Trends and Factors Affecting Housing

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Housing Terms and Definitions

- **Group Quarter** - Communal living quarters often sharing dining or bathroom/shower areas.
  - Institutionalized - cannot leave freely (correctional facilities, nursing homes)
  - Noninstitutionalized - can come/go freely (college dorms, military quarters)

- **Housing Unit** - A house, apartment, mobile home or trailer, a group of rooms, or a single room occupied for the purpose of separate living quarters.
  - Usually designed for one family; have separate dining or bathroom/shower areas

- **Occupancy/Vacancy Status** - whether a housing unit is currently being lived in
  - “Usual residences” are considered occupied even if residents are temporarily absent (wintering elsewhere, away visiting/caring for relatives, vacations, etc.)
  - Vacant units are classified by type: for rent/sale; rented/sold not yet occupied, seasonal/recreational use; quarters for migrant workers, etc.

- **Household** - an occupied housing unit (and all the people living there)

- **Tenure** - whether occupied units are owned/rented; a key search term
Housing Data Sources

• **Decennial Census** - every 10 years; tenure has been asked since 1890

• **American Community Survey** - annual large survey that provides current information; went national in 2005

• **Current Population Survey/Housing Vacancy Survey** - mostly national data, but very current quarterly updates and goes back to 1965

• **American Housing Survey** - very detailed questionnaire evaluating trends and preferences of homeowners, but done mainly in only the largest metro areas (and occasionally in a metro of Omaha’s size)

• **Construction Spending, New Residential Construction, New Residential Sales** - national look at monthly housing statistics; often picked up in financial media and moves stock market; tradeoff for more current data is that it is highly variable/less accurate

• **Other governmental** - HUD, Federal Housing Finance Agency

• **Industry insiders** - National Association of Realtors

• **Market research sites (Zillow, Realtor.com, Redfin.com)** - have a lot of good stuff that’s current, local, and packaged ready to use
Homeownership hit a 5-decade low in 2016

The 2016 homeowner rate of 62.9% matched the low from the start of the series in 1965 (52 years of data).


Homeownership rebounded in 2017 – is this the start of a new trend, or a blip in the overall downtrend? Time and additional data will tell.

U.S. Homeownership Rate in the 2nd Quarter of Each Year: 1965 to 2017

The 2016 homeowner rate of 62.9% matched the low from the start of the series in 1965 (52 years of data), before rebounding in 2017.

Housing Variables – Summarized on DP04

• Occupancy/Vacancy and Tenure
• Units in Structure (1 attached or detached; duplexes; apartments with various unit sizes; mobile home; boat/RV/van, etc)
• Year built (before 1940; decade groups thereafter)
• Number of Rooms and Bedrooms
• Average size and Occupants per Room
• Year householder (person filling out form) moved into unit
• **Vehicles available** (social determinant?, no vehicle rates higher among renters and elders)
• Type of heating fuel and utilities costs (gas, electricity, water/sewer)
• Lack of typical items (phone service, complete kitchen, plumbing)
• Mortgage status and **self-reported** value of owner occupied homes
• Gross owner/renter costs and % of income spent on housing
  – Several categories (and median) but spending more than 30% of income on housing is considered high or a red flag; Nebraska/Midwest rank well on housing affordability
• **Detailed tables have key crosstabs** by education, income, age, etc.
How to Decide Which Data to Use

• How to handle tradeoffs - what is most important?
  – Do you want the data to be more timely, or more accurate?

  • The 2010 Census data will be most accurate, but it is pretty dated. ACS or other sources will have more current information (but less accurate)

  • The level of geography being analyzed makes a difference - wanting to use small areas like census tracts makes it more important to use a more accurate source like the decennial Census

  • Comparing the 2010 Census to the 2008-12 ACS for Douglas County census tracts, 31 tracts or 20% had a home ownership rate that differed by 5 percentage points or more (even though rates in the county overall differed by only ½ %)

• Are you going to only analyze local data, or compare to other locations

  – If comparing to other places you want a source that compiles data consistently (like Census or Zillow); if only evaluating local data or trends you can use a local source (Omaha Area Board of Realtors)
Some reasons home ownership is down

- Home ownership is a trailing indicator - even though employment and earnings are increasing, it takes a while to be “ready” to move from renting to owning
  - Budgets continue tight; students loans common; rent costs rising - all make saving for a down payment difficult
- Low supply/inventory - few homes on market are forcing prices higher
  - Mover rates are near historic lows, leading to fewer properties opening up for sale
- Investor owners who bought (distressed) properties and now rent them
  - “Since the recession, the share of American single-family homes that are rented has increased steadily, from 12.7 percent in 2005 to 19.2 percent in 2016. Between 2005 and 2016, the number of owner-occupied single-family homes fell by 680,000, while the number of renter-occupied single-family homes increased by 6.2 million.”
  
  https://www.zillow.com/research/inventory-people-moving-less-15146/

- Hesitancy to own after seeing impact of the last recession/downturn
- Tighter lending standards
Home prices up 7.4% nationally in the last year (similar in NE metros).
* Rents in U.S. up only 1.1% (among the slowest increases in last 5 years).
* Rents fell in 12 of 35 largest metros.
Omaha metro homeownership rates are low among minorities, and Omaha ranks relatively low among large metros, so homeowner growth potential exists.

<table>
<thead>
<tr>
<th>Category</th>
<th>Homeowner rate</th>
<th>Rank among 100 most populated metros in that specific racial/ethnic group</th>
<th>Rate in U.S. metros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>46.9%</td>
<td>50th highest/best</td>
<td>45.2%</td>
</tr>
<tr>
<td>Black</td>
<td>35.2%</td>
<td>79th highest/best</td>
<td>41.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>49.0%</td>
<td>85th highest/best</td>
<td>57.9%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>70.9%</td>
<td>66th highest/best</td>
<td>70.9%</td>
</tr>
<tr>
<td><strong>Overall/all races</strong></td>
<td><strong>65.8%</strong></td>
<td><strong>41st highest/best</strong></td>
<td><strong>62.6%</strong></td>
</tr>
</tbody>
</table>

Source: Table B25003 series, 2011-2015 ACS, U.S. Census Bureau

Question: If Omaha homeownership by race ranks in the bottom half among large metros, and its rates by race are at/below the U.S. average (except Hispanics), how does the metro overall rank in the top half and above the U.S. average?

Answer: Omaha’s population composition has relatively more Whites, who have higher homeowner rates. This shows how evaluating totals can be misleading, and that direct red apples to red apples comparisons are better.
A similar pattern is found for the Lincoln metro. Homeowner rates are lower given the “college influence” but many of Lincoln’s peer metros also have major colleges.

<table>
<thead>
<tr>
<th>Category</th>
<th>Homeowner rate</th>
<th>Rank among 2nd 100 most populated metros in that specific racial/ethnic group</th>
<th>Rate in U.S. metros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>35.9%</td>
<td>87th highest/best</td>
<td>45.2%</td>
</tr>
<tr>
<td>Black**</td>
<td>16.3%</td>
<td>99th highest/best</td>
<td>41.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>46.2%</td>
<td>75th highest/best</td>
<td>57.9%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>63.6%</td>
<td>89th highest/best</td>
<td>70.9%</td>
</tr>
<tr>
<td>Overall/all races</td>
<td>60.0%</td>
<td>74th highest/best</td>
<td>62.6%</td>
</tr>
</tbody>
</table>

Source: Table B25003 series, 2011-2015 ACS, U.S. Census Bureau

** Lincoln does not quite make the second 100 largest metros for Black households (it is the 218th largest metro among Blacks, so it is 18 spots from being in the 2nd 100). The ranking shows where it would be “if” it were included in the second 100 largest metros.
Minority groups spend a larger share of income on rent

https://www.zillow.com/research/housing-affordability-by-race-14670/

* Could get similar data from the ACS, but you’d have to custom calculate it from the PUMS files
The Housing Trilemma

Cities face tradeoffs in terms of housing affordability, job availability and quality of life. Comparing the 100 largest MSAs in the country and the Lincoln metro, Nebraska lands in the “sweet spot”.

Source: David Albouy, BEA, BLS, Census, IHS Global Insight, Oregon Office of Economic Analysis
Summary: "Bestselling author and financial guru Harry Dent shows why we're facing a decade-long "great deflation“, and what to do about it. Throughout his long career as an economic forecaster, Harry Dent has relied on demographics - the ultimate tool for predicting both big and small trends, decades in advance. Now he explains what's going to happen to our economy with the accelerating retirements of the Baby Boomers. Inflation wanes when large numbers of older people retire, downsize their homes, and cut their spending. The mass retirement of the Boomers won't just hold back inflation, it will actually cause deflation-with a downturn and periodic crises from 2014 until about 2023. His advice will help readers survive and prosper during the challenging years ahead."

Published: 2014 – Available at UNO Library

HOW TO SURVIVE AND PROSPER DURING THE GREAT DEFLATION OF 2014–2019

Harry S. Dent, Jr.
The Consumer Expenditure Survey tells us how much people spend on certain products – Can be broken down by age, income, education, etc. – Peak spending (from Dent pages 11-13):
  - Average family borrows the most when parents are age 41 (step-up home purchase)
  - Most spending on potato chips when head of household is age 42
  - Motorcycles at age 47; Recreational vehicles at age 57
  - Spending peaks at age 46 for average family; 53 for more educated/affluent
  - People save the most at age 54 and have highest net worth at age 64

“The Best Leading Indicator – People do predictable things as they age”
~ Demographics drive economic and other trends
Where are we at in the housing cycle? (given births & peak age demand)
[Graphs from The Demographic Cliff by Harry S. Dent, Jr.]

Data Source: U.S. Census Bureau, Dent Research

Data Source: U.S. Census Bureau

Data Source: U.S. Census Bureau
Half of Non-Homeowners Expect to Buy Homes in Five Years

by Jeffrey M. Jones

49%

NON-HOMEOWNERS LOOKING TO BUY HOME IN NEXT FIVE YEARS

GALLUP. MAR 9-29

• “Gallup recently reported that 61% of Americans expect housing prices in their area to increase in the coming year, the highest percentage making that prediction since 2005.”

• “...the market for real estate sales should remain strong. Some of the shortfall in housing supply can be made up by new construction, which might indicate a construction boom is on the horizon, if not already underway.”

http://www.gallup.com/poll/210008/half-non-homeowners-expect-buy-homes-five-years.aspx
### A Look at How Nebraska Home Ownership Changes with Age

Source: 2010 Census (Table H17), U.S. Census Bureau; Calculations by David Drozd, UNO Center for Public Affairs Research

<table>
<thead>
<tr>
<th>Category</th>
<th>Douglas County</th>
<th>Lancaster County</th>
<th>Sarpy County</th>
<th>11 regional centers with city of 10,000</th>
<th>Rest of Nebraska (rural)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home owner %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Householder 15 to 24 years</td>
<td>62.9%</td>
<td>61.1%</td>
<td>71.2%</td>
<td>66.8%</td>
<td>74.3%</td>
</tr>
<tr>
<td>Householder 25 to 34 years</td>
<td>14.5%</td>
<td>10.6%</td>
<td>17.1%</td>
<td>19.4%</td>
<td>23.9%</td>
</tr>
<tr>
<td>Householder 35 to 44 years</td>
<td>45.1%</td>
<td>45.3%</td>
<td>56.1%</td>
<td>49.9%</td>
<td>55.1%</td>
</tr>
<tr>
<td>Householder 45 to 54 years</td>
<td>65.1%</td>
<td>65.7%</td>
<td>74.0%</td>
<td>66.1%</td>
<td>70.9%</td>
</tr>
<tr>
<td>Householder 55 to 59 years</td>
<td>71.7%</td>
<td>72.3%</td>
<td>81.0%</td>
<td>73.3%</td>
<td>78.9%</td>
</tr>
<tr>
<td>Householder 60 to 64 years</td>
<td>75.7%</td>
<td>77.4%</td>
<td>84.1%</td>
<td>79.0%</td>
<td>83.2%</td>
</tr>
<tr>
<td>Householder 65 to 74 years</td>
<td>78.7%</td>
<td>79.9%</td>
<td>85.0%</td>
<td>80.4%</td>
<td>84.5%</td>
</tr>
<tr>
<td>Householder 75 to 84 years</td>
<td>80.0%</td>
<td>80.6%</td>
<td>84.7%</td>
<td>81.1%</td>
<td>85.6%</td>
</tr>
<tr>
<td>Householder 85 years +</td>
<td>75.0%</td>
<td>75.0%</td>
<td>78.0%</td>
<td>75.4%</td>
<td>81.4%</td>
</tr>
</tbody>
</table>

Leading edge (oldest) Millennials now aging into this category.
Overall, there were 5.0 percent fewer homes available for sale nationwide at the end of the first quarter than there were a year ago. But the number of homes for sale in the bottom and middle thirds of the U.S. market each fell by 10.4 percent, compared to just 1.9 percent in the top third of the market. The differences in many individual metros were more striking. Select a metro from the drop-down menu below to see tier inventory data in your market.

Choose a Metro:  


- Housing inventory is down much more in the lower and middle price tiers of the market, where first-time buyers are likely to be focused.

“In April, (U.S.) homes stayed on the market for just 77 days, the fewest Zillow has ever reported”  
Projection of Age 40-44 Population: 2010 to 2050
for Sarpy County, Nebraska and 64 "Rural" Nebraska Counties

Sarpy County
64 "Rural" Counties in CPAR projections
Age 80-84 in 64 "Rural" Counties

Source: December 2015 Nebraska County Population Projections, CPAR @ UNO
Summary data for all counties: cpar.unomaha.edu/countyprojections
What about in non-metro areas? Nebraska ranks relatively low here as well.

<table>
<thead>
<tr>
<th>Category</th>
<th>Home-owner rate</th>
<th>Rank among 47 states that have non-metro territory</th>
<th>Rate in U.S. non-metros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>51.3%</td>
<td>15th highest/best</td>
<td>56.3%</td>
</tr>
<tr>
<td>Black**</td>
<td>12.9%</td>
<td>47th highest/best</td>
<td>51.9%</td>
</tr>
<tr>
<td>Asian**</td>
<td>38.8%</td>
<td>43rd highest/best</td>
<td>57.0%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>72.5%</td>
<td>30th highest/best</td>
<td>74.4%</td>
</tr>
<tr>
<td>** Overall/all races</td>
<td>70.3%</td>
<td>24th highest/best</td>
<td>71.3%</td>
</tr>
</tbody>
</table>

Source: Table B25003 series, 2011-2015 ACS, U.S. Census Bureau

** Could these figures be influenced by small populations and small sample sizes? Yes, definitely. However, even though such populations are small, Nebraska’s non-metro territory ranks 31st highest for Black households (16 states have smaller non-metro Black populations) and 34th highest for Asian households (13 states have smaller non-metro Asian populations).
# Quantity of existing homes available for purchase

*(n = 1515)*

<table>
<thead>
<tr>
<th>Community Size</th>
<th>None available</th>
<th>Not enough</th>
<th>Adequate</th>
<th>More than enough</th>
<th>Don’t know</th>
<th>Chi-square (sig.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>4</td>
<td>42</td>
<td>39</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Less than 500</td>
<td>12</td>
<td>43</td>
<td>29</td>
<td>5</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>500 - 999</td>
<td>5</td>
<td>46</td>
<td>37</td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>1,000 - 4,999</td>
<td>2</td>
<td>45</td>
<td>41</td>
<td>5</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>5,000 - 9,999</td>
<td>3</td>
<td>33</td>
<td>38</td>
<td>17</td>
<td>10</td>
<td>$\chi^2 = 121.29^*$</td>
</tr>
<tr>
<td>10,000 and up</td>
<td>0</td>
<td>41</td>
<td>43</td>
<td>8</td>
<td>8</td>
<td>(.000)</td>
</tr>
</tbody>
</table>

Source: Nebraska Rural Poll 2016
## Quality homes available for purchase (n = 1516)

<table>
<thead>
<tr>
<th>Community Size</th>
<th>None available</th>
<th>Not enough</th>
<th>Adequate</th>
<th>More than enough</th>
<th>Don’t know</th>
<th>Chi-square (sig.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>4</td>
<td>39</td>
<td>40</td>
<td>5</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td><strong>Less than 500</strong></td>
<td>11</td>
<td>43</td>
<td>30</td>
<td>4</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>500 - 999</td>
<td>6</td>
<td>49</td>
<td>33</td>
<td>1</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>1,000 - 4,999</td>
<td>2</td>
<td>41</td>
<td>42</td>
<td>5</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>5,000 - 9,999</td>
<td>1</td>
<td>41</td>
<td>35</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>10,000 and up</td>
<td>1</td>
<td>33</td>
<td>49</td>
<td>7</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

\[
\chi^2 = 110.20^* \\
\text{(}.000\text{)}
\]

Source: Nebraska Rural Poll 2016
### Ratings of Housing Characteristics in Community

<table>
<thead>
<tr>
<th></th>
<th>None Available</th>
<th>Not Enough</th>
<th>Adequate</th>
<th>More than Enough</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new homes</td>
<td>9%</td>
<td>28%</td>
<td>44%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Quantity of existing homes available for purchase</td>
<td>4</td>
<td>42</td>
<td>39</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Quantity of apartments available for rent</td>
<td>10</td>
<td>43</td>
<td>25</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>Quality homes available for rent</td>
<td>7</td>
<td>51</td>
<td>22</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Quality apartments available for rent</td>
<td>10</td>
<td>43</td>
<td>24</td>
<td>4</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Nebraska Rural Poll
## Support for Housing Programs or Priorities in Community

<table>
<thead>
<tr>
<th>Support for Housing</th>
<th>Strongly Oppose</th>
<th>Somewhat Oppose</th>
<th>Neither</th>
<th>Somewhat Support</th>
<th>Strongly Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer low interest loans or grants for repair, rehabilitation or home improvements</td>
<td>2%</td>
<td>3%</td>
<td>11%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Develop programs to help seniors age in current home</td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>Providing affordable rental housing</td>
<td>3</td>
<td>5</td>
<td>15</td>
<td>44</td>
<td>33</td>
</tr>
<tr>
<td>Purchasing, rehabilitating and reselling vacant housing</td>
<td>4</td>
<td>5</td>
<td>16</td>
<td>44</td>
<td>32</td>
</tr>
<tr>
<td>Establishing a local program that would purchase and remove dilapidated houses, making lots available for building</td>
<td>4</td>
<td>5</td>
<td>17</td>
<td>41</td>
<td>32</td>
</tr>
<tr>
<td>Providing down payment assistance to first-time home buyers</td>
<td>6</td>
<td>10</td>
<td>17</td>
<td>34</td>
<td>32</td>
</tr>
<tr>
<td>Offer free lots to people willing to build homes</td>
<td>11</td>
<td>15</td>
<td>23</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Provide public assistance for rental or home ownership for persons with low incomes or special needs</td>
<td>6</td>
<td>12</td>
<td>22</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Organize volunteer efforts to maintain existing housing stock</td>
<td>3</td>
<td>9</td>
<td>38</td>
<td>35</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Nebraska Rural Poll
Percent of Occupied Housing by Age of Householder
Nebraska Counties by Type: 2010

Source: 2010 Census
Percent of Owner-Occupied Homes by Age, Wayne County, NE: 2010

- Age 65+ (blue): 28%
- Age 55-64 (red): 31%
- Age 45-54 (pink): 21%
- Under 45 (gray): 20%

Wayne County, Nebraska Housing Units, 2010

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Owner</th>
<th>Renter</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 to 24 years</td>
<td>39</td>
<td>459</td>
</tr>
<tr>
<td>25 to 34 years</td>
<td>255</td>
<td>236</td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>329</td>
<td>132</td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>477</td>
<td>159</td>
</tr>
<tr>
<td>55 to 64 years</td>
<td>461</td>
<td>92</td>
</tr>
<tr>
<td>65 to 74 years</td>
<td>324</td>
<td>44</td>
</tr>
<tr>
<td>75+ years</td>
<td>370</td>
<td>130</td>
</tr>
</tbody>
</table>

Source: 2010 Census
Home Ownership: African-American Omaha MSA

African-American (Black) Home Ownership: Omaha MSA
Source: ACS, Census 5 Year Avgs.

- 2005-09: 37.2%
- 2006-10: 39.0%
- 2007-11: 38.6%
- 2008-12: 37.3%
- 2009-13: 36.2%
- 2010-14: 35.0%
- 2011-15: 35.2%

Home Ownership by Race/Ethnicity  Omaha MSA

Home Ownership: Omaha MSA
Source: ACS, Census 5 Year Avgs.

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>35.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>46.9%</td>
</tr>
<tr>
<td>White</td>
<td>70.9%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, U.S. Census Bureau 5 Year Report 2011-2015
Home Ownership Trend
Douglas County vs. North Omaha

Home Ownership Rate: Douglas County vs. North Omaha Zipcodes
Source: ACS, Census 5 Year Avgs

- Douglas County: 64.1% (2007-11), 61.8% (2011-15)
- 68104: 66.0% (2007-11), 59.4% (2011-15)
- 68110: 52.0% (2007-11), 48.1% (2011-15)
- 68111: 46.9% (2007-11), 42.2% (2011-15)
- All 3 North Omaha Zip Codes: 58.3% (2007-11), 52.5% (2011-15)

Source: American Community Survey, U.S. Census Bureau 5 Year Reports 2007-2011 to 2011-2015
Migrations, Jobs & Housing Patterns
The Impact on African-American Home Ownership

Historical Perspectives

- African-Americans migrate from South to North for manufacturing, meatpacking and railroad jobs
- African-Americans concentrated in South Omaha and then North Omaha
- Strong closed-loop African-American economy; businesses, home owners, churches, social clubs
- Jobs shift: automation, suburbs and overseas
- 1st waves of white flight (migration)
- Redlining limits AA movement: Banks, Loans, Real Estate; concentrations in Public Housing
- Joblessness increases; concentrated poverty
Migrations, Jobs & Housing Patterns
The Impact on African-American Home Ownership

Historical Perspectives

• Riots & “Rebellions”
• Another wave of white flight and loss of businesses
• Housing - Open Occupancy
• Upwardly mobile AA move; concentrated poverty
• Highways built through AA communities and business districts; 20-30% of housing stock removed
• Some owners become renters
• School desegregation; another wave of white flight
• Public housing shifts to scatter site housing
• Crime, drugs and violence accelerate loss of population
Migrations, Jobs & Housing Patterns
The Impact on African-American Home Ownership

Historical Perspectives

- Home values did not increase in certain areas
- AA can’t get loans at the same rate
- AA wage gap; unemployment and underemployment
- AA fear not being able to get their money out of the home if they buy/sell in North Omaha
- Looking for jobs, better schools, safer environment
Historical Perspectives

- African-Americans continue to migrate Northwest
- Opportunity neighborhoods further west with jobs and better living conditions
- Section 8 housing/vouchers in apartments – Northwest and Southwest Omaha
- African Immigrants – counted within AA population; large numbers start as renters and then home owners
- AA Professionals and college graduates moving to other cities; not long-term residents, so large numbers live in apartments
Unemployment Rate
Concentrated Unemployment

Data Source: Census.gov American Community Survey – 2015 Release – 5 Year Avg
Job Centers have migrated

A recent study found Omaha’s central core lost jobs between 2000 and 2010 and ranks relatively weak as an employment center. Conversely, a much higher percentage of Omaha’s jobs are located in the ring just beyond the inner core. Most recent job growth, as the blue on this map shows, has been even further out.

Data Source: Brookings Institute; Omaha World-Herald - Aug. 2013 – Henry Cordes
Wage Gap
Omaha Region

Median Hourly Wage by Educational Attainment and Race/Ethnicity, 2012

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>White</th>
<th>People of Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a HS Diploma</td>
<td>$12</td>
<td>$11</td>
</tr>
<tr>
<td>HS Diploma, no College</td>
<td>$15</td>
<td>$12</td>
</tr>
<tr>
<td>More than HS Diploma but less than BA Degree</td>
<td>$17</td>
<td>$13</td>
</tr>
<tr>
<td>BA Degree</td>
<td>$22</td>
<td>$17</td>
</tr>
<tr>
<td>Masters Degree or higher</td>
<td>$27</td>
<td>$27</td>
</tr>
</tbody>
</table>

Source:  PolicyLink Equity Profile - 2014
African-American Migration in Omaha

Source: 2000 Census; 2010-2014 American Community Survey 5-Year Estimates
Why focus on North Omaha and African-Americans?

In 2006-2008

• High school graduation rate was 64%.

• Below the national avg. for AA’s with college degree. (ACS)

• Gun violence was rising to an all time high.

• Very little new home development.

• Few public-private partnerships.

• Unemployment was over 20% in some zip codes. (ACS)

• Low levels of community engagement and involvement in decision-making.
Pew Research Center

Strong and Thriving Economies

1. Increase Graduation Rate
2. Decrease Unemployment
3. Reduce Violent Crime
4. Create Thriving Arts and Culture
5. Improve Access to Credit/Capital: Increase and Business Ownership
6. Create Regional Transportation Links
7. Reduce Sales Taxes

Source: Omaha 2008 Pew Research Study

Wealth, Ownership and Production
The purpose was to **accelerate the transformation** of North Omaha into a great place to live, raise a family, do business, worship, and play.
The Village Zone vision and action plan identified **iconic** and **transformational** projects that would be catalysts to the revitalization of North Omaha.
NORTH OMAHA VILLAGE ZONE
Build on Community Assets
North Omaha Village Revitalization Plan

THE PLAN

• Mixed Income Housing
  – Single Family
  – Multi-Family
  – Mixed-Used

• Civic & Recreation
  – Music Venues & Attractions
  – Arts, Culture, and History
  – Major Events, Celebrations, etc.

• Commercial
  – Business and Employment Centers
  – Neighborhood Services
  – Grocery & Retail
Nodes of Focus
North Omaha Development Plan and North Omaha Village Revitalization Plan

A. Create a new front door to North Omaha at Cuming Street.
B. Embrace the North Freeway corridor as a new entrance to North Omaha.
C. Develop 16th Street as a new green edge and open space amenity.
D. Create a new heart for North Omaha at 24/Lake Street.
E. Celebrate the Malcolm X Memorial Birthplace and International Center as a nationally-significant destination.
F. Celebrate Adams Park as a major neighborhood amenity.
G. Create a new cultural spine along Lake Street and 24th Street.
H. Enhance existing bridge connections between East and West Village.
I. Connect north to 30/Ames-Metro South commercial district, Fort Omaha, and Prospect Hill Cemetery.
J. Build new affordable and market-rate infill housing with a diversity of housing types.
Progress is Possible!
North Omaha Development Plan and North Omaha Village Revitalization Plan

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The Collective Results

In 2016-17…

- The high school graduation rate is 80%. (increased from 64%) (Reading and Math scores are up as much as 30%)

- The percent of the community with a bachelor’s degree has increased. (Once below the national avg. for AA is now above the national avg.) - ACS

- Gun violence has hit a 13 year low.

- $700 million in development

- A number of large, public-private partnerships are occurring.

- Unemployment has dropped in North Omaha from 21% to 15% and for African-Americans from 17% to 10.8%. - ACS

- The community is actively engaged and deeply involved in decision-making that impacts their neighborhood.
Trends and Factors Affecting Housing

28th Annual Nebraska Data Users Conference, 2:15-3:15 P.M., August 16, 2017

David Drozd, UNO Center for Public Affairs Research
402-554-2132  ddrozd@unomaha.edu

Randy Cantrell, Rural Futures Institute
402-472-0919   rcantrell1@unl.edu

Willie Barney, The Empowerment Network
402-502-5153   wbarney@empoweromaha.com
Census Bureau population data confirm that the largest wave of renters for age 26 is now here!!

U.S. Population by Single Year of Age: July 1, 2016


Prepared by: David Drozd, Center for Public Affairs Research, University of Nebraska at Omaha (UNO)
As shown, the demand for housing should become stronger, but with deaths rising more homes will come onto the market, pressuring prices.

Japan is further along in their demographic shift than the United States. They are a very “old” country. Note the correlation between home prices and the ages at which home buying and deaths occur.

The correlation has also been seen in the U.S. It’s where the demographics are heading that is a concern.

“Inventory of new homes was also up (in April) which is great news, but the price must be right to cater to the large numbers of millennial buyers entering the market to buy their first home.” ~ Svenja Gudell, Zillow’s chief economist from tinyurl.com/kg8sheo
Were the housing markets in Florida and Arizona destined to comeback after the downturn??

Sure! Demographics foretold that. They have largely recovered and apparently have “more room to run”.

- For years people have been asking about and anticipating the rise in need for nursing homes, assisted living, in home care, etc.
- But those needs weren’t imminent then as we had to move through the “Depression cohort” first (low births in the 1930s).
- It’ll be several years yet before needs for the “oldest old” will really increase. Some boomers will have needs prior to age 84, so there’ll be growth from that.
Shift in population structure has impacts:
Homeowner rate (2005-15 average): White non-Hispanics 71%; Minorities 44%

Nebraska Home Ownership Percentage: 1960 to 2015


Compiled and Prepared by: David Drozd, Center for Public Affairs Research, University of Nebraska at Omaha
Where the population growth by age will be – what we project for this 2010s decade

Percentage Change in Nebraska Population by 5-year Age Group: 2010-20

Source: U.S. Census Bureau, 2010 Decennial Censuses; Projections by Center for Public Affairs Research, UNO, Aug. 2013
Sarpy County has made the “Top 100” list nationally for rate of increase in the number of housing units for 6 of the past 8 years; only did so once in the prior 8 years.

Ranking of Sarpy County, Nebraska Annual Percent Change in Housing Units: 2000 to Present (among ~2,425 counties with 5,000+ units)

At the height of the recession only about 55 counties nationally were increasing their number of housing units at a faster rate than Sarpy County.

Sources: Intercensal Estimates of Housing Units for Counties and States: April 1, 2000 to July 1, 2010
Prepared by: David Drozd, UNO Center for Public Affairs Research
Buyers versus Dyers: certain areas to have increased demand; other areas have opposite fundamentals.

Projection of Sarpy County, Nebraska Population
Age 40-44 less those Age 80-84: 2010 to 2050

Summary data for all counties: cpar.unomaha.edu/countyprojections

Source: December 2015 Nebraska County Population Projections, CPAR @ UNO