



Orleans County Housing Snapshot

June 2021





Executive Summary



KEY FINDINGS

The Housing Snapshot assessed existing demographic and housing characteristics within Orleans County. Based on the analysis several key findings and trends were documented that will impact future housing opportunities in the County:

- **Single Family, Owner Occupied Units Dominate the Market:** While 50% of the housing stock throughout Orleans County is comprised of single family homes on large lots, the current supply does not fulfill the existing demand for those style of homes. However, Orleans County is well position to meet many of the housing preferences projected with its current housing stock.
- **Almost 50 percent of Renter Households have Housing Problems and Cannot Afford Market Rents:** 49 percent of renters are living in units that are not affordable. Some of the affordability issues are addressed with the Housing Choice vouchers available in the County but that only addresses a fraction of the need. 51 percent of renters also have housing problems including incomplete kitchens or bathrooms and more than one person/bedroom.
- **More than 50% of the Housing Stock is 60 Years or Older:** Housing maintenance is therefore a major priority in the County.
- **Renters and Homeowners Both Have Housing Problems:** While a significant percentage of renters have housing problems, the *number* of owners which have housing problems (3,010) exceeds the *number* of renters with housing problems (2,010).
- **The Return on Investment for both Owners and Rental Developers is Low.** Rental rates, in inflation adjusted dollars, have decreased over the last 20 years. Home values, in inflation adjusted dollars, have additionally decreased over this same period. The lack of growth in values discourages upgrades and maintenance of homes as well as the attraction of new development.

The total number of building permits for housing units is nearly 1/3 of what it was 15 years ago, with only the Holly Gardens causing a noticeable uptick recently.

- **Population Decreasing:** Orleans County's population has decreased by 8.6% over the last twenty years. Finding ways to attract new residents would increase the demand for housing.
- **The Population is Getting Older:** The average age of residents in the County increased from 36.2 to 43.0 years of age from 2000 to 2019.

- **Household Sizes Continue to Shrink:** The average household size of owner occupied homes dropped from 2.65 to 2.28 from 2000 to 2019.

KEY FINDINGS – MARKET ANALYSIS

The Housing Market Analysis evaluated the market for various types of housing and price points in the current Orleans County Housing Market and also provided projections for the future housing market. Utilizing U.S. Bureau of the Census data as well as Envision Tomorrow software, the market analysis compared existing rental and owner housing unit supply with the demand of householders in 2019 and 2040 by income. It also provided the current and future demand for types of housing needed in Orleans County using a medium population growth scenario.

The findings from the Market Analysis include:

- **An Oversupply of Owner-occupied Units Affordable to Very Low Income Households.** There is an oversupply of owner occupied units for homeowners that earn less than 50% of the HUD (U.S. Department Housing and Urban Development Department) Area Median Family Income (HAMFI).
- **There is Demand for Owner-Occupied Units Affordable to Low Income and Above Moderate Income:** There are not enough owner occupied homes for those households above 50 percent of the HAMFI.

INCOME RANGES HAMFI = \$75,700 (HUD AREA MEDIAN FAMILY INCOME)		INCOME LIMITS BY HOUSEHOLD SIZE							
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
EXTREMELY LOW INCOME	0-30% HAMFI	\$15,900	\$18,200	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430
VERY LOW INCOME	31-50% HAMFI	\$26,500	\$30,300	\$34,100	\$37,850	\$40,900	\$43,950	\$46,950	\$50,000
LOW-INCOME	51-80% HAMFI	\$42,400	\$48,450	\$54,500	\$60,550	\$65,400	\$70,250	\$75,100	\$79,950

- **Rental Housing Units are Needed for Extremely Low Income Households:** Rental households earning 30% or less of the HAMFI do not have enough housing units available that are affordable to them. However, much of the need may be

addressed with Housing Choice rent vouchers.

- **There is an Excess Supply of Rental Units Affordable for Very Low to Moderate Income Households:** There are too many rental units in the County that cater to those earning between 31-80% of HAMFI.
- **There is Demand for Higher Priced Apartments:** For households earning more than \$60,560 there are not enough units in the market which they would seek out.
- **More New Owner Occupied Units will be needed than Rental Units in the Future:** With consideration of changes in age cohorts, income, family sizes and consumer preferences, there is an anticipated greater need for owner occupied units (3,121 new units) compared to new rental units (2,683 new rental units).

OTHER KEY TERMS IN THE DOCUMENT

While there is a glossary of key terms and acronyms in Appendix A here are some key terms used in the document:

Affordable units – Housing Units available where homeowners are paying less than 30% of their monthly income on housing costs including utilities.

- **Unaffordable units** – Housing Units available where homeowners are paying between 31-49% of their monthly income on housing costs including utilities.
- **Severely Unaffordable units** – Housing Units available where homeowners are paying 50% or more of their monthly income on housing costs including utilities.

Market Rate Housing Units– housing units that are built without a government subsidy.

The term workforce housing is not used in this document because it is housing affordable to those earning between 60%-120% of the HAMFI.

Similarly the term low income housing is not used in this document because its definition varies widely among different agencies. Sometimes its below 80% of HAMFI and at other times it below 50% of HAMFI.

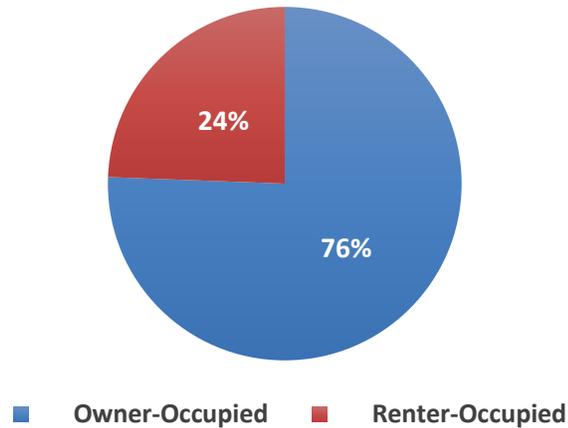


HOUSING CHARACTERISTICS



TENURE AND TYPE OF OCCUPIED UNITS

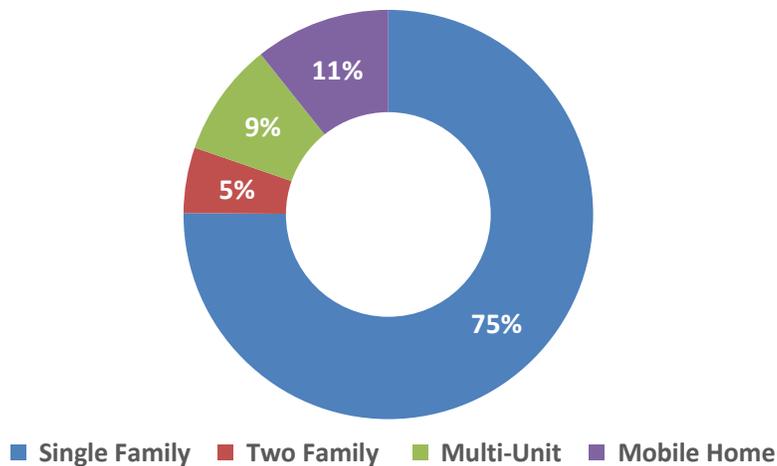
ORLEANS COUNTY HOUSING TENURE: 2019



Source: U.S. Bureau of Census, American Community Survey

The large majority of housing units in Orleans County are owner occupied.

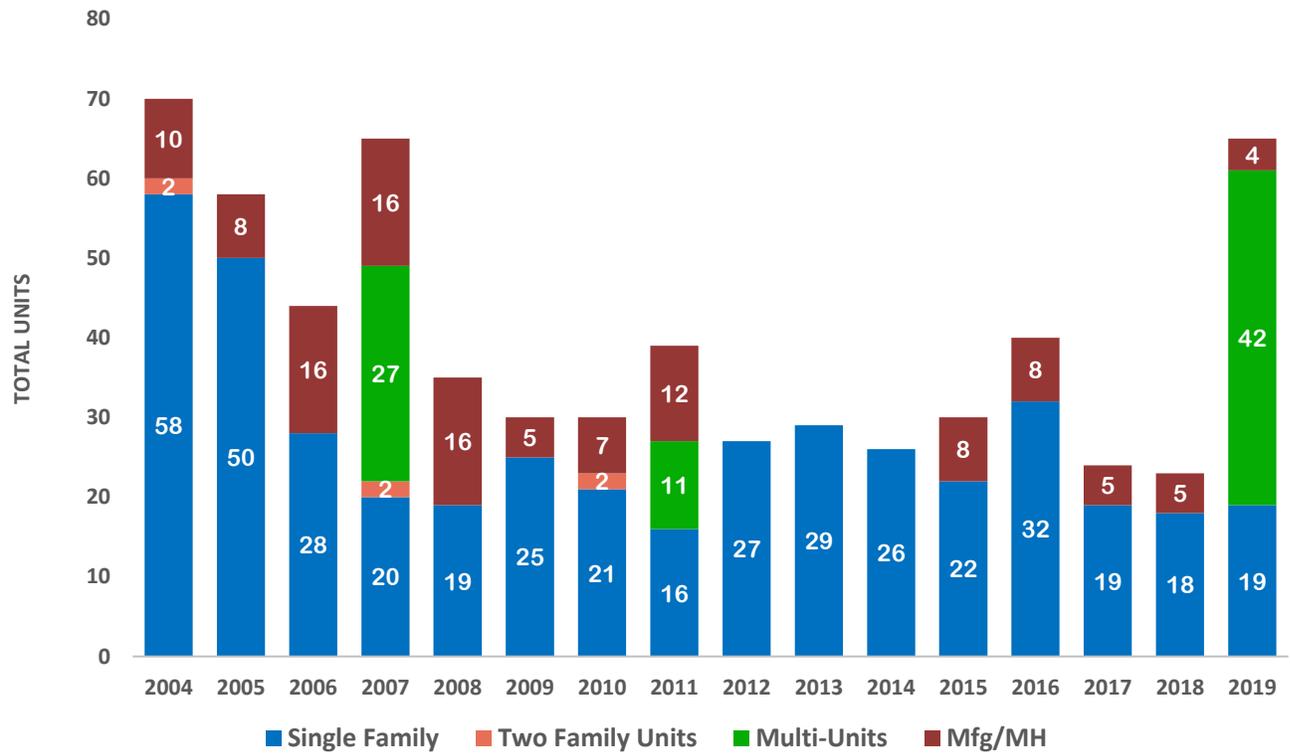
ORLEANS HOUSNG TYPES: 2019



Source: U.S. Bureau of Census, American Community Survey

Three out of every four occupied housing units in the County are single family homes.

ORLEANS COUNTY BUILDING PERMITS: 2004-2019



Source: GFLRPC

Single family permits declined between 2004 and 2019. Excluding the spike in permits brought on by the opening of the Holley Gardens multi-unit development, the current number of permits issued is roughly 1/3 of what was found in the early 2000's.



FINDINGS

As can be expected for a rural area the large majority of existing occupied housing units in the County are owner occupied. This is partly due to the type of housing available, most of which are single family housing units. It is also likely the result of the affordability of owner occupied housing in Orleans County where a 15 year mortgage can often be lower or equal to rental costs.

The share of renter and owner occupied housing available in the County has not changed since 2000. In both 2000 and 2019, 75+ percent of the households were owner occupied and 23-24 percent were renter occupied.

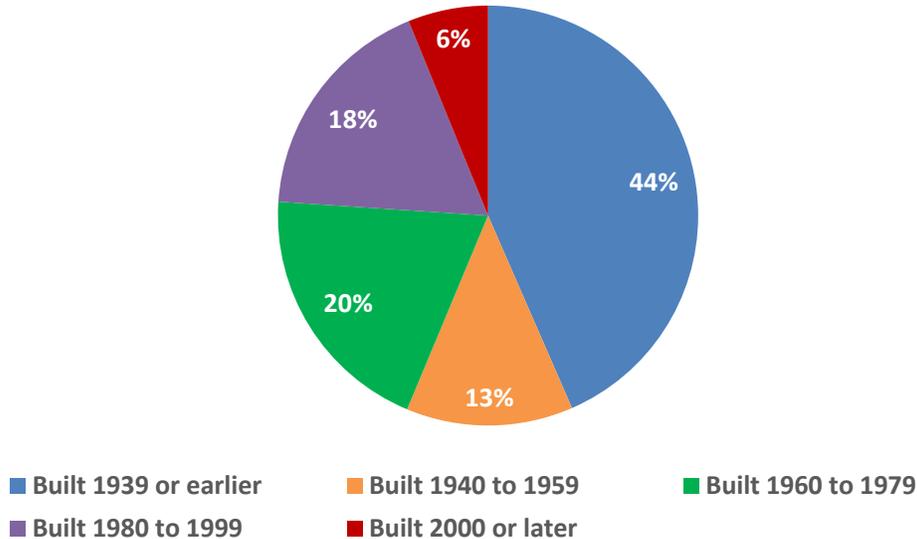
TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

There are several potential housing market and policy issues that could result from the findings:

- Since the large majority of homes in the County are single family homes that are owner occupied, programs to address rehabilitation must include single family home owner occupied units.
- The current preference for single family homes in the County does not encourage density and pedestrian oriented developments if they are developed on large lots.
- However, the need and demand for single family on large lots will persist because Orleans County is primarily rural with the opportunities for large lots.

AGE OF HOUSING STOCK

AGE OF HOUSING STOCK IN ORLEANS COUNTY: 2019



Source: U.S. Bureau of Census, American Community Survey

57% of the housing units in Orleans County were built before 1960; only 6% of housing has been constructed in the last two decades.

FINDINGS

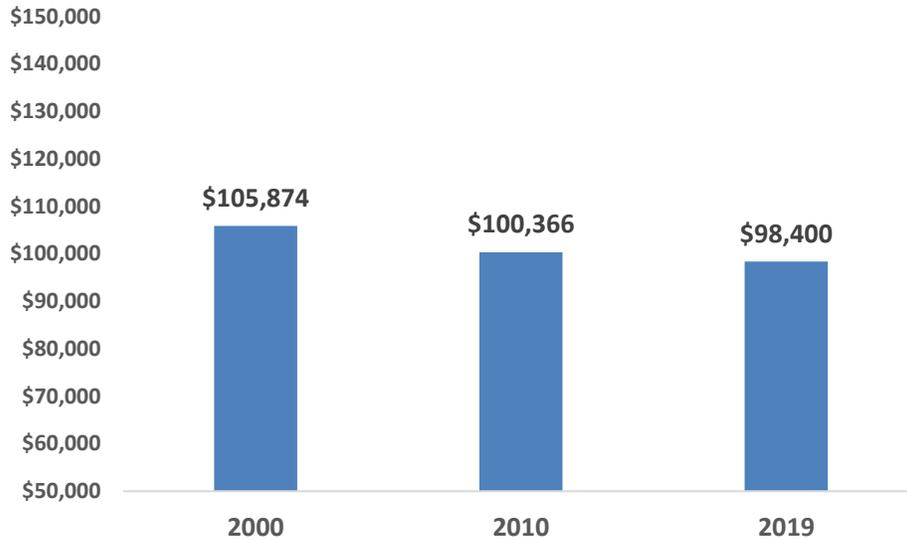
More than half the housing stock in Orleans County is more than 60 years old. As housing units age they need additional maintenance and upgrades. At the same time, older housing stock often adds character to a community and, in the hamlets and villages, most have been built at a higher density within pedestrian oriented neighborhoods.

TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

Any housing policy or program to improve housing in Orleans County must include a component to rehabilitate older homes. While building new units may be an opportunity to meet an increased demand for housing, and some older units may need to be demolished, the existing older housing stock is the base housing supply for the County.

HOUSING AND RENTAL VALUES

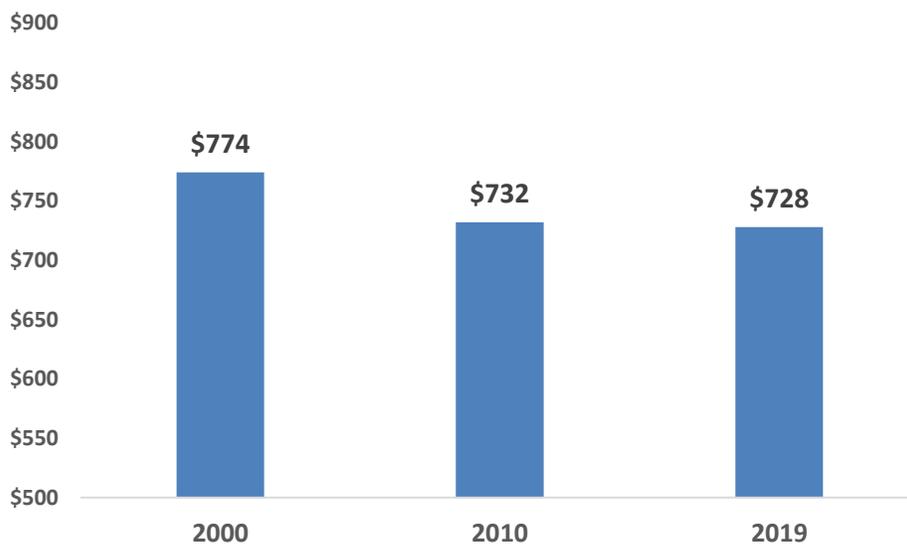
MEDIAN HOUSING VALUE: IN 2019 DOLLARS



Source: U.S. Bureau of Census (2000), Census American Community Survey (2010, 2019), LaBella Associates (2019 values calculated using US Bureau of Labor Statistics CPI inflation calculator).

Using inflation adjusted values, the median housing value of Orleans County homes slightly decreased between 2000 and 2019.

MEDIAN GROSS RENT: IN 2019 DOLLARS

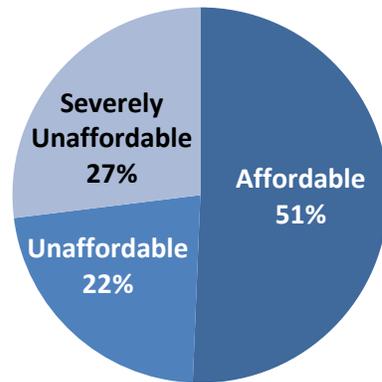


Source: U.S. Bureau of Census (2000), Census American Community Survey (2010 & 2019), LaBella Associates (2019 values calculated using US Bureau of the Census CPI inflation calculator).

Using inflation adjusted values, the gross rent of Orleans County rentals have decrease by 6% between 2000 & 2019.

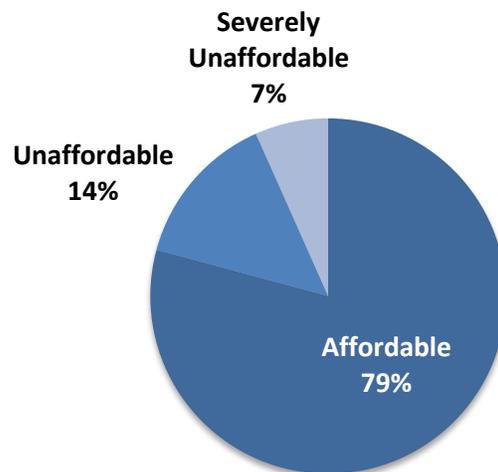
AFFORDABILITY

Renter Occupied Units: Housing Affordability (includes Housing Expenses) 2019



Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy Data

Owner Occupied Units: Housing Affordability (includes Housing Expenses) 2019

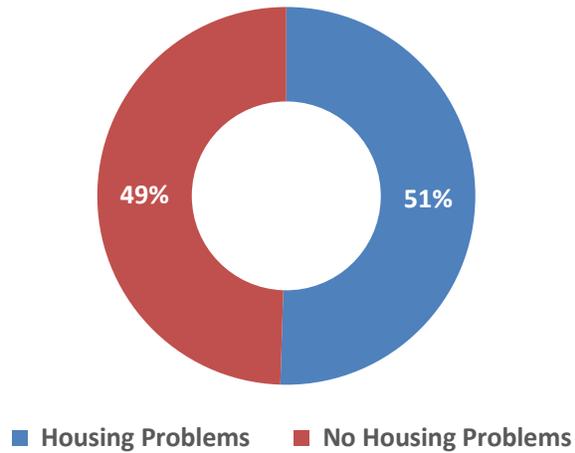


Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy Data

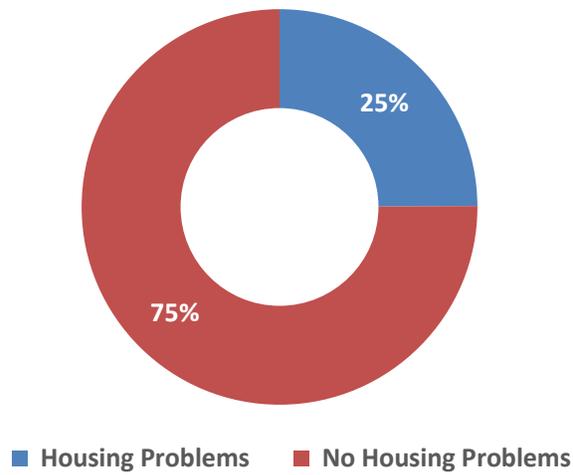
Nearly half of those renting (47%) are living in housing that are not affordable, with over 18% of renters spending more than 50% of income on housing costs. Three out of four homeowners are living in housing that is affordable.

HOUSING PROBLEMS

Renter Units with Housing Problems 2017



Owner Occupied Units with Housing Problems 2017



Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy Data

Over 50% of rental units throughout Orleans County have at least 1 recorded housing problem, compared to only 25% of owner occupied units.



FINDINGS

A higher percentage of renters in Orleans County have both housing problems and cost burdens compared to owner occupied units. While only a small percentage of homeowners have housing issues or are cost burdened, the total number of owner occupied units that have housing problems (3,010) exceeds the number of rental units that have housing problems (2,010).

TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

Overall, 31 percent of all households in Orleans County have housing problems. Housing problems include basic needs like complete kitchen and bathroom facilities. Programs for housing rehabilitation will be needed. But with 5,020 homes with housing problems, rehabilitation alone cannot satisfy the need. Therefore some homes that are unsafe or dilapidated, or do not make financial sense to rehabilitate will need to be demolished. Similarly, some new units will need to be built to replace the dilapidated units.

At the same time, with over 50% of renters cost burdened, there will need to be subsidies to support lower rents at existing units and construction of new rental units.

SUMMARY OF RECENT SALE PRICES

ORLEANS COUNTY HOMES FOR SALE MARKET DATA: JUNE 2021

Municipality	Zip	Year Built	Price	Square Footage	price/sf	Bedrooms	Bathrooms
Albion	14411	2004	\$775,000	1,417	\$547	2	2
Waterport	14571	1956	\$635,500	1,063	\$598	2	1
Holley	14470	2020	\$478,300	2,435	\$196	3	3
Albion	14411	1999	\$399,000	3,816	\$105	6	4
Holley	14470	2020	\$370,000	1,599	\$231	3	2
Albion	14411	1834	\$329,000	3,040	\$108	5	3
Holley	14470	2020	\$327,820	1,599	\$205	3	2
Holley	14470	2020	\$267,600	1,256	\$213	3	2
Holley	14470	2003	\$249,900	1,700	\$147	7	3
Albion	14411	1965	\$239,500	2,012	\$119	4	2
Lyndonville	14098	1948	\$199,900	1,184	\$169	2	1
Kendall	14476	1915	\$174,900	1,812	\$97	3	2
Medina	14103	1886	\$150,000	2,545	\$59	5	1
Albion	14411	1905	\$149,900	1,870	\$80	3	2
Albion	14411	1890	\$144,900	1,171	\$124	3	2
Holley	14470	1875	\$144,900	1,394	\$104	3	2
Medina	14103	1921	\$134,900	1,982	\$68	4	2
Lyndonville	14098	1900	\$129,900	3,168	\$41	5	3
Holley	14470	1910	\$117,500	1,477	\$80	2	2
Medina	14103	1920	\$115,000	1,008	\$114	3	2
Medina	14103	1900	\$104,000	1,854	\$56	3	1
Ridgeway	14103	1920	\$85,500	3,000	\$29	4	2
Holley	14470	1927	\$82,900	1,854	\$45	4	2
Albion	14411	1986	\$79,900	1,220	\$65	2	2
Albion	14411	1913	\$70,000	2,295	\$31	3	1
Medina	14103	1850	\$65,000	1,347	\$48	3	1
Medina	14103	1900	\$57,500	2,492	\$23	6	2
Medina	14103	1900	\$50,000	1,092	\$46	2	1
Medina	14103	1900	\$49,900	1,270	\$39	3	2
Medina	14103	1989	\$49,000	980	\$50	2	1
Medina	14103	1951	\$29,900	896	\$33	2	1
Albion	14411	1870	\$24,900	1,701	\$15	3	2
Albion	14411	1906	\$19,900	1,992	\$10	3	2
Total			\$6,301,820	59,541	\$3,894		
Average			\$190,964	1,804	\$118		
Median			\$134,900	1,982	\$68		

Source: Zillow (Accessed June 2021)



Based on data from Zillow, there were approximately 34 homes for sale in Orleans County in June of 2021, with an additional 128 pending sales. There is a significant variation of home prices throughout the County, ranging from ~\$775k (\$547 per sq. ft.) to ~\$10k (\$5 per sq. ft.). The average home price was ~\$191k (\$118 per sq. ft.) while the median is ~135k (\$68 per sq. ft.).

According to several contractor and realtor websites, the cost to build a new home, of decent quality, is approximately \$155/sq. ft. to \$200/sq. ft., or approximately double the average sales price of an existing home, which includes a lot, in Orleans County. Therefore, to build the average home of approximately 1,804 sq. ft. in Orleans County would be \$279,620 to \$360,800 before adding in the cost of a lot, site work, soft costs and profit for a contractor.



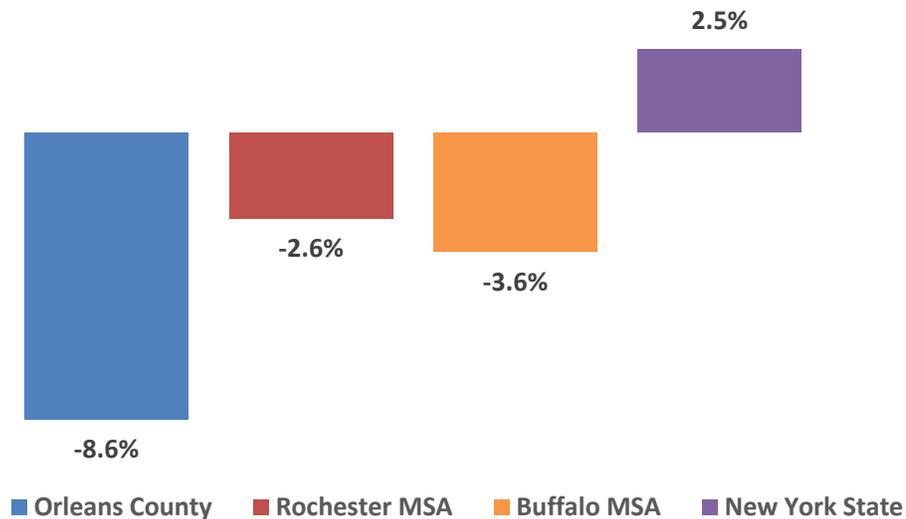
DEMOGRAPHIC CHARACTERISTICS



POPULATION CHANGES: 2000 TO 2019

ORLEANS COUNTY, METROPOLITAN AREAS, & NEW STATE POPULATION CHANGES: 2000 TO 2019

Orleans County's change in population of -8.6 percent exceeds the population losses in the adjacent metro areas while New York State overall has grown in population.



Source: U.S. Bureau of Census (2000), Census American Community Survey (2010 & 2019)

FINDINGS

Since 2000 Orleans County's population has decreased by 3,819 individuals, a nearly 9% reduction in population and more than double the population loss experienced by the adjacent metro areas. While population losses in the both adjacent metro areas has slowed or improved over the last decade, with the Rochester MSA actually experiencing a population increase since 2010, the rate of population change in Orleans County has actually worsened over this same period.

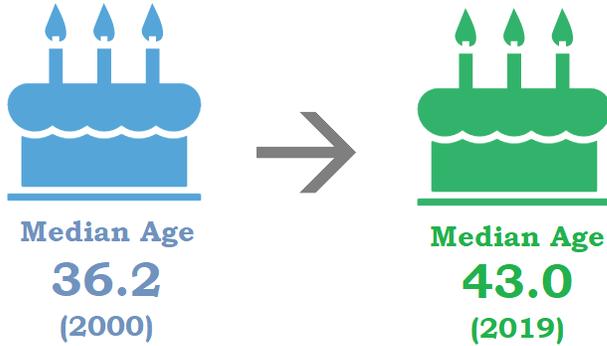
TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

Orleans County's population continues to decline, consistent with trends experienced in urban and rural areas of Upstate New York. Consequently, significant impacts on the housing market, which are directly tied to population changes, have occurred.

Decreases in average household sizes could have a significant impact on the demand for larger homes in the future.

POPULATION FACTORS: AGE

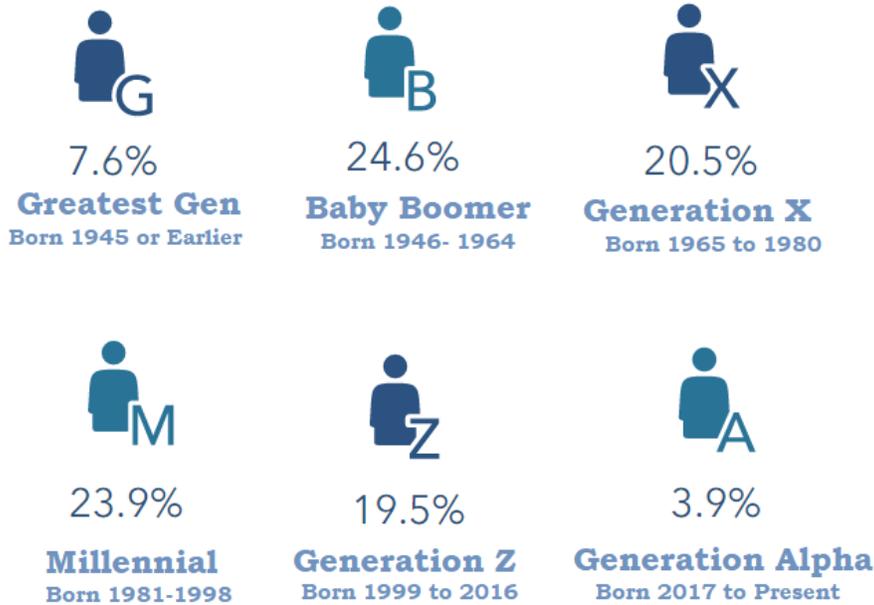
ORLEANS COUNTY MEDIAN AGE: 2000 TO 2019



Source: U.S Bureau of the Census, American Community Survey

Overall the median age in Orleans County has jumped significantly from 36.2 years of age in 2000 to 43 years of age in 2019.

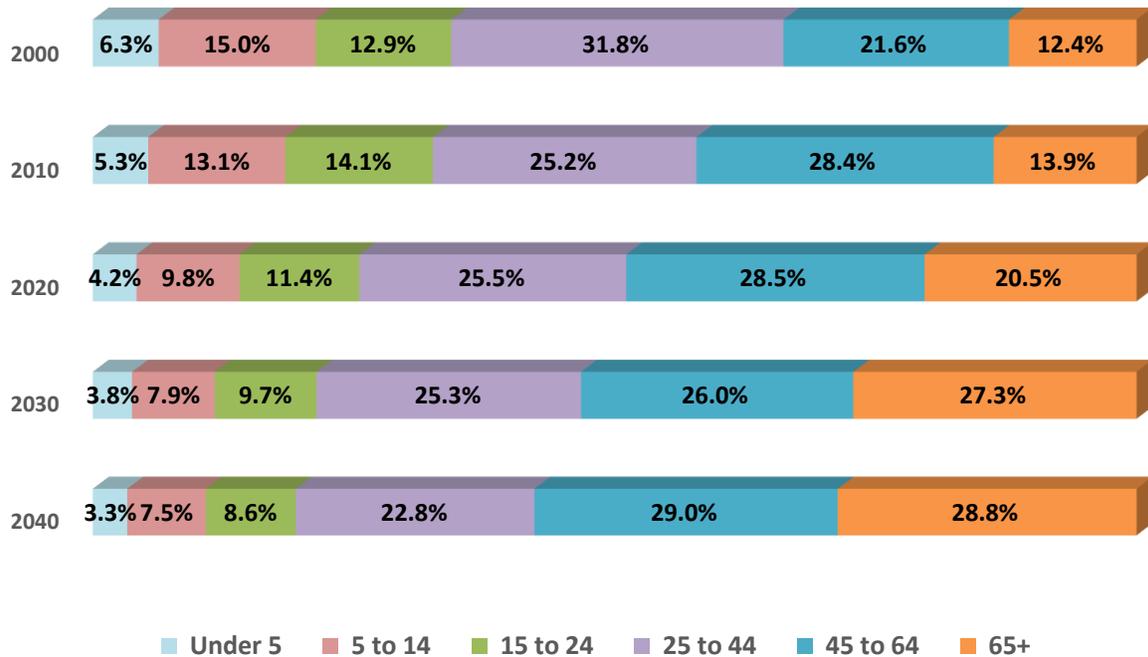
ORLEANS COUNTY AGE COHORTS: 2019



Source: ESRI Community Analyst

Currently, the Baby Boomer and Millennial Generations are the two largest age cohort groups represented throughout Orleans County. This is closely followed by Generation X and Z respectively.

ORLEANS COUNTY AGE COHORTS PERCENT OF POPULATION: 2000 TO 2040



Source: U.S Bureau of the Census, Cornell Community and Regional Development Institute

Based on current trends and projections, nearly 60% of the population in Orleans County will be more than 45 years old by 2040.

FINDINGS

The median age in Orleans County has increased significantly since 2000, from 36 to 43 years of age. During the same period of time the median age across New York State only went from 36 to 39 years of age, and the median age in the United States only increased from 35 to 38.5.

So not only is the median age increasing at a faster rate in Orleans County than New York State and the United States, but there is a four year difference between Orleans County's median age and New York State's median age. This can be attributed to the

stagnant population growth and lack of young families and individuals moving into the County. It is also reflective of the aging of the baby boomers in the County.

If Orleans County does not increase in population size, it is projected that by 2040 that 3 out of every 5 individuals will be 45 years of age or older.

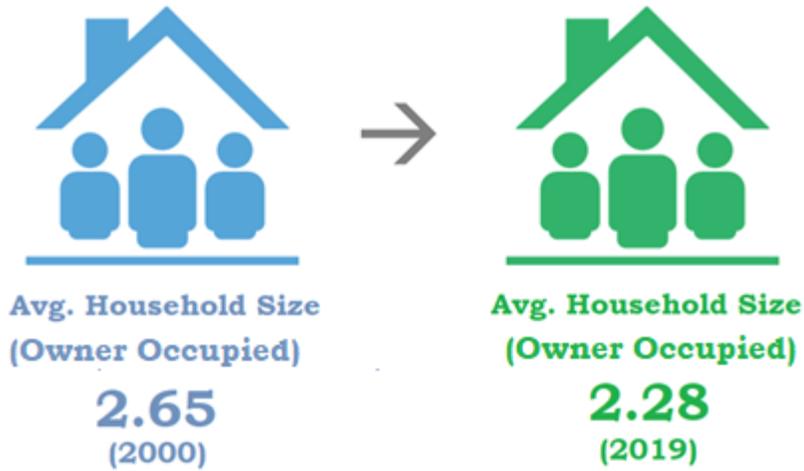
TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

The aging of the population has a significant impact on housing including:

- Household sizes decrease as people age. Kids become adults and leave home. Seniors often live in one or two person households. Consequently the need for space decreases and the desire to maintain a large lot also diminishes.
- More services are needed. Handicapped accessible units or first floor units will be in higher demand. People may need to move to units that have better accessibility or modify their existing units to be accessible.
- Mortgages get paid off. This is a positive result of aging and some households will have more disposable income to spend on home improvements, shopping, restaurants and recreation. For lower income households not having a mortgage payment can help individuals stay in their home instead of having to sell and rent housing.
- Access to, and availability of, healthcare will become more important.
- New housing construction and rehabilitation of existing units should take into consideration developing capacity for residents to age in place to adapt to future mobility needs.
- With less school aged children, and a continued gaining of the population throughout Orleans County, local school districts will likely face greater financial pressure and strain over the next 20+ years.

FOR HOUSING NEEDS AND HOUSING MARKET

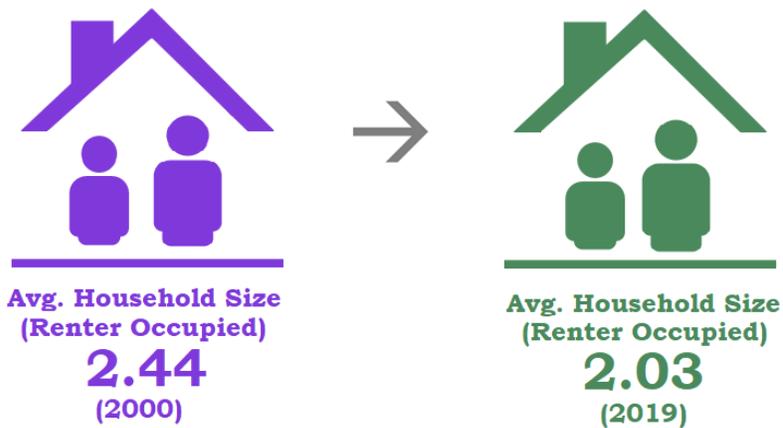
AVERAGE OWNER OCCUPIED HOUSEHOLD SIZE: 2000 - 2019



Source: U.S Bureau of the Census, American Community Survey

The average household size of owner occupied units has declined between 2000 and 2019.

AVERAGE RENTER OCCUPIED HOUSEHOLD SIZE: 2000 – 2019



Source: U.S Bureau of the Census, American Community Survey

The average household size of renter occupied units decreased steadily in Orleans County between 2000 and 2019.



FINDINGS

The average household size of owner occupied homes in Orleans County dropped dramatically between 2000 and 2019 from 2.65 to 2.28. This is largely due to families in Orleans County have "aged", with children leaving the households. This is a significant shift and a large contributor towards the population loss experienced.

During this same period the size in household size for renter occupied units also experienced a major decline from 2.44 to 2.03. This is likely an indication of renters living alone or choosing to be childless. It is also a reflection of the affordability of owner occupied homes for those that do choose to start families, as they likely move out of rental units when their family grows.

TAKEAWAY FOR HOUSING NEEDS AND HOUSING MARKET

Of all the data presented, this trend is one of the most significant because it impacts the types of housing individuals will need in the future, regardless of shifts in population. While there will still be a demand for larger occupied homes, the need for smaller owner occupied homes will increase in the future. Certainly there is a large stock of smaller owner occupied homes in the Villages but those generally cater to the low to middle income markets with very little for upper income homeowners.

Therefore, like many other Upstate New York communities, there will be a demand in the future for smaller homes on smaller lot sizes. That could be in the form of new homes, including patio homes, or by renovating existing owner occupied housing to satisfy an aging population with higher incomes.

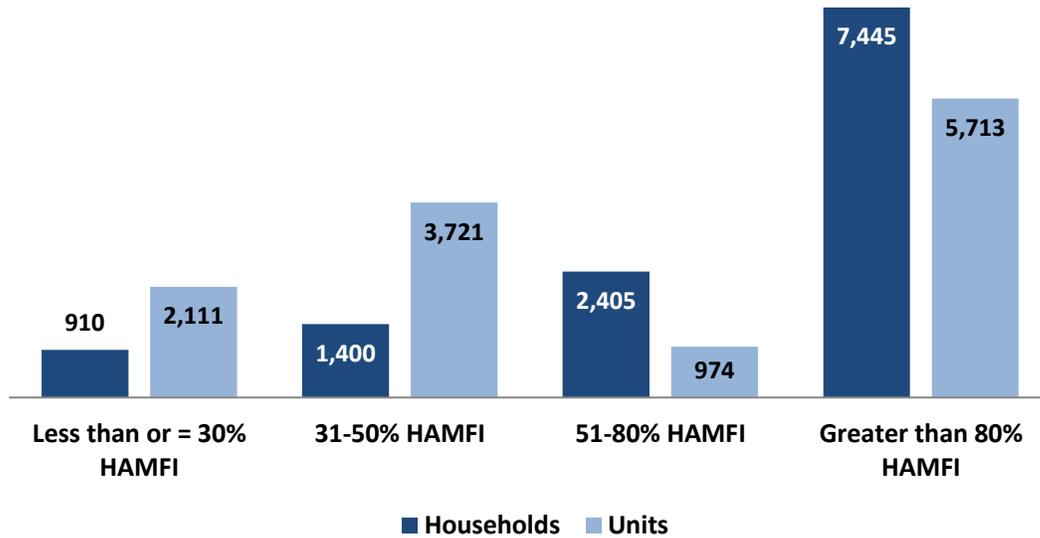


MARKET POTENTIAL



NEED FOR AFFORDABLE AND MARKET RATE HOUSING

OWNER HOUSEHOLDS VS. OWNER HOUSING UNITS AVAILABLE BY HUD INCOME RANGES: 2019



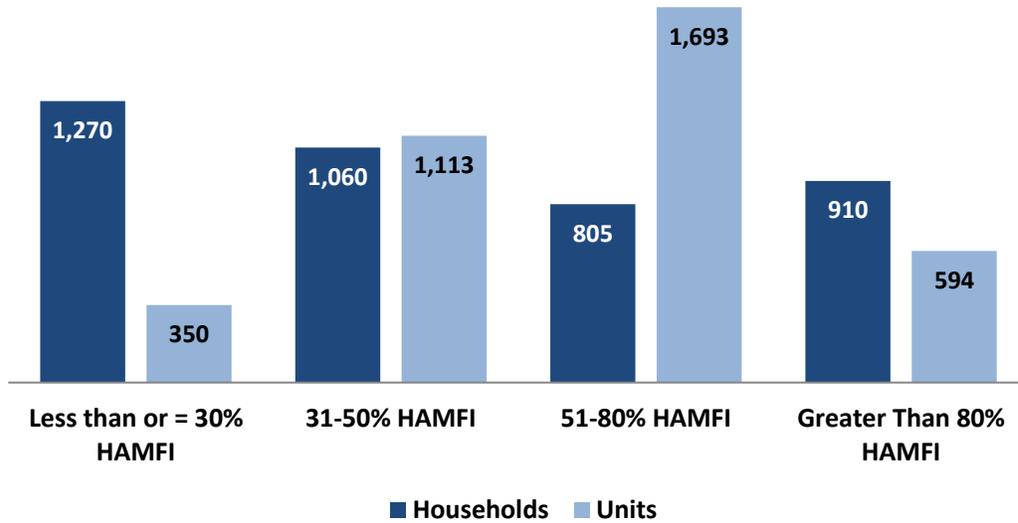
Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy Data; U.S. Bureau of the Census

There is too much low to middle income housing (below 50% HAMFI) and not enough mid to market level housing units available (above 50% HAMFI)

WHAT IS HAMFI?

HUD Area Median Family Income. This is the median family income calculated by the U.S. Department of Housing and Urban Development (HUD) for each jurisdiction, in order to determine Fair Market Rents (FMRs) and income limits for HUD programs including the Housing Choice (formerly Section 8) program.

RENTER HOUSEHOLDS VS. RENTAL HOUSING UNITS AVAILABLE BY HUD INCOME RANGES: 2019



Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy
 Data; U.S Bureau of the Census

There are not enough very low income housing units* (below 30% HAMFI) or market rate units (above 80% HAMFI) available. There are too many low to moderate income rental units (31-80% HAMFI).

* There are 193 out of a total of 242 Housing Choice vouchers which would partly address the lack of very low income housing units.

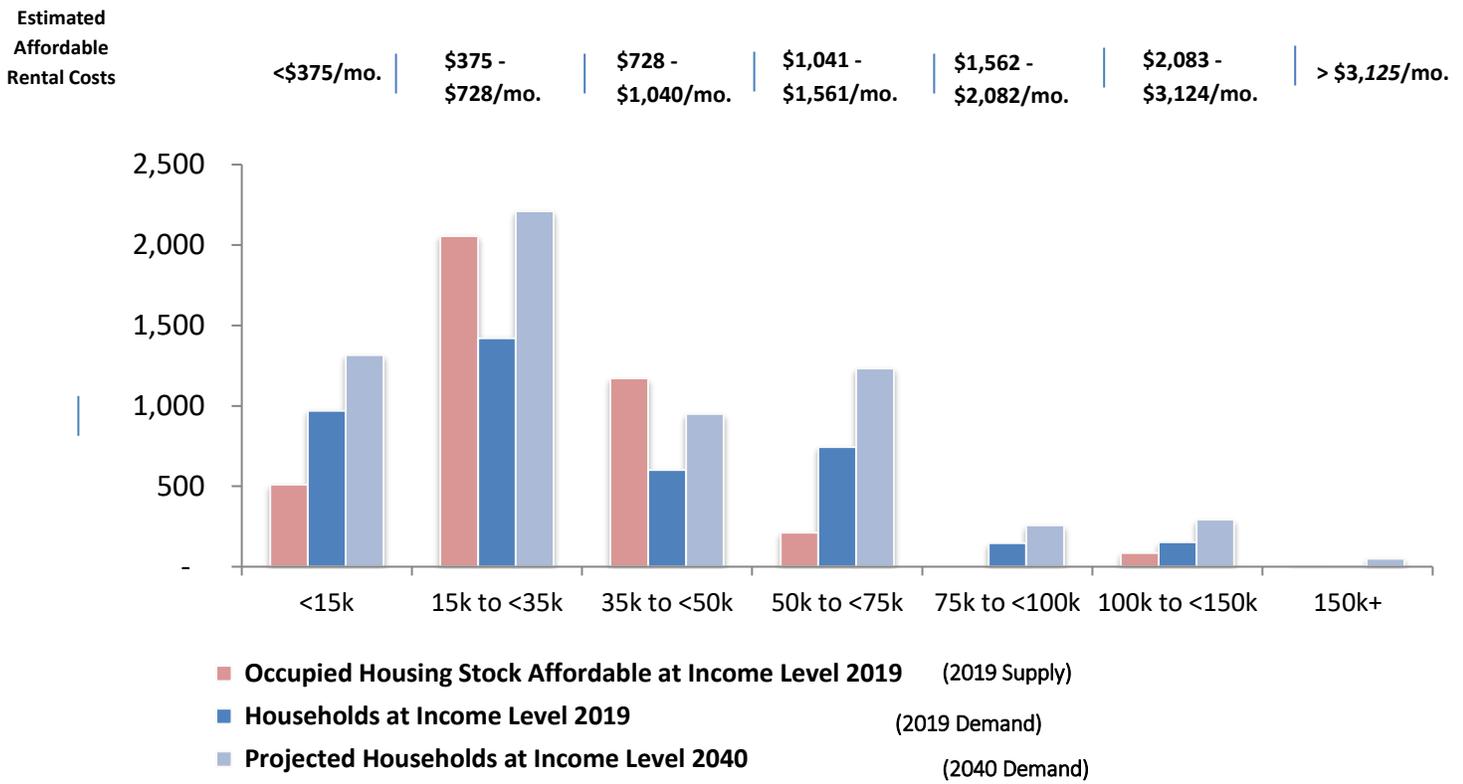
NEED AND PROJECTIONS – (BASED ON CENSUS POPULATION PROJECTIONS)

The mid-range estimates of future housing demand are based on population projections prepared by the Genesee Finger Lakes Regional Planning Council (GFLRPC). GFLRPC projects a steady but minimal increase in Orleans County's population from 40,352 in 2019 to 45,874 in 2040.

ORLEANS COUNTY RENTER OCCUPIED HOUSING MARKET NEED BY INCOME RANGE: 2019 & 2040

The graph below shows the existing affordable rental housing stock and number of households at various income levels in 2019 and in 2040 based on household and income projections, tailored by Census income data. There is not enough affordable rental housing at the very low income ranges (below \$15K) and mid to higher income ranges (above \$50K). There is a significant excess supply of housing at the low to middle income ranges (\$15K - \$50K).

The row above the graph provides the estimated affordable rents for the different income ranges. This is only an estimate and other costs like utility fees may impact how much a household can actually afford. However, with the graph, it demonstrates by price point, where there may be a market for developers.

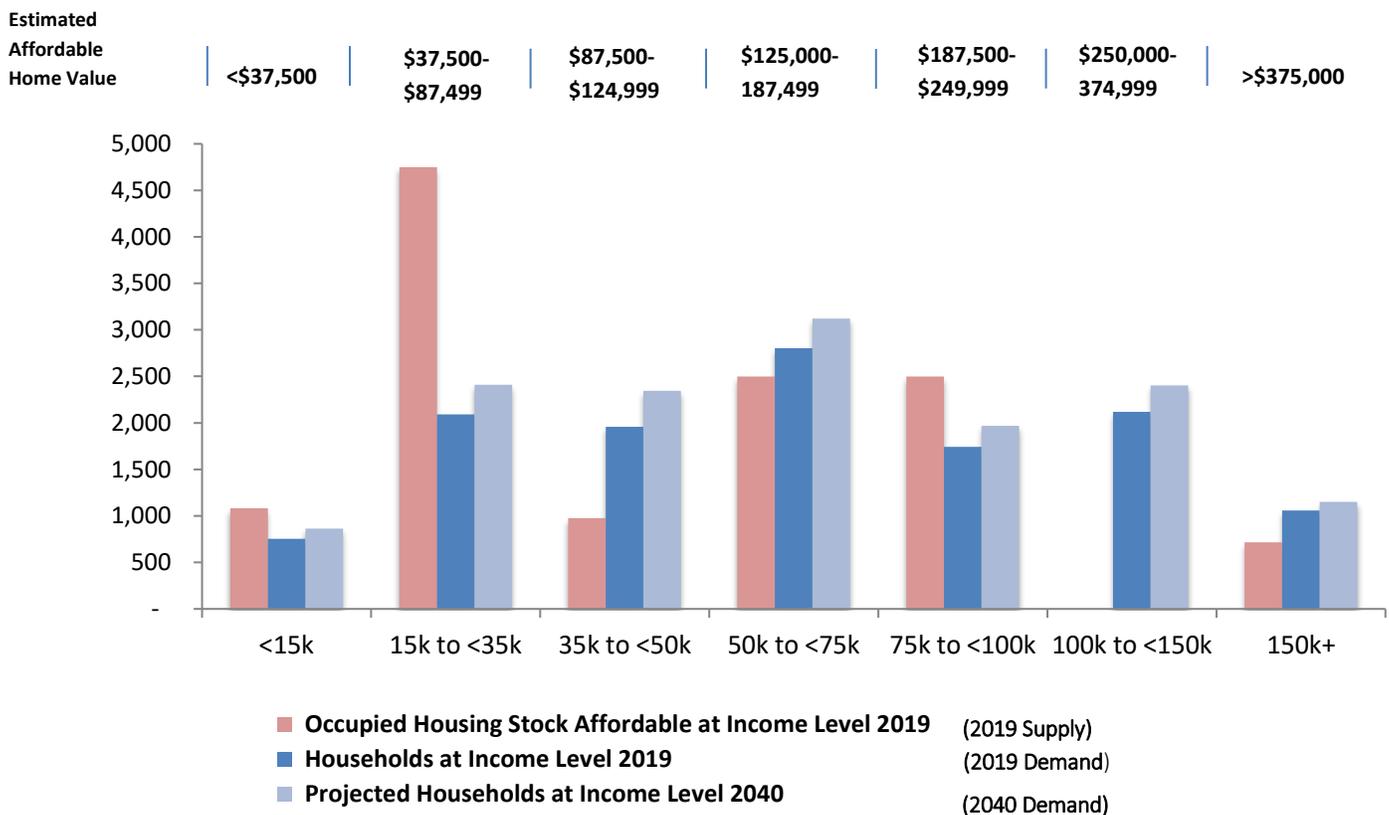


Source: U.S. Bureau of Census, American Community Survey; Envision Tomorrow

ORLEANS COUNTY OWNER OCCUPIED HOUSING MARKET NEED BY INCOME RANGE: 2019 & 2040

The graph below shows the existing affordable owner housing stock and number of households at various income levels in 2019 and in 2040 based on household and income projections, tailored by Census income data. There is too much very low and low income owner housing units available (0-\$35K) and an excess supply for the homes affordable to households at \$75K-\$100K income level. There is a need for affordable units between the \$35K to \$75K level and at \$100K and 150K levels, which have NO units available.

The row above the graph provides the estimated affordable home value for the different income ranges. This is only an estimate and property taxes may impact how much a household can actually afford. However, with the graph, it demonstrates by price point, where there may be a market for developers.



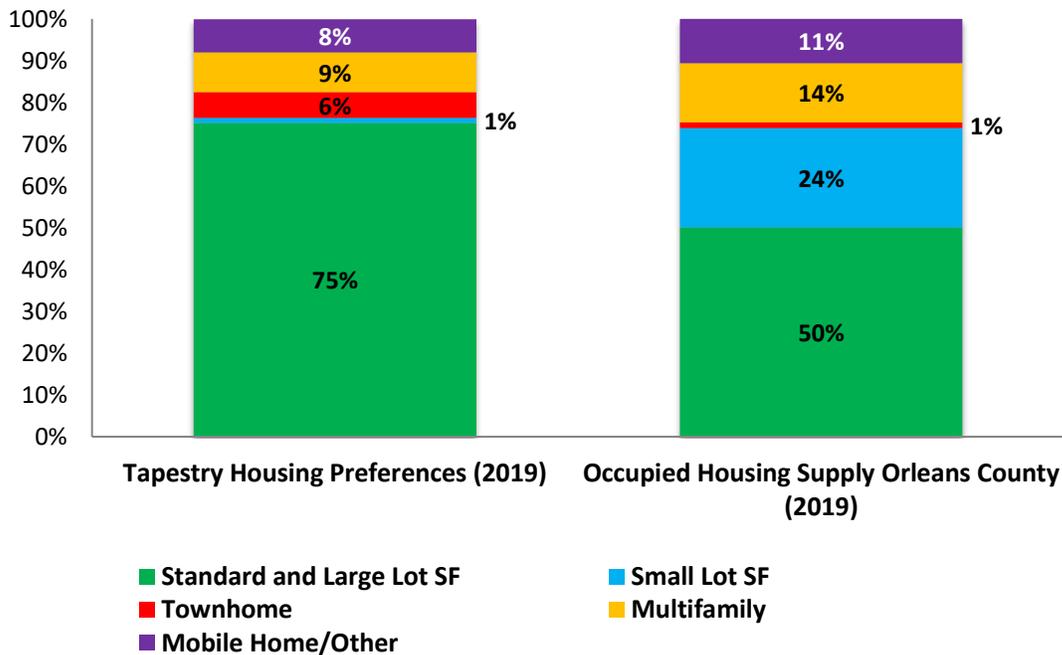
Source: U.S. Bureau of Census, American Community Survey; Envision Tomorrow

The balanced housing model projects an increase in housing units in the County under the GFLRPC Census projections. This is partly attributed to smaller housing sizes which are resulting in more households being formed. It is also based on the change in the market based on the ESRI Tapestry segments of types of households at the end of the document (i.e., owners becoming renters, moving to smaller lots from larger lots, replacement of units lost, etc.). Based on the analysis there will be a need for 5,804 new housing units in the next 20 years of which 3,121 will be owner occupied units and 2,683 will be rental occupied units:

EXISTING AND FUTURE HOUSING MARKET PREFERENCES

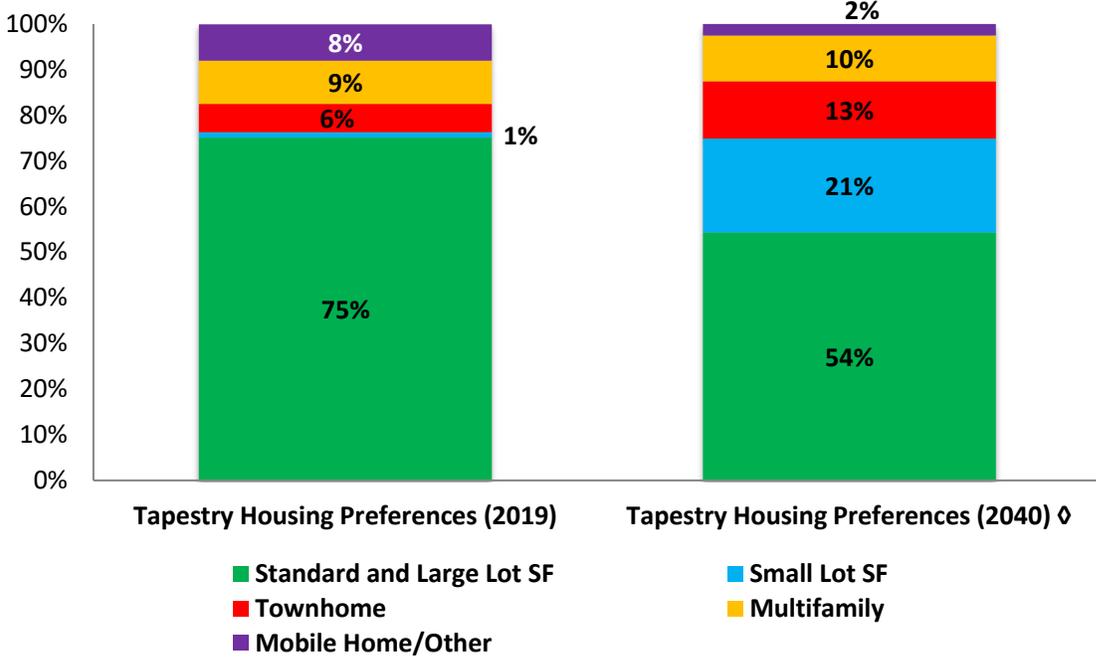
ESRI Tapestry data on the type of households in the Genesee County reveals what the current housing market housing type distribution should be today based on household and demographic characteristics:

Current Preferences vs Current Tapestry Demand



Source: ESRI & Envision Tomorrow

Current Tapestry Demand vs Future Tapestry Demand

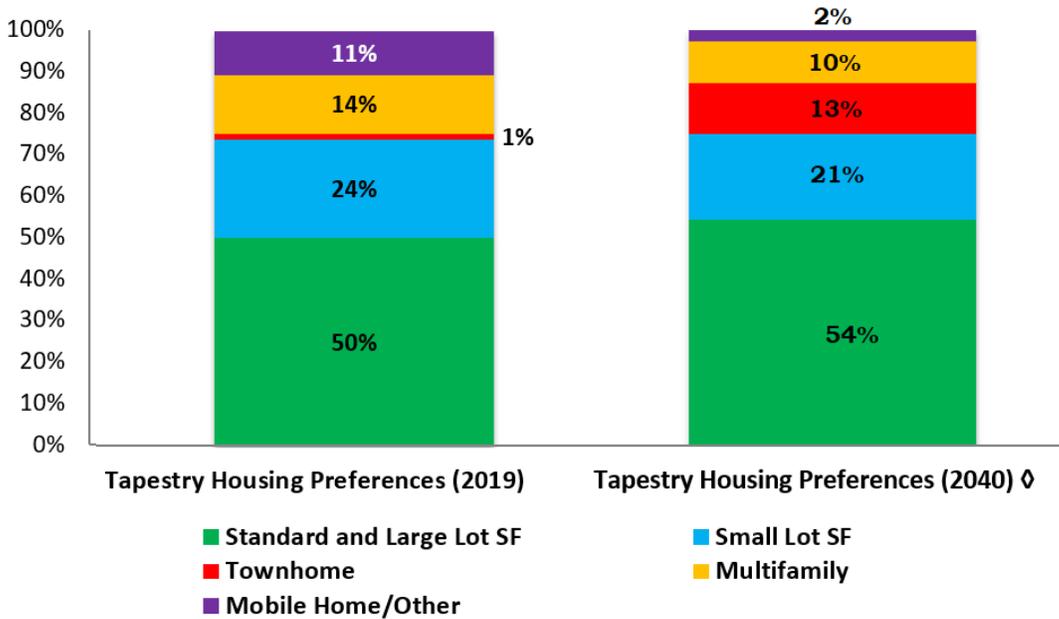


Source: ESRI & Envision Tomorrow

The preferences in mix of housing types will change significantly under the GFLRPC projections between 2019 and 2040. The preference for Single family housing on small lots will grow, while preference for mobile homes and single family homes on large lots will be smaller. However, the number of new units in all housing types will increase in the time period.



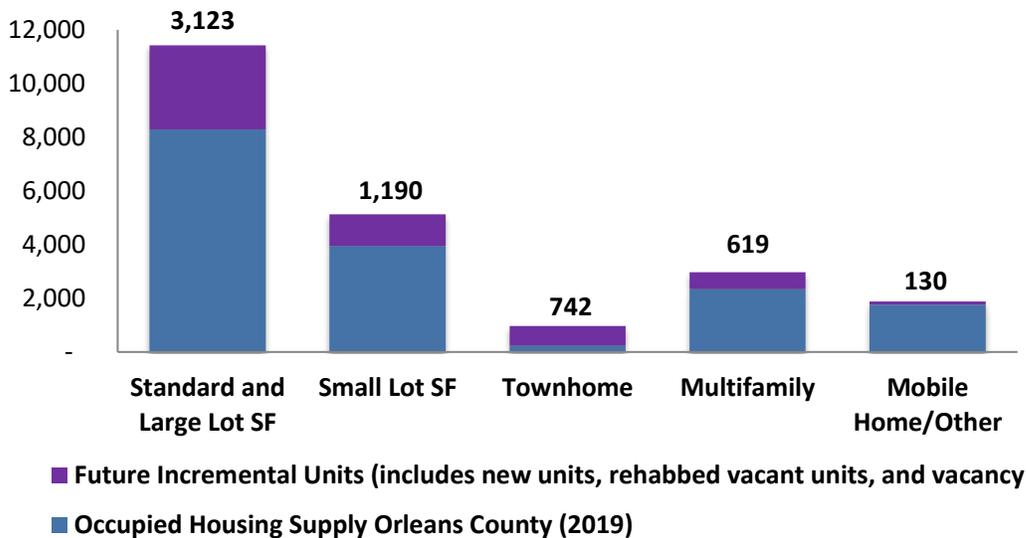
Current Preferences vs Current Tapestry Demand



Source: ESRI & Envision Tomorrow

Future market preferences will actually align in some areas with the current housing mix found throughout Orleans County. This is best found in the availability of single family homes on small lots matching up with future market preferences. There will be a significant demand for a larger percentage of townhouses throughout the County, which are very limited currently.

Future Unit Demand



Source: ESRI & Envision Tomorrow