

The Housing Situation

Income and homeownership rates in Tompkins County are fairly consistent with national and statewide figures. However, housing costs are significantly higher than surrounding counties. This is true even though incomes are comparable. Tompkins rents are higher than the US, but housing sale costs are significantly below the national median.

Income and Housing Costs -- Regional Comparisons

County	Median HH Income (2000)	Median Monthly Gross Rent (2000)	HUD Fair Market Rent^ (2000)	Median Single Family Home Price (2002)	Change in Sing Fam Home Price ('00 – '02)
Tompkins	\$37,272	\$611	\$642	\$119,500	19.5%
<i>w/o students</i>	<i>\$43,730</i>	<i>\$580</i>			
Cortland	\$34,364	\$471	\$532	\$71,900	12.7%
Schuyler	\$36,010	\$466	\$487	\$77,750	6.5%
Chemung	\$36,415	\$493	\$493	\$66,750	-8.9%
Cayuga	\$37,487	\$482	\$572	\$67,800	2.6%
Seneca	\$37,140	\$521	\$493	\$83,000	10.7%
Tioga Co.	\$40,266	\$468	\$501	\$75,000	13.5%
NY State	\$43,393	\$672	--	\$138,000*	23.1%
US	\$41,994	\$519	--	\$158,100**	

Sources: Census 2000 Summary File 3; Census 2000 Special Tabulations; U.S. Department of Housing and Urban Development; * New York State Association of Realtors; ** US Association of Realtors.

^ 2 Bedroom unit with utilities.

Income and Housing Costs

Incomes in Tompkins County are relatively the same as those in adjacent counties, but housing costs are not. Household income in 2000 was \$37,272, which is about the average for the region. Household income, excluding the student population, is higher than surrounding counties at \$43,730 but not significant enough

to support the higher rents and home prices in Tompkins County.

Tompkins County has the highest median monthly gross rent and the highest Fair Market Rent (FMR) in the region. The FMR, established by HUD to guide maximum subsidy allowances for family assistance, defines the amount that would be needed to pay the gross rent (basic rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. The Fair Market Rent for a two-bedroom apartment in Tompkins County increased by 3.4% between 2000 and 2002; and another 2.4% between 2002 and 2004.

Tompkins County also has the highest median home purchase price in the region. Purchase prices are rising much faster here than in other areas in the region. Home prices increased 19.5% in Tompkins County between 2000 and 2002 while the number of homes on the market decreased by 4.6% from the second quarter of 2000 to the second quarter of 2002. The cost of purchasing a home is pricing many families out of the market.

Commuting Patterns – Housing, Jobs, and Traffic

An indicator of the need for more affordable housing may be the evidence of more people commuting into the county for work. The number of in-commuters (people living in other counties, but working in Tompkins County) increased by 2,332 people from 11,381 in 1990 to 13,713 in 2000. This is an increase of 20.5%. There were 13,713 jobs filled by in-commuters living in other counties. In 2000, in-commuters filled 23% of all jobs in Tompkins County. If we take out the approximately 14,000 part-time jobs filled by students on-campus, in-commuters fill nearly 30% of jobs. The higher cost of housing may be an impediment to more working families moving into Tompkins County. In addition, those 13,713 in-commuters plus 4,075 out-commuters add substantial traffic through communities and neighborhoods.

Tompkins County Housing Supply and Affordability

The Affordable Housing Unit Gaps Analysis below indicates that there is a shortage of existing housing units that are in the price range of households at almost every income level in Tompkins County. Housing values and rents are self reported to the Census Bureau, so there is probably an even greater shortage of existing units to serve the lowest income households than the data indicates. The large student population accounts for some of the shortage in the lower range.

Affordable Housing Unit Gaps Analysis

RENTAL ANALYSIS Tompkins County 2000

HH Income	Max affordable Rent	Unit monthly rent Range^	Existing Rental Units in range*	Number of HH**	Shortage/ Excess of units in price range
\$0- 10,000	\$250	\$0-249	763	3,900	-3,137
\$10- 19,999	\$500	\$250-499	4,353	3,935	418
\$20- 34,999	\$875	\$500-899	9,188	3,991	5,197
\$35- 49,999	\$1,250	\$900-1,249	1,362	2,244	-882
\$50- 74,999	\$1,875	\$1,250-1,999	680	1,641	-961
\$75- 99,999	\$2,500	\$2000 +	261	411	-150
\$100,000 +	\$2,500 +		0	485	-485
Total			16,607	16,607	0

Source: US Census 2000 (maximum affordable purchase price calculated independently). Housing costs and income all self reported to Census.
 * 407 Non-cash rentals distributed across rental cost range by TCAD.
 ** Census data collected from 30,056 of 36,464 Households (HH); excludes rental homes on greater than 10 acres.
 ^ Available unit price range information does not correspond exactly with the maximum affordable rent.

HOME OWNERSHIP ANALYSIS Tompkins County 2000

HH Income	Max affordable unit cost	Unit price Range^	Existing Owner-Occ'd Units	Number of HH**	Shortage/ Excess of units in price range	Quartile Unit values
\$0- 10,000	\$27,772	\$0-29,999	113	316	-203	
\$10- 19,999	\$55,544	\$30-59,999	1,052	804	248	
\$20- 34,999	\$97,200	\$60-99,999	5,432	1,827	3,605	\$78,600
\$35- 49,999	\$138,858	\$100-149,999	3,698	2,196	1,502	\$101,600
\$50- 74,999	\$208,289	\$150-199,999	1,714	3,602	-1,888	\$146,900
\$75- 99,999	\$277,719	\$200-299,999	950	1,923	-973	
\$100,000 +	\$277,720 +	\$300,000 +	490	2,781	-2,291	
Total			13,449	13,449	0	
						3,362 per quartile

Source: US Census 2000 (maximum affordable purchase price calculated independently). Housing costs and income all self reported to Census.
 * 407 Non-cash rentals distributed across rental cost range by TCAD.
 ** Census data collected from 30,056 of 36,464 Households (HH); excludes own mobile homes, houses with business or medical offices, homes in multi-family buildings, and homes on greater than 10 acres.
 ^ Available unit price range information does not correspond exactly with the maximum affordable rent.

The local market compresses housing costs near the median, producing too few lower income units, as well as too few higher income units. This contributes to competition around a rising median purchase price that is 45 to 80 percent higher, and rents that are 10 to 30 percent higher than surrounding counties. The lack of supply overall increases pressure to inflate prices.

Household Overpayment by Municipality

In 2000 there were approximately 10,800 households (or 36%) that were considered cost burdened, spending more than one third of their incomes on housing. Cost burden is more acute for renters than for homeowners. Without the student population, the percentage of renters that are cost burdened remains high. The City of Ithaca, and the Towns of Danby and Enfield have the largest percentage of non-student renter households that are cost burdened.

Household Overpayment (All HH 2000)

Municipalities listed highest to lowest	All Households That Are Cost Burdened – Renters and Homeowners (2000)
Tompkins County	36.1%
Ithaca City	52.6%
Enfield Town	40.6%
Ithaca Town	35.8%
Lansing Village	35.8%
Cayuga Hts Village	32.4%
Freeville Village	29.9%
Dryden Town	29.1%
Trumansburg Village	28.9%
Lansing Town	28.7%
Newfield Town	28.4%
Caroline Town	27.5%
Ulysses Town	27.2%
Dryden Village	27.1%
Groton Town	22.4%
Danby Town	21.6%
Groton Village	21.4%

Household Overpayment (Non-student Renters and All HH 2000)

Municipalities listed highest to lowest	Cost-Burdened Non-student HH -- renters only		All Cost Burdened HH's for Comparison
	# of HH	% of HH	
Tompkins County	3860	39.5%	36.1%
Enfield Town	175	55.7%	40.6%
Danby Town	70	44.0%	21.6%
Ithaca City	1510	43.6%	52.6%
Freeville Village	34	43.0%	29.9%
Ulysses Town	180	42.9%	27.2%
Newfield Town	175	39.8%	28.4%
Dryden Town	515	38.3%	29.1%
Ithaca Town	610	37.4%	35.8%
Trumansburg Village	78	33.6%	28.9%
Cayuga Hts Village	139	33.1%	32.4%
Groton Town	145	32.6%	22.4%
Lansing Town	400	31.7%	28.7%
Dryden Village	78	31.7%	27.1%
Caroline Town	90	31.6%	27.5%
Groton Village	99	30.5%	21.4%
Lansing Village	210	29.0%	35.8%

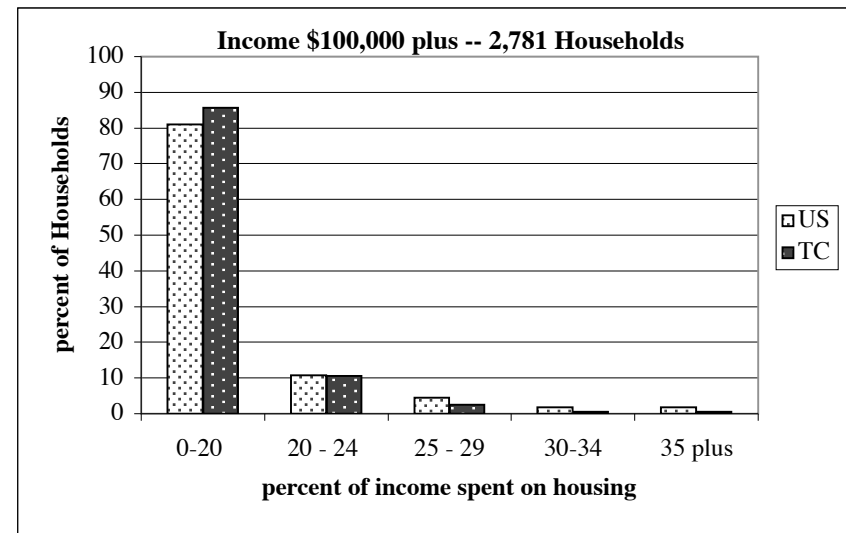
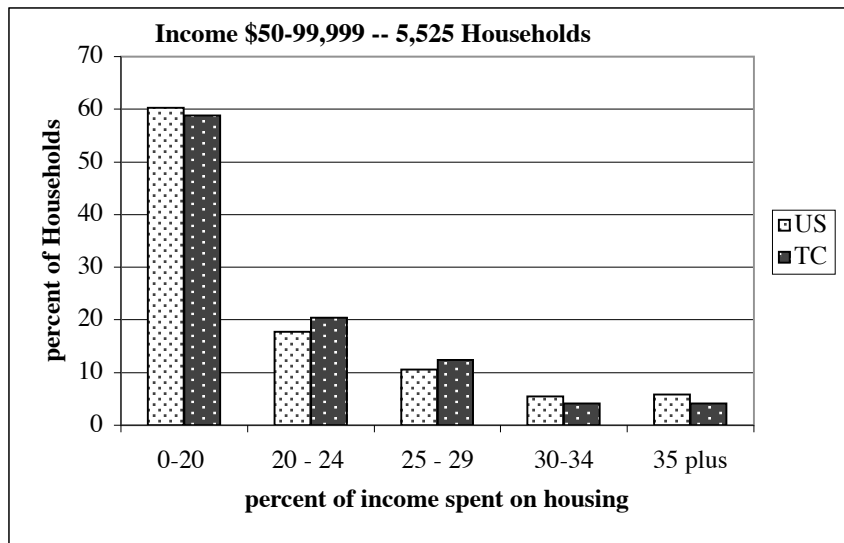
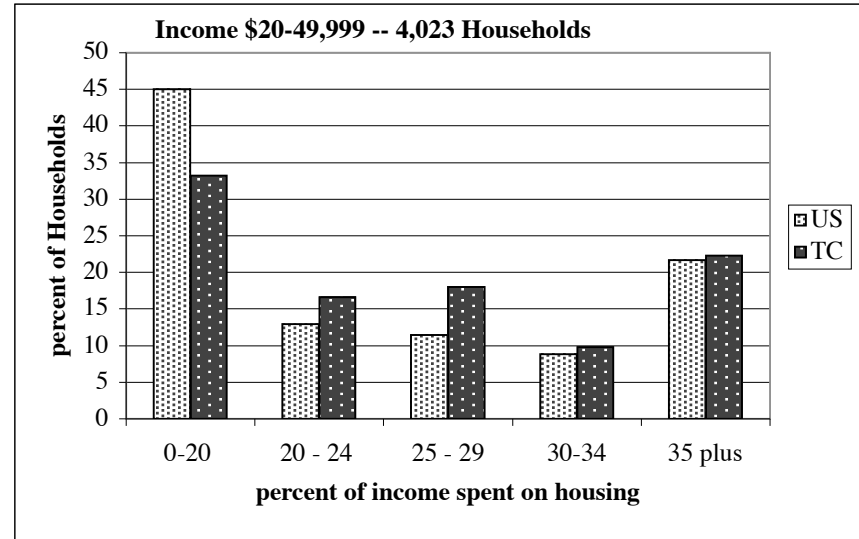
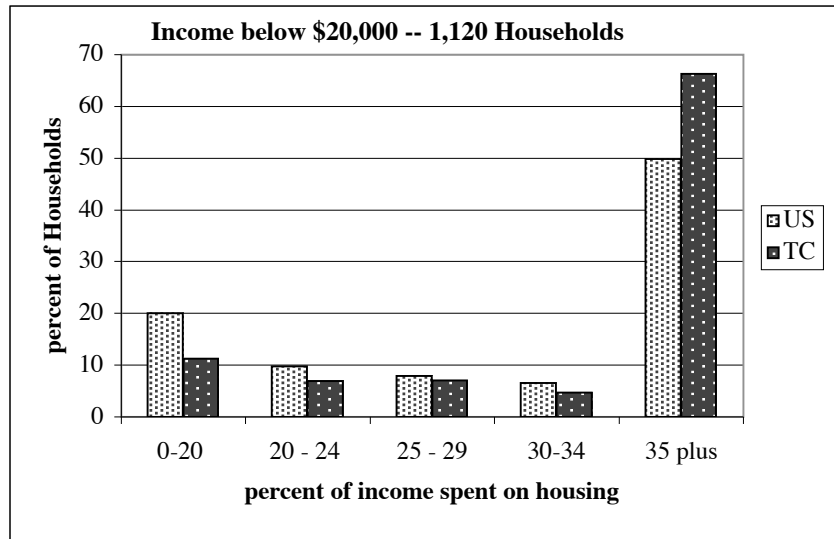
Sources for both tables: US Census 2000; US Census 2000 Special Tabulations.
 Note: Homeowners tend not to be cost-burdened as a function of mortgage approval.

Household Overpayment by Income Level

The following charts show that more lower income households pay more, and more higher income households pay less for housing compared to the US. This illustrates the squeeze of demand on the middle cost range units.

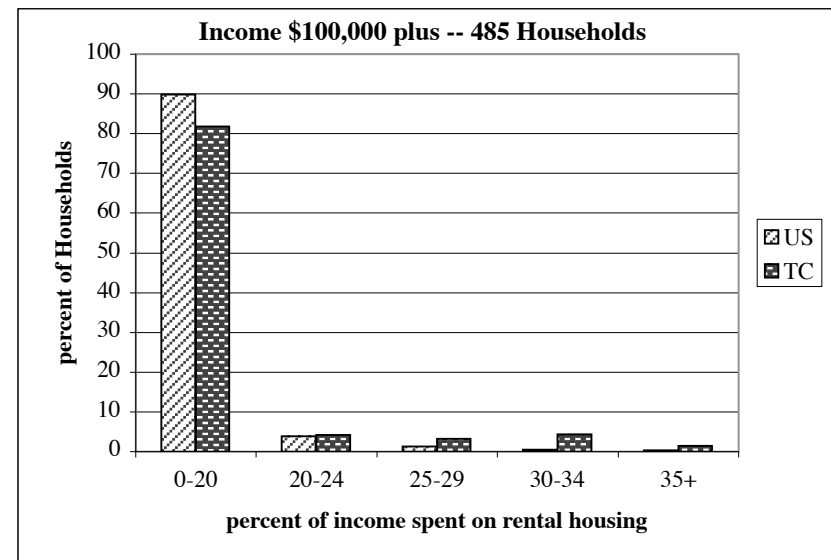
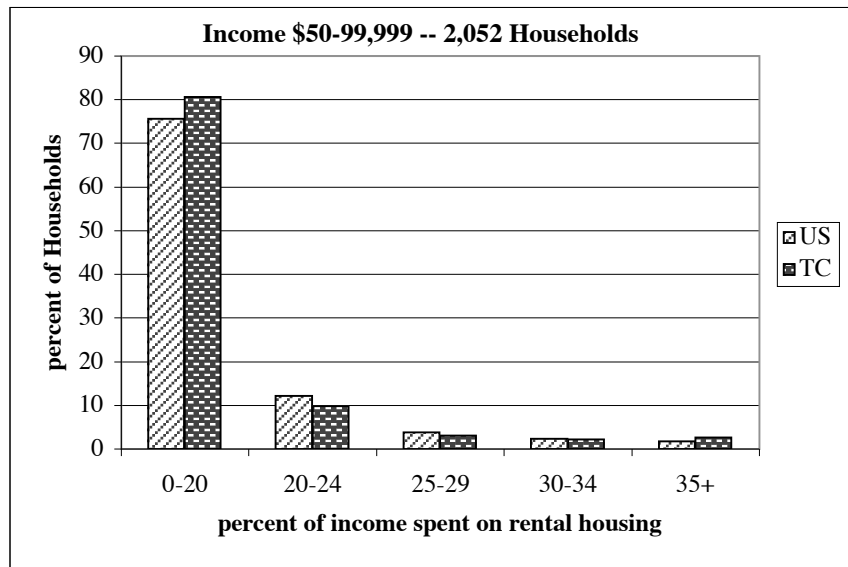
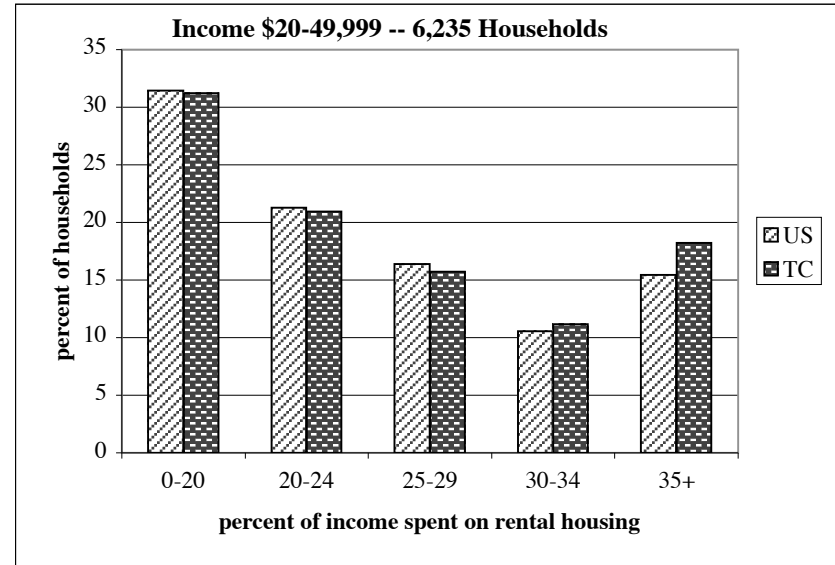
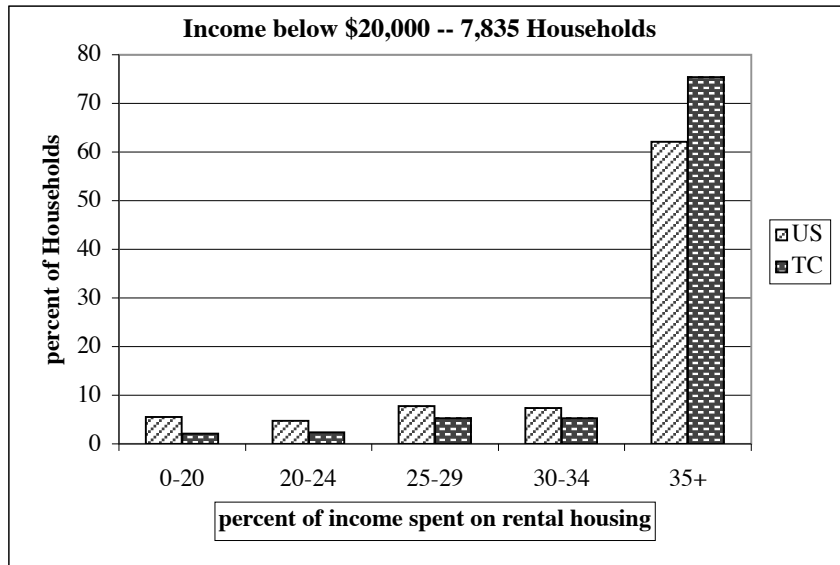
Percent of Household Income Spent on Owner-Occupied Housing

Tompkins County and US 2000



Percent of Household Income Spent on Rental Housing

Tompkins County and US 2000



What Families Can Afford to Pay

Household income determines how much families can afford to pay for housing. A household would need to earn \$37,235 a year to afford a home at the median purchase price of \$119,500 in 2002. The following hypothetical examples illustrate the need for more affordable housing. A certified nurse's aide earns \$8.15 per hour which provides an annual salary of \$16,952 a year and a retail salesperson earns just \$14,040 per year. These individuals could afford to pay approximately \$400 per month for rent which is below what the current rental market offers. The livable wage set by Alternatives Federal Credit Union in Ithaca is \$8.68 an hour, or \$18,061. According to the livable wage study this individual could afford to pay \$542 per month for rent, which is still below market rates. An administrative assistant in the education sector earns \$26,104 per year and could afford to purchase a home for only \$70,000, which represents 58% of the median home price in the county in 2002.

Income to Afford a Median Priced Home (2002)

median sales price*	\$119,500.00
less 5% down	<u>\$5,975.00</u>
total mortgage amount	\$113,525.00
monthly principle and interest** (30-year mortgage at 6.48%)	\$716.06
est. taxes and insurance (30%)	<u>\$214.82</u>
total monthly payment	\$930.88
total annual payment	\$11,170.54
annual income needed to purchase a home at the median purchase price (to spend 30% of income on housing)	\$37,235.12

* Median sales price based on all calendar year sales of single family homes as reported by the New York Association of Realtors.

** Mortgage interest rate based on annual national average contract mortgage rate reported by the Federal Housing Finance Board.

Housing Market Is Not Meeting Affordable Housing Needs

Existing home sales is not meeting the needs of low and moderate income families. A combination of limited units coming on the market and a good economy in the late 1990's through 2001 increased prices substantially in the County. By 2003 the median price was \$130,000 -- jumping ahead of what the household with median income can afford.

New housing construction is not meeting affordable housing needs either. New single-family homes in 2001 and 2002 had an average value of \$183,708 and \$170,471 respectively -- well beyond even the median income household. Only 22 (14.0%) of the new single-family homes built in 2001 and 44 (22.3%) of the new single-family homes built in 2002 were assessed at less than \$100,000. During these same two years, there were only three new mobile homes and eleven new two-family residences added to the housing stock.

Housing Sales in Tompkins County Area

Existing Housing

	All Res	Med Price	Single Fam	Med Price
2002	869	\$115,000	638	\$117,750
2003	844	\$129,950	621	\$130,000

Source: Ithaca Board of Realtors

New Construction

	Single Fam	Avg Value
2001	157	\$183,708
2002	197	\$170,471

Source: Tompkins County Assessment Department

Homeownership is Declining

Homeownership is widely recognized as one of the most effective ways for Americans to build wealth. Homeownership rates are low in Tompkins County compared to surrounding counties, state, and national averages. Homeownership rates are also declining, while the number of single family homes and the number of renters are increasing. This could indicate that households are staying in the rental market because they can not afford to buy. The county’s homeownership rate, excluding the student population, is 64.2%, which is still low compared to surrounding counties, but not as acutely as with the student population included. Slightly surprising is the fact that 12.7% of students are homeowners. Homeownership rates, with and without the student population, remain the lowest in the City of Ithaca and the Village of Lansing.

The Housing Stock is Aging

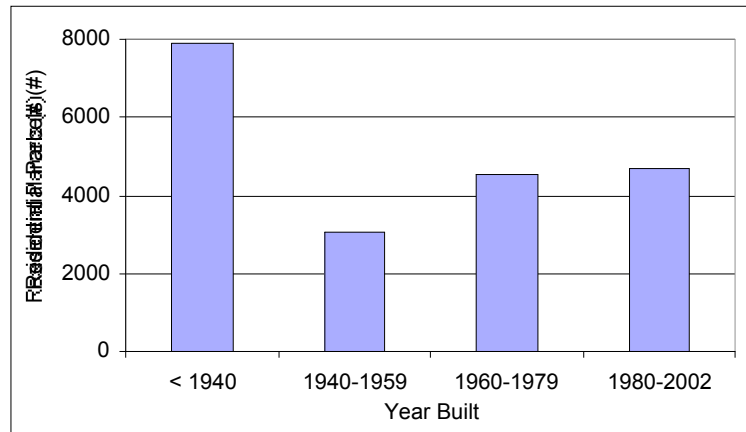
Tompkins County has a high percentage of older homes, which is similar to most upstate rural communities. As homes age the need for repairs increases. This significantly increases total housing costs and places an added cost burden on households that are struggling to make ends. According to the Tompkins County Assessment Department, 39.0% of the residential housing stock in the county was built before 1940. Another 15.2% was built between 1940 and 1959. In the City of Ithaca, 82.1% of the housing stock was built before 1940. After the City of Ithaca, the Villages of Freeville, Groton and Trumansburg have the highest percentage of homes over 60 years old (65.7%, 68.2%, and 58.4%, respectively).

Homeownership Rates

	Owner-Occupied Housing Units
Tompkins County <i>(non-students only)</i>	53.7% <i>(64.2%)</i>
Cortland County	64.3%
Chemung County	68.9%
Cayuga County	72.1%
Seneca County	73.8%
Schuyler County	77.1%
Tioga County	77.8%
United States	66.2%

Source: Census 2000 Summary File 1; Census 2000 Special Tabulations.

Residential Housing Age



Source: Tompkins County Assessment Department

Population trends

Changes in Population and Households Will Impact Housing Needs in the Future

Changes in household size and household make-up will require a variety of different housing options in the next 10 to 20 years.

Single-person households are increasing and young couples are waiting longer to have children. The number of married couples with no children in the home is increasing due to the preference of young couples to wait longer to have children and the aging baby boomers whose children have grown and moved into their own homes.

Two of the fastest growing age cohorts between 1990 and 2000 were those aged 45 to 64 (39.4% increase) and those aged 65 and over (9.4% increase). The aging of the baby boomer population will be the most significant change in the population in the next 30 years. They will start to retire in 2010 and the last of the boomers will be age 65 in 2030.

The biggest change in age cohorts projected for 2010 will be a decrease of 28.1% in the cohort aged 25 to 44. The population aged 25 to 44 generally has the highest rates of household formation. As a result of the significant decrease in this age group, the number of households could also decrease over the next decade. This could have an impact on the housing market as well as the ability of employers to create and fill new positions.

Population projections also indicate that the senior population over age 65 will increase by only 1.2% between 2000 and 2010 as the small Great Depression cohort ages. The largest increase will be 24.4% for those over 85. However, between 2010 and 2020 the senior population over age 65 is projected to increase by 26.6% with the largest increase in the age 65 to 74 cohort, an increase of 43.2% as the Baby Boomer cohort ages.

Tompkins County Population by Age

Age	1990	2000	change 90-00	2010	change 00-10	2020
0 to 4	5,293	4,285	-19.0%	5,317	24.1%	5,654
5 to 19	21,731	22,815	5.0%	25,997	13.9%	27,643
20 to 24	16,322	16,250	-0.4%	19,594	20.6%	19,519
25 to 44	28,914	25,250	-12.7%	18,151	28.1%	18,779
45 to 64	13,372	18,644	39.4%	19,998	7.3%	16,944
65 to 74	4,684	4,637	-1.0%	4,889	5.4%	7,001
75 to 84	2,796	3,368	20.5%	2,925	-13.2%	3,294
85+	985	1,252	27.1%	1,558	24.4%	1,571

Source: Census 1990; Census 2000; Projections for 2010 and 2020 from Warren Brown at Cornell University.

Availability of Senior Housing Units in 2003

Independent: 1,065

Adult Home (assisted): 200

Skilled Nursing Care: 295

Source: Tompkins County Office for the Aging

This Report has Contributions from:

Tompkins County Department of Planning

Tompkins County Area Development

Community Foundation of Tompkins County

Tompkins County Chamber of Commerce

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Scenarios

These four scenarios illustrate some of the more urgent issues facing those who seek housing in Tompkins County.

Scenario #1 – Single Parent – Low Income

A single parent of two school age children works as a certified nurse's aide in Tompkins County. She earned \$17K per year in 2000. She could afford to purchase a home valued at \$50K or pay rent of approximately \$450 per month.

In Tompkins County, the median house in 2000 was valued at \$119K and the median rent for non-students was \$580. She could afford 42% of the median home price or 77% of the median rent in Tompkins County.

Moving to the outlying municipalities within the county would improve housing affordability somewhat. By living just outside of Tompkins County, she could afford a median priced rental unit in most of the surrounding counties and she could consider purchasing a house at 70% of the median price in those surrounding counties.

The further out she moves, the more she increases her travel time and transportation costs, and adds to the traffic through communities and neighborhoods of Tompkins County.

Scenario #2 -- Two Senior Couples

The population over 65 will expand dramatically in the next 10 to 20 years. Two older couples owned median priced homes that would have been valued at \$119K in 2000.

One couple, in their early 70s, has an annual income of \$35K, just below the median income for the county and at the median for people 65-74 years old. They anticipate that their real income will decline as they age. The median annual income of persons over 75 years of age is \$27K.

The other couple is in their early 80s, and they have an annual income of \$15K. One in three households over age 75 here have an income of \$15K or less.

Both couples cover their entire cost of living on those incomes. While they can adjust their basic consumption to conform to their income, they have little or no control over the property taxes they pay from year to year. In addition to reducing their consumption, they can also defer maintenance on their property, reducing the yearly expenses by as much as \$4-5K per year, but this erodes the condition of the property overtime and may lead to a loss in value or dangerous conditions in the property.

Both couples might consider selling their homes and buying or renting a smaller home within a multi-unit facility, but these homes are not readily available.

Scenario #3 – Handicap Accessibility

A working couple, with one member suffering from a mobility impairment that requires frequent, if not continuous, wheel chair use, has an annual income of \$43K in 2000. They work in the City of Ithaca. They could afford a house valued at \$130K or rent of \$1000 per month.

Unfortunately, 80% of the housing stock in the City is over 60 years old and is not handicapped accessible. Ramps could be constructed, but interior doorways and bathrooms may never be able to be modified short of tens of thousands of dollars of rehab work. The age and accessibility of housing in the wider County is only marginally better with approximately 80% built before 1980, when accessibility concerns began to figure more prominently in new construction.

Building a new house would be worth considering, but not much comes in at this price range, buying a lower value house and making costly repairs is an option. The couple could decide how much inconvenience is tolerable, such as being carried or assisted up steps or having certain spaces within the home that are inaccessible to one partner.

Scenario #4 – Young Family

The age cohort of 25-44 year olds shrank 12.5% between 1990 and 2000 and is expected to shrink by as much 35% over the next 20 years. The cost of housing may be a significant factor in this shift. Middle-income families in Tompkins County spend a higher proportion of their income on housing than elsewhere.

A working couple in their late 30s or early 40s with two children and a combined income of \$49K could afford a house valued at \$150K.

Tompkins County has high demand for housing from households in that income bracket, and the prices are escalating. If the County fails to address this issue over time, the likely outcomes are the following. This couple, and those like them, may either move out of the county, bid up the price of lower cost/quality housing in order to remain near employment, or make do with renovations to existing housing stock.

Adding a substantial number of new housing units to the market at this median price level may stabilize young families within the county. Recent studies indicate there are enough infill lots, with access to utilities, within the City, villages and towns to meet demand for new construction.

Higher income households pay less, as a percent of their income, for housing in Tompkins County than elsewhere in the US. When higher-income households compete with middle-income households for the same housing, this puts pressure on the price of housing for middle-income families (20-49K), inflating housing costs for middle-income households.