detailed estimates and projections of local economic data which is greatly related to housing markets.