

# HOUSING NEEDS ASSESSMENTS

## WHITE PAPER

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**BOWEN**  
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# WHAT IS A HOUSING NEEDS ASSESSMENT?



- Study which seeks to determine and describe the nature, causes, and extent of the current and future need for housing in a specified geographic market (e.g. , village, city, county, region, or state).
- Provides market intelligence to a variety of entities.
- Often used to help establish housing priorities and action plans, to supplement grant applications, to secure financing for various housing programs and projects, to inform citizens, and to market development opportunities to developers and investors.
- Users of the HNA can refine their understanding of the subject area's evolving housing market, modify or implement government housing policies, and enhance/expand the housing supply.

# SAMPLES OF THE BAD

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- HNAs where the author did not understand housing affordability or housing programs
- HNAs with NO inventory of the existing housing supply
- HNAs where the conclusions of housing needs were based on a handful of interviews



# STANDARD WORK ELEMENTS

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Introduction and Scope of Work

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Executive Summary of Key Findings

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Study Area Delineation

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Economics

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Demographics

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Housing Supply

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Other Factors that Influence Housing (Regulatory, Development Costs, Availability of Sites, Etc.)

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Housing Gap Estimates

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Recommendations/Action Plans

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## INTRODUCTION AND SCOPE OF WORK

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Purpose and objectives

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Intended use/users

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Steps taken/not taken in completion of the report

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Explanation of methodologies used in the derivation of conclusions

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Physical inspection of the subject market to obtain data not available from other sources and to verify data already obtained (can also be done without fieldwork)

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Disclosure of the client, person conducting fieldwork, date that fieldwork was conducted, and the primary analyst reaching conclusions of the report.

## EXECUTIVE SUMMARY OF KEY FINDINGS

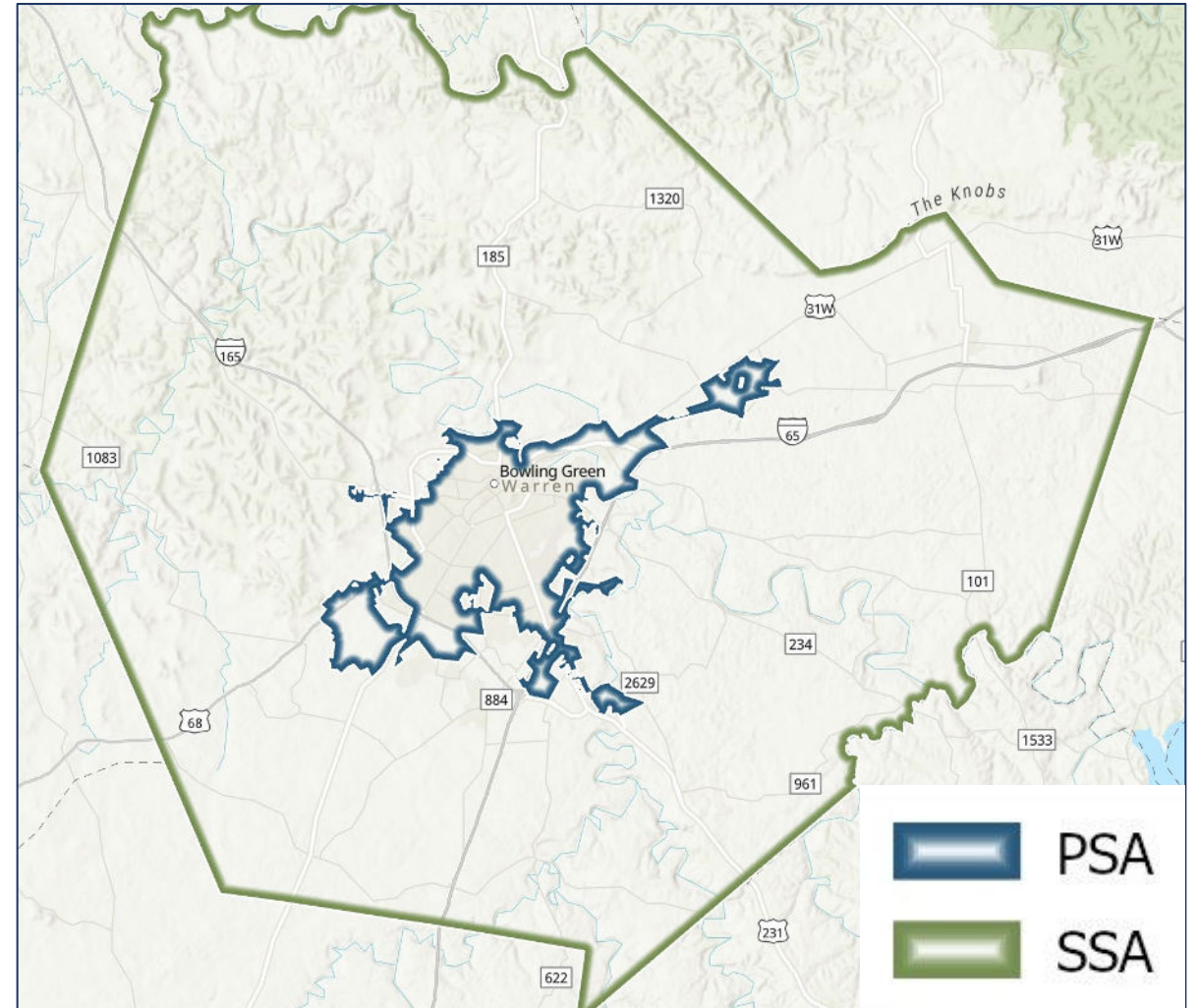
- **Study Areas:** Concise description of the Primary Study Area (PSA) and any Secondary Study Area (SSA) or submarket considered
- **Key Data Sets:** Summaries of economic, demographic, and housing supply conditions
- **Quantified Housing Needs:** Summary of housing gap estimates (units needed)
- **Recommendations/Action Plans:** Recommendations to address current and future housing needs, which typically include strategies, policies, and initiatives to support new housing development and the preservation of the existing housing stock
- **Reconciliation:** Reconciliation of any conflicting indicators among the various sections of the report



# STUDY AREA DELINEATION

The study areas are often defined or determined by the client

- The **Primary Study Area (PSA)** is the geographic area that is the focus of the HNA
- A **Secondary Study Area (SSA)** may be necessary (county or combination of counties, region, etc.)
- **Submarkets** within the PSA may be requested and warranted (such as school districts, political boundaries, planning districts or other established boundaries)

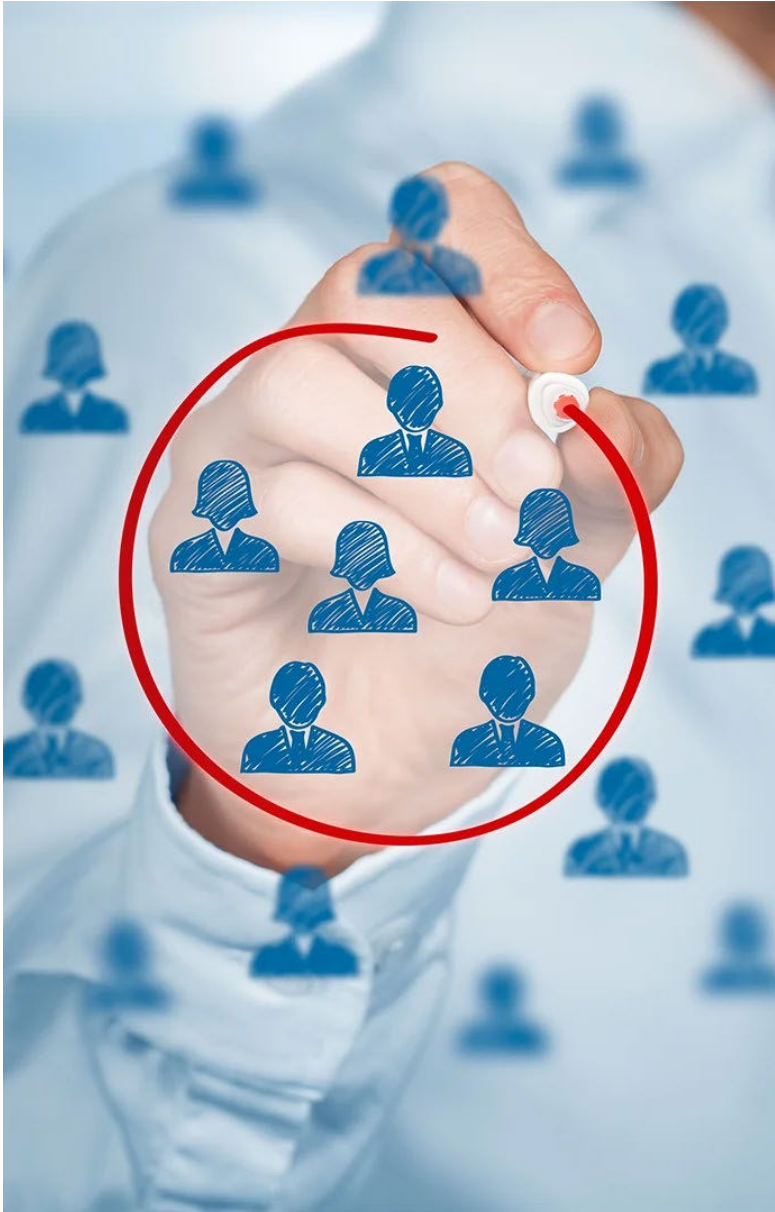


A magnifying glass is positioned over a bar chart. The chart displays two columns of data for each quarter, labeled 'Q2' and 'Q3'. The bars are colored blue and green. The magnifying glass is focused on the 'Q2' data, showing a blue bar and a green bar. The background is a light blue gradient with horizontal lines.

## ECONOMICS

- Employment by job sector (total and/or at-place)
- Total and at-place employment trends
- Unemployment rate trends
- Wages by industry/occupation
- Major employers, including the type of business and the number of people employed
- Recent or anticipated large-scale job expansions or contractions
- Proposed transportation or infrastructure improvements
- Commuting patterns, such as commute time, home locations, and employment destinations
- Information of employment concentrations and transportation availability should also be considered for their influence on housing





## DEMOGRAPHICS

- Population and household counts that include historical and current year information, as well as projections (typically a minimum of five years)
- Population by age and density
- Households by income, age, tenure, and size
- Socioeconomic characteristics and trends including population by educational attainment, race, and poverty status
- Migration patterns (both into and out of a market), geographical migration characteristics and the profile of people migrating that considers persons by age and income level

# HOUSING SUPPLY

- **Secondary Housing Supply Data:** An overview and analysis of housing stock characteristics for all study areas should be provided using static indicators from the U.S. Census, American Community Survey, and other secondary sources. Data should include such things as housing tenure (renter vs. owner), age of housing by tenure, structure type by tenure, estimated housing values, paid rent levels, and vacancy rates. Housing with incomplete kitchens/plumbing, households which are housing cost burdened, and households living in overcrowded housing are also fundamental components that should be included.
- **Inventory of Housing Supply:** An inventory should be conducted of the current housing supply (rental and for-sale) for the subject market and other study areas. The inventory and analysis should be sufficient in breadth to evaluate, at a minimum, how the subject housing market is performing (e.g., availability, wait lists, rents/prices, absorption rates, etc.). Data and analysis should consider both current characteristics and historical trends (e.g., changes in rents/prices, available supply, etc. over a two- to five-year period).
- **Residential Development Pipeline:** Recently completed (typically in the past 12 months) and planned housing development activity in the study area(s) should be identified and discussed. Estimates should include all developments known to the degree that this is feasible.

# OTHER HOUSING SUPPLY CONSIDERATIONS

- Special Needs Population Housing
- Senior Care Housing
- College Student Housing
- Seasonal, Recreational, and Short-Term Housing
- Accessory Dwelling Units (ADUs), Tiny Houses and Naturally Occurring Affordable Housing (NOAH)
- Military Housing



# OTHER FACTORS THAT INFLUENCE HOUSING



- Governmental Assistance and Regulatory Controls
- Development Costs
- Infrastructure Access and Availability
- Community Attributes
- Public Transportation, Walkability, and Resident Connectivity
- Crime
- Education Alternatives
- Residential Blight
- Development Opportunities
- Community Engagement
- Residential Foreclosures and Evictions

# HOUSING GAP ESTIMATES (QUANTIFIED HOUSING NEEDS)

Housing Needs Estimates (2022-2027)			
	Housing Segment (Price)	# of Units	Priority
Rentals	Extremely Low-Income Rental Housing (≤\$583/Month Rent)	807	High
	Very Low-Income Rental Housing (\$584-\$971/Month Rent)	1,091	Extreme
	Low-Income Rental Housing (\$972-\$1,554/Month Rent)	950	High
	Moderate Market-rate Rental Housing (\$1,555-\$2,397/Month Rent)	898	High
	High-End Market-rate Rental Housing (\$2,398+/Month Rent)	458	Moderate
	<b>Total Rental Housing Gap</b>	<b>4,204</b>	<b>-</b>
For-Sale	Entry-Level For-Sale Homes (\$129,503-\$207,200)	423	Moderate
	Moderately-Priced-Sale Homes (\$207,201-\$319,600)	999	High
	High-End For-Sale Homes (\$319,601-\$399,500)	544	High
	Upscale For-Sale Homes (\$399,501+)	921	High
	<b>Total For-Sale Housing Gap</b>	<b>2,887</b>	<b>-</b>
<b>Total Housing Gap</b>		<b>7,091</b>	

- The housing gap estimates attempt to **quantify the number of housing units that are needed to address local housing issues**. The housing gap should be determined by some level of **reconciliation of current household estimates and projections by income and tenure** with the **existing housing stock** and **confirmed pipeline** development in the market.
- Gap estimates typically quantify the number of **housing units needed** in the market by **tenure** (rentals vs. for-sale) and **rent/price point**.
- It is important that the **analyst gives consideration** to housing product in the **development pipeline** as part of the housing gap estimates.

# RECOMMENDATIONS/ACTION PLAN

- Ranging from **broad recommendations** to **detailed action plans**.
- Most recommendations are associated with such things as **policy considerations, development incentives, resident assistance programs, housing outreach and education efforts, marketing to prospective developers and investors, capacity building efforts, organizational considerations and partnership building**.
- The **content and scope of the recommendations** are most often **requested by the commissioning entity**.
- As a result, the **analyst is encouraged to talk with the commissioning entity to determine the level of detail required** as part of the recommendations portion of the study.