



# Fayette County Housing Demand Study (Final)

Prepared for:



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## EXECUTIVE SUMMARY

This 2017 Fayette County Housing Demand Study identifies mid-term (10 year) housing demand in the county based upon recent building and sales patterns, existing housing stock, and demographic projections, while highlighting issues demanding special attention to ensure Lexington’s housing market matches the needs of current and future residents. This study will help inform the City’s future housing development strategy, which will consider factors involved in responding to the various components of demand described here. Analysis of these factors is outside the scope of this current demand study.

### Background Trends

- Population of Fayette County in 2015 was 314,488, 20.7% larger than in 2000. Fayette County’s annual growth rate (1.26%) outpaced Kentucky’s (0.61%), but lagged behind Jessamine, Madison, and Scott.
- The number of housing units in Fayette County grew by 20.4% between 2000 and 2015. The rate of homeownership dropped, falling from 55.3% in 2000 to 51.5% in 2015.
- The student body at the University of Kentucky accounts for nearly 10% of all Fayette County residents, with the undergraduate student body growing at a rate of 2.1% annually from 2006 to 2010.
- Fayette County jobs are increasingly filled by commuters from outside the county. In 2014, 49.1% of all Fayette jobs were filled by Fayette residents, down from 61.1% in 2002. Despite the growth of 28,000 jobs, the total number of jobs filled by county residents decreased from 100,431 in 2002 to 94,338 in 2014.
- As of 2015, Fayette County had 139,840 housing units (see Figure A). This pool of housing units excludes on-campus dormitories and other types of Group Quarters.

Figure A: Fayette’s Housing Stock 2015

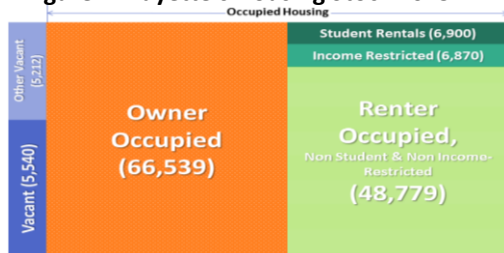


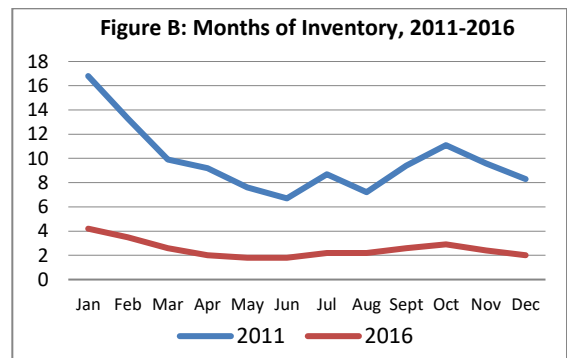
Table A: Units in Structure by Tenure

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	129,088	-	66,539	-	62,549	-
1, detached	78,981	61.2%	59,980	90.1%	19,001	30.4%
1, attached	8,091	6.3%	3,174	4.8%	4,917	7.9%
2 or more units	40,277	31.2%	2,340	3.5%	37,937	60.7%
Mobile home	1,544	1.2%	1,045	1.6%	499	0.8%
Boat, RV, etc.	195	0.2%	0	0.0%	195	0.3%

Source: U.S. Census Bureau

### Homeownership Market

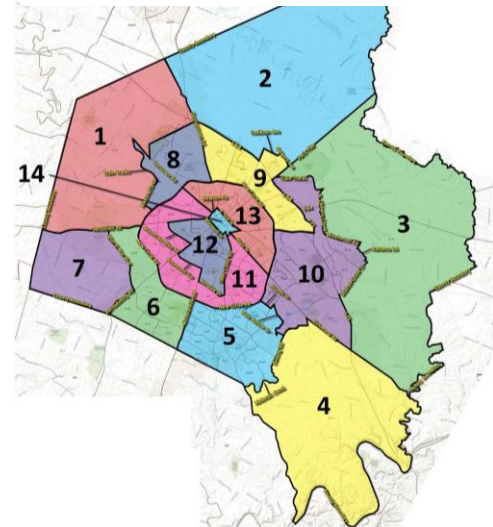
- Home sales have grown steadily from the 2011 trough of 3,248 to 5,468 in 2016.
- The supply of available sales inventory (measured as “Months of Inventory” – available units divided by recent monthly sales levels) was very tight in 2016—roughly one-quarter the inventory available during 2011 (see Figure B).
- Nearly 23,000 homes were purchased by owner-occupants during the 2011-16 period. 88% of these purchases were single-family detached homes; the remainder were townhomes, condominiums, and duplexes. The median sales price was \$175,000. The median price per square foot was \$103.51.
- Newly constructed homes sold for fairly consistent prices per SF –generally \$102-\$136/SF, depending on housing type.
- 70%+ of purchases by owners in 2011-16 were in the East, Southeast, In-Town South, and South submarkets.



Source: Lexington-Bluegrass Association of Realtors (LBAR)

- Apart from Downtown, pricing across submarkets on a square foot basis varied modestly from a discount of 16% in the North to a premium of 25% in In-Town Central. The Downtown premium is 55%.
- For newly constructed homes purchased by owner-occupants, 54% were in the East submarket, with lesser concentrations in the Southeast, Northwest, and South. 58% of new construction sales were single-family homes built on lots 5,000 SF to 9,000 SF.
- During 2011-16, 48% of owner-purchased homes sold for \$170,000 or less, the maximum affordable for low-to-moderate income households (80% of the Area Median Income--AMI). Another 26.5% of sales were in the \$170,000 to \$255,000 range, affordable to the “Workforce Housing” segment with incomes at 80% to 120% of AMI. Opportunities for home purchase by lower income households (at 60% of median or less) were much more restricted with only 23% of homes selling at this level of affordability.
- There are some signs that the pool of homes within reach for low-to-moderate income homebuyers may be shrinking. Of 14,806 homes listed for sale since January 2015, 43.9% listed for less than \$170,000 (compared to 48.0% of the sold homes from 2011 to 2016).

Figure C: Fayette Housing Sub



**SUB MARKETS**

1. Tract 37.01	8. Northwest
2. Tract 38.02	9. North
3. Tract 39.18	10. East
4. Tract 40.07	11. In Town South
5. Southeast	12. In Town Central
6. South	13. In Town North
7. Southwest	14. Downtown

**Rental Housing Market**

67% of rental units in Fayette County are in multi-family structures; 33% in single-family dwellings. Downtown has the densest concentration of multi-family rental units (90.9%), followed by In-Town Central (79.1%) and In-Town South (74.1%). However, four submarkets (East, In-Town South, In-Town Central, Southeast) include 68% of the overall rental housing stock. 4,843 rental units are project-specific income-restricted.

**Housing Market Demographic Profile**

Trends in tenure in Fayette County are similar to, and in some ways, leading national statistics. Between 2010 and 2015, U.S. homeownership declined for all age groups. This was particularly true of households headed by persons under age 64, where homeownership rates for those under age 35 dropped from 35.5% to 32.1% and for middle age householders (age 35 to 64) from 70.5% to 66.9%. For older householders, homeownership decreased only slightly to 78% in 2015. Fayette County homeownership is slightly below national rates for seniors (74.4% vs. 78.0%) and significantly below for other age groups—24.1% for young households and 58.1% for middle age households. In general, renters in Fayette County at all age groups are more likely to occupy units in multi-family structures than the national rates, but homeowners, especially senior homeowners, have a stronger preference for single family homes, both detached and attached (townhomes).

**Population Projections & Housing Demand for 2025**

Population projections from the Kentucky State Data Center show Fayette County growing at an annual rate of 1.2% per year from 2015 to 2025, yielding total population in 2025 of 354,318: 340,832 in households and 13,486 in group quarters. The household population will reside in 150,978 households, with an average household size of 2.26. Similarly, the Data Center’s projected population by age for 2025 shows that growth will be heavily

concentrated in senior households. Of the 21,890 incremental householders anticipated from 2015 to 2025, 52.8% will be 65 years-of-age or older (see Table B).

**Table B: Householders by Age, 2010-2025**

	2010	2015	2025	△ 2015-2025
Householder 15-34	35,309	36,329	41,788	5,459
Householder 35-64	65,738	68,900	73,776	4,876
Householder 65+	19,714	23,859	35,414	11,555
<b>Total</b>	<b>120,761</b>	<b>129,088</b>	<b>150,978</b>	<b>21,890</b>

Source: U.S. Census Bureau, Kentucky State Data Center, Urban Partners

Since senior householders are heavily homeowners (74.4%), we anticipate overall homeownership rates in Fayette of 52.75% in 2025, up from 51.5% in 2015. We also anticipate that the homeownership rate for householders aged 35 to 64 will increase slightly from 58.1% in 2015 to 58.6% in 2025.

These forecasts of household growth yield an overall demand for 22,780 new housing units by 2025 including:

- Single-family owner-occupied homes in evolving formats (detached, townhome, four-plex, etc.) for older households (householder 65+)—5,130 units (22.5% of incremental housing demand);
- Single-family owner-occupied homes (detached and attached) for middle-age households (householder 35 to 64)—5,880 units (25.8% of incremental housing demand), including substitutes for homes retained by aging seniors;
- Multi-family rental housing for younger households (householder age 15-34)—2,925 units (12.8% of incremental housing demand), including 1,000 student rentals; and
- Multi-family rental housing for older households (age 65+)—2,220 units (9.7% of incremental housing demand).

The total increment of housing stock needed to meet this increase in housing demand is 22,780 units, including 15,105 units of single family housing in a variety of formats (townhome/single family detached) on a wide distribution of lot sizes, as well as 7,355 units in multi-family buildings—1,020 as owner-occupied condominiums—largely targeted to the growing senior population; the remaining as rental housing (see Table C).

**Table C: Total Incremental Units Required in 2025**

	Owner-Occupied	Rental	Total
Condominiums	1,020	-	1,020
Townhomes/Duplexes/Single Family Homes	12,170	2,935	15,105
Multi-Family Structures	-	6,335	6,335
Other (Mobile homes, RV, etc.)	190	130	320
<b>TOTAL</b>	<b>13,380</b>	<b>9,400</b>	<b>22,780</b>

Source: Urban Partners

### Housing Affordability Issues

“Lexington’s Affordable Housing Challenge and Potential Strategy” (czb, 2014) found an unmet gap of 6,000 affordable rental units. That report further identified the likely loss of 4,000 currently affordable rental units due to acceleration of rents. The policy basis for mitigating these needs is incremental: providing 500 new rental vouchers and 167 redeveloped units per year, but still leaving a gap of 4,400 affordable units in 2025.

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## STUDY BACKGROUND

The 2017 Fayette County Housing Demand Study was commissioned for the purpose of identifying mid-term (10 year) housing demand in the county. This study, which builds on the analysis completed in the previous study in 2009, also identifies which housing typologies and locations demand special attention in order to ensure Lexington’s housing market matches the needs of current and future residents. The information obtained as a result of the study will help inform the City’s future housing development strategy, which will consider factors involved in responding to the various components of demand described here. Analysis of these factors is outside the scope of this current housing demand study.

The sponsors of the study include the following organizations/agencies: LFUCG Division of Planning, Fayette County Property Valuation Administrator, Lexington Downtown Development Authority, Lexington Bluegrass Association of Realtors, Building Industry Association of Central Kentucky, and Fayette Alliance. The Steering Committee providing oversight of the study consists of representatives of the sponsoring organizations, two Council members, and two Planning Commission members. Urban Partners served as the market consultant for this project.

**Figure 1: Diversity of Housing Types in Fayette County**



## SOCIO-ECONOMIC TRENDS

### POPULATION & HOUSEHOLDS

According to the 2015 American Community Survey 1-Year Estimates (ACS), the total population of Fayette County is 314,488, which is 20.7% larger than what was indicated in the 2000 Census. Fayette County’s population growth outpaced the Commonwealth of Kentucky as a whole (9.5% growth), but it was slightly less than the growth rate for the seven-county region as a whole (comprised of Fayette County and six other counties that are immediately adjacent: Bourbon, Clark, Fayette, Jessamine, Madison, Scott, and Woodford counties), which grew by 22.8% between 2000 and 2015 (see Table 1).

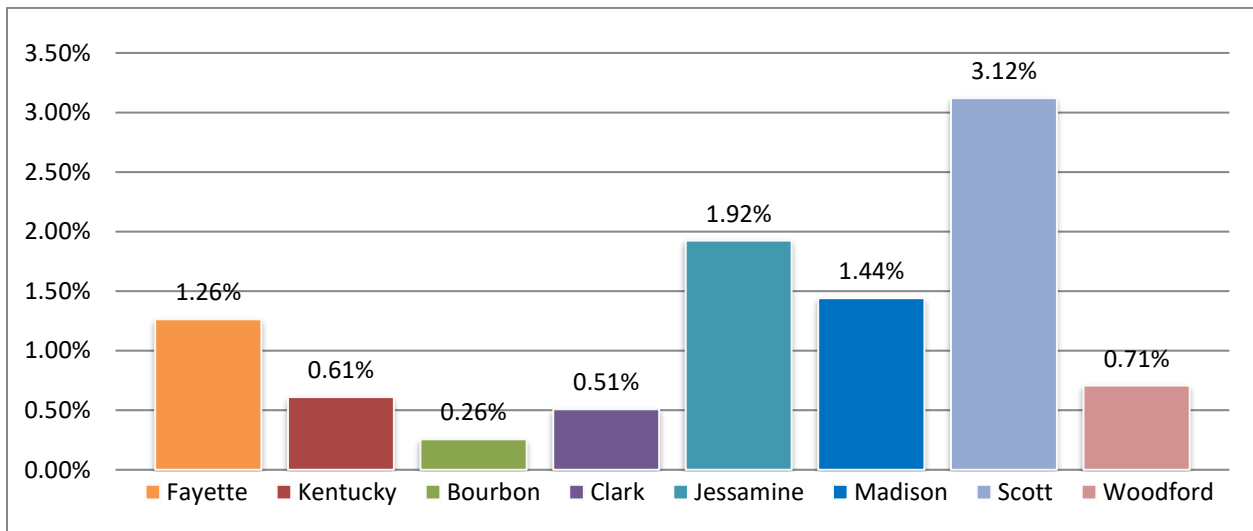
**Table 1: Population Trends, 2000-2015**

	2000 Census	2010 Census	2015 ACS	% Growth (2000-2015)
Fayette County	260,512	295,803	314,488	20.7%
7 County Region	479,198	555,015	588,359	22.8%
Commonwealth of Kentucky	4,041,769	4,339,367	4,425,092	9.5%

Source: U.S. Census Bureau

As illustrated in Figure 2 below, Fayette County’s annual rate of population growth between 2000 and 2015 (1.26%) outpaced the Commonwealth of Kentucky’s (0.61%), but lagged behind the growth rates for Jessamine County (1.92%), Madison County (1.44%), and Scott County (3.12%).

**Figure 2: Annual Rate of Population Growth, 2000-2015**



Source: U.S. Census Bureau

According to the 2015 ACS, 72.4% of the residents in Fayette County are Non-Hispanic Whites, while another 14.3% are Non-Hispanic Blacks and 3.5% are Non-Hispanic Asians. Compared to 2000, Fayette County is a more racially/ethnically diverse community with all minority groups adding significant numbers of residents. In particular, the number of Hispanic residents increased from 8,561 (3.3%) in 2000 to 21,138 (6.9%) in 2015—equivalent to a 147% increase in this period (see Table 2).



**Table 2: Ethnic/Racial Composition, 2000-2015**

	2000	% of Total Population in 2000	2015	% of Total Population in 2015	% Change 2000-2015
Non-Hispanic					
White Alone	206,174	79.1%	223,356	72.4%	8.3%
Black Alone	34,876	13.4%	44,155	14.3%	26.6%
Asian Alone	6,360	2.4%	10,814	3.5%	70.0%
Some Other Race Alone	1,007	0.4%	1,093	0.4%	8.5%
Two of More Races	3,534	1.4%	7,750	2.5%	119.3%
Hispanic (All Races)	8,561	3.3%	21,138	6.9%	146.9%

Source: U.S. Census Bureau

There was an increase in the total number of households in the county between 2000 and 2015, but at a slightly slower rate than the rate of population increase. The number of households grew by 19.2% during this period, increasing the persons-per-household ratio from 2.41 to 2.44 (see Table 3).

**Table 3: Household Trends, 2000-2015**

	2000 Census	Persons-Per- Household Ratio 2000	2015 ACS	Persons-Per- Household Ratio 2015
Fayette County	108,288	2.41	129,088	2.44
7 County Region	191,006	2.51	231,662	2.54
Commonwealth of Kentucky	1,590,647	2.54	1,716,168	2.58

Source: U.S. Census Bureau

Compared to the seven-county region and the Commonwealth of Kentucky as a whole, a larger proportion of Fayette County residents are in non-family households (24.2%) compared to 20.1% and 16.0%, respectively. The percent of Fayette County residents living in group quarters (4.1%) is slightly higher than the region (4.0%) and the Commonwealth (2.9%, see Table 4)<sup>1</sup>.

**Table 4: Population by Household Type, 2015**

	Fayette County	7 County Region	Commonwealth of Kentucky
In Households	295,547	575,637	4,268,775
In Households (% of Total)	94.0%	96.0%	97.1%
In Family Households (% of Total)	71.6%	75.9%	81.1%
In Non-Family Households (% of Total)	24.2%	20.1%	16.0%
In Group Quarters (% of Total)	4.1%	4.0%	2.9%

Source: U.S. Census Bureau

<sup>1</sup> The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in **Group Quarters**, of which there are two types: 1) Institutional, such as correctional facilities, nursing homes, or mental hospitals; and 2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters.

The number of housing units in Fayette County grew by 20.4% between 2000 and 2015. The vacancy rate increased from 6.8% in 2000 to 10.8% in 2010, then dropped to 7.7% in 2015. The rate of homeownership experienced a rapid drop, falling from 55.3% in 2000 to 51.5% in 2015 (see Table 5).

**Table 5: Housing Occupancy and Tenure, 2000-2015**

	Housing Units		Housing Units		Housing Units		% Change 2000-2015
	2000 Census	(%)	2010 ACS	(%)	2015 ACS	(%)	
Total housing units	116,167	-	135,388	-	139,840	-	20.4%
- Occupied units	108,288	93.2%	120,761	89.2%	129,088	92.3%	19.2%
- Vacant units	7,879	6.8%	14,627	10.8%	10,752	7.7%	36.5%
Owner occupied	59,889	55.3%	65,391	54.1%	66,539	51.5%	11.1%
Renter occupied	48,399	44.7%	55,370	45.9%	62,549	48.5%	29.2%

Source: U.S. Census Bureau

Between 2010 and 2015, the number of households in Fayette County grew by a 1.2% annual rate. As a result, approximately 8,300 additional housing units were occupied in 2015 over the occupied total in 2010. The census data shown above indicates that the overall housing stock was approximately 4,400 units larger in 2015 than in 2010. The same data shows that units available for sale or rent dropped by about 3,900 units during that period. Those two factors total the needed approximately 8,300 units.

In terms of the 4,400 units added to the housing stock during this period, sales data from the Fayette County Property Valuation Administrator (PVA) suggests that about 2,200 of these units were occupied by new homeowners, leaving 2,200 new units for renters. We do not know how many of these units were built in previously-platted subdivisions versus those that involved conversion of raw land. Some units, including many rental units, were probably built on in-fill sites. We do know that the mix of 2,200 newly constructed sales units were likely built at an average density of 4.6 dwelling units per gross acre—requiring about 490 acres. We assume the 2,200 new rental units were built at a good deal higher density—perhaps requiring another 250 acres.

**Household Income & Poverty Rate**

According to the 2015 American Community Survey 5-Year Estimates, the median household income for Fayette County is \$49,778, compared to \$43,740 for the Commonwealth of Kentucky as a whole. The \$49,778 mark is below average in the context of the seven-county region, which reports median household incomes that range from a low of \$45,383 in Madison County to a high of \$63,027 in Scott County. On the other hand, affluent households are more heavily concentrated in Fayette County with 33% of Fayette County households earning \$75,000 or more annually, compared to 31% for the seven-county region as a whole and 27% for the Commonwealth of Kentucky (see Table 6 on the following page).

**Table 6: Median Household Income, 2015**

	Fayette County	7 County Region	Commonwealth of Kentucky
Median Household Income	\$49,778	\$42,390 to \$63,027	\$43,740
Household Incomes:			
Less than \$10,000	9%	8%	10%
\$10,000 to \$14,999	6%	6%	7%
\$15,000 to \$24,999	12%	11%	13%
\$25,000 to \$34,999	11%	10%	11%
\$35,000 to \$49,999	13%	14%	15%
\$50,000 to \$74,999	17%	19%	18%
\$75,000 to \$99,999	11%	12%	11%
\$100,000 to \$149,999	12%	12%	10%
\$150,000 to \$199,999	5%	4%	3%
\$200,000 or more	5%	3%	3%

Source: U.S. Census Bureau

According to the 2015 ACS, nearly 56,000 residents of Fayette County live under the poverty level. The poverty rate is 18.9% for Fayette County, identical to the poverty rate for the Commonwealth as a whole and two percentage points higher than the seven-county region as a whole (see Table 7).

**Table 7: Population Living Under Poverty Level, 2015**

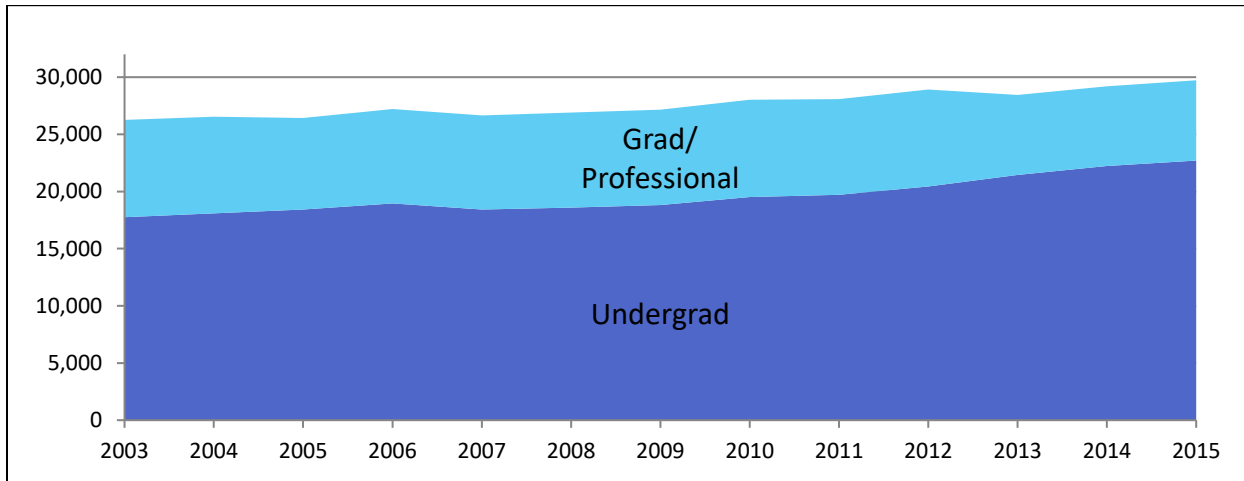
	Fayette County	7 County Region	Commonwealth of Kentucky
Population Below Poverty Level	55,900	43,246	805,841
Population Below Poverty Level (%)	18.9%	16.9%	18.9%

Source: U.S. Census Bureau

**UNIVERSITY OF KENTUCKY STUDENT POPULATION**

The student body at the University of Kentucky (UK) is a sizeable portion of the overall Fayette County population, accounting for nearly 10 percent of all residents. From 2006-2015, UK added 3,260 additional undergraduate students (growth of 2.1% annually). The number of graduate/professional students dropped by 1,270 (currently approximately 7,500). As of the 2015-16 academic year, UK’s total enrollment is 29,727 with 22,705 undergraduate students and 7,022 graduate/professional students (see Figure 3).

**Figure 3: University of Kentucky Enrollment (2003-2015)**



Source: University of Kentucky, Office of Institutional Research & Advanced Analytics

Currently, UK’s total on-campus dormitory capacity is 7,181 beds, leaving 21,429 students to live off-campus or commute from home/elsewhere in the region. In 2017, two new residence halls will be introduced, adding another 1,117 beds (for a total of 8,298 beds). Based on a model developed by Urban Partners, UK students living off campus currently account for 6,900 units in Fayette County. Undergraduates are occupying 3,570 units and graduate students are occupying 3,330 units.

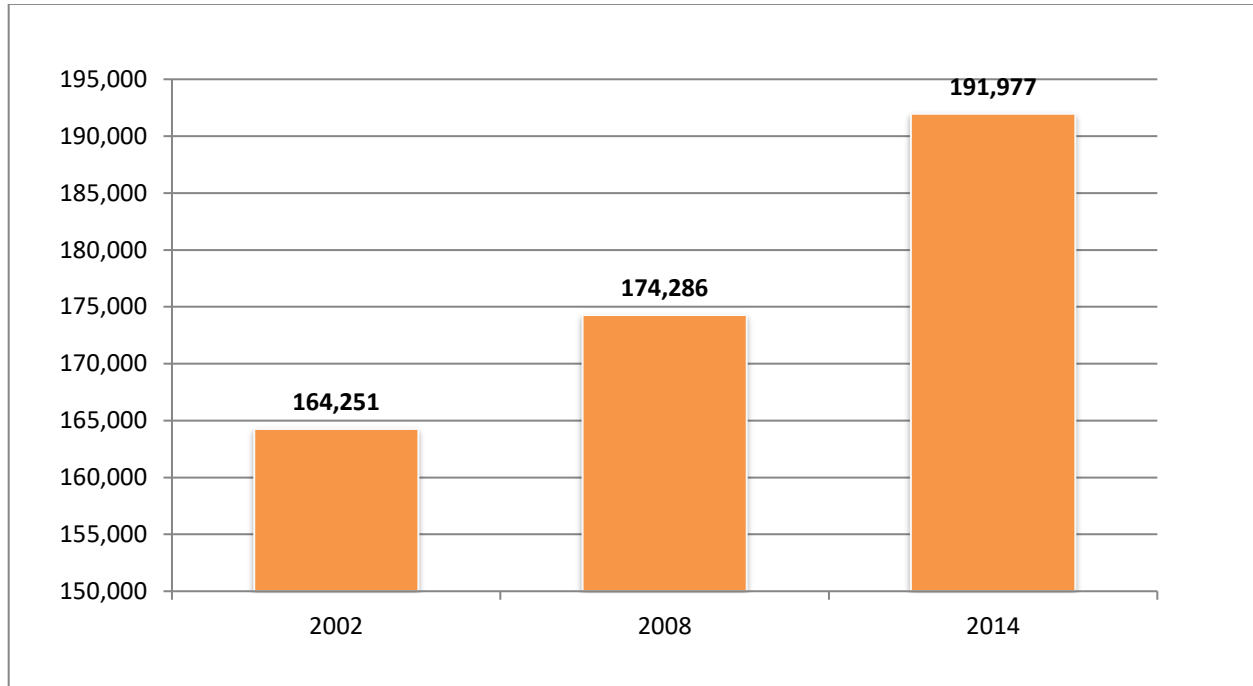


**Figure 4 (left):**  
*University of Kentucky’s Limestone Park I, opened Fall of 2016. This seven-story facility houses 645 residents.*

**ECONOMIC TRENDS**

According to the Census Bureau’s *OnTheMap* application, which uses employer payroll tax information to geo-locate jobs within a defined area, Fayette County has experienced significant job growth in recent years. Fayette County was home to 164,251 jobs in 2002, and in 2014 the number of jobs swelled to 191,977, equivalent to a growth rate of 16.9% (see Figure 5).

**Figure 5: Jobs Located in Fayette County (2002, 2008, 2014)**



Source: U.S. Census Bureau

The continued growth of Fayette County’s so-called Eds and Meds sectors are evidenced by robust growth rates in the Health Care and Social Assistance sector (a gain of 8,809 jobs from 2002 to 2014) and the Educational Services sector (a gain of 8,830 jobs in the same period). On the other hand, the Construction sector shed 1,490 jobs from 2002 and 2014 (see Table 8).

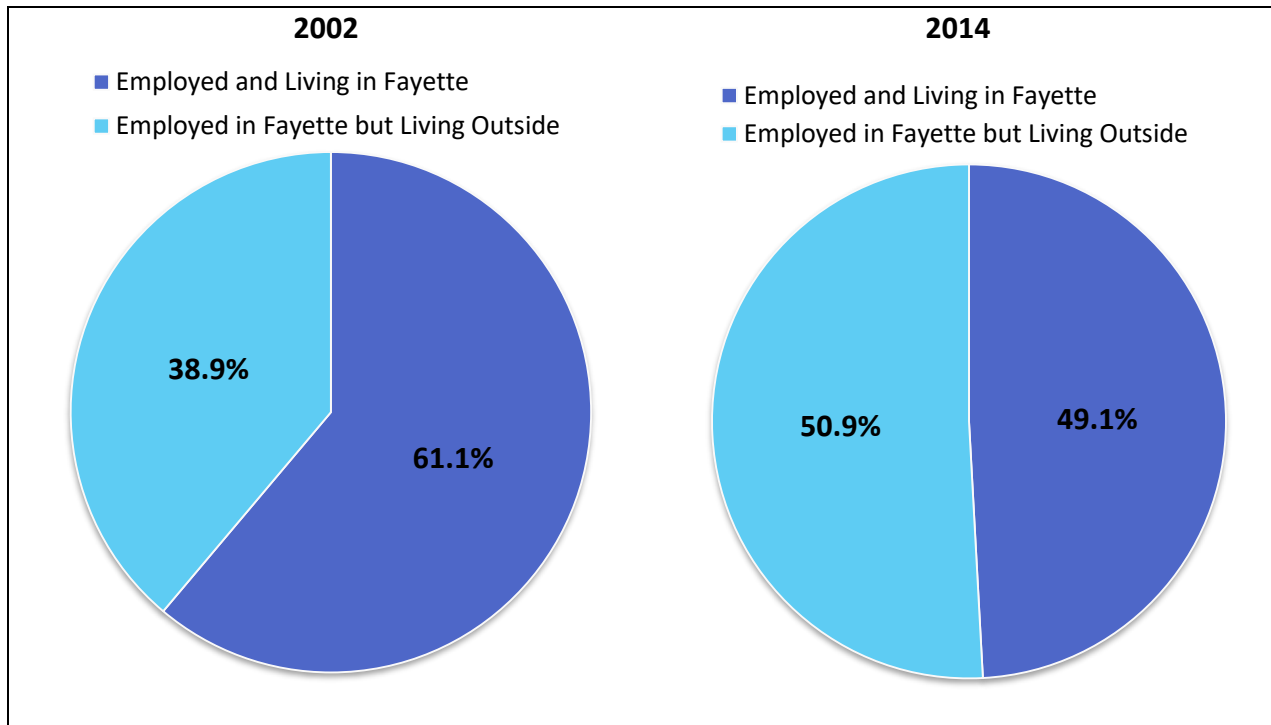
**Table 8: Employment in Notable Industrial Sectors, 2002-2014**

	Jobs in 2002	% of All Jobs 2002	Jobs in 2014	% of All Jobs 2014
Health Care and Social Assistance	23,296	14.2%	32,105	16.7%
Educational Services	16,711	10.2%	25,541	13.3%
Retail Trade	21,120	12.9%	22,177	11.6%
Accommodation and Food Services	15,489	9.4%	18,914	9.9%
Admin/Support, Waste Management & Remediation	8,447	5.1%	13,042	6.8%
Manufacturing	15,183	9.2%	12,527	6.5%
Professional, Scientific, and Technical Services	10,409	6.3%	12,087	6.3%
Construction	8,820	5.4%	7,330	3.8%
All other sectors	44,776	27.3%	48,254	25.1%

Source: U.S. Census Bureau

The jobs located in Fayette County are increasingly filled by commuters from outside the county. Figure 6 shown below illustrates the In-Area Employment Efficiency, or the percentage of jobs in the county filled by Fayette residents. In 2014, less than half (49.1%) of all jobs located in the county were filled by Fayette residents, compared to 61.1% in 2002.

**Figure 6: In-Area Employment Efficiency, 2002-2014**



Source: U.S. Census Bureau

Despite the growth of nearly 28,000 jobs in Fayette County, the total number of jobs filled by county residents decreased from 100,431 in 2012 to 94,338 in 2014 (see Table 9).

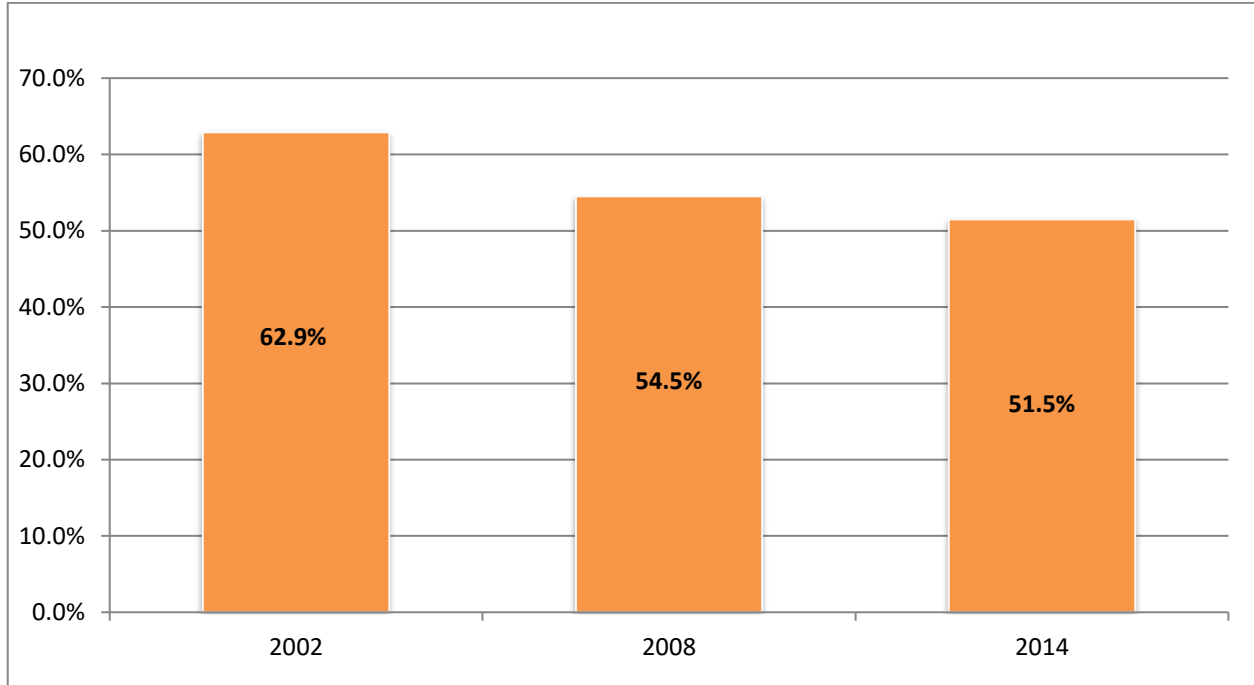
**Table 9: Fayette County Jobs by Where Workers Live, 2002-2014**

	Jobs in 2002	% of All Jobs 2002	Jobs in 2014	% of All Jobs 2014	Change 2002-14
Fayette County	100,431	61.1%	94,338	49.1%	-6,093
Six Adjacent Counties	25,997	15.8%	37,376	19.5%	+11,379
Jessamine	7,170	4.4%	9,271	4.8%	+2,101
Madison	5,600	3.4%	7,873	4.1%	+2,273
Scott	4,014	2.4%	7,637	4.0%	+3,623
Clark	3,881	2.4%	5,211	2.7%	+1,330
Woodford	3,084	1.9%	4,692	2.4%	+1,608
Bourbon	2,248	1.4%	2,692	1.4%	+444
Outside the Region	37,823	23.0%	60,263	31.4%	+22,440

Source: U.S. Census Bureau

The following figure illustrates the percentage of workers who live less than 10 miles from their place of employment. In 2014, 51.5% of the employed workers of Fayette County lived less than 10 miles from their jobs, compared to 62.9% of the workers in 2002 (see Figure 7).

**Figure 7: % of Fayette County Workers to Live Less Than 10 Miles from Work (2002, 2008, 2014)**



Source: U.S. Census Bureau

## CURRENT HOUSING CHARACTERISTICS

According to the 2015 ACS, 1-Year Estimate, there are 139,840 housing units in Fayette County. As indicated in Table 5, the total number of housing units in Fayette County increased from 116,167 in 2000 to 139,840 in 2015, which is equivalent to 20.4% increase. The following is a detailed breakdown of Fayette County's current housing stock:

- In estimating the actual available housing stock for 2015, we have adjusted for 5,212 units that are categorized as “Other Vacancy” by the Census Bureau. Other Vacant units, which has averaged 3.7% of the housing stock over the past five years, is a classification which includes:
  - Foreclosed properties;
  - Units vacant due to the owners’ preferences and/or personal situation (owner does not want to rent/sell, owner is staying with family, owner is in assisted living, etc.);
  - Units vacant due to legal issues or disputes;
  - Unoccupiable properties (abandoned/condemned);
  - Units needing repairs before they can be sold or rented and units being repaired; and
  - Units used for storage of household furniture.

For the purpose of this study, we estimate that 134,628 units are the “true available housing stock” in Fayette County in 2015.

- The total number of occupied housing units is 129,088. This number excludes on-campus dormitories which are categorized as Group Quarters by the Census Bureau. Other types of Group Quarters—such as correctional facilities, nursing homes, mental hospitals, military barracks, group homes, missions, and shelters—are also excluded from this number.
- Homeowner households occupy 66,539 units, or 51.5% of all occupied units in Fayette. Vast majority of these households (63,154 or 94.9% of the total) reside in single-unit structures.
- Renter households occupy 62,549 units, or 48.5% of all occupied units in Fayette. Thirty-eight percent (38% or 23,918) renter households reside in one-unit homes, while 38,631 households rent homes in multi-unit structures.

**Table 10: Fayette County Housing Stock**

	Units in 2015	% of Total Stock
Total Housing Units	139,840	-
Occupied Housing	129,088	92.3%
Owner Occupied	66,539	47.6%
Renter Occupied (Non Students)	48,779	34.9%
Renter Occupied (Students)	6,900	4.9%
Renter Occupied (Income Restricted)	6,870	4.9%
Vacant, For Sale	1,600	1.1%
Vacant, For Rent	3,940	2.8%
Other Vacant	5,212	3.7%

Source: U.S. Census Bureau



- There are three major segments of renter households: i) student renters; ii) renters residing in income-restricted housing; and iii) non-student, market-rate renters.
  - Student renters occupy 6,900 off-campus rental units. This number is calculated based on 2015-16 UK enrollment statistics and UK’s on-campus housing capacity of 8,298 beds.
  - As of this report, there are 6,870 rental homes that are categorized as income-restricted. This number is comprised of: i) approximately 1,380 income-restricted, public housing units managed by the Lexington Housing Authority (LHA); ii) 2,800 additional Housing Choice Vouchers operated and overseen by LHA; and iii) approximately 2,690 privately owned by publicly subsidized, income-restricted rental units.
  - The balance of the rental homes (48,779 units) are occupied by non-student, market-rate households.
- Vacant homes for sale represent 1.1% of the total housing stock, or 1,600 units. Vacant homes for rent represent 2.8% of the total housing stock, or 3,940 units.

### PHYSICAL CHARACTERISTICS OF THE HOUSING STOCK

#### Age of Housing

According to the 2015 ACS, the Median Year Built for residential structures in Fayette County is 1981, compared to 1979 for the Commonwealth of Kentucky as a whole. Table 11 below is a detailed breakdown of the Age of Housing Stock for Fayette County based on tenure. It shows that 78.9% of all housing units in the county were built before 2000. The Census Bureau also reports that owner-occupied homes are newer than renter-occupied homes (23.7% of the homeowner housing built 2000 or later, compared to 18.3% of rental homes).

**Table 11: Age of Housing Stock by Tenure**

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	129,088	-	66,539	-	62,549	-
Built 2014 or later	408	0.3%	257	0.4%	151	0%
Built 2010 to 2013	4,958	3.8%	2,143	3.2%	2,815	5%
Built 2000 to 2009	21,884	17.0%	13,384	20.1%	8,500	14%
Built 1990 to 1999	20,370	15.8%	10,577	15.9%	9,793	16%
Built 1980 to 1989	19,798	15.3%	9,066	13.6%	10,732	17%
Built 1970 to 1979	18,135	14.0%	8,797	13.2%	9,338	15%
Built 1960 to 1969	16,042	12.4%	7,890	11.9%	8,152	13%
Built 1950 to 1959	13,879	10.8%	7,352	11.0%	6,527	10%
Built 1940 to 1949	3,934	3.0%	2,453	3.7%	1,481	2%
Built 1939 or earlier	9,680	7.5%	4,620	6.9%	5,060	8%

Source: U.S. Census Bureau

#### Units in Structure

The majority of homes (67.5%) in Fayette County are one-unit structures (both attached and detached types). According to the 2015 ACS, 94.9% of the homeowners live in residential structures with just one unit and a total of 1,108 owner households in Fayette County live in structures with ten or more units.

Renter households are more evenly distributed in terms of units in structure, but the largest number of renters (23,918 households, or 38.3% of all rental units) live in one-unit structures (see Table 12).

**Table 12: Units in Structure by Tenure**

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	129,088	-	66,539	-	62,549	-
1, detached	78,981	61.2%	59,980	90.1%	19,001	30.4%
1, attached	8,091	6.3%	3,174	4.8%	4,917	7.9%
2	4,540	3.5%	349	0.5%	4,191	6.7%
3 or 4	6,561	5.1%	374	0.6%	6,187	9.9%
5 to 9	8,677	6.7%	509	0.8%	8,168	13.1%
10 to 19	9,482	7.3%	330	0.5%	9,152	14.6%
20 to 49	5,677	4.4%	493	0.7%	5,184	8.3%
50 or more	5,340	4.1%	285	0.4%	5,055	8.1%
Mobile home	1,544	1.2%	1,045	1.6%	499	0.8%
Boat, RV, van, etc.	195	0.2%	0	0.0%	195	0.3%

Source: U.S. Census Bureau

## HOMEOWNERSHIP MARKET

To analyze recent residential sales activity (from 2011 to 2016) in Fayette County, this study utilized the comprehensive record of real estate transactions provided by the Fayette County Property Valuation Administrator (PVA) as the primary sources of data.<sup>2</sup>

To isolate arms-length sales to owner-occupants, the following transaction records were excluded from the PVA data:

- Purchases by owners that maintain a different mailing address than the property address;
- Homes purchased from lending institutions;
- Homes purchased from city/county agencies;
- Homes purchased by home builders and developers;
- Homes transferred at nominal amounts;
- Homes transferred between family members;
- Homes purchased by apparent landlords (individuals with multiple home ownerships); and
- Homes purchased by a corporate, civic or business entity.

According to the PVA, there were 22,893 home purchases by owner occupant households from 2011 to 2016. The median sale price of these homes was \$175,000. Table 13 on the following page shows the composition of these home purchases by the age of the homes. The highest median sale price was for homes that were built 1949 and earlier (\$210,000), and the lowest median sale price (\$141,000) was for homes built between 1950 and 1979. Homes that were built 2000 and later reported a median sale price of \$200,000.

<sup>2</sup> Home sales inventory and listing data provided by the Lexington-Bluegrass Association of Realtors (LBAR) were also examined and the analysis of LBAR's records is shown in Appendix 100.

**Table 13: Owner Purchased Homes by Age of Home (2011 to 2016)**

	Purchases	Purchases %	Median Sale Price
1949 & Earlier	1,799	8%	\$210,000
From 1950 to 1979	5,798	25%	\$141,000
From 1980 to 1999	6,637	29%	\$175,000
2000 & Newer	8,659	38%	\$200,000
<b>Total</b>	<b>22,893</b>	<b>100%</b>	<b>\$175,000</b>

Source: Fayette County PVA, Urban Partners

Table 14 shows the sales of these home purchases by the type of homes. Single-family homes are categorized into seven different types based on the size of the lot. In terms of home type, the highest median sale price was recorded for single-family homes built on lots larger than half-acre (there were 822 of such transactions with a median sale price of \$290,000). There were more sales of single-family homes built on quarter- to half-acre lots than any other types (there were 4,092 such sales with a median sale price of \$232,500). The lowest priced homes were townhomes with a median sale price of \$140,953.

**Table 14: Owner Purchased Homes by Type (2011 to 2016)**

	Purchases	Purchases %	Median Sale Price
Single Family (Lot > 1/2 Acre)	822	4%	\$290,000
Single Family (Lot 1/4 to 1/2 Acre)	4,092	18%	\$232,500
Single Family (Lot 9,000 SF to ¼ Acre)	3,543	16%	\$175,000
Single Family (Lot 7,500 SF to 9,000 SF)	4,014	18%	\$196,178
Single Family (Lot 6,000 SF to 7,500 SF)	3,403	15%	\$171,400
Single Family (Lot 5,000 SF to 6,000 SF)	1,939	8%	\$164,500
Single Family (Lot < 5,000 SF)	2,405	11%	\$136,000
Duplex	388	2%	\$174,300
Townhome	1,256	6%	\$140,953
Condominium	971	4%	\$145,780
<b>Total</b>	<b>22,893</b>	<b>100%</b>	<b>\$175,000</b>

Source: Fayette County PVA, Urban Partners

Table 15 shows average sale price per square foot (SF) of interior living space for the first sale after construction for owner purchased homes that were built 2011 or later (new home purchases). The highest average sale price of these new homes was townhomes (\$135.86/SF) and single-family homes on quarter-acre to half-acre lots (\$133.01/SF). The lowest priced new homes were single-family homes on 6,000 to 7,500 SF lots (\$101.96/SF) and single-family homes on lots less than 5,000 SF (\$101.95/SF).

**Table 15: Sale Price per SF of Living Space for New Construction Homes by Type (2011 to 2016)**

	Average Sale Price/SF		Average Sale Price/SF
Single Family (Lot > 1/2 Acre)	\$130.96	Single Family (Lot 5,000 SF to 6,000 SF)	\$102.75
Single Family (Lot 1/4 to 1/2 Acre)	\$133.01	Single Family (Lot < 5,000 SF)	\$101.95
Single Family (Lot 9,000 SF to 1/4 Acre)	\$111.30	Duplex	\$124.70
Single Family (Lot 7,500 SF to 9,000 SF)	\$104.44	Townhome	\$135.86
Single Family (Lot 6,000 SF to 7,500 SF)	\$101.96	Condominium	\$132.54

Source: Fayette County PVA, Urban Partners

In order to understand the dynamics of the housing market within the various sections in the county, home sales data were analyzed for the 14 Sub Markets shown in Figure 8 below. There are four Sub Markets inside New Circle Road (i.e., Downtown, In-Town Central, In-Town South, and In-Town North) and there are four Sub Markets in rural sections of the county that are mostly non-residential (i.e., Tract 37.01, 38.02, 39.18, and 40.07).

**Figure 8: Housing Sub Markets in Fayette County**

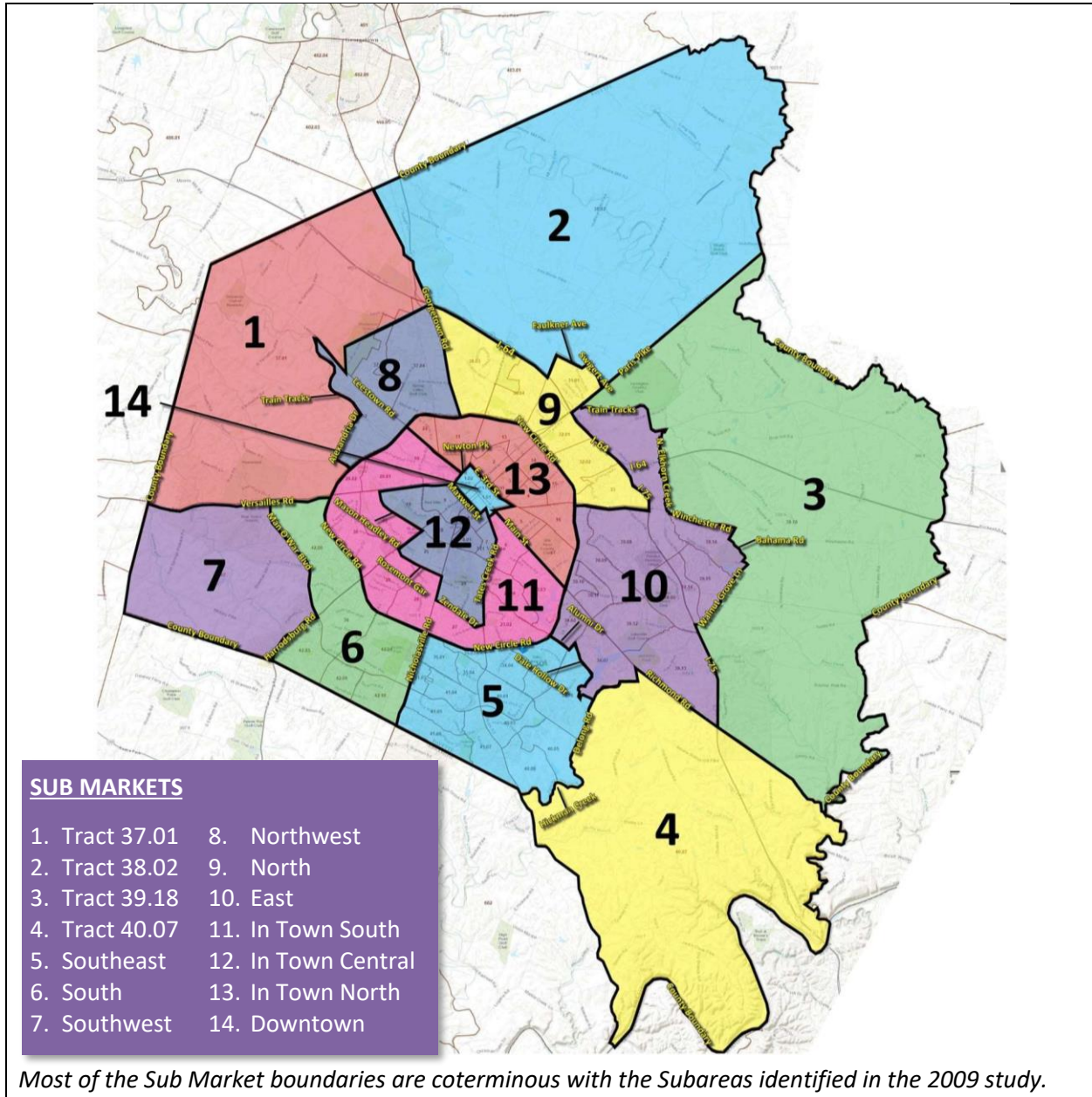


Table 16 shown on the following page summarizes these owner-purchased homes by Sub Markets. The East Sub Market had the most owner-purchased sales with 5,426 with a median sale price of \$206,000. Sales in the East Sub Market accounted for 23.7% of all such transactions in the county from 2011 to 2016.

Other Sub Markets with more than 10% share of the county's owner purchased homes during this period are Southeast (18.2% or 4,176 sales with a median sale price of \$161,000), In-Town South (15.0% or 3,431 sales with a median sale price of \$173,000), and South (14.5% or 3,320 sales with a median sale price of \$98,024). The four Sub Markets inside New Circle Road (In-Town South, In-Town North, In-Town Central, and Downtown) tallied 5,963 owner purchased sales, which is equivalent to 26% of all such sales in the county from 2011 to 2016.

**Table 16: Owner Purchased Homes by Sub Markets (2011 to 2016)**

Sub-Market	# of Purchases	% of Purchases	Median Sales Price	Sub-Market	# of Purchases	% of Purchases	Median Sales Price
<b>All Sales</b>	<b>22,893</b>	<b>-</b>	<b>\$175,000</b>				
East	5,426	23.7%	\$206,000	In-Town Central	941	4.1%	\$220,000
Southeast	4,176	18.2%	\$161,000	Southwest	400	1.7%	\$306,500
In-Town South	3,431	15.0%	\$173,000	Downtown	173	0.8%	\$226,900
South	3,320	14.5%	\$198,024	39.18	148	0.6%	\$212,000
Northwest	1,968	8.6%	\$146,000	37.01	36	0.2%	\$344,500
In-Town North	1,418	6.2%	\$130,000	38.02	28	0.1%	\$226,400
North	1,416	6.2%	\$122,500	40.07	12	0.1%	\$307,000

Source: Fayette County PVA, Urban Partners

## RENTAL HOUSING MARKET

According to the 2015 ACS, there are three Sub Markets that are majority renter-occupied. As shown in Table 17, Downtown reports the highest renter occupancy rate of 79.8%, followed by In-Town Central (74.0%) and In-town North (52.8%).

**Table 17: Renter Occupancy Rate by Sub Markets**

Sub-Market	Renter Occupancy Rate	Share of Fayette's Rental Units	Sub-Market	Renter Occupancy Rate	Share of Fayette's Rental Units
<b>Fayette County</b>	<b>48.5%</b>	<b>100.0%</b>			
Downtown	79.8%	4.3%	39.18	34.2%	0.6%
In Town Central	74.0%	14.0%	38.02	30.6%	0.4%
In Town North	52.8%	11.6%	37.01	29.3%	0.3%
Southeast	49.8%	22.8%	40.07	23.7%	0.3%
In Town South	46.0%	17.4%	Northwest	23.3%	2.0%
North	43.1%	7.9%	South	20.6%	4.6%
East	42.7%	13.6%	Southwest	11.6%	0.3%

Source: U.S. Census Bureau, Urban Partners

Table 18 shows the breakdown of renter-occupied housing by Sub Markets based on the number of units in structure. For the county as a whole, 66.8% of the rental units are in multi-family structures, 32.5% of the units are in single-family dwellings, and 0.7% of the units are in the "Other" category that includes mobile homes and boats. By percentage of total rental units in the Sub Market, Downtown has the most multi-family rental homes (90.9%), followed by In-Town Central (79.1%) and In-Town South (74.1%).

**Table 18: Renter Occupied Housing by Units in Structure by Sub Markets**

Sub-Market	% of Rentals in Multi-Family	% of Rentals in Single-Family	% of Rentals in Other	Sub-Market	% of Rentals in Multi-Family	% of Rentals in Single-Family	% of Rentals in Other
<b>Fayette County</b>	<b>66.8%</b>	<b>32.5%</b>	<b>0.7%</b>				
Downtown	90.9%	0.0%	4.3%	South	50.8%	0.0%	0.6%
In Town Central	79.1%	0.6%	14.0%	37.01	33.3%	10.0%	0.4%
In Town South	74.1%	0.3%	11.6%	Northwest	7.4%	0.0%	0.3%
Southeast	71.7%	0.1%	22.8%	40.07	3.0%	27.9%	0.3%
East	67.2%	0.3%	17.4%	38.02	2.6%	5.2%	2.0%
North	63.3%	0.4%	7.9%	Southwest	0.0%	4.6%	4.6%
In Town North	50.9%	2.3%	13.6%	South	0.0%	12.1%	0.3%

Source: U.S. Census Bureau, Urban Partners

Table 19 shows eight of the higher priced multi-family apartment complexes in Fayette. These complexes offer luxury amenities such as swimming pools, fitness centers, washer/dryer in the unit, and community rooms. Additionally, many of these complexes offer 24-hour security and maintenance services. Asking rents for unfurnished one-bedroom units range from \$643 to \$1,378/month (or \$0.75 to \$2.44 per SF), unfurnished two-bedroom units from \$832 to \$1,741/month (or \$0.76 to \$1.85 per SF), and unfurnished three-bedroom units range from \$1,100 to \$2,250/month (or \$0.80 to \$1.66 per SF).

**Table 19: Summary of Rental Rates for Higher Priced Multi-Family Complexes**

Name	Built	Total Units	Type	Price	Size (SF)	\$/SF
The Henry at Fritz Farm	2017	306	1 Bedroom	\$985-\$1,165	678-783 SF	\$1.45 to \$1.49
			2 Bedroom	\$1,290-\$1,340	983-1,106 SF	\$1.21 to \$1.31
			3 Bedroom	\$2,250	1,452 SF	\$1.55
The Creeks on Tates Creek	1968	117	1 Bedroom	\$665-\$1,378	883-946 SF	\$0.75 to \$1.46
			2 Bedroom	\$1,220-\$1,220	1,174-2,028 SF	\$0.60 to \$1.04
			3 Bedroom	\$1,174	1,220 SF	\$0.66 to \$1.96
Merrick Place	1968	456	1 Bedroom	\$800-\$1,000	625-828 SF	\$1.21 to \$1.28
			2 Bedroom	\$900-\$1,500	835-1,225 SF	\$1.08 to \$1.22
			3 Bedroom	\$1,100-\$1,800	1,205-1,834 SF	\$0.91 to \$0.98
The Resort At Lake Crossing	2000	211	1 Bedroom	\$741-\$1,349	745 SF	\$0.99 to \$1.81
			2 Bedroom	\$832-\$1,490	1,069 SF	\$0.78 to \$1.39
			3 Bedroom	\$1,027-\$1,784	1,287 SF	\$0.80 to \$1.39
Saddlebrook At Tates Creek	1978	181	1 Bedroom	\$748-\$1,224	731-768 SF	\$1.02 to \$1.67
			2 Bedroom	\$918-\$1,741	1,204-1,214 SF	\$0.76 to \$1.45
Creeks on Kirklevington	1973	141	1 Bedroom	\$643-\$1,254	514-720 SF	\$1.25 to \$2.44
			2 Bedroom	\$779-\$1,664	900-1,250 SF	\$0.87 to \$1.85
Park Place Apartments	1987	464	1 Bedroom	\$899-\$1,019	875-1,313 SF	\$1.03 to \$1.16
			2 Bedroom	\$1,129-\$1,269	1,200-1,663 SF	\$0.94 to \$1.06
			3 Bedroom	\$1,419-\$1,449	1,475-1,500 SF	\$0.96 to \$0.98
Grand Reserve at Pinnacle ( <i>higher prices are for furnished units</i> )	2000	367	1 Bedroom	\$858-\$1,733	762-836 SF	\$1.13 to \$2.07
			2 Bedroom	\$973-\$2,063	1,215-1,330 SF	\$0.80 to \$1.55
			3 Bedroom	\$1,193-\$2,473	1,349-1,451 SF	\$0.88 to \$1.70
WaterStone at Hamburg	2017	264	1 Bedroom	\$990-\$1,115	699-873 SF	\$1.42 to \$1.60
			2 Bedroom	\$1,199-\$1,280	1,069-1,198 SF	\$1.12 to \$1.20
			3 Bedroom	\$1,449	1,359 SF	\$1.07

Source: Apartment Finder, Apartments.com, Urban Partners

Table 20 shows six major multi-family apartment complexes marketed primarily to college students. Most of these complexes offer free community wi-fi, on-site laundry facility or in unit washer/dryer, swimming pool, basketball/volleyball courts, and personalized rent payment system. Asking rents range from \$380 to 1,038 per month per bedroom.

**Table 20: Summary of Rental Rates for Higher Priced Multi-Family Complexes Marketed to Students**

Name	Address	Built	Total Units	Type	Price/Bedroom
Limestone Square	129 Transcript Avenue	1986	80	Studio, 1, 3 Bedroom	\$510-\$825
University Trails	845 Red Mile Road	1997	182	2,3,4 Bedroom	\$359-\$599
Red Mile Village	1051 Red Mile Road	2009	171	2,3,4 Bedroom	\$449-\$599
Belmont Run	1232 Man O War Place	1975	130	1,2, Bedroom	\$380-\$670
Campus Court at Red Mile	935 Red Mile Road	2017	139	Studio, 1 Bedroom	\$929-\$1,038

Source: Apartment Finder, Apartments.com, Urban Partners

## AFFORDABLE HOUSING MARKET

### Affordability of Owner-Occupied Homes

Table 21 illustrates the distribution of the 22,893 owner purchased homes by household income segments and housing price ranges. From 2011 to 2016, there were 10,991 sales (48.0% of the total) that were sold for less than \$170,000, a maximum affordability ceiling for low-to-moderate income households that earn less than 80% of the Area Median Income. Additionally, there were 6,076 sales of homes (26.5% of the total) in the “Workforce Housing” range, which is between \$170,001 and \$255,000. Approximately a quarter of owner purchased homes in Fayette County are priced above maximum affordability for households at or under 120% of the Area Median Income.

**Table 21: Owner Purchased Homes by Income Segments and Housing Price Ranges (2011 to 2016)**

Sub-Market	Lower Priced Homes	Affordable (40%-60% Median Income)	Affordable (60%-80% Median Income)	Total Affordable	Workforce (80%-120% of Median Income)	Higher Priced Homes	All Sales
	>\$85,000	\$85,000 - \$127,499	\$127,500 - \$170,000	Below \$170,000	\$170,001 - \$255,000	Above \$255,000	
Downtown	9	13	28	50	58	65	173
In-Town Central	49	94	159	302	282	357	941
In-Town North	327	347	231	905	227	286	1,418
In-Town South	223	594	871	1,688	669	1,074	3,431
East	194	683	1,155	2,032	1,629	1,765	5,426
North	157	616	372	1,145	180	91	1,416
Northwest	9	431	928	1,368	533	67	1,968
Southwest	1	5	65	71	72	257	400
South	6	246	877	1,129	1,250	941	3,320
Southeast	231	1,055	967	2,253	1,100	823	4,176
Other	6	12	30	48	76	100	224
<b>Total</b>	<b>1,212</b>	<b>4,096</b>	<b>5,683</b>	<b>10,991</b>	<b>6,076</b>	<b>5,826</b>	<b>22,893</b>
Total %	5.3%	17.9%	24.8%	48.0%	26.5%	25.4%	

Source: Fayette County PVA, Urban Partners

There are some signs that the pool of homes within reach for low-to-moderate income homebuyers may be shrinking. Of 14,806 homes listed for sale in Fayette County from January 2015 to February 2017, 43.9% listed for less than \$170,000—compared to 48.0% of the sold homes from 2011 to 2016 (see Table 22).

**Table 22: Homes for Sale by Listing Price Ranges (Jan 2015 to Feb 2017)**

Sub-Market	Lower Priced Homes	Affordable (40%-60% Median Income)	Affordable (60%-80% Median Income)	Total Affordable	Workforce (80%-120% of Median Income)	Higher Priced Homes	All Sales
Home Listing Price	1,008	2,225	3,274	6,507	3,499	4,800	14,806
Total %	6.8%	15.0%	22.1%	43.9%	23.6%	32.4%	

Source: LBAR, Urban Partners

### Affordability of Rental Homes

According to “Lexington’s Affordable Housing Challenge and Potential Strategy” report completed by czb in 2014, there are 15,000 non-student rental households earning less than \$20,000/year. These households are unable to afford the fair market rents in Lexington. Approximately 9,000 of these households are being assisted by public housing, publicly financed/income restricted rentals, Housing Choice Vouchers, and the private market (i.e., units priced lower than the fair market rent level). Therefore, the unmet gap in affordable rentals is 6,000 units.

According to PolicyMap, which is a demographic data service provided by The Reinvestment Fund, Fayette County is home to a total of 4,843 income-restricted rental homes that are project specific (i.e. not including households with Housing Choice Vouchers).

- Units categorized as HUD Multi-Family include homes benefitting from: 1) HUD Section 202 Supportive Housing for the Elderly Program; 2) Section 811 Supportive Housing for Persons with Disabilities; and 3) Project-Based Section-8 Vouchers. There are a total of 2,165 HUD Multi-Family units in Fayette, with the greatest concentrate of units (1,016) in the Southeast Sub Market.
- Units categorized as HUD Public Housing are income-restricted rental homes managed by the Lexington Housing Authority (LHA). As of this report, LHA managed 1,097 public housing units. A little more than half of these units are located in the In-Town North Sub Market (592 units).
- Units categorized as LIHTC benefit from private equity provided to the project through the Low Income Housing Tax Credit Program. These units are restricted to rental households earning less than 50% of the Area Median Income, which is currently \$34,100 a year for a family of four. There are 1,581 LIHTC units in Fayette, with the North Sub Market having the highest concentration of 460 units (see Table 23 on the following page).



**Table 23: Project-Based, Income-Restricted Units**

	HUD Multi-Family	HUD Public Housing	LIHTC	Total
Southeast	1,016	248	75	1,339
In-Town North	133	592	318	1,043
Downtown	322	170	148	640
North	39	42	460	541
East	165	-	310	475
In Town Central	156	45	234	435
In Town South	334	-	36	370
<b>Total</b>	<b>2,165</b>	<b>1,097</b>	<b>1,581</b>	<b>4,843</b>

Source: PolicyMap, Urban Partners

As of this report, the full capacity of LHA is 4,292 households that can be accommodated in a variety of ways, including: public housing communities; tenant-based and project-based Housing Choice Vouchers (i.e. Section-8); special purpose vouchers; and other housing arrangements that fall outside of Section 8 and HUD public housing authority.

## HOUSING MARKET DEMOGRAPHIC PROFILE

### Tenure by Age of Householder

The Age of Householder by Tenure is shown in Table 24. The Census Bureau reports that householders between the ages of 25 and 54 make up the majority (55.4%) of all householders in the county. Householders 65 years and older head 18.5% of Fayette households, but this age group is strongly homeowners—17,743 older homeowners representing 26.7% of all homeowners in the county.

**Table 24: Age of Householder by Tenure**

	All Households	% of Households	Owner Occupied	% of Owners	Renter Occupied	% of Renters
All	129,088	-	66,539	-	62,549	-
Householder 15 to 24 years	12,124	9.4%	294	0.4%	11,830	18.9%
Householder 25 to 34 years	24,205	18.8%	8,458	12.7%	15,747	25.2%
Householder 35 to 44 years	25,462	19.7%	12,652	19.0%	12,810	20.5%
Householder 45 to 54 years	21,781	16.9%	12,494	18.8%	9,287	14.8%
Householder 55 to 59 years	10,968	8.5%	7,035	10.6%	3,933	6.3%
Householder 60 to 64 years	10,689	8.3%	7,863	11.8%	2,826	4.5%
Householder 65 to 74 years	14,407	11.2%	10,674	16.0%	3,733	6.0%
Householder 75 to 84 years	6,830	5.3%	5,430	8.2%	1,400	2.2%
Householder 85 years and over	2,622	2.0%	1,639	2.5%	983	1.6%

Source: U.S. Census Bureau

Table 25 is a breakdown of Fayette County's tenure by age of householder. For householders between the ages of 15 and 64, there appears to be a growing trend for renting. From 2010 to 2015, the rate of homeownership for householders 15 to 34 years-of-age decreased from 30.5% to 24.1%. For householders between the ages of 35 and 64, the homeownership rate decreased from 61.6% in 2010 to 58.1% in 2015. This trend mirrors the decreasing rates of homeownership in the U.S.

For householders aged 65 and older, the rate of homeownership has increased from 2010 to 2015 (from 71.7% to 74.4%). For the U.S., the rate of homeownership for senior households decreased slightly from 78.6% in 2010 to 78.0% in 2015. The vast majority of these older Fayette homeowners reside in single-family homes, including townhomes and other attached structures. This represents 70.8% of all older householders; another 6.9% rent single family homes.

**Table 25: Tenure by Age of Householder (2010-2015)**

	Fayette 2010 %	Fayette 2015 %	United States 2010 %	United States 2015 %
<b>Householder 15-34</b>				
Owner:	<b>30.5%</b>	<b>24.1%</b>	<b>35.5%</b>	<b>32.1%</b>
SFR/Detached or Attached	28.5%	21.6%	30.1%	27.6%
Multi-Family Structure	1.3%	2.0%	2.7%	2.2%
Other (Mobile Home; Etc.)	0.7%	0.5%	2.7%	2.3%
Renter:	<b>69.5%</b>	<b>75.9%</b>	<b>64.5%</b>	<b>67.9%</b>
SFR/Detached or Attached	21.4%	24.9%	19.5%	20.9%
Multi-Family Structure	47.7%	50.4%	42.1%	44.2%
Other (Mobile Home; Etc.)	0.4%	0.6%	2.8%	2.8%
<b>Householder 35-64</b>				
Owner:	<b>61.6%</b>	<b>58.1%</b>	<b>70.5%</b>	<b>66.9%</b>
SFR/Detached or Attached	60.0%	55.7%	62.9%	59.7%
Multi-Family Structure	1.0%	1.5%	3.1%	3.1%
Other (Mobile Home; Etc.)	0.6%	0.9%	4.5%	4.1%
Renter:	<b>38.4%</b>	<b>41.9%</b>	<b>29.5%</b>	<b>33.1%</b>
SFR/Detached or Attached	16.1%	19.2%	11.3%	13.2%
Multi-Family Structure	22.2%	22.3%	16.6%	18.3%
Other (Mobile Home; Etc.)	0.2%	0.4%	1.5%	1.7%
<b>Householder 65+</b>				
Owner:	<b>71.7%</b>	<b>74.4%</b>	<b>78.6%</b>	<b>78.0%</b>
SFR/Detached or Attached	68.5%	70.8%	67.5%	67.5%
Multi-Family Structure	1.4%	2.6%	5.2%	5.1%
Other (Mobile Home; Etc.)	1.8%	1.0%	5.9%	5.4%
Renter:	<b>28.3%</b>	<b>25.6%</b>	<b>21.4%</b>	<b>22.0%</b>
SFR/Detached or Attached	7.7%	6.9%	5.3%	5.9%
Multi-Family Structure	20.6%	18.0%	15.3%	15.3%
Other (Mobile Home; Etc.)	0.0%	0.7%	0.8%	0.9%

Source: U.S. Census Bureau

For younger householders (age 15 to 34), this shift from ownership to rental also reflects a change in housing stock, with increasing occupancy of units in multi-family structures both in Fayette County and nationally. For middle age householders (age 35 to 64), however, both locally and nationally, the increase in rental occupancy has been largely in single-family homes, suggesting that, in part, this adjustment reflects short-term economic considerations for those households.

To understand the dynamics of the housing market within the various sections in the county, census data pertaining to the tenure by age of householder were analyzed for the 14 Sub Markets previously described on page 20. A summary of this analysis is shown in Appendix A.

# POPULATION PROJECTIONS AND HOUSING NEED FOR 2025

## POPULATION GROWTH ASSUMPTIONS

According to population projections published by the Kentucky State Data Center at the University of Louisville, Fayette County is expected to grow at an annual rate of 1.2% per year from 2015 to 2025. The county’s total population in 2025 is projected at 354,318 residents, with 340,832 residents in households and 13,486 residents living in group quarters. The projected number of households in Fayette in 2025 is 150,978, which equates to an average household size of 2.26 persons. Compared to 2015, Fayette is projected to add a net of 39,830 residents, 38,134 of whom will be in households (see Table 26).

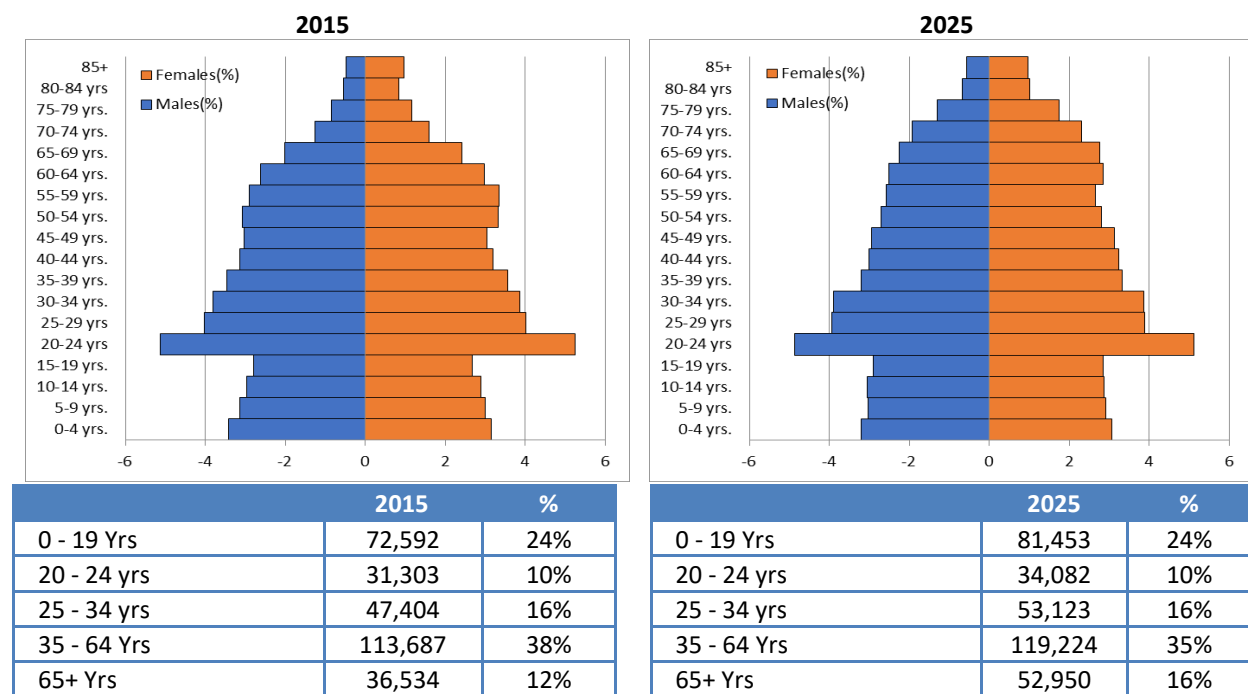
**Table 26: Population by Household Type, 2015-2025**

	2015	%	2025	%	Change 2015-2025
Total Population	314,488	-	354,318	-	39,830
Population in Households	302,698	96.3%	340,832	96.2%	38,134
Number of Households	129,088	-	150,978	-	21,890
Average Household Size	2.34	-	2.26	-	-
In Group Quarters	11,790	3.7%	13,486	3.8%	1,696

Source: U.S. Census Bureau, Kentucky State Data Center

Figure 9 shows the breakdown of Fayette’s population by age for 2015 and 2025. By 2025, according to the Kentucky State Data Center, Fayette will experience a net increase of 16,416 additional residents who are 65 years and older. This age group will go from representing 12% of the overall population to 16% in just ten years.

**Figure 9: Population by Age, 2015-2025**



Source: Kentucky State Data Center

During the period from 2011 to 2015, the undergraduate student body at UK grew at a rate of 2.1% per year. If that trend continues, there will be 26,800 undergraduate students at UK. Assuming that graduate and professional students will stay at the current level, the total anticipated enrollment for UK in 2025 will be just under 34,400. The resulting off-campus housing need in 2025—assuming that UK’s on-campus housing capacity will stay at 8,298 beds—will be 8,280 units (see Table 27).

**Table 27: University of Kentucky Enrollment and Off-Campus Housing Needs (2015-2025)**

	2015	2025 Projected	Change 2015-2025
Undergraduate Students	22,705	26,800	4,095
Graduate and Professional Students	7,022	7,575*	553
Total Enrollment	29,727	34,375	4,648
Required Off-Campus Housing Units	6,900	8,280	1,380

Source: University of Kentucky, Office of Institutional Research & Advanced Analytics, Urban Partners

\*\* This number represents the average number of graduate and professional student enrolled at UK from 2011 to 2015.

### HOUSING NEEDS FOR 2025

Based on the Kentucky State Data Center’s projections, Fayette County’s total housing demand in 2025 will be 150,978 occupied units. Table 28 shows the 2025 distribution of householders by age as projected by Urban Partners based on the Kentucky State Data Center population age breakdown for 2025. Of the 21,890 incremental householders anticipated from 2015 to 2025, 52.8% will be householders 65 years of age or older.

**Table 28: Householders by Age, 2010-2025**

	2010	2015	2025	Change 2015-2025
Householder 15-34	35,309	36,329	41,788	5,459
Householder 35-64	65,738	68,900	73,776	4,876
Householder 65+	19,714	23,859	35,414	11,555
<b>Total</b>	<b>120,761</b>	<b>129,088</b>	<b>150,978</b>	<b>21,890</b>

Source: U.S. Census Bureau, Kentucky State Data Center, Urban Partners

On Table 29 on the following page, we detail the distribution by tenure, housing type, and age of householder for Fayette County households in 2015. For forecasting purposes, we have extrapolated from this distribution to 2025 based on a continuation of the 2015 distribution with two exceptions:

- With the significant increase in older owner households, there will be a shift toward condominiums. We assume that the share of senior households residing in condominiums will grow from 2.6% in 2015 to 4.0% in 2025.
- We also anticipate that the homeownership rate for householders aged 35 to 64 will increase slightly from 58.1% in 2015 to 58.6% in 2025 due to improved economic circumstances for some households which have delayed home purchase during the 2009 to 2015 period due to uncertain economic conditions.

**Table 29: Tenure by Age of Householder (2015-2025)**

	Fayette 2015 %	Fayette 2025 %
<b>Householder 15-34</b>		
Owner:	<b>24.1%</b>	<b>24.1%</b>
SFR/Detached or Attached	21.6%	21.6%
Multi-Family Structure	2.0%	2.0%
Other (Mobile Home; Etc.)	0.5%	0.5%
Renter:	<b>75.9%</b>	<b>75.9%</b>
SFR/Detached or Attached	24.9%	24.9%
Multi-Family Structure	50.4%	50.4%
Other (Mobile Home; Etc.)	0.6%	0.6%
<b>Householder 35-64</b>		
Owner:	<b>58.1%</b>	<b>58.6%</b>
SFR/Detached or Attached	55.7%	56.2%
Multi-Family Structure	1.5%	1.5%
Other (Mobile Home; Etc.)	0.9%	0.9%
Renter:	<b>41.9%</b>	<b>41.4%</b>
SFR/Detached or Attached	19.2%	18.7%
Multi-Family Structure	22.3%	22.2%
Other (Mobile Home; Etc.)	0.4%	0.5%
<b>Householder 65+</b>		
Owner:	<b>74.4%</b>	<b>74.4%</b>
SFR/Detached or Attached	70.8%	69.4%
Multi-Family Structure	2.6%	4.0%
Other (Mobile Home; Etc.)	1.0%	1.0%
Renter:	<b>25.6%</b>	<b>25.6%</b>
SFR/Detached or Attached	6.9%	6.9%
Multi-Family Structure	18.0%	18.0%
Other (Mobile Home; Etc.)	0.7%	0.7%

Source: U.S. Census Bureau

Based on the projected distribution of tenure by age of householder in Fayette County in 2025 shown above, the need for incremental housing units for 2025 is calculated. Table 30 shows the incremental housing need by tenure by age of householder organized by housing types.

**Table 30: Incremental Housing Need for 2025 by Tenure, Age of Householder and Housing Type**

	Fayette 2015	Fayette 2025	Incremental Need For 2025
<b>Single Family (Detached and Attached)</b>	<b>87,075</b>	<b>101,750</b>	<b>14,675</b>
Owner Occupied:	63,155	75,070	11,915
Householder 15-34	7,855	9,035	1,180
Householder 35-64	38,405	41,455	3,050
Householder 65+	16,895	24,580	7,685
Renter Occupied:	23,920	26,680	2,760
Householder 15-34	9,050	10,410	1,360
Householder 35-64	13,225	13,830	605
Householder 65+	1,645	2,440	795

<b>Multi-Family Dwelling</b>	<b>40,280</b>	<b>47,175</b>	<b>6,895</b>
Owner Occupied:	2,345	3,345	1,000
Householder 15-34	715	825	110
Householder 35-64	1,010	1,105	95
Householder 65+	620	1,415	795
Renter Occupied:	37,935	43,830	5,895
Householder 15-34	18,300	21,050	2,750
Householder 35-64	15,335	16,395	1,060
Householder 65+	4,300	6,385	2,085
<b>Other (Mobile Home, etc.) Owner/Renter Occupied</b>	<b>1,733</b>	<b>2,053</b>	<b>320</b>
<b>Vacant For-Sale</b>	<b>1,600</b>	<b>1,875</b>	<b>275</b>
Single Family (Detached and Attached)			255
Multi-Family Dwelling			20
<b>Vacant For-Rent</b>	<b>3,940</b>	<b>4,555</b>	<b>615</b>
Single Family (Detached and Attached)			230
Multi-Family Dwelling			385

Source: Urban Partners

Summarizing the impact of these trends, we characterize the types of housing required to fill the anticipated housing gap by 2025:

- Fayette County's homeownership rate of 51.5% (according to the 2015 ACS) will re-climb to 52.75% in 2025. This rate still represents a drop from the rate typical of prior years (54%).
- 79,640 of all households in Fayette in 2025 will be owner occupants (52.75%).
- The remaining households (71,338 or 47.25%) will be renters, comprised of 8,280 student rentals and 63,058 non-student rentals.
- We assume that vacancy rates stay the same (2.3% vacancy for homes for sale and 6% vacancy for rentals).
- We assume that the number of "Other Vacant" homes stays constant at 5,212 units.

Table 31 shows the projected changes in Fayette's residential housing market from 2015 to 2025.

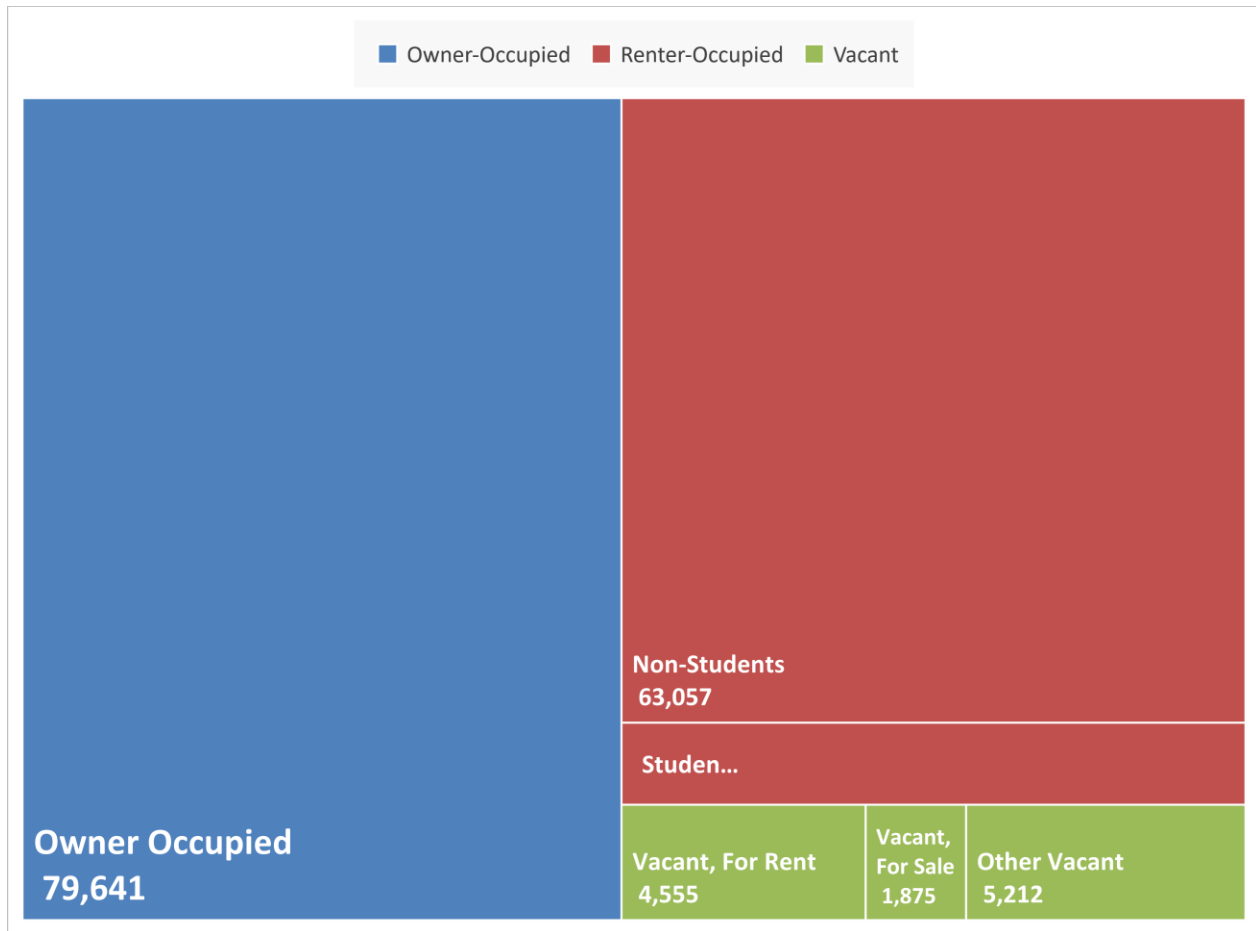
**Table 31: Fayette County Housing Needs, 2015-2025**

	2015	2025	Notes
Total Housing Units	139,840	162,620	Occupied and vacant housing
Occupied Housing	129,088	150,978	As projected by KY State Data Center
Owner Occupied	66,539	79,641	52.75% of all households in 2025
Renter Occupied (Students)	6,900	8,280	Based on UK growth trends (5.5%)
Renter Occupied (Non Students)	55,649	63,057	Balance of occupied housing
Vacant, For Sale	1,600	1,875	Vacancy rate at 2.3%
Vacant, For Rent	3,940	4,555	Vacancy rate at 6%
Other Vacant	5,212	5,212	"Other Vacant" units stays fixed

Source: U.S. Census Bureau, Kentucky State Data Center, Urban Partners

Figure 10 is a graphic illustration of the breakdown of Fayette County’s housing need in 2025.

**Figure 10: Fayette County Housing Needs by Type, 2025**



Source: U.S. Census Bureau, Kentucky State Data Center, Urban Partners

In summary, we expect a modest rebound in homeownership rates by 2025 resulting from this anticipated aging of Fayette County households. Since senior householders are heavily homeowners (74.4%) and are the largest growing segment of the population, we anticipate overall homeownership rates in Fayette of 52.75% in 2025, up from 51.5% in 2015. We also anticipate that the homeownership rate for householders aged 35 to 64 will increase slightly from 58.1% in 2015 to 58.6% in 2025 due to improved economic circumstances for some households which have delayed home purchase during the 2009 to 2015 period due to uncertain economic conditions.

In 2015, 1.8% of Fayette County households were condominium owners compared to 3.4% of households nationally. In 2025, we estimate that the share of Fayette County households residing in multi-family condominium buildings will grow to 2.3% of all households, a 44% increase in condominium ownership from 2015. A significant portion of this increase will result from the aging of the population since senior households are disproportionately homeowners and we anticipate transition of many of these households from single-family homes to condominiums. This is reflected in the growth of demand for condominiums among senior households from the 2.6% in 2015 to 4.0% in 2025.

In 2015, 29.8% of Fayette County households were renters in multi-family buildings, greatly exceeding the 22.4% of households nationally that are renters in multi-family buildings. In 2025, we estimate that the share of Fayette County households renting in multi-family buildings will remain quite high at 29.4% of all households. The slight decline in overall share for this group results from the aging of the population, since senior households are disproportionately homeowners and those seeking to live in multi-family structures will desire to purchase rather than rent.

As detailed on Table 30, the total **incremental housing demand by 2025 will be 22,780 units**. The most significant increment in this growing demand for housing is 7,850 single-family owner-occupied homes for older households. However, we anticipate that 35% of this demand will be met by owners aging in place—that is, households in the 55-64 age group in 2015 remaining in their homes, but being reclassified as older households ten years later. As a result, additional homes will need to be constructed for middle-age households to accommodate this aging-in-place phenomenon. With this adjustment, most significant increments in this demand for new housing include<sup>3</sup>:

- Single-family owner-occupied homes in evolving formats (detached, townhomes, fourplexes, and others) for older households (householder 65+): 5,130 units (22.5% of incremental housing demand);
- Single-family owner-occupied homes (attached and detached) for middle-age households (householder 35 to 64): 5,880 units, including substitutes for homes retained by aging seniors (25.8% of incremental housing demand);
- Multi-family rental housing for younger households (householder age 15-34): 2,925 units (12.8% of incremental housing demand), including 1,000 student rentals; and
- Multi-family rental housing for older households (householder age 65+): 2,220 units (9.7% of incremental housing demand).

#### **DEMAND FOR NEW OWNER OCCUPIED HOUSING STOCK, 2025**

To estimate the types of housing stock that need to be constructed to meet the increment of 13,190 new owner-occupied housing units, we assume that most new housing constructed for single-family homeowners will match the recent (since 2011) pattern of homes constructed for sale to homeowners<sup>4</sup>. The distribution of this recent construction is shown below. For instance, 3.8% of recent construction aimed at home-purchasers was condominium units, 10.3% was townhomes or duplexes, 9.3% was single-family detached homes on lots of less than 5,000 SF, etc. However, we also assume that with the significant increase in older owner households, there will be a shift toward condominiums and away from large lot single family detached homes. Table 32 shown on the following page illustrates the new home construction requirements to achieve the 13,190 incremental owner-occupied homes by house/lot type.<sup>5</sup>

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<sup>3</sup> The estimated demand increments include occupied and vacant homes targeted for the various market segments.

<sup>4</sup> Owner-occupied homes in the "Other" category are not included in this figure.

<sup>5</sup> The Study also ran an alternative owner-occupied demand model using all recent (since 2011) purchase patterns of homeowners. After discussion, the Steering Committee recommended at the February 3, 2017 meeting that the model utilize recent (since 2011) pattern of home constructed for sale to homeowners to calculate incremental owner-occupied typology.



**Table 32: Incremental Owner-Occupied Units Required in 2025**

	Recent Construction Share	Assumed 2015-2025 Share	Owner Occupied Requirement Gap
Multi-Family Dwellings			
Condominium	3.8%	7.6%	1,020
Single-Family Dwellings			
Townhomes/Duplex	10.3%	10.3%	1,360
Single Family Detached (Less Than 5,000 SF)	9.3%	9.3%	1,230
Single Family Detached (5,000 SF to 6,000 SF)	17.4%	17.4%	2,300
Single Family Detached (6,000 SF to 7,500 SF)	22.3%	22.3%	2,940
Single Family Detached (7,500 SF to 9,000 SF)	18.1%	16.7%	2,200
Single Family Detached (9,000 SF to Quarter Acre)	10.0%	8.7%	1,150
Single Family Detached (Quarter Acre to Half Acre)	8.3%	7.0%	920
Single Family Detached (More Than Half Acre)	0.5%	0.5%	70
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>13,190</b>

Source: Fayette County PVA, Urban Partners

We should note that, while single-family homes remain the dominant preferred housing type in Lexington, recent construction patterns have incrementally shifted toward smaller lot sizes. Furthermore, the projected increment in homeowner demand through 2025 is heavily skewed toward older households which are even more likely to desire lower-maintenance, smaller lot product. Hence, demand for townhomes and SFR detached homes on very small lots may exceed the pattern shown on Table 32.

### DEMAND FOR NEW RENTER OCCUPIED HOUSING STOCK, 2025

Table 33 shows an analysis of the types of housing stock that need to be constructed to meet the increment of 9,270 new renter-occupied housing units based on the current pattern of rental housing stock in Fayette.<sup>6</sup> We conclude that an additional 2,935 rental single-family homes will be required and an additional 6,335 new rental units in multi-family structures.

**Table 33: Incremental Renter-Occupied Units Required in 2025**

	Current Share of Supply	Renter Occupied Requirement Gap
One-Unit	31.7%	2,935
Two- to Four-Units	18.3%	1,698
Five or More Units	50.0%	4,637
<b>Total</b>	<b>100.0%</b>	<b>9,270</b>

Source: U.S. Census Bureau, Urban Partners

We anticipate that some of the 2,935 incremental single-family rental units will be newly constructed homes for rental, but that others will be the filtering of aging single-family homes—previously owner-occupied—to rental status. For these homes converting to rental, substitute single-family stock will need to be constructed for homeownership to accommodate overall homeownership demand.

<sup>6</sup> Renter-occupied homes in the "Other" category are not included in this figure.

**TOTAL NEW HOUSING STOCK REQUIRED (HOMEOWNERSHIP AND RENTAL UNITS)**

Taken together, the total increment of housing stock needed to meet this overall increase in housing demand is 22,780 units, including 15,105 units of single family housing in a variety of formats (townhome/single family detached) on a wide distribution of lot sizes, as well as 7,355 units in multi-family buildings—1,020 as owner-occupied condominiums; the remaining as rental housing (see Table 34).

**Table 34: Total Incremental Units Required in 2025**

	Owner-Occupied	Rental	Total
Condominiums	1,020	-	1,020
Townhomes/Duplexes/Single Family Homes	12,170	2,935	15,105
Multi-Family Structures	-	6,335	6,335
Other (Mobile homes, RV, etc)	190	130	320
<b>TOTAL</b>	<b>13,380</b>	<b>9,400</b>	<b>22,780</b>

Source: Urban Partners

The distribution of required new housing stock shown above is based on a projected homeownership rate of 52.75% for Fayette County in 2025. It is possible that the homeownership rate will remain at 51.5% for the foreseeable future, or it will rebound to 54% in 2025. If homeownership is higher than 52.75%, more single family homes and some additional condominiums will be needed, while fewer units in multi-family structures will be required. If homeownership rates are less, the opposite will be true: fewer single family homes and condominiums; more units in multi-family structures (see Table 35).

**Table 35: Alternate Homeownership Rate Implications on Incremental Units Required in 2025**

	Higher Owner Variation	Lower Owner Variation
Condominiums	+100	-100
Townhomes/Duplexes/ Single Family Homes	+1,000	-1,600
Multi-Family Structures	-1,100	+1,700

Source: Urban Partners

**Note:** detailed analysis of Fayette County’s residential market is found in Appendices B, C, and D. Appendix B is an analysis of Fayette County’s home building activity; Appendix C is an analysis of home sales and listing activity as reported by the Multiple Listing Service; and Appendix D is a detailed breakdown of homes sales by Sub Market, home type, and age, as reported by the Fayette County PVA.

**AFFORDABLE HOUSING NEED**

According to “Lexington’s Affordable Housing Challenge and Potential Strategy” report completed by czb in 2014, there are 15,000 non-student rental households earning less than \$20,000/year. These households are unable to afford the fair market rents in Lexington. Approximately 9,000 of these households are being assisted by public housing, publicly financed/income restricted rentals, Housing Choice Vouchers, and the private market (i.e., units priced lower than the fair market rent level). Therefore, the unmet gap in affordable rentals is 6,000 units.

The czb report outlined an incremental approach of providing an average of 500 new rental vouchers and 167 redeveloped units per year until 2025. This will still leave a gap of 4,400 affordable units in 2025 because an estimated 400 units in the private market will increase in rent each year and become out of reach for low income households (see Table 36).

**Table 36: Incremental Approach of Providing Additional Affordable Rental Homes**

	Gap	Market Loss	Resulting Gap	New Voucher Units	Newly Redeveloped Units	Actual Gap
<b>2015</b>	6,000	400	6,400	333	-	6,067
<b>2016</b>		400	6,467	520	-	5,947
<b>2017</b>		400	6,347	520	-	5,827
<b>2018</b>		400	6,227	520	-	5,707
<b>2019</b>		400	6,107	520	-	5,587
<b>2020</b>		400	5,987	520	200	5,267
<b>2021</b>		400	5,667	520	200	4,947
<b>2022</b>		400	5,347	520	200	4,627
<b>2023</b>		400	5,027	520	200	4,307
<b>2024</b>		400	4,707	507	200	4,000
<b>2025</b>		400	4,400	-	-	4,400
<b>Annual Average</b>		<b>400</b>	<b>-</b>	<b>500</b>	<b>167</b>	<b>-</b>

Source: czb

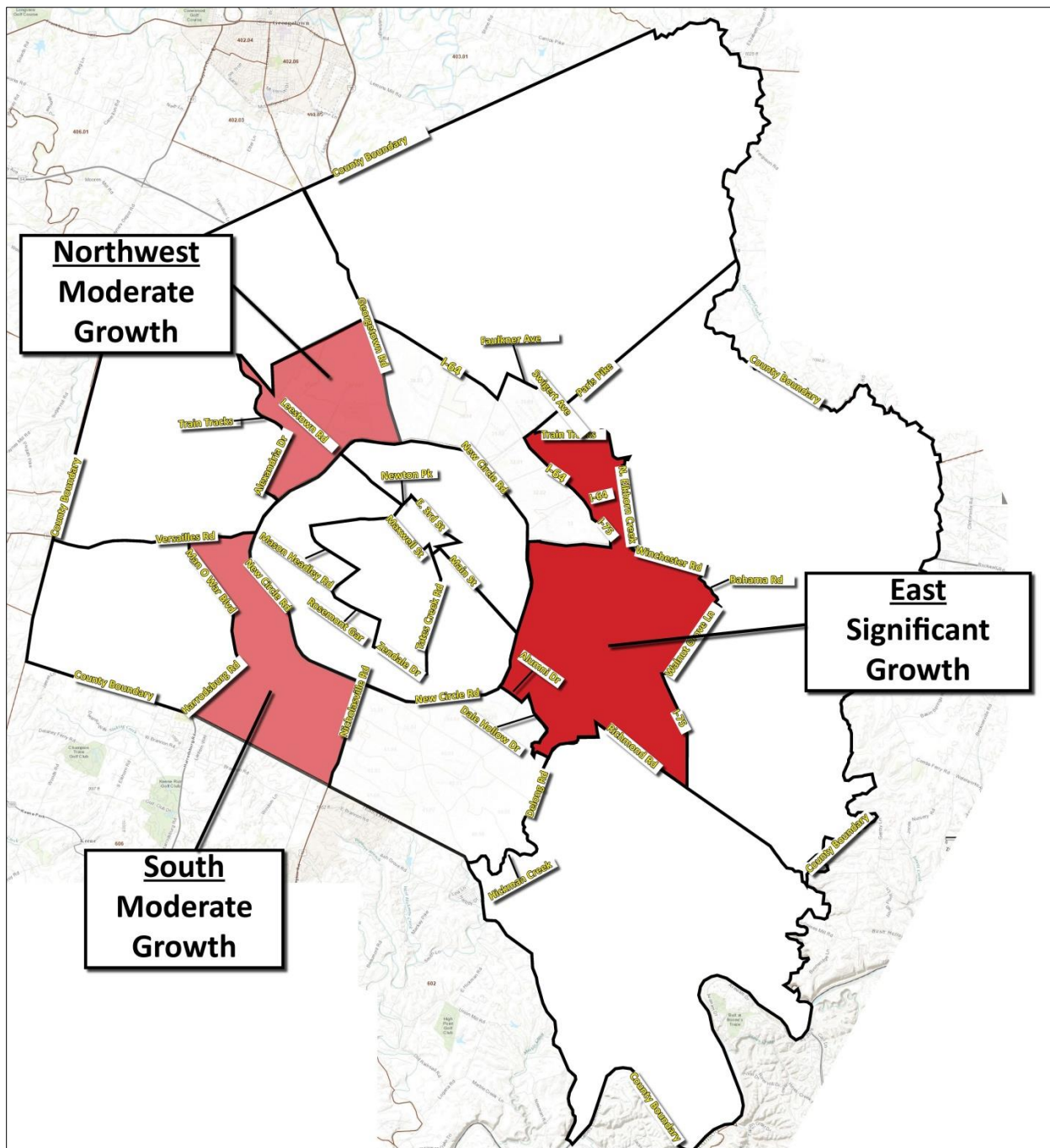
The czb report does not specifically address affordable owner-occupied homes. The report states, “While in the years ahead, Lexington will need to pay more attention to the challenges of affordable home ownership, today’s real housing challenge is that there are too few apartments affordable to low income families, and that Lexington has a lot of low and very low income workers.”

As illustrated in Table 21 on page 21, 48% of the owner purchased homes during the 2011-2016 period were affordable to households earning less than 80% of the Area Median Income. In addition, another 26.5% of home sales were at prices affordable to the “workforce” market (80% to 120% of median income). This pricing suggests that affordable homeownership opportunities have been substantial and are likely to continue, at least through the forecast period to 2025. Again, as shown on Table 21, these affordable homeownership units are widely dispersed, though concentrations can be found in the North, Northwest, and Southeast submarkets. This reinforces the above conclusion that the provision of apartments affordable to low-income families must remain the highest priority for housing affordability.

## APPENDIX A: TENURE BY AGE BY SUB AREAS

According to the 2015 ACS, there are 40,177 householders in Fayette aged 35 to 64 who owned single-family homes, compared to 41,254 in 2010. The Sub Markets that experienced the biggest growth in owner householders aged 35 to 64 occupying single-family homes are shaded in red in Figure A-1 on the following page.

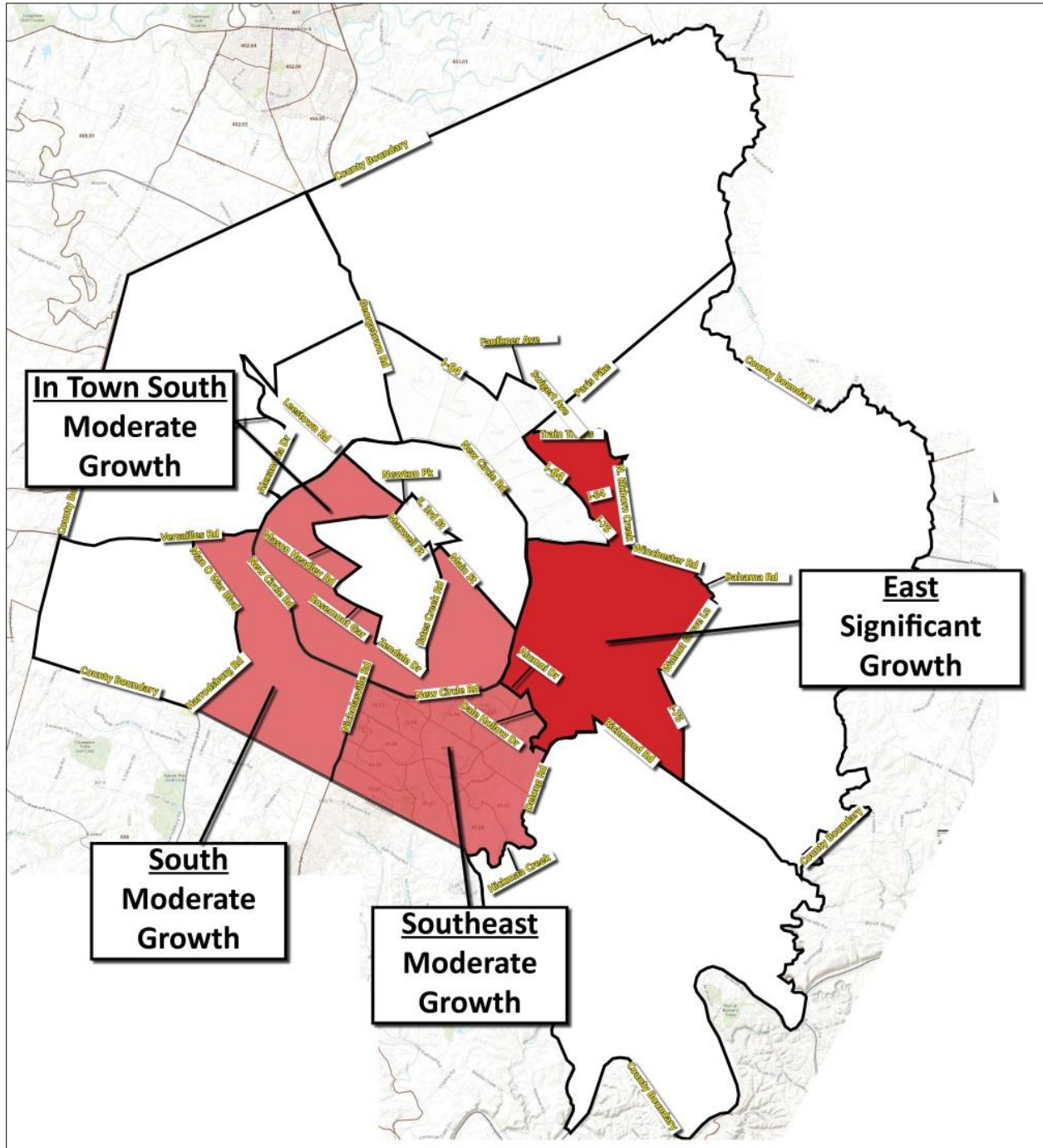
**Figure A-1: Growth in Owner Householders Aged 35-64 in Single-Family Homes (2010-2015)**



Source: U.S. Census Bureau

According to 2015 ACS, there are 16,313 householders in Fayette aged 65 and older who owned single-family homes, compared to 13,434 in 2010. The Sub Markets that experienced the biggest growth in these householders are shaded in red in Figure A-2 below.

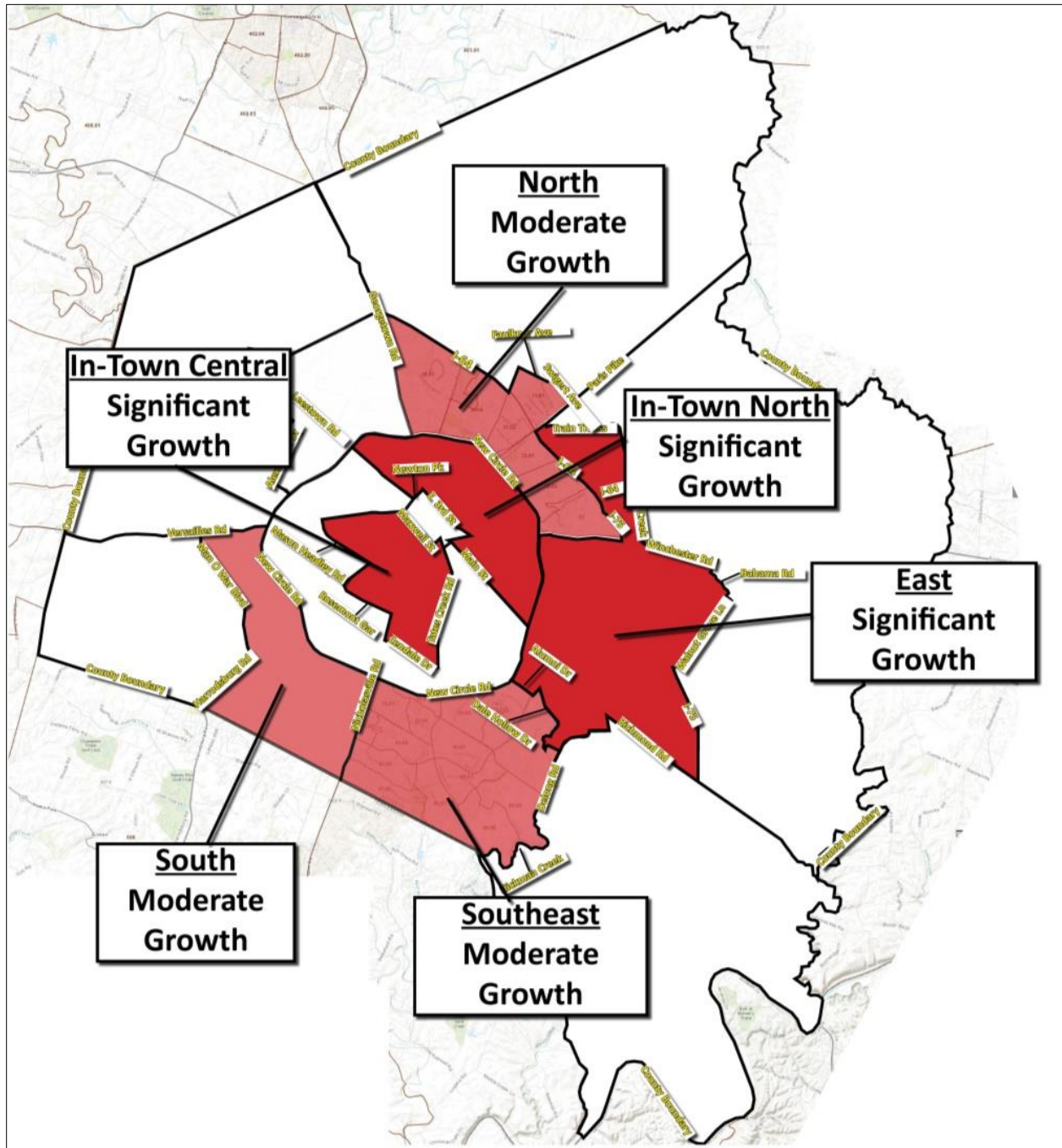
**Figure A-2: Growth in Owner Householders Age 65+ in Single-Family Homes (2010-2015)**



Source: U.S. Census Bureau

The Sub Market dynamics regarding multi-family households are more complex. According to 2015 ACS, there are 38,463 renter householders in Fayette who live in multi-family dwellings, compared to 35,984 in 2010. The Sub Markets that experienced the biggest growth in these householders are shaded in red in Figure A-3 below.

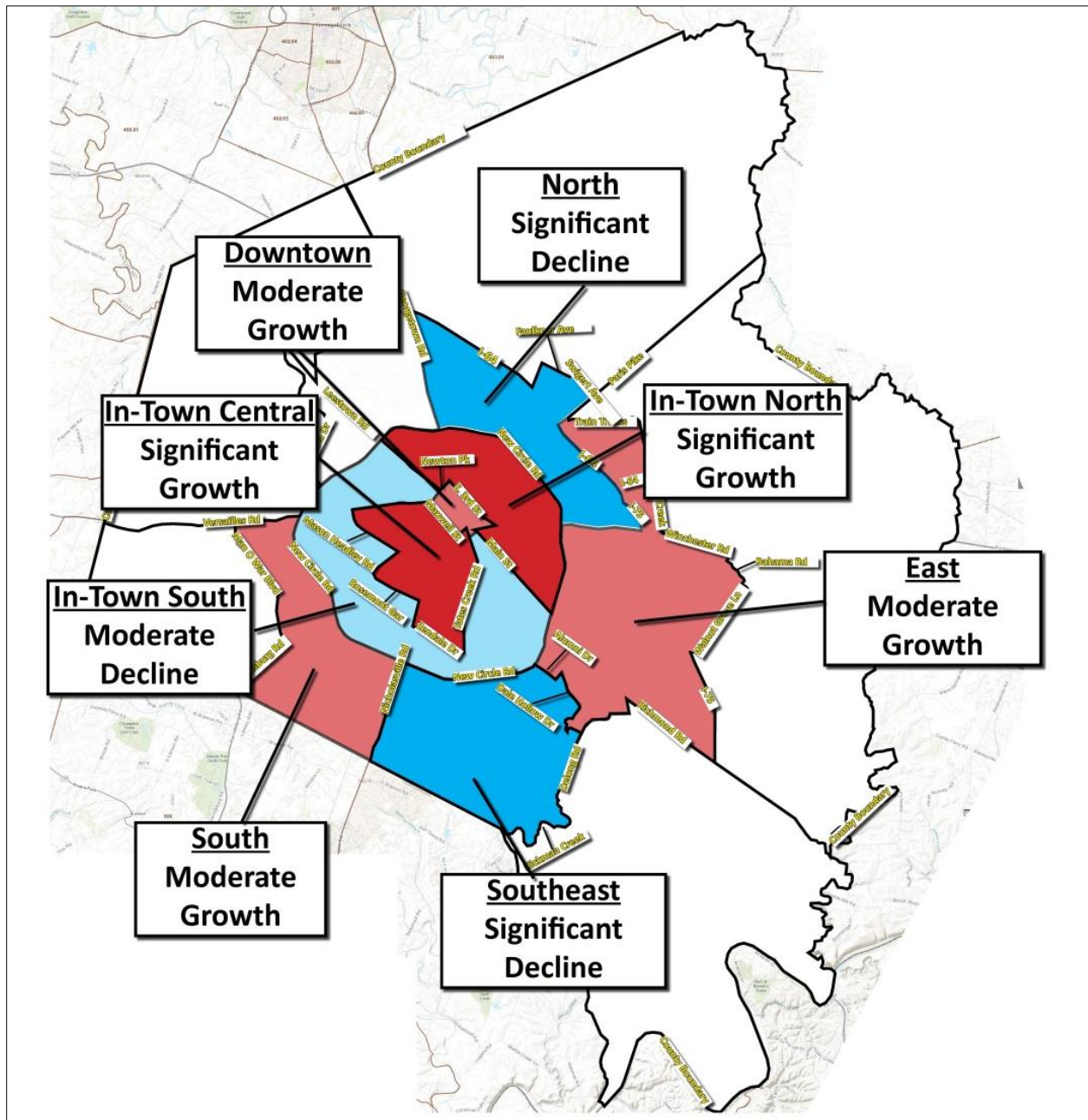
**Figure A-3: Change in All Renter Householders in Multi-Family Dwellings (2010-2015)**



Source: U.S. Census Bureau

However, this overall growth in multi-family rental housing appears to mask some important demographic shifts among various age categories of renters. According to 2015 ACS, there are 19,762 renter householders in Fayette between the ages of 15 and 34 who live in multi-family dwellings, compared to 19,303 in 2010. Although there was only modest growth in the total number of renter households in the 15 to 34 age category, there were significant shifts in the locations of those households. In Figure A-4 below, the Sub Markets that experienced the biggest growth in these younger renter householders (especially In-Town North and In-Town Central) are shaded in red, and conversely those that experienced the biggest decline (especially North and Southeast) are shaded in blue.

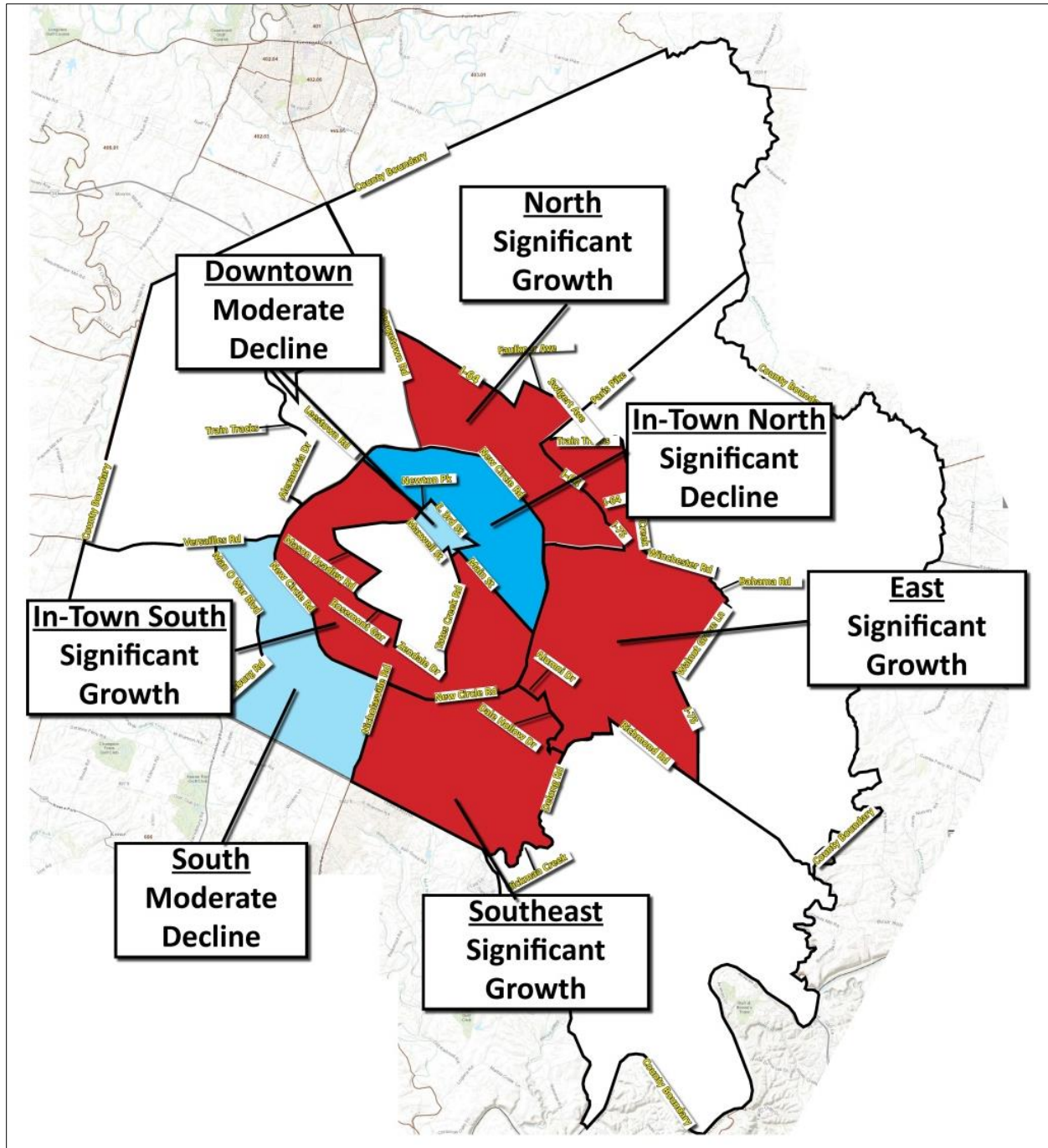
**Figure A-4: Growth in Renter Householders Aged 15-34 in Multi-Family Dwellings (2010-2015)**



Source: U.S. Census Bureau

According to 2015 ACS, there are 14,904 renter householders in Fayette between the ages of 35 and 64 who live in multi-family dwellings, compared to 12,887 in 2010. These middle-aged rental households grew strongly in several submarkets, while declining significantly in the In-Town North area. Sub Markets that experienced the biggest growth in these householders are shaded in red, and conversely those that experienced the biggest decline are shaded in blue in Figure A-5 below.

**Figure A-5: Growth in Renter Householders Aged 35-64 in Multi-Family Dwellings (2010-2015)**

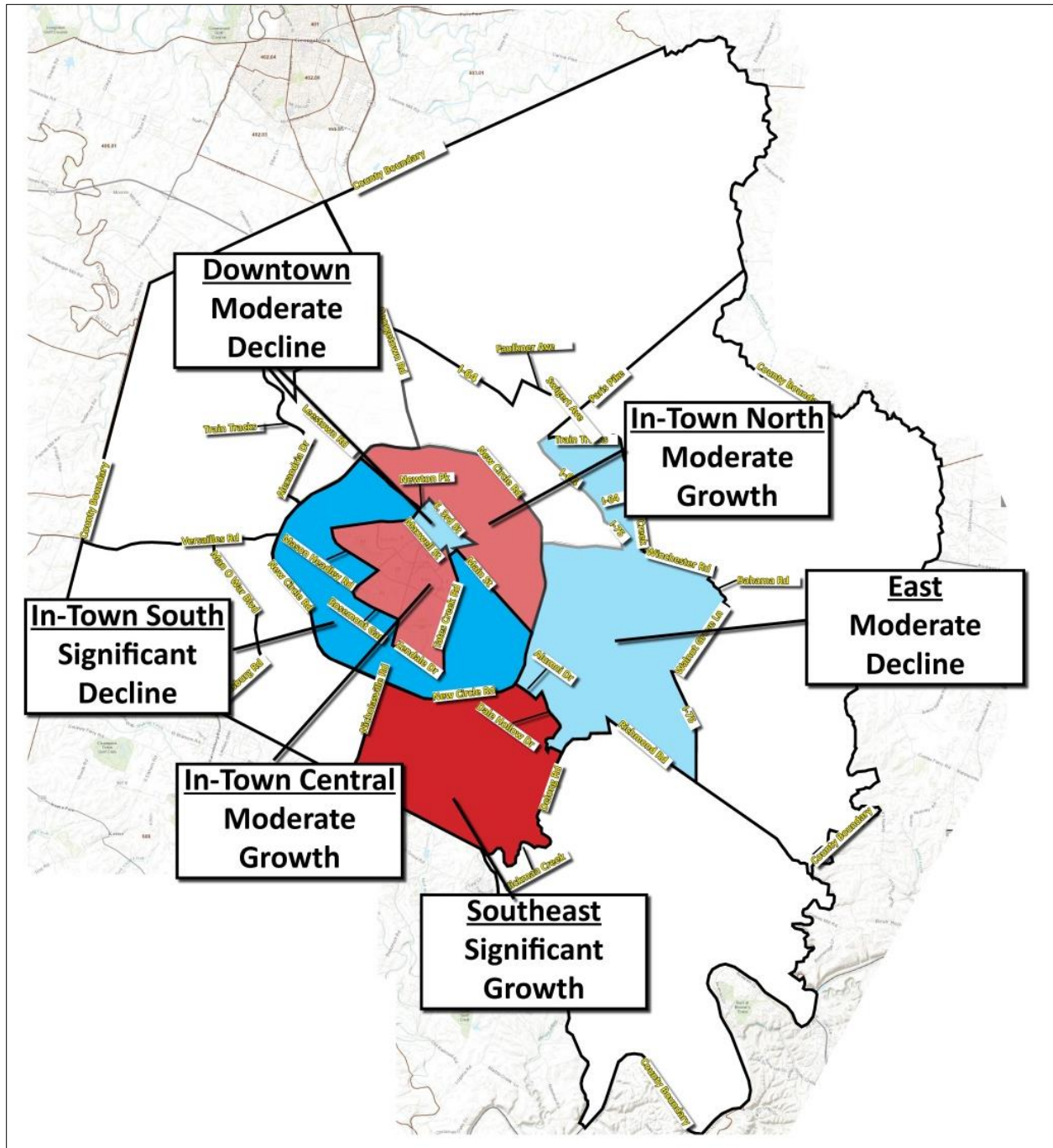


Source: U.S. Census Bureau



Finally, according to 2015 ACS, there are 3,797 renter householders in Fayette aged 65 and older who live in multi-family dwellings, compared to 3,794 in 2010. Although there was no change in the total number of older households living in multi-family renter properties, it appears that there was a shift from the more expensive In-Town South submarket to the less expensive Southeast (see Figure A-6).

**Figure A-6: Growth in Renter Householders Aged 65+ in Multi-Family Dwellings (2010-2015)**



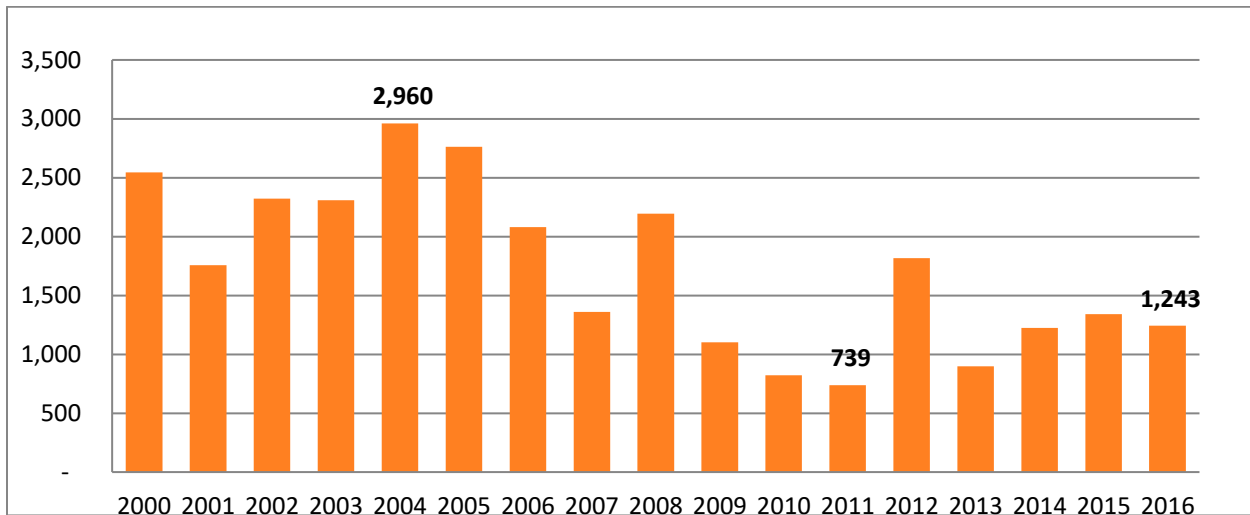
Source: U.S. Census Bureau

## APPENDIX B: HOME BUILDING ACTIVITY

### Residential Building Permit Activity

The number of authorized residential building permits indicate a significant slowdown in residential production in Fayette County. The peak residential production period was in 2004 when permits to build nearly 3,000 units were issued. From the low point of 2011 when permits were issued for just 739 units, home production seemed to have rebounded to 1,243 units in 2016 (Figure B-1).

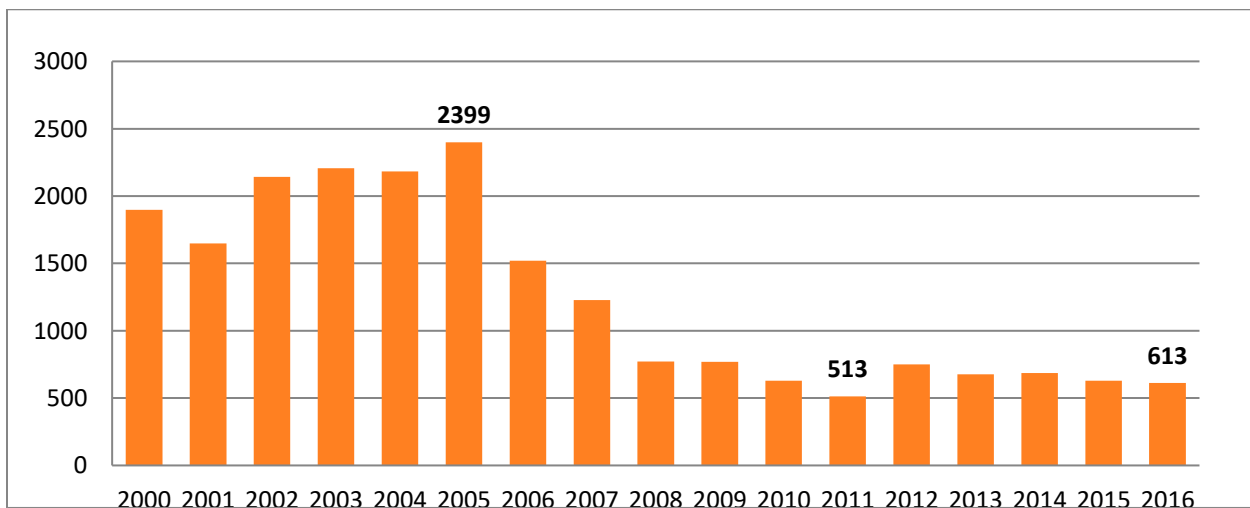
**Figure B-1: Building Permits Issued (Total Units)**



Source: U.S. Census Bureau (2000 to 2015), LFUCG (2016)

For single-family dwellings, the peak occurred in 2005 when permits were issued for 2,399 units. Since 2008, single-family permits have averaged 665 units. In 2016, Fayette County had issued 613 single-family dwelling permits (Figure B-2).

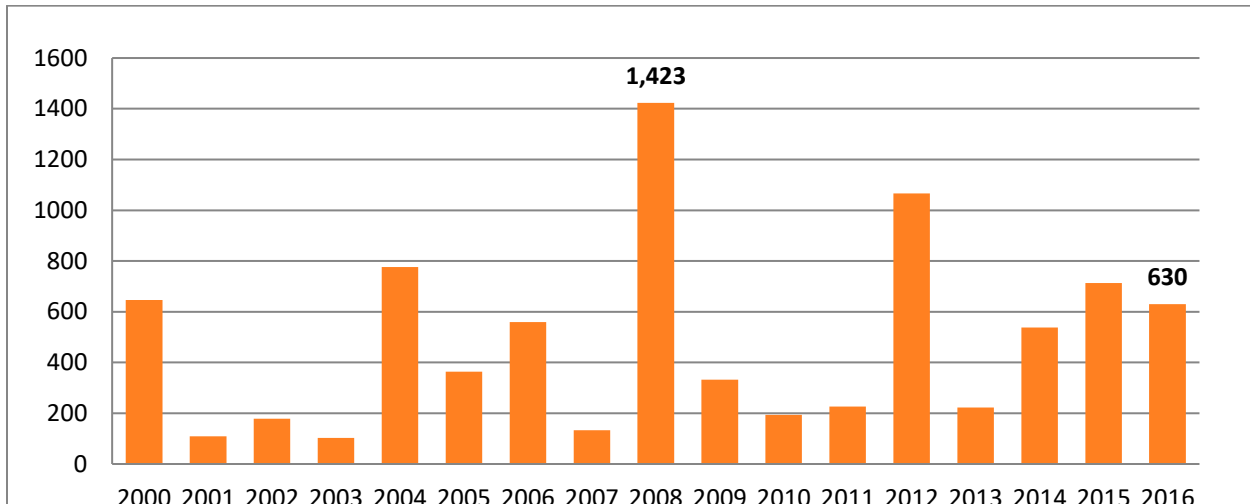
**Figure B-2: Building Permits Issued (Single-Family Dwellings)**



Source: U.S. Census Bureau (2000 to 2015), LFUCG (2016)

The data for residential building permits for multi-family dwellings do not indicate a discernable pattern. In 2008, 1,423 units in multi-family permits were issued, followed by an average of 250 multi-family units from 2009 to 2011. The number surged again in 2012 when 1,066 units were issued permits. In 2016, permits were issued for 630 multi-family dwellings (Figure B-3).

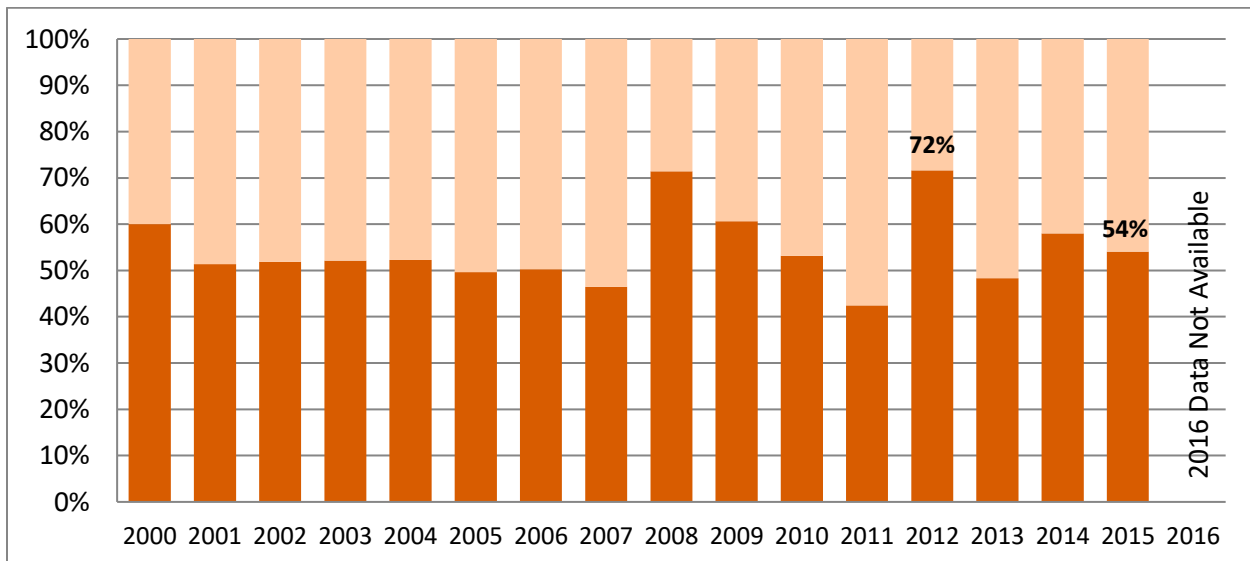
**Figure B-3: Building Permits Issued (Multi-Family Dwellings)**



Source: U.S. Census Bureau

Figure B-4 shows Fayette County’s portion of the building permits issued in seven-county region. In 2015, building permits issued in Fayette County represented 54% of all residential permits issued in the region.

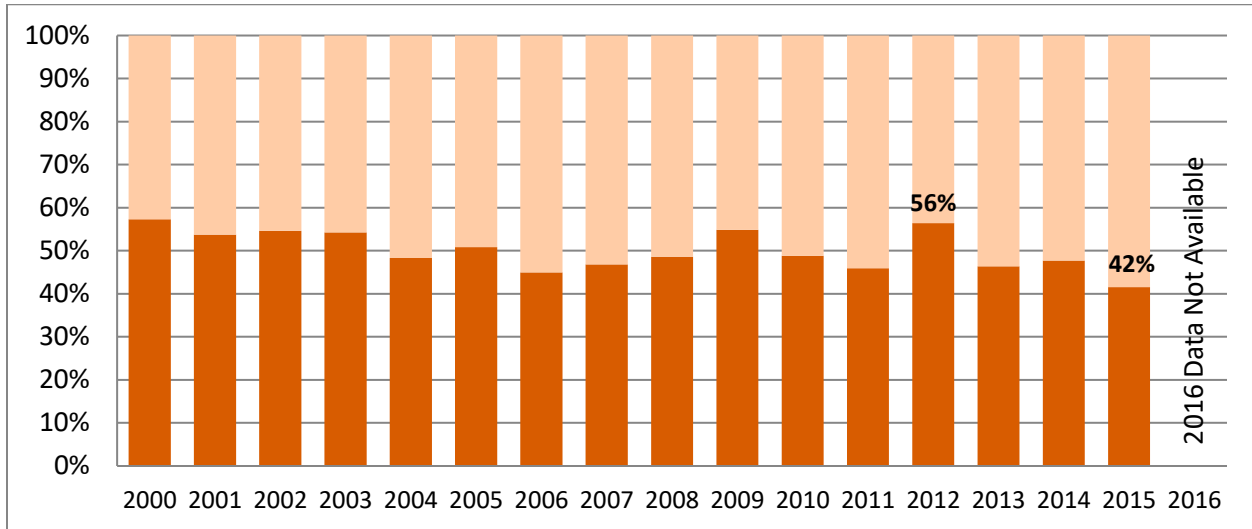
**Figure B-4: Fayette's Portion of All Building Permits (Seven-County Region)**



Source: U.S. Census Bureau

Figure B-5 shows Fayette County’s portion of the single-family building permits issued in seven-county region. In 2015, single-family building permits issued in Fayette County (a total of 629 as shown in Figure B-2) represented 42% of all single-family permits issued in the region

**Figure B-5: Fayette's Portion of Single-Family Building Permits (Seven-County Region)**

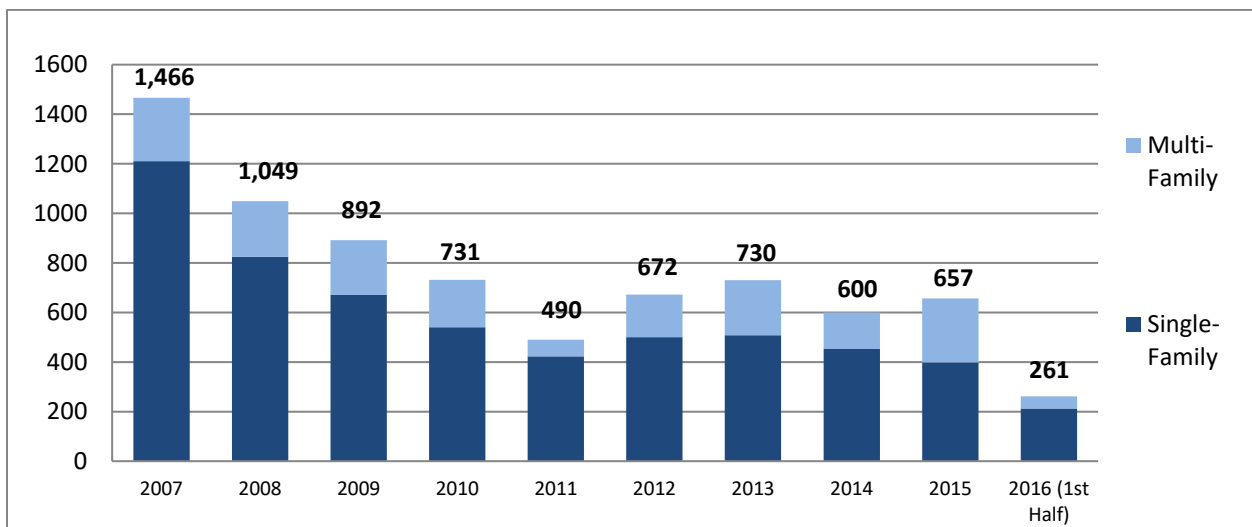


Source: U.S. Census Bureau

**Home Production Activity**

According to the LFUCG Department of Building Inspection, a total of 7,548 Certificates of Occupancy Permits were issued from January 2007 to June 2016 for the completion of new housing units in Fayette County. Of these, 297 were multi-family units and 7,251 were single-family units (including detached, townhomes, and duplexes) (see Figure B-6).

**Figure B-6: Certificates of Occupancy Issued (Jan 2007 – June 2016)**



Source: LFUCG

## APPENDIX C: HOME SALES AND LISTING ACTIVITY

The Lexington-Bluegrass Association of Realtors (LBAR) maintains statistics on residential sales based on the Multiple Listing Service (MLS) data. In Fayette County, home sales that utilize the MLS service represent approximately 90% of all sales reported to the office of the PVA.

Table C-1 describes the monthly total of single-family, condominium, and townhouse units sold in Fayette County from 2011 to 2016. It shows that a total of 3,248 units were sold in 2011, followed by 3,964 units in 2012 and 4,642 units in 2013. There was a 4.1% decrease in the number of units sold in 2014 (a total of 4,450 units). Subsequently, the volume of sales picked up in 2015 and 2016, with 4,935 sales and 5,468 sales, respectively.

**Table C-1: Single-Family, Condominium, and Townhouse Units Sold by Month (2011-2015)**

	2011	2012	2013	2014	2015	2016
January	139	167	238	226	218	241
February	182	202	248	241	271	373
March	259	302	381	298	365	385
April	286	318	433	387	384	487
May	349	413	477	484	513	596
June	391	406	499	525	608	626
July	297	461	555	504	558	550
August	355	420	497	433	503	546
September	269	314	394	374	432	454
October	225	351	332	379	405	389
November	240	333	316	266	313	411
December	256	277	272	333	365	410
<b>Annual Total</b>	<b>3,248</b>	<b>3,964</b>	<b>4,642</b>	<b>4,450</b>	<b>4,935</b>	<b>5,468</b>
% $\Delta$ from Previous Year	-	22.0%	17.1%	-4.1%	10.9%	10.8%

Source: U.S. Census Bureau

The Months of Inventory number is a useful indicator in determining the size of the for-sale inventory in relation to the number of homes sold. It provides an estimate of the number of months it would take for a typical home to sell if no new listings became available in the area. For instance, if the Months of Inventory number is 5.0, all the current listings can expect to be sold within 5 months.

Table C-2 shown on the following page illustrates the Months of Inventory number from January 2011 to December 2015. The months shaded in dark red represent periods when the Months of Inventory was at its lowest, and conversely the months shaded in blue represent periods when the inventory was most plentiful. In January of 2011 when the housing market was recovering from the 2008 real estate bubble, the Months of Inventory number was 16.8 according to LBAR. In June, when the housing inventory was most scarce, Fayette reported 6.7 months of inventory. In 2016, Fayette's housing market had 1.8 months of inventory in June and ended the year in December with just 2.0 months of supply.

**Table C-2: Months of Inventory, 2011-2015**

	2011	2012	2013	2014	2015	2016
January	16.8	13.0	7.6	7.7	7.0	4.2
February	13.3	10.9	7.8	7.2	5.5	3.5
March	9.9	7.6	5.1	6.3	4.1	2.6
April	9.2	7.4	4.8	4.8	3.9	2.0
May	7.6	5.7	4.4	3.9	3.0	1.8
June	6.7	5.5	4.2	3.7	2.6	1.8
July	8.7	4.8	3.7	4.0	2.7	2.2
August	7.2	5.1	4.2	4.6	2.9	2.2
September	9.4	6.7	5.1	5.2	3.4	2.6
October	11.1	5.7	5.9	5.0	3.3	2.9
November	9.6	5.8	5.8	6.8	3.8	2.4
December	8.3	6.5	6.2	4.8	2.9	2.0

Source: Lexington-Bluegrass Association of Realtors (LBAR)

## APPENDIX D: HOME SALES BY SUB MARKET, HOME TYPE, AGE

Table D-1 on the following page shows the owner purchased homes by home type by year built. According to the PVA records, the highest priced home types were single family homes built 2000 or after on lots larger than half acre. There were 55 such sales from 2011 to 2016, with a median sale price of \$465,000. The most frequently purchased homes were single family homes built between 1950 and 1979 on quarter-acre to half-acre lots. There were 1,967 such homes, with a median sale price of \$169,500. Of the homes 8,659 owner purchased homes that were built 2000 or after, 68.2% (or 5,904 transactions) were single-family homes on lots less than quarter-acre.

**Table D-1: Owner Purchased Homes by Type and Year Built (2011 to 2016)**

	1949 & Earlier		1950 - 1979		1980 - 1999		2000 & Newer	
	Sales	Median Price	Sales	Median Price	Sales	Median Price	Sales	Median Price
Single Family (Lot > 1/2 Acre)	62	\$241,750	587	\$258,200	178	\$450,000	55	\$465,000
Single Family (Lot 1/4 to 1/2 Acre)	165	\$350,000	1,967	\$169,500	1,258	\$285,000	702	\$333,292
Single Family (Lot 9,000 SF to ¼ Acre)	215	\$294,900	1,580	\$130,900	920	\$225,000	828	\$279,800
Single Family (Lot 7,500 SF to 9,000 SF)	503	\$258,000	770	\$116,000	1,283	\$182,000	1,458	\$250,000
Single Family (Lot 6,000 SF to 7,500 SF)	396	\$202,713	355	\$104,000	1,027	\$157,300	1,625	\$204,400
Single Family (Lot 5,000 SF to 6,000 SF)	161	\$170,000	34	\$104,750	397	\$139,900	1,347	\$170,000
Single Family (Lot < 5,000 SF)	229	\$105,000	4	\$104,500	698	\$122,925	1,474	\$147,445
Duplex	39	\$180,000	89	\$130,000	123	\$109,900	137	\$257,011
Townhome	-	-	120	\$110,000	626	\$134,250	510	\$170,000
Condominium	29	\$165,000	292	\$90,000	127	\$118,000	523	\$176,000
<b>Total</b>	<b>1,799</b>	<b>\$210,000</b>	<b>5,798</b>	<b>\$141,000</b>	<b>6,637</b>	<b>\$141,000</b>	<b>8,659</b>	<b>\$200,000</b>

Source: Fayette County PVA, Urban Partners

In Table D-2, the owner purchased home sales are analyzed by Sub Markets and the median sale price/SF of living space. The Downtown Sub Market was the most expensive with a median price of \$160.66/SF which was 55.2% higher than the county's (\$103.51/SF). The In-Town Central Sub Market was the second most expensive (\$129.77/SF), followed by Tract 37.01 (\$127.88/SF) and the Southwest Sub Market (\$125.22/SF). The most affordable owner purchased homes were in the North (\$87.23/SF) and the Northwest Sub Markets (\$91.19/SF).

**Table D-2: Owner Purchased Homes by Sub Markets by Median Sale Price/SF (2011 to 2016)**

Sub-Market	# of Purchases	Median Price/SF	Price/SF Variation	Sub-Market	# of Purchases	Median Price/SF	Price/SF Variation
<b>All Sales</b>	<b>22,893</b>	<b>\$103.51</b>	<b>-</b>				
Downtown	173	\$160.66	+55.2%	South	3,320	\$110.72	+7.0%
In-Town Central	941	\$129.77	+25.4%	East	5,426	\$104.03	+0.5%
37.01	36	\$127.88	+23.5%	38.02	28	\$102.92	-0.6%
Southwest	400	\$125.22	+21.0%	Southeast	4,176	\$100.32	-3.1%
40.07	12	\$125.00	+20.8%	In-Town North	1,418	\$95.97	-7.3%
In-Town South	3,431	\$114.73	+10.8%	Northwest	1,968	\$91.19	-11.9%
39.18	148	\$112.74	+8.9%	North	1,416	\$87.23	-15.7%

Source: Fayette County PVA, Urban Partners

Table D-3 shows the sale of newly constructed homes built 2011 and later, organized by Sub Markets. From 2011 to 2016, there were a total of 2,249 new homes sold in Fayette, and 53.8% of these new homes were sold in the East Sub Market. Only three other Sub Markets recorded more than 200 new home sales during this period: the Southeast Sub Market (287 sales); the Northwest Sub Market (243 sales); and the South Sub Market (202 sales).

**Table D-3: Owner Purchased New Construction Homes by Sub Markets (2011 to 2016)**

Sub-Market	Total New Homes Sales	% of New Homes	Sub-Market	Total New Homes Sales	% of New Homes
<b>All Sales</b>	<b>2,249</b>	<b>-</b>			
East	1,211	53.8%	In-Town Central	21	0.9%
Southeast	287	12.8%	39.18	22	1.0%
Northwest	243	10.8%	Downtown	2	0.1%
South	202	9.0%	40.07	2	0.1%
North	126	5.6%	Southwest	-	0.0%
In-Town North	101	4.5%	37.01	-	0.0%
In-Town South	32	1.4%	38.02	-	0.0%

Source: Fayette County PVA, Urban Partners

Table D-4 illustrates the distribution of the 2,249 newly constructed home sales by home type. The home types shaded in dark red represent the most common sale type by Sub Market. More than half of all new construction sales (1,299 sales, or 57.8% of the total) were single-family homes built on lots 5,000 SF to 9,000 SF. The East Sub Market recorded 742 sales of such home types, which represents nearly one-third of all newly constructed home sales in the county between 2011 and 2016.

**Table D-4: Owner Purchased New Construction Homes by Home Type by Sub Markets (2011 to 2016)**

Sub-Market	SFR: > 0.5 Acre	SFR: 0.25 - 0.5 Acre	SFR: 9,000 SF - 0.25 Acre	SFR: 7,500 - 9,000 SF	SFR: 6,000 - 7,500 SF	SFR: 5,000 - 6,000 SF	SFR: < 5,000 SF	Duplex	Townhome	Condo	Total
East	2	88	137	248	287	207	94	80	44	24	1,211
Southeast		32	33	80	95	38	5		4		287
In-Town South	3	6	4	2	1	3	9		4		32
South		12	6	8	14	22	8		79	53	202
Northwest		14	28	36	53	61	47	1	2	1	243
In-Town North		3	4	16	35	20	16		3	4	101
North		11	12	15	15	40	28		4	1	126
In-Town Central	2	1		1	1	1	2	2	9	2	21
Southwest											-
Downtown							1			1	2
39.18	4	18									22
37.01											-
38.02											-
40.07	1	1									2
<b>TOTAL</b>	<b>12</b>	<b>186</b>	<b>224</b>	<b>406</b>	<b>501</b>	<b>392</b>	<b>210</b>	<b>83</b>	<b>149</b>	<b>86</b>	<b>2,249</b>

Source: Fayette County PVA, Urban Partners



## APPENDIX E: COST OF REGULATION ANALYSIS

This section is an analysis of the relative impact of government regulations on the cost of housing production in Fayette County compared to national averages. The implications for the following four regulatory items were examined:

- Time delay caused by zoning and site development approval;
- Cost of zoning/subdivision application process;
- Cost of land required to be dedicated for public purposes; and
- Cost of permit, hook-up, and impact fees.

National average costs of above listed regulatory items are based on a report published by the National Association of Home Builders titled, “How Government Regulation Affects the Price of a New Home.” Average costs for Fayette County were established based on a poll of Building Industry Association of Central Kentucky members (see Table E-1).

**Table E-1: Average Cost of Governmental Regulations on Housing Production Costs**

	National Average Cost	Fayette County Average Cost
<b>Time required to secure zoning and site development approval</b>	6.6 months	6.5 months
<b>Cost of zoning/subdivision application process</b> (this includes fee structure as well as cost of legal and engineering services)	\$7,700 per unit	\$2,000 to \$2,500 per unit
<b>Cost of land required to be dedicated for public purposes</b> (much of the construction is in expansion areas and that open space requirements demand 25% to 60% open space allocation)	\$6,500 per unit	\$6,729 per unit
<b>Cost of permit, hook-up, and impact fees</b>	\$8,700 per unit	\$6,700 to \$8,400 per unit

*Source: Building Industry Association of Central Kentucky, National Association of Home Builders, Urban Partners*

Overall, the total average cost of housing production based on the above listed government regulations in Fayette County is approximately \$17,300, compared to the national average of \$22,900 for the typical Fayette County house price point of \$250,000.

## APPENDIX F: ANALYSIS OF THE HOUSING SURVEY RESULTS

To gain an understanding of the consumer attitudes for housing—including attitudes toward homeownership, locational preferences, ideal amenities, and community features—Urban Partners conducted an online survey that was distributed throughout the county. Most notably, the survey was posted on Fayette County PVA’s and LBAR’s web homepage. Other agencies and organizations that helped distribute the survey included LFUCG Division of Planning, Fayette Alliance, Building Industry Association of Central Kentucky, and University of Kentucky.

In a two-month survey window, a total of 1,824 responses were collected. The following is a summary analysis of the survey results:

- 87% of respondents live in Fayette County.
- 78% of respondents work in Fayette County.
- 25% of respondents are between 25 and 35 years of age; 21% of respondents are between 36 and 45 years of age.
- 37% of respondents earn household incomes between \$100,001 and \$200,000.
- 77% of respondents are homeowners.

The full analysis of the housing survey results is found on the following page.

# Fayette Housing Demand Study

## Analysis of the Housing Survey Results

Presented to the Steering Committee on February 3, 2017



Fayette County  
Property Value  
Administrator

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URBAN PARTNERS

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325 Chestnut Street, Suite 506  
Philadelphia, PA 19106

# **PROJECT BACKGROUND**

# Project Background

- Purpose of the study:
  - Identify mid-term (next 10 years) housing demand in Fayette.
  - Identify which housing typologies and locations demand special attention in order to ensure Lexington's housing market matches the needs of current and future residents.
  - The information obtained as a result of the study will help inform the City's future housing development strategy.

# Project Background

- Sponsors of the study:
  - LFUCG, Division of Planning
  - Fayette County Property Valuation Administrator
  - Lexington Downtown Development Authority
  - Lexington Bluegrass Association of Realtors
  - Building Industry Association of Central Kentucky
  - Fayette Alliance
- Steering committee consisted of representatives of sponsoring organizations, two Council members, and two Planning Commission members.

# **HOUSING SURVEY**

Housing Market Demand Study, Fayette  
County

# Survey Distribution

- Urban Partners conducted an online survey that were distributed throughout the county.
- Most notably, the survey was posted on Fayette County PVA's and LBAR's web homepage.
- Other agencies and organizations that helped distribute the survey included LFUCG Division of Planning, Fayette Alliance, Building Industry Association of Central Kentucky, and University of Kentucky.

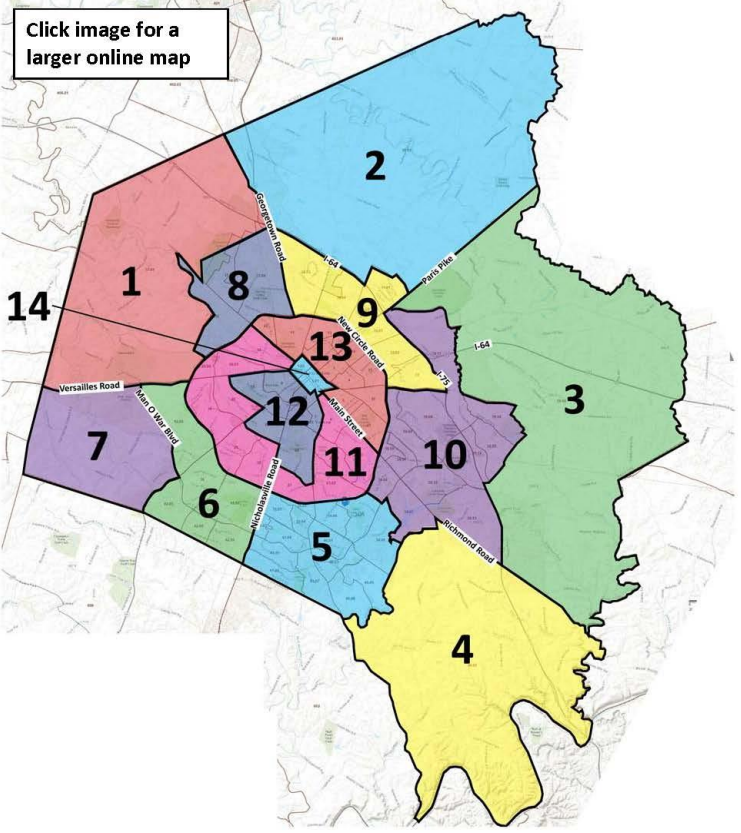


# Survey Instrument

## FAYETTE COUNTY HOUSING MARKET DEMAND STUDY SURVEY

Lexington-Fayette County is conducting an independent study to identify mid-term (10 years) housing demand for both market rate and affordable housing types, and identify economic and regulatory barriers to meeting projected demand. As part of this process, Lexington-Fayette County is interested in quantifying the demand for new and existing housing types and geographic preferences of households that live and work in Fayette County.

Please take a few minutes to complete all of the questions. For the purposes of this survey, Fayette County has been subdivided into 14 sub-markets which are shown on the map below.



### Section 1

1. **Please describe yourself:**  
 Gender: Male  Female   
 Age: Under 25  25-35  36-45  46-55  56-65  Over 65   
 College student:  Employed worker (>30hr/week):  Other:
2. **Please describe your household:**  
 Number of adults (include yourself)  
 Number of children
3. **Do you live in Fayette County?** Yes  No   
 If yes, in what sub-market do you currently live (see map on the previous page)? \_\_\_\_\_
4. **Do you work in Lexington/Fayette County?** Yes  No   
 What is the zip code of your place of work? \_\_\_\_\_
5. **What type of housing do you live in now?**  
 Single-family detached home on very small lot (less than 5000 square feet)  
 Single-family detached home on small lot (5000-7500 square feet)  
 Single-family detached home on medium lot (7500 square feet to 1/4 acres)  
 Single-family detached home on large lot (1/4 to 1/2 acres)  
 Single-family detached home on very large lot (1/2 to 5 acres)  
 Single-family detached home on estate lot (greater than 5 acres)  
 Townhouse  
 Mid to high-rise condominium  
 Low-rise or garden apartment (4 stories or less)  
 High-rise apartment (more than 4 stories)  
 Warehouse/loft/other historic conversion  
 Other (please describe: \_\_\_\_\_)
6. **How many bedrooms do you currently have?**  
 Studio  1  2  3  4 or more
7. **Do you currently own or rent?**  
 Own  Rent

### Section 2: Owners only

8. **What year did you purchase your house?**  
 Year: \_\_\_\_\_

# Survey Instrument

**9. What is your current mortgage?**

- Less than \$400 per month
- \$400-\$600 per month
- \$601-\$800 per month
- \$801-\$1000 per month
- \$1001-\$1500 per month
- \$1501-\$2000 per month
- More than \$2000 per month
- I don't have a mortgage on the house

**10. What is your annual household income?**

- Less than \$20,000
- \$20,001-\$30,000
- \$30,001-\$50,000
- \$50,001-\$70,000
- \$70,001-\$100,000
- \$100,001-\$200,000
- Over \$200,000

**11. Did you live in Fayette County prior to purchasing your current home?** Yes  No

If yes, in what sub-market did you live (see map on page 1)? \_\_\_\_\_

**12. In deciding to purchase your current home, how important were each of these amenities and community characteristics:**

	<i>not important</i>	<i>somewhat important</i>	<i>very important</i>
Newly constructed home	___	___	___
Modern kitchen/bathrooms	___	___	___
Central A/C	___	___	___
Fireplace	___	___	___
Interior finishes (e.g., <i>hardwood floors</i> )	___	___	___
Architecture/historic charm	___	___	___
Garage	___	___	___
Quality of schools	___	___	___
Close proximity to work	___	___	___
Nearby shopping, restaurants, arts/culture	___	___	___
Close proximity to public transit	___	___	___
Community diversity (age, race/ethnicity, etc.)	___	___	___
Large backyard	___	___	___

**13. Were you able to purchase a home with the amenities you were looking for?**

- Yes, for the most part
- Yes, but we compromised on some amenities  (Please list)
- No

**14. Were you able to purchase the type of home that you were looking for?** Yes  No

- If no, what type of home would you have preferred instead?
- Single-family detached home on very small lot (less than 5000 square feet)
- Single-family detached home on small lot (5000-7500 square feet)

- Single-family detached home on medium lot (7500 square feet to 1/4 acres)
- Single-family detached home on large lot (1/4 to 1/2 acres)
- Single-family detached home on very large lot (1/2 to 5 acres)
- Single-family detached home on estate lot (greater than 5 acres)
- Townhouse
- Mid to high-rise condominium
- Low-rise or garden apartment (4 stories or less)
- High-rise apartment (more than 4 stories)
- Warehouse/loft/other historic conversion
- Other (please describe: \_\_\_\_\_)

**15. Were you able to purchase a home in a neighborhood that you'd most prefer?**

Yes  No

If no, in what sub-market would have been your preferred location (see map on page 1)? \_\_\_\_\_

What were the factors for not being able to purchase a home in a preferred location?

- the price of the homes in the preferred location was too high.
- the type of home that I was looking for was not available in my preferred location.

## Section 3: Renters only

**16. What year did you move into your current residence?**

Year: \_\_\_\_\_

**17. Did you live in Fayette County prior to moving into your current home?** Yes  No

If yes, in what sub-market did you live (see map on page 1)? \_\_\_\_\_

**18. Do you have any non-related roommates?** Yes  No

If yes, how many roommates? \_\_\_\_\_

**19. What is your current rent?**

- Less than \$500 per month
- \$500-\$600 per month
- \$601-\$800 per month
- \$801-\$1000 per month
- \$1001-\$1250 per month
- \$1250-\$1500 per month
- More than \$1500 per month

**20. What is your annual household income?**

- Less than \$20,000
- \$20,001-\$30,000
- \$30,001-\$50,000

# Survey Instrument

- \$50,001-\$70,000
- \$70,001-\$100,000
- \$100,001-\$200,000
- Over \$200,000

**21. In deciding where to rent, how important were each of these amenities and community characteristics:**

	<i>not important</i>	<i>somewhat important</i>	<i>very important</i>
Newly constructed	___	___	___
Modern kitchen/bathrooms	___	___	___
Central A/C	___	___	___
Fireplace	___	___	___
Interior finishes (e.g., <i>hardwood floors</i> )	___	___	___
Architecture/historic charm	___	___	___
Porch/balcony	___	___	___
Storage	___	___	___
On-site parking	___	___	___
Security watch/system	___	___	___
Exercise room/Jacuzzi/spa	___	___	___
Swimming pool	___	___	___
Outdoor sitting area/green space	___	___	___
Quality of schools	___	___	___
Close proximity to work	___	___	___
Nearby shopping, restaurants, arts/culture	___	___	___
Close proximity to public transit	___	___	___
Community diversity (age, race/ethnicity, etc.)	___	___	___
Large backyard	___	___	___

**22. Were you able to rent a home with the amenities you were looking for?**

- Yes, for the most part
- Yes, but we compromised on some amenities \_\_\_ (please list)
- No \_\_\_

**23. Were you able to rent the type of home that you were looking for? Yes \_\_\_ No \_\_\_**

- If no, what type of home would you have preferred instead?
- Single-family detached home on very small lot (less than 5000 square feet)
  - Single-family detached home on small lot (5000-7500 square feet)
  - Single-family detached home on medium to large lot (over 7500 square feet)
  - Townhouse
  - Mid to high-rise condominium
  - Low-rise or garden apartment (4 stories or less)
  - High-rise apartment (more than 4 stories)
  - Warehouse/loft/other historic conversion
  - Other (please describe: \_\_\_\_\_)

**24. Were you able to rent a home in a neighborhood that you'd most prefer?**

- Yes \_\_\_ No \_\_\_
- If no, in what sub-market would have been your preferred location (see map on page 1)? \_\_\_\_\_
- What were the factors for not being able to rent a home in a preferred location?

- the price of the rental homes in the preferred location was too high.
- the type of rental home that I was looking for was not available in my preferred location.

**25. If you were interested in purchasing a home in Fayette County, what type of housing would you most prefer to live?**

- Single-family detached home on small lot (less than 1/4 acres)
- Single-family detached home on medium lot (1/4 to 1/2 acres)
- Single-family detached home on large lot (1/2 to 5 acres)
- Single-family detached home on very large lot (greater than 5 acres)
- Townhouse
- Mid to high-rise condominium
- Warehouse/loft/other historic conversion
- Other (please describe: \_\_\_\_\_)

**26. What size dwelling would you prefer to purchase?**

- Number of bedrooms: \_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 or more
- Number of bathrooms: \_\_\_ 1 \_\_\_ 1.5 \_\_\_ 2 or more

**27. What purchase price level would you be willing to pay?**

- Under \$100,000
- \$100,001-\$125,000
- \$125,001-\$150,000
- \$150,001-\$200,000
- \$200,001-\$300,000
- \$300,001-\$400,000
- \$400,001-\$500,000
- Over \$500,000

**28. What would be your ideal location to purchase a home (see map on page 1)? \_\_\_\_\_**

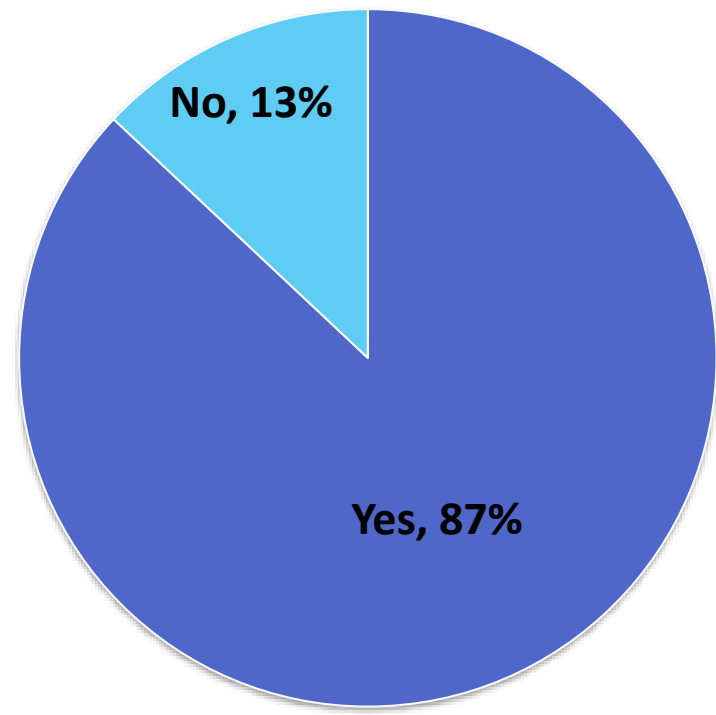
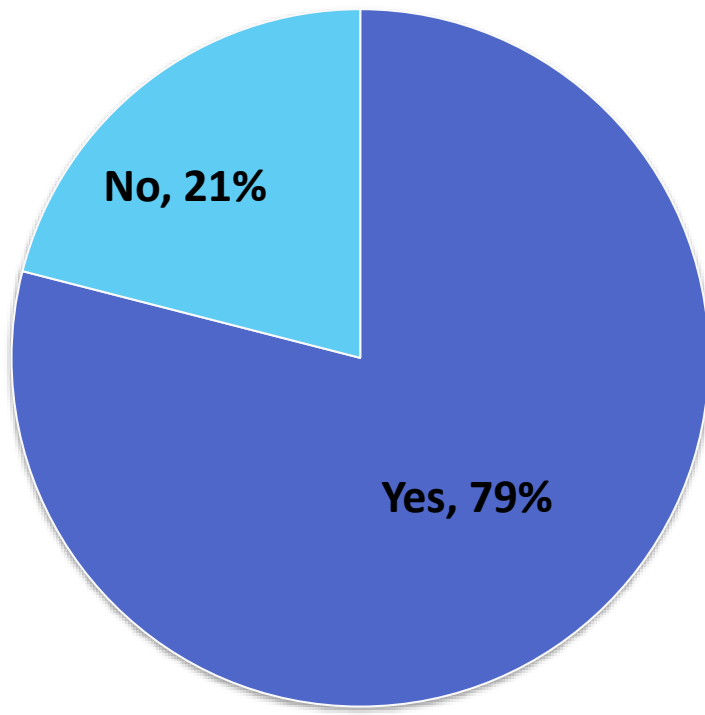
**29. Please submit your email address for a chance to win XYZ.**

Email Address: \_\_\_\_\_

Thank you for your feedback!

# Survey Respondents

- Total: 1,824 respondents
- Work in Fayette:
- Live in Fayette:



# Fayette Homeowners

Who Purchased in 2005 or After

# Fayette Homeowners

Who Purchased in 2005 or After

- “Were you able to purchase the type of home you were looking for?” Yes - 96%.
- Type of home:

SF Detached on small lot (5000-7500 square feet)	29%
SF Detached on medium lot (7500 square feet to 1/4 acres)	29%
SF Detached on large lot (1/4 to 1/2 acres)	15%
SF Detached on very small lot (less than 5000 square feet)	13%
SF Detached on very large lot (1/2 to 5 acres)	5%
Townhouse	5%
SF Detached on estate lot (greater than 5 acres)	1%
Mid- to high-rise condominium	1%
All Others	2%

# Fayette Homeowners

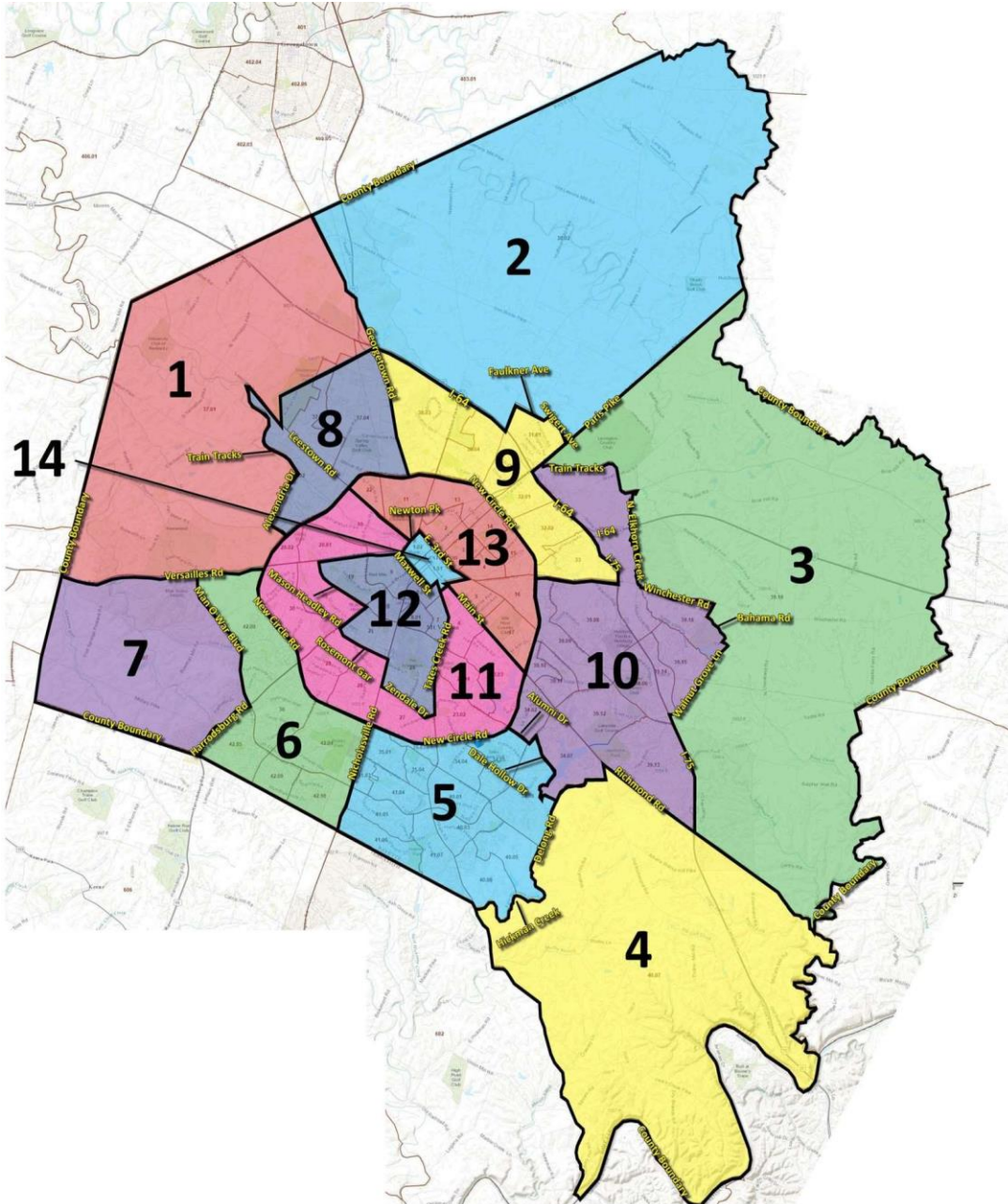
Who Purchased in 2005 or After

- Sub Markets:

In Town South	21%
East	17%
In Town North	12%
Southeast	11%
South	11%
In Town Central	8%
Northwest	4%
Tract 39.18	4%
Downtown	3%
All Others	11%

- Were you able to buy a home in desired area?
  - Yes, 76%
- “No, we would have preferred...”:
  - In Town South (28%)
  - In Town Central (28%)
  - South (12%)
  - In Town North (11%)
  - Downtown (6%)

# Subareas



1. Tract 37.01
2. Tract 38.02
3. Tract 39.18
4. Tract 40.07
5. Southeast
6. South
7. Southwest
8. Northwest
9. North
10. East
11. In Town South
12. In Town Central
13. In Town North
14. Downtown



# Fayette Homeowners

Who Purchased in 2005 or After

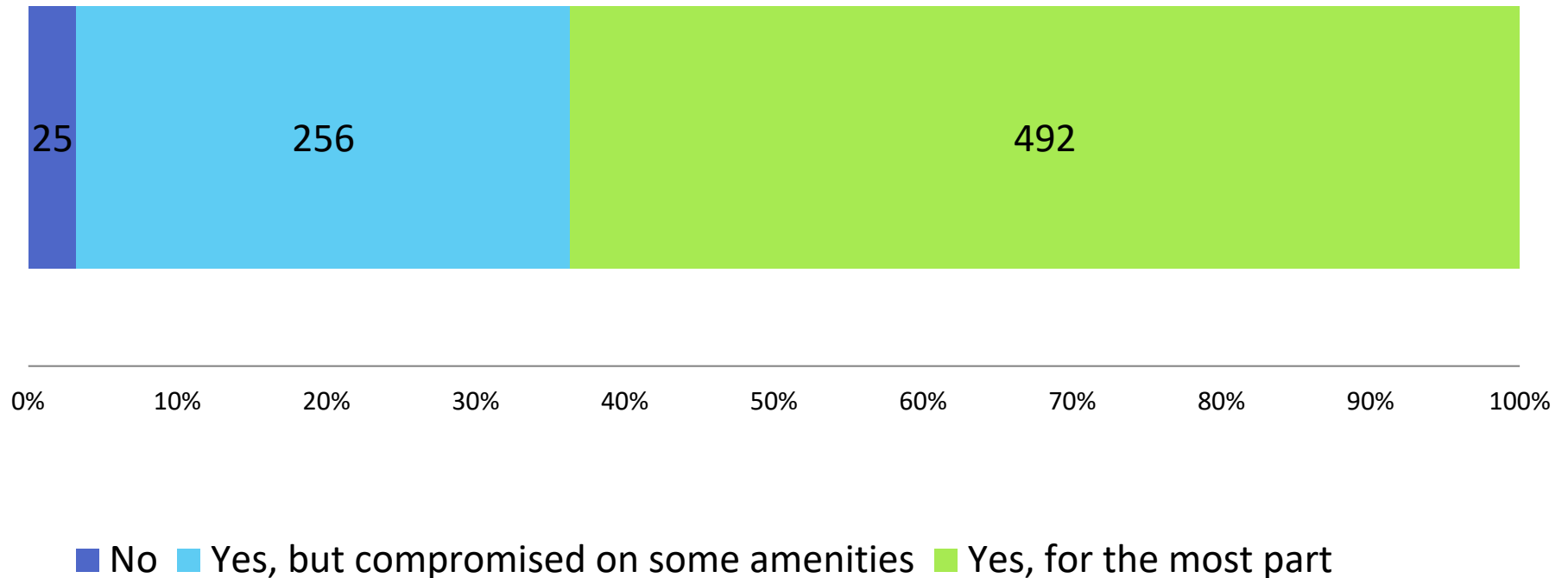
- Amenities and community characteristics that were most important when purchasing:

Responses	%	Responses	%
Central A/C	76%	Architecture/historic charm	31%
Garage	57%	Large backyard	25%
Quality of schools	42%	Fireplace	18%
Interior finishes (e.g., hardwood floors)	40%	Community diversity (age, race/ethnicity, etc.)	13%
Nearby shopping, restaurants, arts/culture	36%	Newly constructed home	8%
Modern kitchen/bathrooms	33%	Close proximity to public transit	6%
Close proximity to work	32%		

# Fayette Homeowners

Who Purchased in 2005 or After

- “Were you able to purchase a home with the amenities you were looking for?”



# Fayette Homeowners

Who Purchased in 2005 or After

- Amenities and community characteristics that were most compromised:

Responses	%	Responses	%
Modern kitchen/bathrooms	41%	Newly constructed home	12%
Large backyard	37%	Nearby shopping, restaurants, arts/culture	11%
Interior finishes (e.g., hardwood floors)	22%	Fireplace	11%
Architecture/historic charm	19%	Community diversity (age, race/ethnicity, etc.)	9%
Garage	18%	Close proximity to public transit	6%
Close proximity to work	16%	Central A/C	6%
Quality of schools	13%		

# Non-Fayette Homeowners

Who Purchased in 2005 or After

# Non-Fayette Homeowners

Who Purchased in 2005 or After

- “Work in Fayette?” Yes - 57%.
- Type of home:

SF Detached on very large lot (1/2 to 5 acres)	27%
SF Detached on large lot (1/4 to 1/2 acres)	21%
SF Detached on estate lot (greater than 5 acres)	18%
SF Detached on medium lot (7500 square feet to 1/4 acres)	16%
SF Detached on small lot (5000-7500 square feet)	7%
SF Detached on very small lot (less than 5000 square feet)	6%
All Others	5%

- “Were you able to purchase the type of home you were looking for?” Yes - 93%.

# Non-Fayette Homeowners

Who Purchased in 2005 or After

- “Did you live in Fayette prior to purchasing your current home?” Yes - 47%.
- Profile of households that moved out:
  - 51% have household income between \$100K-\$200K.
  - 51% have two adults and at least one child.
  - 61% work in Fayette.
  - 36% have monthly mortgage of \$1,000-\$1,500; 14% have monthly mortgage of \$800-\$1,000; 12% have monthly mortgage of \$1,500-\$2,000.
  - 11% have no mortgage (compared to 13% of Fayette)

# Non-Fayette Homeowners

Who Purchased in 2005 or After

- Amenities and community characteristics that were most important when purchasing:

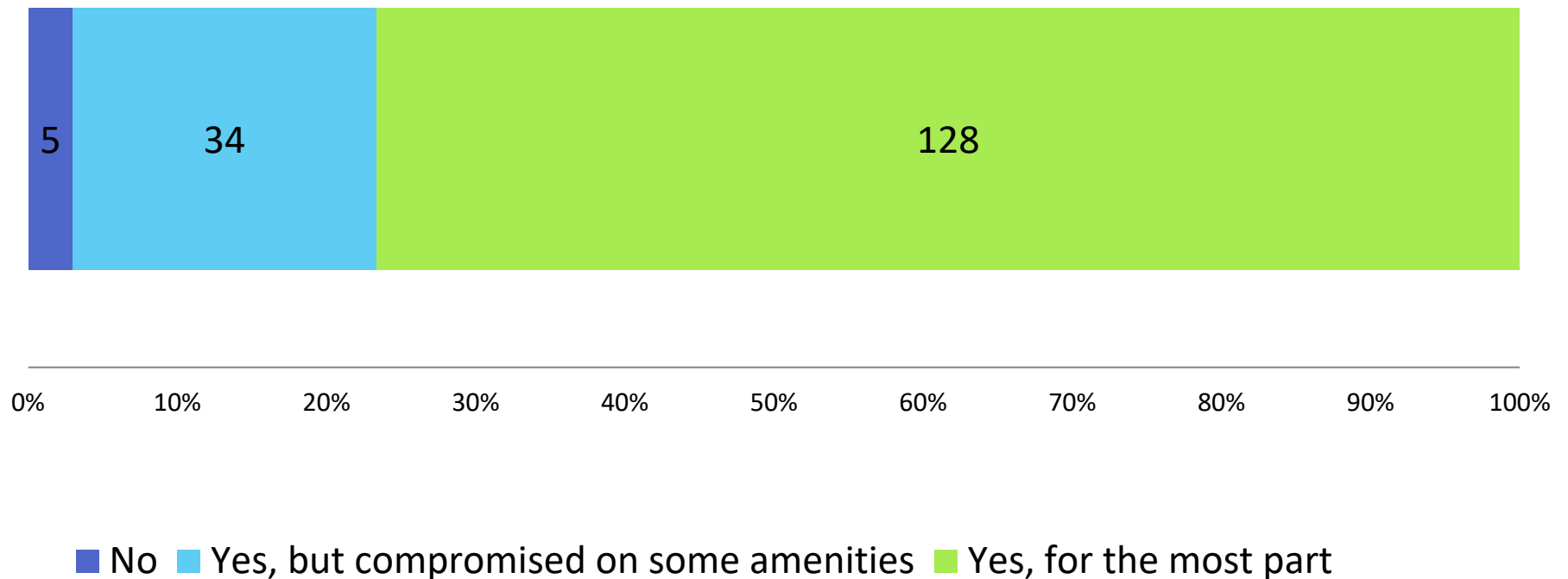
Responses	%	Responses	%
Central A/C	76%	Architecture/historic charm	26%
Garage	68%	Newly constructed home	26%
Large backyard	49%	Close proximity to work	25%
Quality of schools	48%	Nearby shopping, restaurants, arts/culture	12%
Interior finishes (e.g., hardwood floors)	44%	Community diversity (age, race/ethnicity, etc.)	9%
Modern kitchen/bathrooms	42%	Close proximity to public transit	3%
Fireplace	31%		

# Non-Fayette Homeowners

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Who Purchased in 2005 or After

- “Were you able to purchase a home with the amenities you were looking for?”





# Non-Fayette Homeowners

Who Purchased in 2005 or After

- Amenities and community characteristics that were most compromised:

Responses	%	Responses	%
Close proximity to work	30%	Nearby shopping, restaurants, arts/culture	18%
Interior finishes (e.g., hardwood floors)	26%	Large backyard	18%
Modern kitchen/bathrooms	26%	Central A/C	15%
Newly constructed home	22%	Architecture/historic charm	11%
Garage	22%	Community diversity (age, race/ethnicity, etc.)	10%
Fireplace	19%	Close proximity to public transit	9%
Quality of schools	19%		

# Fayette Renters

# Fayette Renters

- In what sub-market do you currently live?
- What year did you move into your home?

Submarket	%
East	22%
South	17%
In Town North	12%
In Town Central	9%
In Town South	9%
Southeast	8%
Tract 39.18	4%
Others	20%

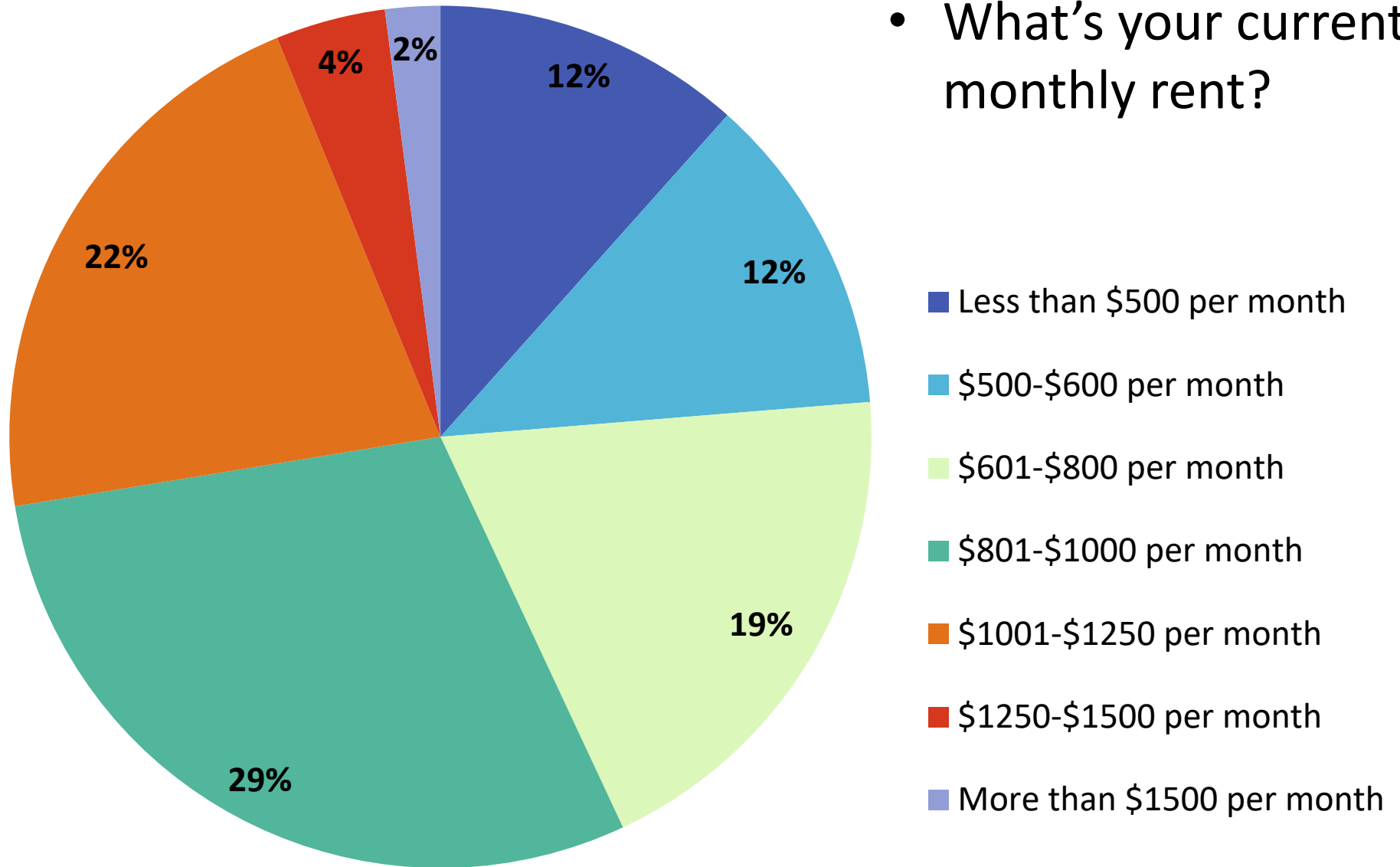
Year	Total
2016	150
2015	95
2014	52
2013	32
2012	17
2010	11
Before 2000	9
2011	6

# Fayette Renters

- 388 households (70% previous Fayette residents).
- Household Incomes:
  - 26% between \$30K-\$50K.
  - 23% between \$50K-\$70K.
- Age:
  - 76% between 25 and 35 years of age.
  - 24% under 25 years of age.
- Household Type:
  - 21% with at least one child.
  - 25% with non-related roommates.

# Fayette Renters

- What's your current monthly rent?



# Fayette Renters

- “Were you able to rent the type of home you were looking for?” Yes - 83%.
- Type of home:

Low-rise or garden style apartment (4 stories or less)	50%
Townhouse	19%
Single-family detached home on very small lot (less than 5000 SF)	10%
Single-family detached home on small lot (5000-7500 SF)	6%
Single-family detached home on medium lot (7500 SF to 1/4 acres)	5%
All Others	10%

# Fayette Renters

- Sub Markets:

East	22%
South	17%
In Town North	12%
In Town Central	9%
In Town South	9%
Southeast	8%
Others	5%
Tract 39.18	4%
Downtown	4%
All Others	11%

- Were you able to rent a home in desired area?
  - Yes, 76%
- “No, we would have preferred...”:
  - In Town Central (18%)
  - In Town South (14%)
  - In Town North (13%)
  - East (10%)

# Fayette Renters

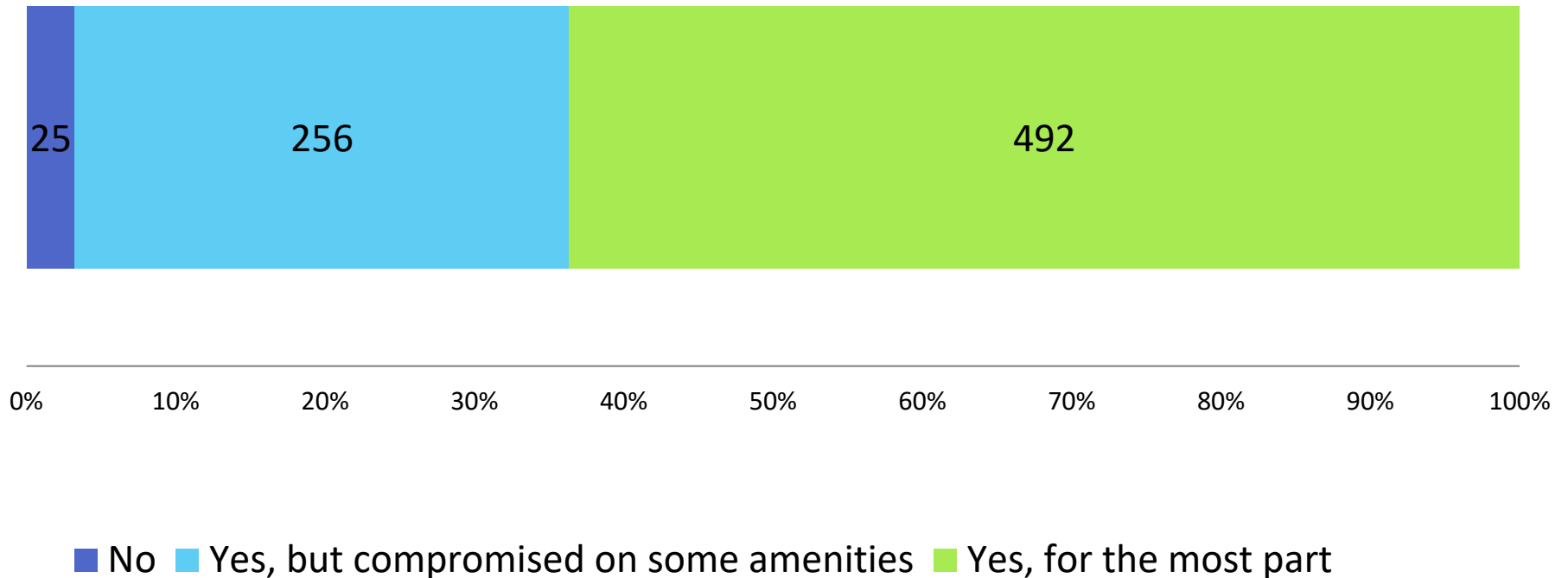
- Amenities and community characteristics that were most important when renting:

Responses	%	Responses	%
On-site parking	68%	Community diversity	18%
Central A/C	66%	Large backyard	15%
Close proximity to work	42%	Newly constructed home	14%
Modern kitchen/bathrooms	38%	Swimming pool	13%
Storage	38%	Security watch/system	13%
Nearby shopping, restaurants, arts/culture	35%	Exercise room/Jacuzzi/spa	13%
Outdoor sitting area/green space	25%	Architecture/historic charm	11%
Porch/balcony	23%	Close proximity to public transit	11%



# Fayette Renters

- “Were you able to rent a home with the amenities you were looking for?”



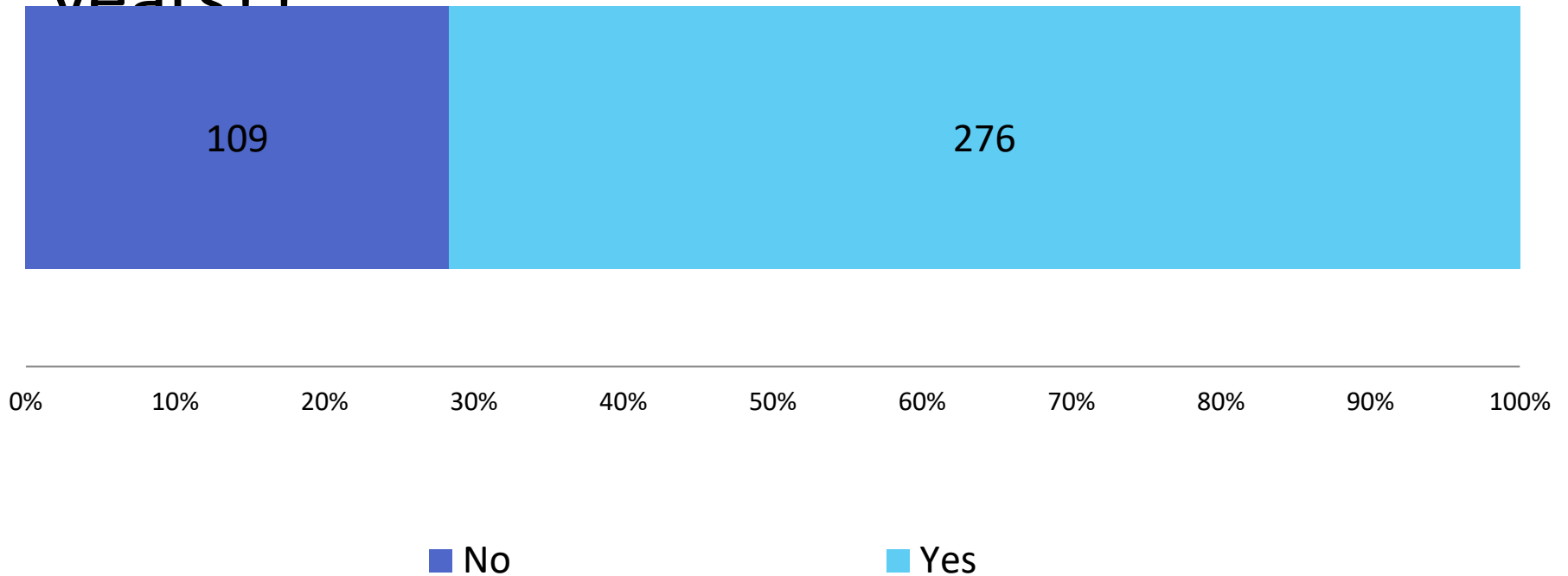
# Fayette Renters

- Amenities and community characteristics that were most compromised:

Responses	%	Responses	%
Large backyard	27%	Exercise room/Jacuzzi/spa	13%
Storage	23%	Swimming pool	12%
Security watch/system	22%	Newly constructed home	11%
Close proximity to work	20%	On-site parking	10%
Porch/balcony	18%	Central A/C	9%
Interior finishes (e.g., hardwood floors)	17%	Nearby shopping, restaurants, arts/culture	9%
Fireplace	17%	Community diversity	7%
Modern kitchen/bathrooms	17%		

# Fayette Renters

- “Are you planning to move a newly purchased home within the next 5-10 years??”



# Fayette Renters

- Type of home likely to purchase:

Single-family detached home on medium lot (7500 square feet to 1/4 acres)	26%
Single-family detached home on small lot (5000-7500 square feet)	24%
Single-family detached home on large lot (1/4 to 1/2 acres)	13%
Single-family detached home on very small lot (less than 5000 square feet)	12%
Single-family detached home on very large lot (1/2 to 5 acres)	9%
Townhouse	6%
Single-family detached home on estate lot (greater than 5 acres)	4%
Mid- to high-rise condominium	3%
Warehouse/loft/other historic conversion	1%
Other	3%

# Fayette Renters

- No. of bedrooms likely to purchase?

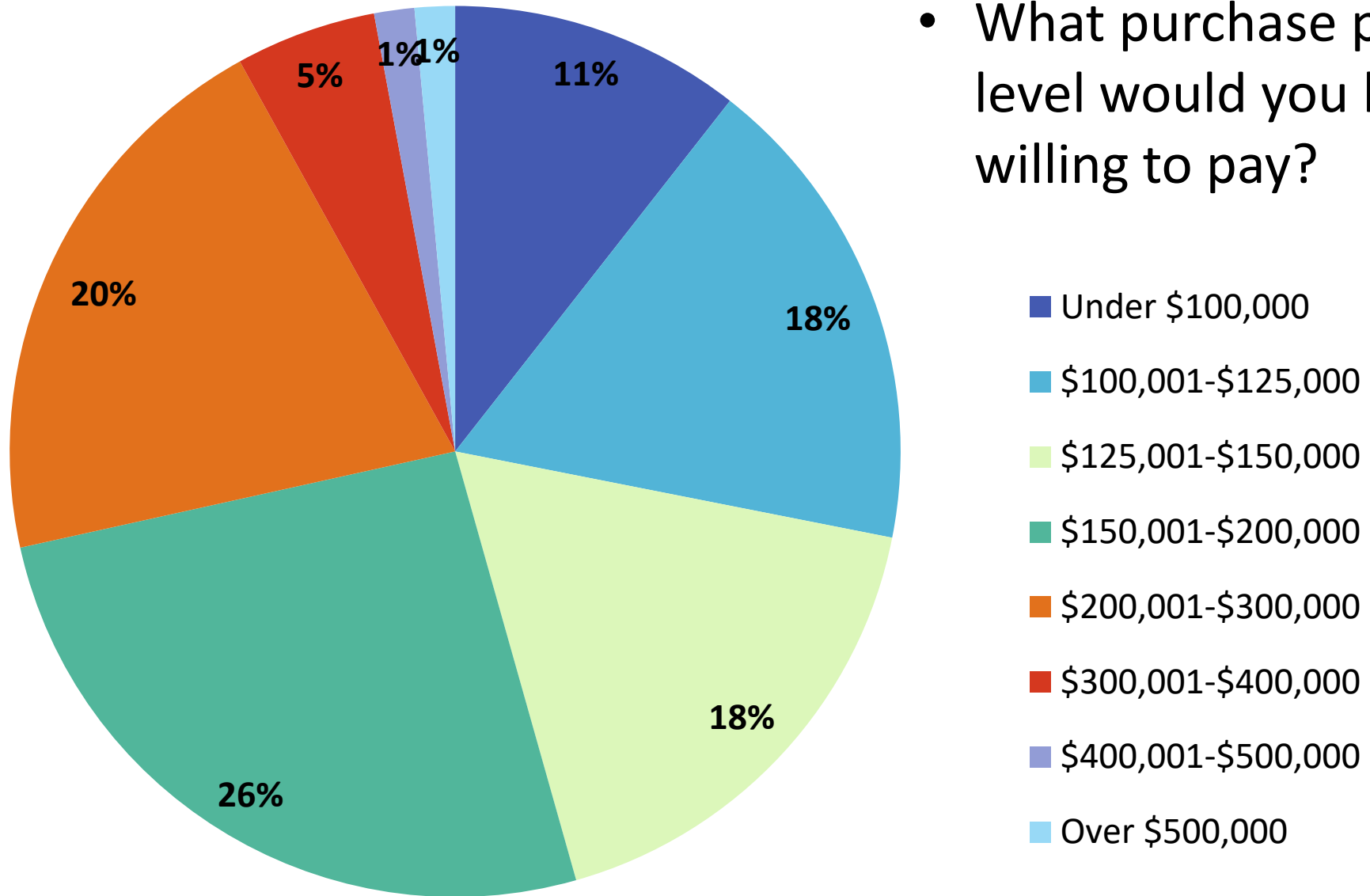
Dwelling Size	%
1 bedroom	2%
2 bedroom	20%
3 bedroom	59%
4 or more bedrooms	20%

- No. of bathrooms likely to purchase?

No. of Bathrooms	%
1 bath	2%
1.5 bath	15%
2 bath	61%
3 or more bath	21%

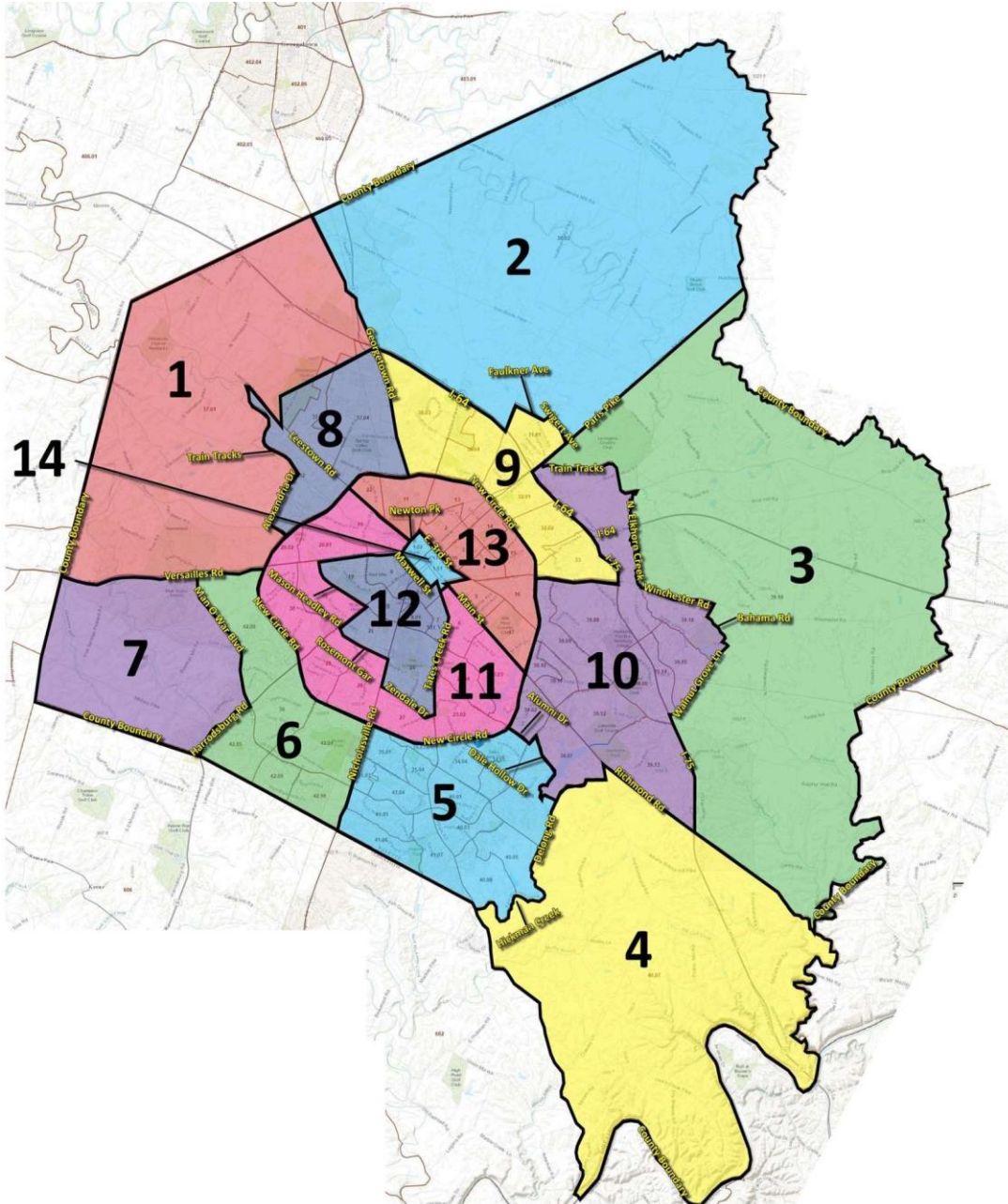
# Fayette Renters

- What purchase price level would you be willing to pay?



# Fayette Renters

- Ideal location to purchase a new home?



1.	Tract 37.01	5%
2.	Tract 38.02	3%
3.	Tract 39.18	6%
4.	Tract 40.07	6%
5.	Southeast	4%
6.	South	9%
7.	Southwest	3%
8.	Northwest	2%
9.	North	2%
10.	East	19%
11.	In Town South	13%
12.	In Town Central	9%
13.	In Town North	6%
14.	Downtown	6%
	Outside Fayette	9%