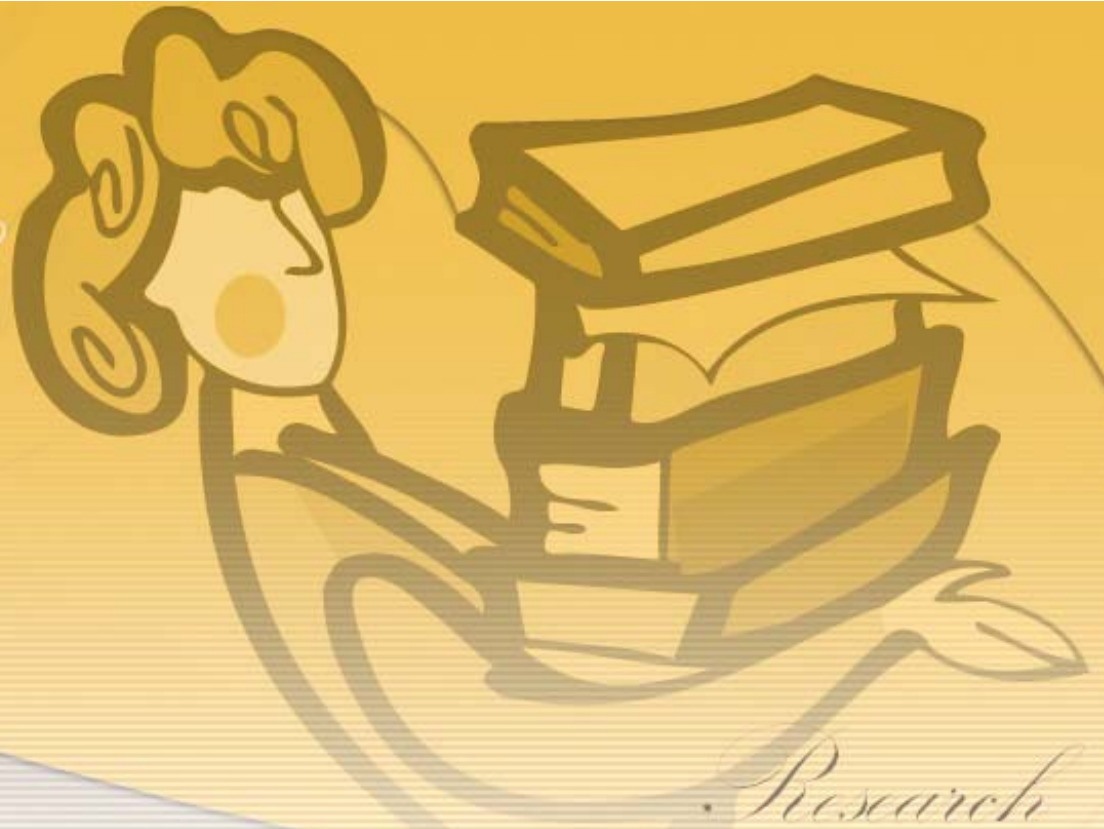


Research



Garrett County Housing Committee

Synthesis of existing data
By Paige Teegarden, Managance Consulting
July 2007



Overview of Presentation

- Demand
 - Number of families, households, individuals and income information
 - Renters paying over 30%
 - Homeowners paying over 30%
- Supply
 - Value of homes
 - Home sales and home construction
- Comparison of Demand and Supply...finding the gap



About the Data

- Census Data (2000)—population, household and family incomes in ranges and medians; and housing values
- IRS data about returns (individual or joint is not distinguished) 2004, 2002, 1999
- HUD--Family Median Income data and deciles for county 2007
- Sales data for non lake area for about 18 months 2005-6
- New home values for non lake area for 2006
- Note that Units of Analysis vary—individuals, families, households

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Demand—Population

- 2005 -- 29,909 people
 - 11,490 households
 - 8,375 families
- 2000
 - 11,467 households
 - 8356 families and
 - 29,846 people

Indications of an aging population.
Municipalities are losing population and
unincorporated areas are gaining
population.

Research



Demand--Lack of Affordable Housing in 2000

31.5% renters (735 households) in county were paying over 30% HH income on rent.

18.7% homeowners (1157 households) are paying more than 30% income in housing costs.

Both vary significantly by location in the county.



Demand-Income

Household median income \$32,238
(Census 2000)

Family median income \$37,779 (Census
2000)

2007 HUD estimated figures

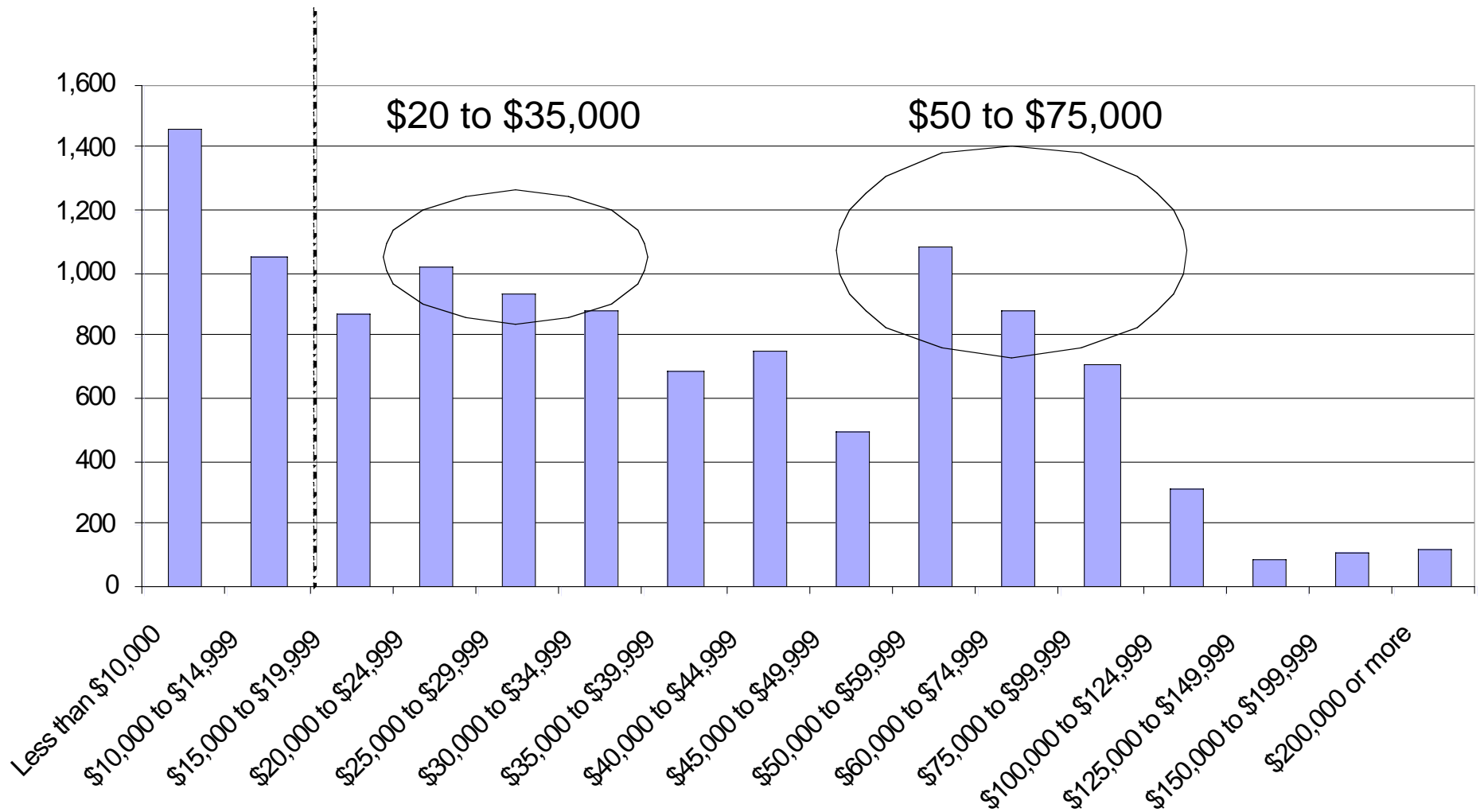
Family median income \$47,800

2004 IRS Average Return (individual and
joint) is \$38,200; median return is
approximately \$25,000.

Research



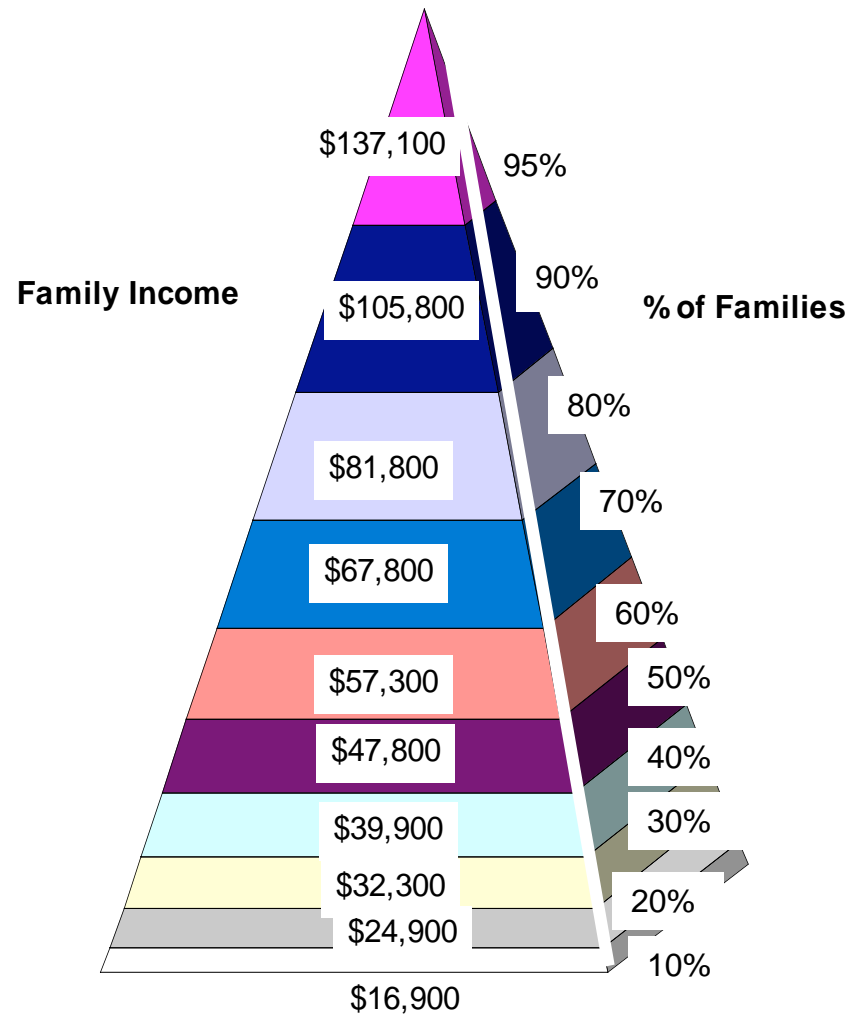
Number of Households by Income Brackets in 2000



Research



Family Income 2007



FY 2007



Sector	Average Annual Wage 2005 (some 2004)
Education*	\$31,304
Healthcare*	\$28,340
Business Services	\$27,976
Construction	\$24,856
Hospitality & Tourism	\$11,596
Retail	\$18,720
Finance & Insurance	\$33,800
Transportation & Warehousing	\$25,364
Manufacturing	\$27,820
Farming, Fishing, Forestry	\$29,575



Housing Supply in 2000

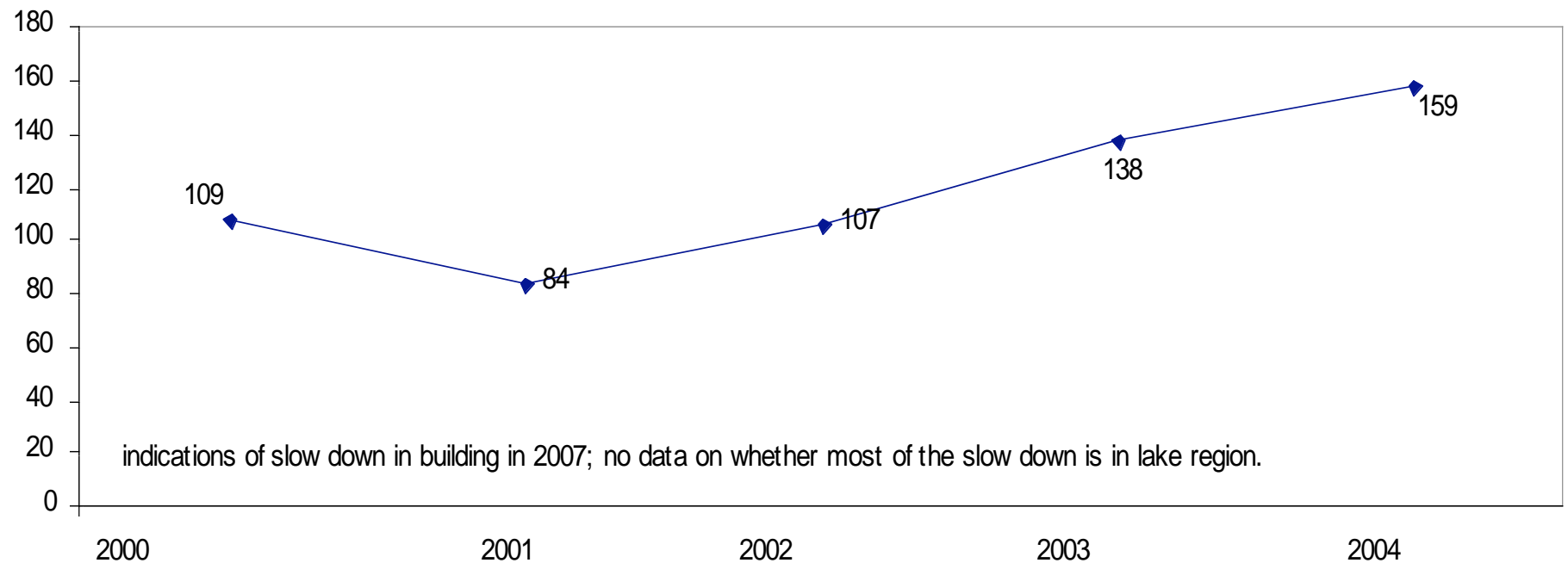
- 16,761 housing units of which 11,467 were occupied. (most non occupied homes are vacation homes and are occupied seasonally)
- Median Age of Stock is 32 years old
- Approximately 38% of homes are in fair to poor condition
- & Larger % have inefficient heating systems, limited bedrooms, asbestos siding and/or lead based paint.

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Housing Pipeline

Non Lake Area Single Family Home Permits



Through 2004 very few other types of building (duplex and TH) done outside lake area

Research



Summary of Garrett County Building Trends—Lake Area

- 1/2 permits issued from 2000 to 2004 were in Lake area
- 76 % of new single family home, duplex and town home construction since 2000 is in Lake area; 35% higher builder declared value than other parts of county.



Summary of Building Trends Outside of Lake

- Between 100 and 120 new homes come on the non-lake market in a year.
- As of 2005 and according to comprehensive plan scenarios, there are approximately 500 non Lake area homes in the pipeline.

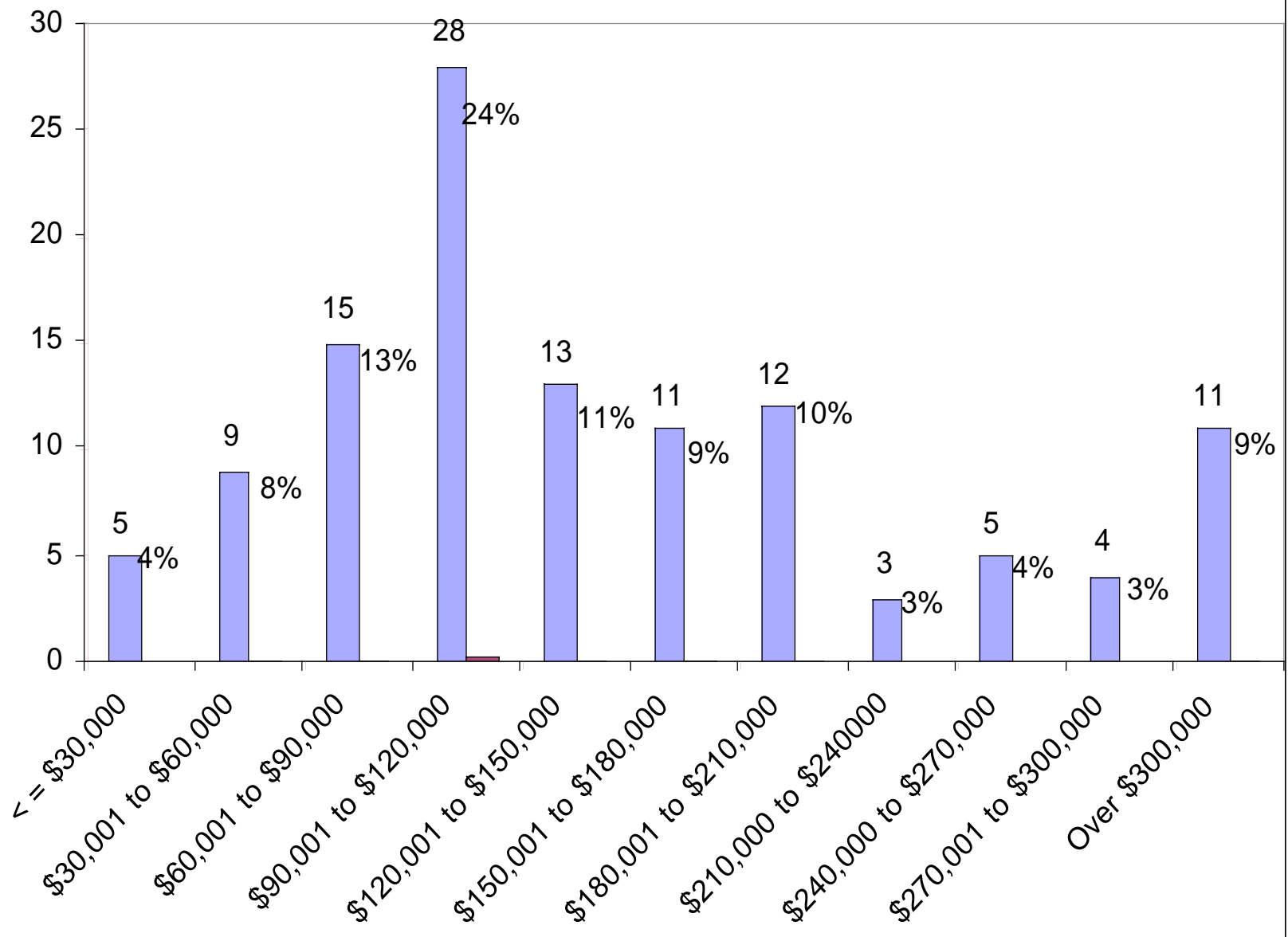
Analysis of July 2005 to July 2006 New Home data indicates

- 124 new homes (no DCL) were completed
- Median value (home only) was \$125,490
- Average value (home only) \$155,335

Research



Non Lake New Home Values 2006 (HOME ONLY)





House Values—Existing Units

In 1990

- 86.7% homes valued under \$100,000
- \$60,200 median value

In 2000

- 65.1% homes valued under \$100,000
- \$86,400 median value

44% increase in median value (includes lake area)

Sales for 2005 and much of 2006 (no Lake area)

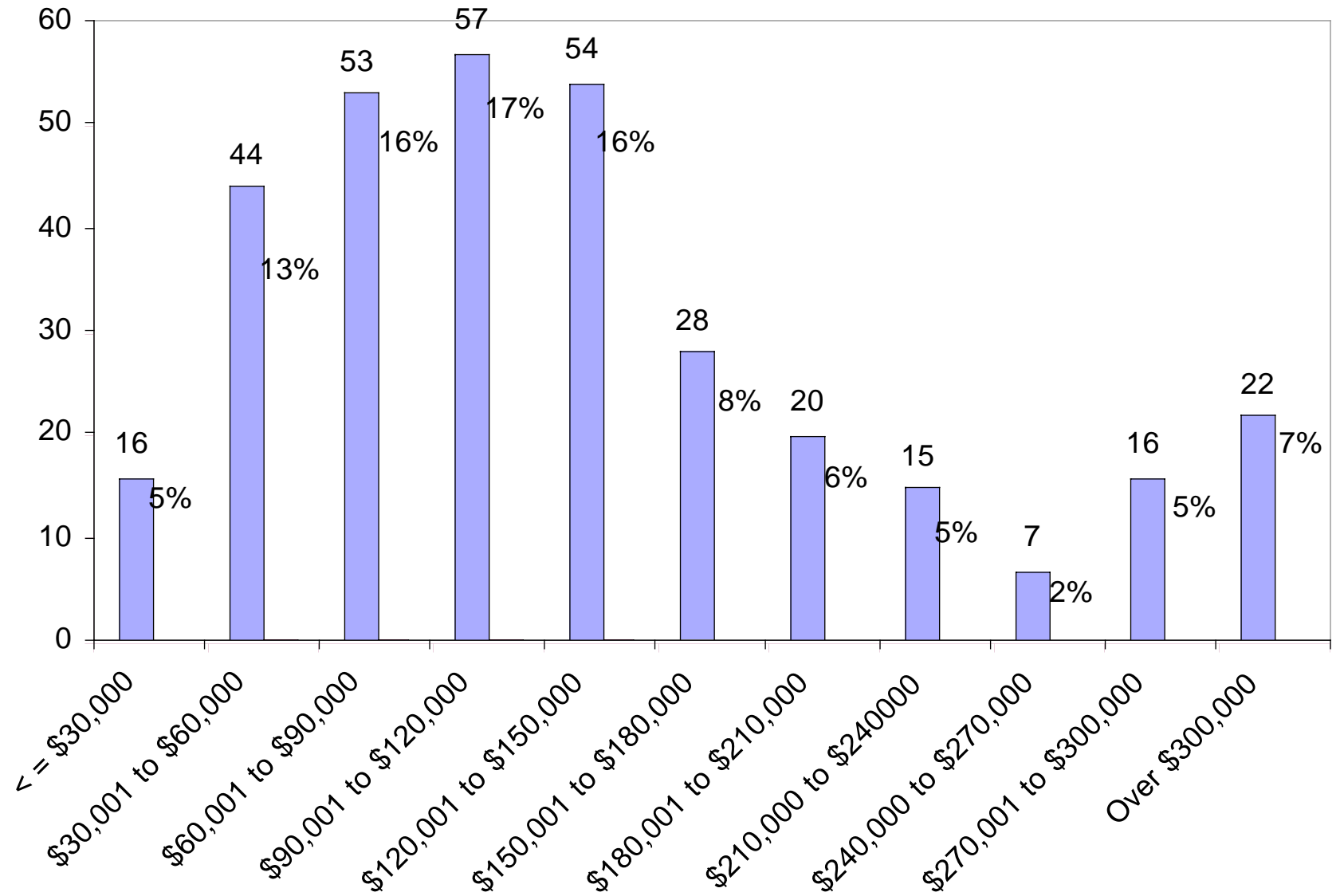
Median sales price \$120,000

Average sales price \$140,391

336 sales over about a 20 month period



Non Lake Sales 2005 to Sept. 2006



Research



14 properties Currently Listed on MLS Under \$160,000

Bd/ba	price	built	
2/1	\$154,000	1974	Chalet
2/2	\$152,500	1979	Chalet
1/1	\$150,000	1974	Chalet
2/1	\$150,000	1963	Mobile
3/1	\$149,000	1952	
1/1	\$145,000	1910	
2/1	\$139,900	1997	Chalet
3/1	\$136,900	1905	
3/1	\$134,900	1971	
3/2	\$117,400	1989	Mobile
3/1	\$110,000	1950	
3/1	\$109,900	1951	
3/2	\$89,900	2002	Mobile
2/1	\$68,000	1989	Mobile

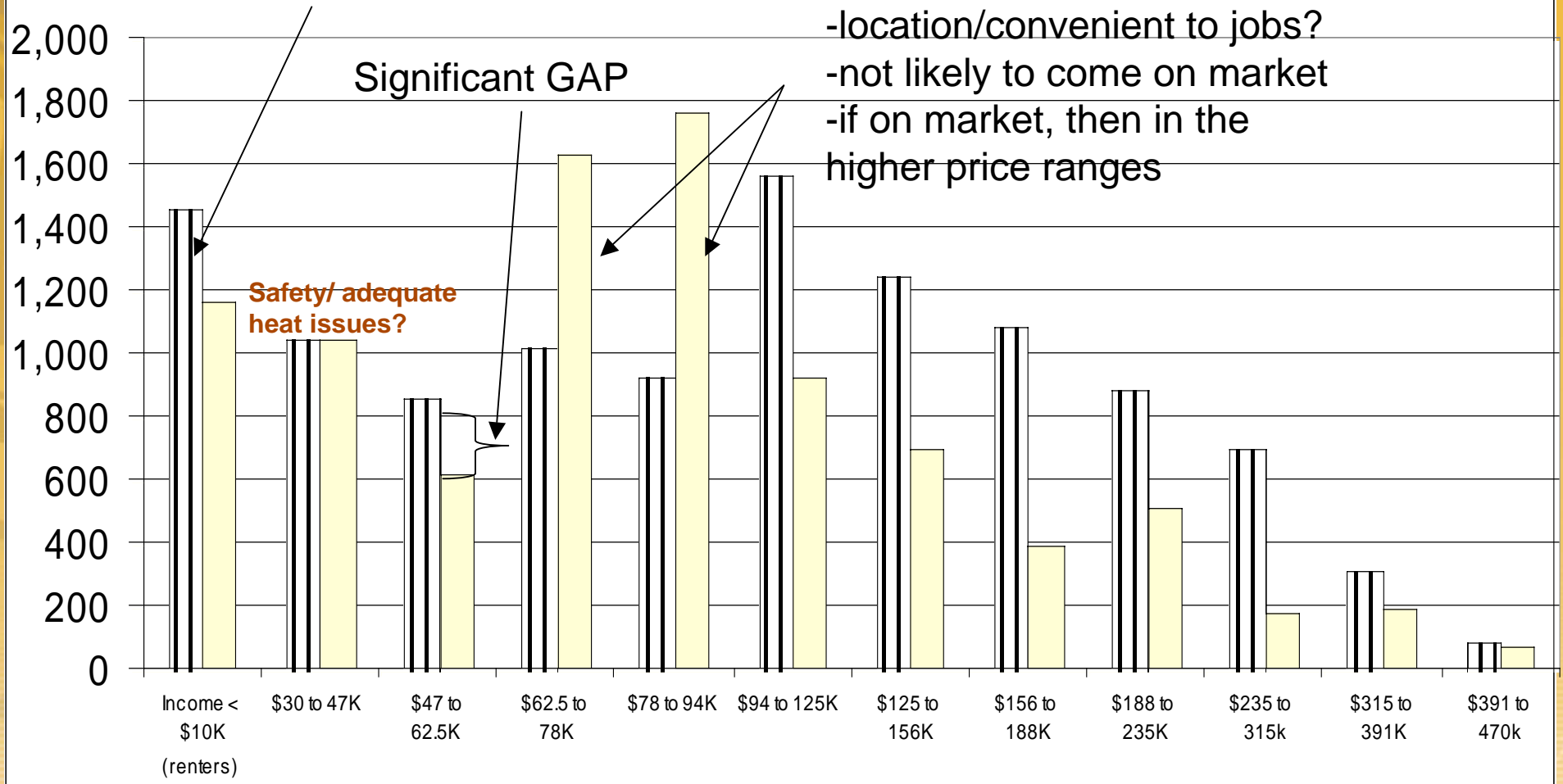


Zip code	Average List Price Week Ending July 4, 2007
21541	\$534,892
21561	\$527,926
21520	\$426,606
21550	\$344,467
21536	\$250,214
21531	\$244,532
21522	\$216,600
21538	\$69,833

Owner Occupied House Values Compared to Household Affordable Mortgages 2000

Households Can Afford Mortgage
 # Houses Valued

New GCCA rentals filling this gap



Research



Future Population

- Projected on-going population growth for county
- Education, health and social service jobs surpassing retail which was prominent in 1990s
- Residents are securing management, professional, sales and office positions with commensurate higher incomes

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Incomes and “Affordable” Mortgage

2007 HUD est. Family Median Incomes	Annual Income	Affordable Home Price**
175% Median	\$83,650	\$275,000
150% Median	\$71,700*	\$236,000
125% Median	\$59,750	\$197,000
Median	\$47,800	\$158,000
75% Median	\$35,850	\$118,000
50% Median	\$23,900	\$79,000

* 70% of families in GC make less than \$67,800

** 5% down, 7% interest, PI 25% gross income



Issues Identified in Ellis Affordable Housing Study of GC

- Median household income is not keeping pace with the rising housing costs (pushed by Lake area).
- Builders have not been inclined to build spec homes b/c demand is high and construction profits are higher at Lake
- Lack of affordable land inhibits new lower costs SFH construction
- Condition of existing housing stock is an issue for lower income buyers
- Smart Growth policies at state level may impact ability to provide more affordable infrastructure in unincorporated areas of county
- On-going growth in population and aging population are impacting need for affordable housing
- There are variety of state programs focused on affordable housing; in GC, Community Action is primary provider of affordable rental housing and facilitator of first time home buyer programs



Identifying the Gap between what private market will provide and subsidized rentals

There is not good data available about who is having trouble purchasing a home. Following conclusions based primarily on:

- home values in county compared to family incomes,
- sales information (no lake properties),
- new home values (no lake properties),
- age of housing stock, and
- condition of housing stock.

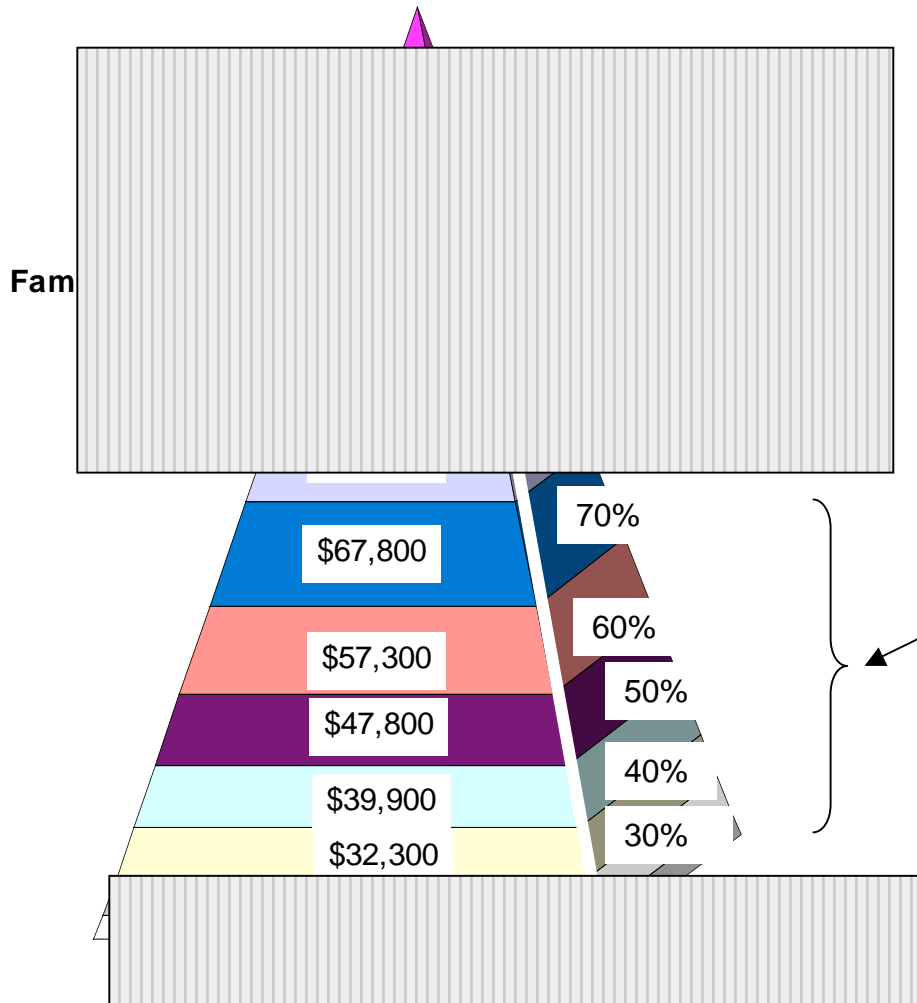
Research



Conclusions

- Families looking for homes priced under \$120,000/\$150,000 in central part of County (where most jobs are being developed) and under \$80,000 in outlying areas will have difficulty finding safe homes that meet their needs. (They could find homes in their price range that need significant work.)
- Families looking for homes between \$120,000 and \$230,000, will find a general lack of stock.

Family Income 2007



FY 2007

Assuming housing stock over \$230,000 is being met by the private market

40% of GC Families are in this target range

Assuming households under 50% of median income (\$23,900) can not afford homeownership

Research



% of GC Families	2007 Incomes (HUD estimate)	Affordable home price*
30% Families	< \$32,300	\$106,000
40% of Families	< \$39,900	\$131,500
50% of Families	< \$47,800	\$157,500
60% of Families	< \$57,300	\$189,000
70% of Families	< \$67,800	\$223,000

Available stock likely needs repair

Limited amount of stock

*assume 5% down; 7% interest rate; and PI 25% of gross income