



Terwilliger Center for Housing 2022 Home Attainability Index Overview

**ULI BALTIMORE AFFORDABLE HOUSING COMMITTEE:
WHERE NEED MEETS OPPORTUNITY**

SEPTEMBER 20, 2022



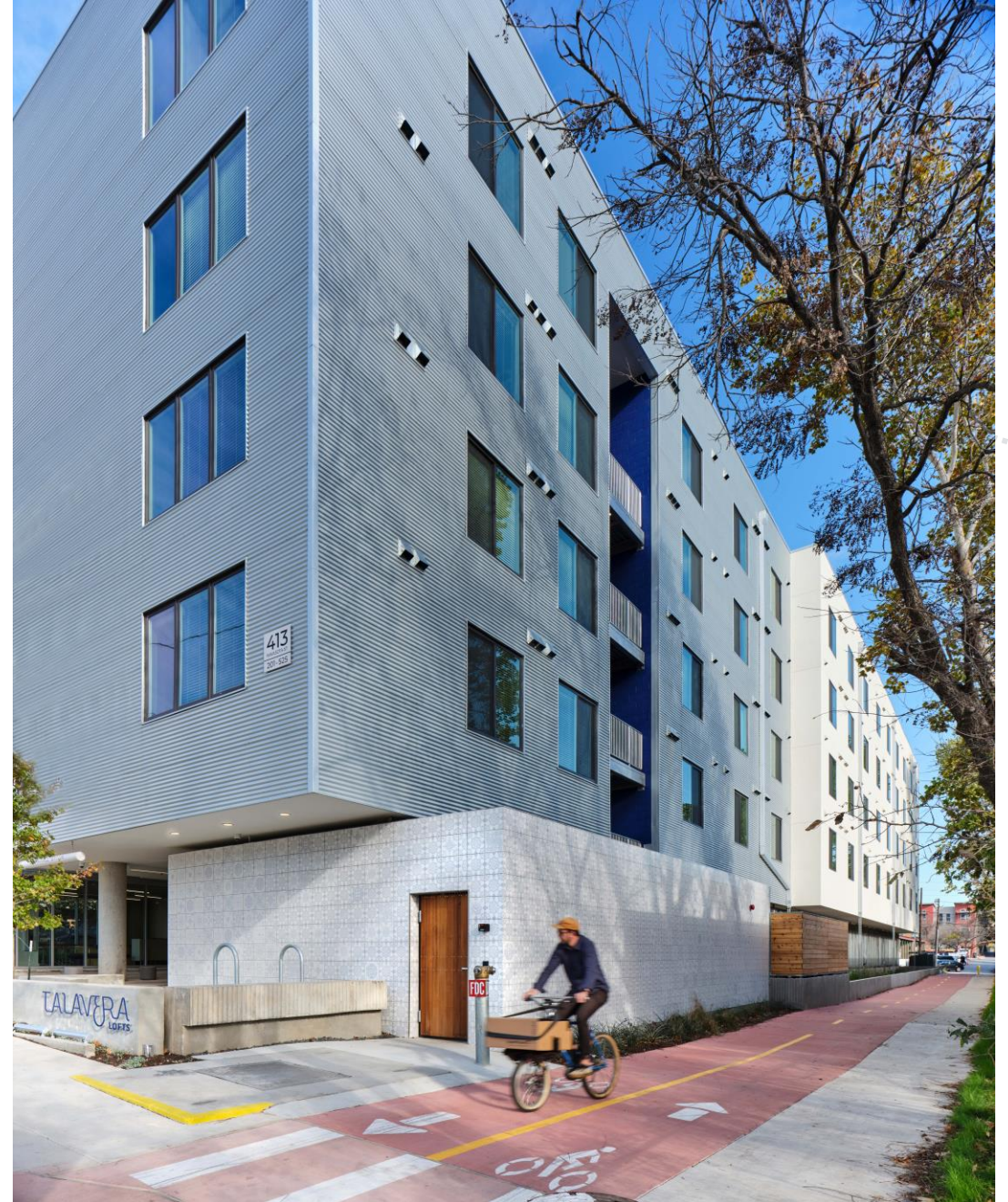
ULI Terwilliger Center for Housing



- **Catalyze** housing production and affordability
 - Direct engagement with communities
 - Driving best practices and policies
 - ULI Housing Opportunity Conference
 - Webinar series and newsletter
- **Provide thought leadership**
 - Research and publications
 - Industry engagement
- **Inspire broader commitment to housing**
 - ULI Awards

Agenda

- Introducing the Home Attainability Index
 - Purpose and potential uses
 - Metrics and methodology
- The national context
- Findings for the Baltimore region and other Maryland markets

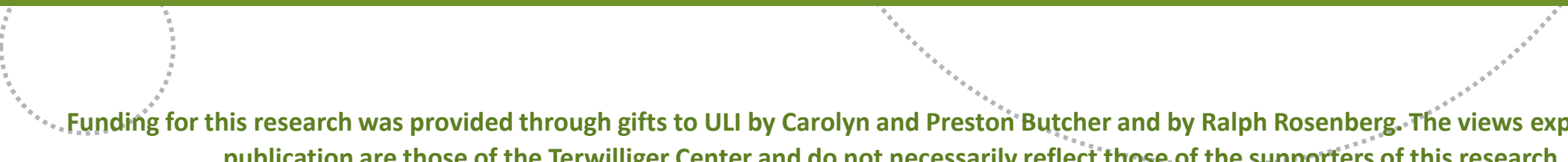


About the Index



PURPOSE

Provide a high-level snapshot of the extent to which a housing market provides a range of choices attainable to the regional workforce and broader population.



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2022 Index: Data and Sources

No single indicator can adequately summarize the full spectrum of housing needs in a given region and that aggregate, regional data can mask significant differences in affordability within regions.

- Array of 26 housing and equity related metrics
 - Overall Affordability
 - Homeownership Attainability
 - Rental Attainability
 - Neighborhood Opportunity and Access
 - Housing Production
- Core Index data for 112 regions (metropolitan statistical areas)
- Supplemental data for more than 300 regions
- Occupational Analysis contextualizes data, comparing region- and job-specific median wage information to housing costs for both rental and homeownership.



2022 Index: Data and Sources

- Data Partners
 - The center partnered with PolicyMap and RCLCO for data collection, aggregation, and analysis.
 - National Housing Conference: Index and Occupational Analysis data derived from *Paycheck to Paycheck* data tool.
 - National Low Income Housing Coalition: Index incorporates Rental Attainability data from *The Gap* research.
- The 2022 Index incorporates data from a range of other sources
 - US Census Bureau (primarily ACS 2016-2020 estimates)
 - Center for Neighborhood Technology
 - Brookings Institution
- Process informed by multidisciplinary Advisory Committee



2022 Index: A Closer Look at Regional Conditions by Cohort

Emerging Trends characterizes the Baltimore region as a *Niche* market and the Washington, DC region (inclusive of MD suburbs) as the *Establishment*

Cohort analysis of core Index regions conducted to consider implications of market shifts

- Cohorts based on population size
- Cohorts based on market characteristics, via ULI's *Emerging Trends in Real Estate*® 2022 report
 - Overall Real Estate Prospects
 - Overall Homebuilding Prospects
 - Market typologies

Cohort	Summary Description from Emerging Trends	Examples of regions in cohort	Median Population for Cohort
Establishment	Long the nation's economic leaders, these regions offer tremendous opportunities, but appeal has waned in recent years as growth has slowed and challenges increased.	New York City, Boston, Chicago, San Francisco (9 total)	4,854,808
Magnets	Migration destinations for both people and companies, and most are growing more quickly than the U.S. average in terms of both population and jobs	Atlanta, Nashville, Boise, Phoenix (18 total)	2,761,732
Niche	Generally smaller or less economically diverse but have a dominant economic driver that supports stable economic growth	Baltimore, Columbus, Las Vegas, Orlando (23 total)	940,163
Backbone	Variety of interesting and enjoyable places to live and work; slower growing but benefit from moderate housing and business costs.	Albuquerque, Cleveland, Indianapolis, Sacramento (17 total)	1,576,525

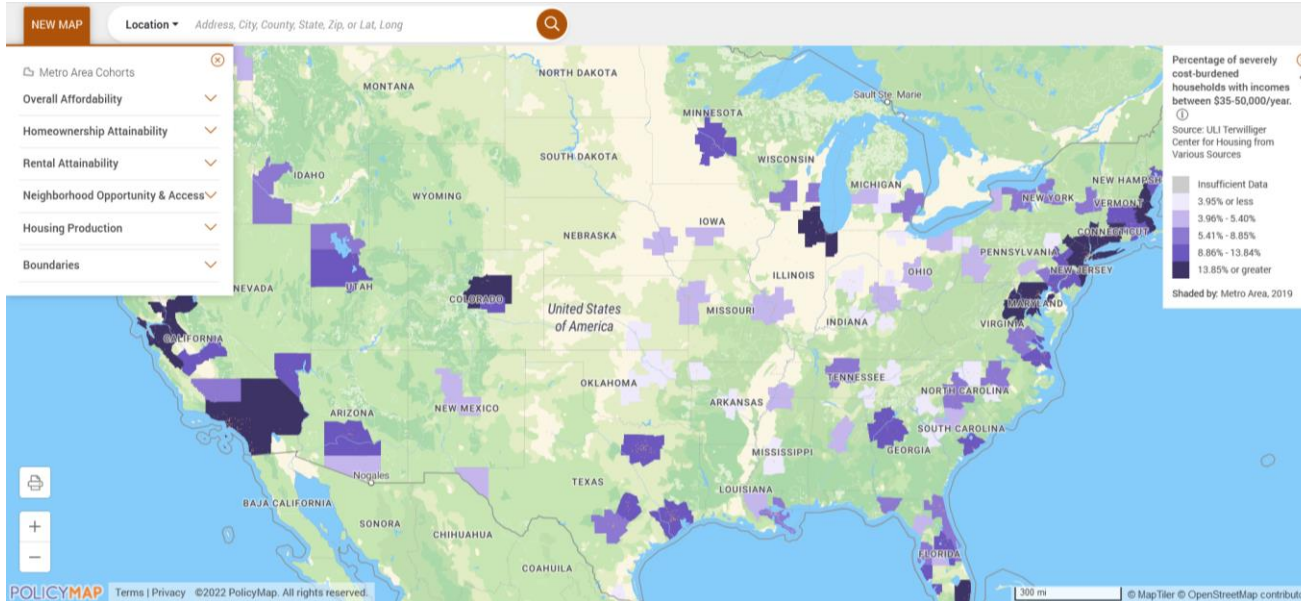


View and download all materials at:

<http://knowledge.uli.org/reports/research-reports/2022/2022-terwilliger-center-home-attainability-index>



For continued conversation, email: michael.spotts@uli.org



The Terwilliger Center Home Attainability Index is a data-rich resource for understanding the extent to which a housing market is providing a range of choices attainable to the regional workforce. The data can help:

- Identify gaps in home attainability and provide better context to understand residential markets
- Provide context by connecting housing costs to the wages earned by people with specific occupations in a region through an Occupational Analysis (based on data from the National Housing Conference's Paycheck to Paycheck database)
- Explicitly identify and highlight racial, socioeconomic, and intraregional disparities and inequities
- Enable national and regional comparisons to inform housing production, policy, and financing decisions

RESOURCES

- 2022 Home Attainability Index - Summary Report (PDF)
- 2022 Home Attainability Index - Core Index (Spreadsheet)
- 2022 Home Attainability Index - All MSA Data (Spreadsheet)

RELATED

REPORT



National Overview

View 2022 Index materials at: <http://knowledge.uli.org/reports/research-reports/2022/2022-terwilliger-center-home-attainability-index>

The Big Picture: Durable Challenges Remain Despite Change and Uncertainty

- There are few available housing units of any kind, even modest rental units, that are affordable to many low-wage workers in most regions.
- Long-term housing underproduction is a primary driver of our national housing challenges, and current market conditions – economic uncertainty, rising inflation, high costs of materials, high labor costs and limited availability – are likely to further restrain the market from “catching up” to meet demand.
- While the national shortage matters, regional production shortfalls are even more important. A lack of attainable housing in established markets is a contributing factor to some employers and households relocating to lower cost markets.
- While still more attainable, many of these growing regions have not demonstrated that they can produce enough housing of the right type in the right locations (the “dimensions of supply”) to keep these markets – or submarkets therein – from following the trajectory of more established, high-cost markets.

New Data: Attainability Trending in Wrong Direction

- Since latest Home Attainability Index release, new data shows:
 - Nationwide, share of cost burdened households increased in 2021
 - More than half of renter households are cost burdened (first time since 2015)
 - Share of severely cost burdened households rose to 26%
 - Over last decade, double-digit increases in the percentage of cost burdened rental households among households earning between \$20,000-\$75,000
 - Most notable increase was in \$35,000-\$50,000 income bracket (21 percentage point 10-year increase; 8 percentage point increase since 2019)
- Bogardus Drew, Rachel. "New Census Data Show Growing Share of Americans Struggling to Pay Rent." Enterprise Community Partners, September 15, 2022. <https://www.enterprisecommunity.org/blog/new-census-data-show-growing-share-americans-struggling-pay-rent>.

Housing Production

		Emerging Trends Cohorts				Population Cohorts		
Housing Production	Dataset Median	Establishment	Magnets	Niche	Backbone	Top 25	>1MM	500K-1MM
Percent growth in households, 2010-2020	5.37%	5.12%	11.19%	5.95%	2.81%	7.09%	5.87%	5.36%
Percent growth in housing inventory, 2010-2020	7.78%	5.51%	10.35%	9.22%	3.19%	7.89%	5.83%	9.22%
Units Added to Inventory per New Household, 2010-2020	1.28	1.06	1.10	1.57	1.05	1.10	1.11	1.52

The Dimensions of Supply and the Impact on Attainability

“People want that 15-minute lifestyle if they can get it. They want walkable, amenitized, real places that allow them to live fuller lives without having to get into a car and transition from one segment of their life to another.”

Developer interviewee, Emerging Trends 2022

“According to the latest Survey of Construction (SOC), more than two thirds of new single-family detached homes sold in 2021 were built on lots smaller than one-fifth of an acre. This is the highest share on record.”

Siniavskaia, Natalia. “Share of Smaller Lots Record High Amid Pandemic.” NAHB Eye on Housing, September 7, 2022.
<https://eyeonhousing.org/2022/09/share-of-smaller-lots-record-high-amid-pandemic/>.

The Consequences of Past Inaction

	Median annual wage	% of regions affordable - 10% down	% of regions affordable - 3% down	% of regions affordable FMR 1 BR	% of regions affordable FMR 2 BR	% of regions affordable FMR 3 BR
Two-Income Household (childcare worker, middle school teacher)	\$83,530	54.05%	52.25%	100.00%	98.20%	93.69%
Two-Income Household (truck driver, home health aide)	\$72,260	39.64%	35.14%	98.20%	92.79%	79.28%
Two-Income Household (janitor, security guard)	\$56,950	17.12%	13.51%	94.59%	84.68%	40.54%
Automotive Service Technicians and Mechanics	\$44,530	3.60%	3.60%	79.28%	45.95%	2.70%
Bus Drivers, Transit and Intercity	\$41,110	6.32%	5.26%	54.74%	27.37%	6.32%
Childcare Workers	\$23,990	0.90%	0.90%	0.00%	0.00%	0.00%
Emergency Medical Technicians and Paramedics	\$37,280	1.90%	1.90%	47.62%	13.33%	0.00%
Heavy and Tractor-Trailer Truck Drivers	\$47,560	7.21%	4.50%	81.98%	52.25%	12.61%
Home Health and Personal Care Aides	\$24,700	0.90%	0.90%	0.00%	0.00%	0.00%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,610	0.90%	0.90%	7.21%	0.00%	0.00%
Laborers and Freight, Stock, and Material Movers, Hand	\$30,770	1.80%	0.90%	20.72%	0.00%	0.00%
Maids and Housekeeping Cleaners	\$24,440	0.90%	0.90%	0.90%	0.00%	0.00%
Middle School Teachers, Except Special and Career/Technical Education	\$59,410	21.62%	17.12%	96.40%	86.49%	53.15%
Nursing Assistants	\$30,130	0.90%	0.90%	16.22%	0.00%	0.00%
Registered Nurses	\$71,060	42.34%	32.43%	100.00%	100.00%	85.59%
Retail Salespersons	\$25,620	0.90%	0.90%	3.60%	0.00%	0.00%
Security Guards	\$30,390	1.80%	0.90%	18.02%	3.60%	0.00%
Waiters and Waitresses	\$20,530	0.90%	0.90%	2.70%	0.00%	0.00%