

**A HOUSING NEEDS STUDY AND MARKET  
DEMAND ANALYSIS OF:**

**WARREN  
COUNTY, NEW  
YORK**

# **A HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS OF:**

# **WARREN COUNTY, NEW YORK**

Report Date: October 2, 2023

Research Period/Effective Date: January 2023 – May 2023

Prepared for:  
Warren County Board of Supervisors  
1340 State Route 9  
Lake George, NY 12845

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October 2, 2023

Warren County Board of Supervisors  
Warren County Planning & Community Development  
1340 State Route 9  
Lake George, NY 12845

Re: Warren County New York Housing Needs Study and Market Demand Analysis

Dear Kevin Geraghty Chairman, Warren County Board of Supervisors:

Pursuant to your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting (“Novogradac”) has performed a comprehensive housing market study and needs analysis for the Warren County, New York area.

The purpose of this engagement is to conduct and provide a housing needs and market demand analysis for Warren County, New York. The report will be utilized by Warren County (“Client”) and partner organizations to assess current and future housing needs and market demand. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report includes the following based upon our conversations with the client and the indicated scope in the engagement.

- Executive Summary
- Housing Needs
- Demographic & Economic Analysis
- Housing Inventory
- Market Demand Analysis
- Implementation Strategies & Recommendations

The report consists of two documents. The first, referred to as the *Housing Needs Study and Market Demand Analysis* (this document) represents an executive summary of the report. The second, referred to as *Supplemental Materials*, contains the full detailed scope work and appendices for the study.

Warren County is the client in this engagement. As our client, Warren County owns this report and permission must be granted from them before another third party can use this document. Intended users include Warren County and Warren County Planning and Community Development Department. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

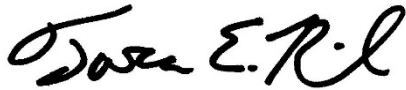
Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac



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# TABLE OF CONTENTS

<i>Motivation for Study from County</i> .....	1
<i>Overview</i> .....	2
<i>Research Design</i> .....	7
Methodology/Data Sources .....	7
Limitations .....	9
<i>Demographic Data</i> .....	14
<i>Economic Data</i> .....	17
<i>Housing Inventory</i> .....	20
For-Sale Market.....	20
Rental Market.....	30
<i>Housing Shortage</i> .....	41
<i>Housing Gaps</i> .....	48
<i>Interviews with Local Stakeholders</i> .....	49
Housing Needs .....	50
Impediments.....	53
<i>Recommendation &amp; Implementation Strategies</i> .....	56
Recommendation #1: Add Housing Supply with Focus on Addressing Identified Gaps.....	57
Recommendation #2: Manage/proactively respond to changes in demand .....	61
Recommendation #3: Leverage existing capacity, local and regional .....	63
Recommendation #4: Develop a strategy to attract new residents, particularly younger people .....	64
Recommendation #5: Leverage Opportunity Zones (OZ) designations.....	65

## Motivation for Study from County

Warren County, through the Planning Department, has a long history of involvement in housing assistance programs funded under the federal Community Development Block Grant (CDBG) Program, the federal HOME Program as well as other special housing programs funded by New York State (NYS). During 2021, the Planning Department, with authorization by the Board of Supervisors, applied for CDBG funding to undertake a Housing Needs and Demand Analysis Plan. Local officials, planning and development organizations have determined that there is a severe housing shortage of rental and single-family homes for the general workforce, seniors and lower income persons. Residents of Adirondack towns, particularly those employed in the tourism and hospitality industry, must compete for available housing with seasonal residents and the short-term rental market. The impact from COVID has dramatically increased home sales and purchase prices. There is limited housing available and much of the stock is out of reach for residents.

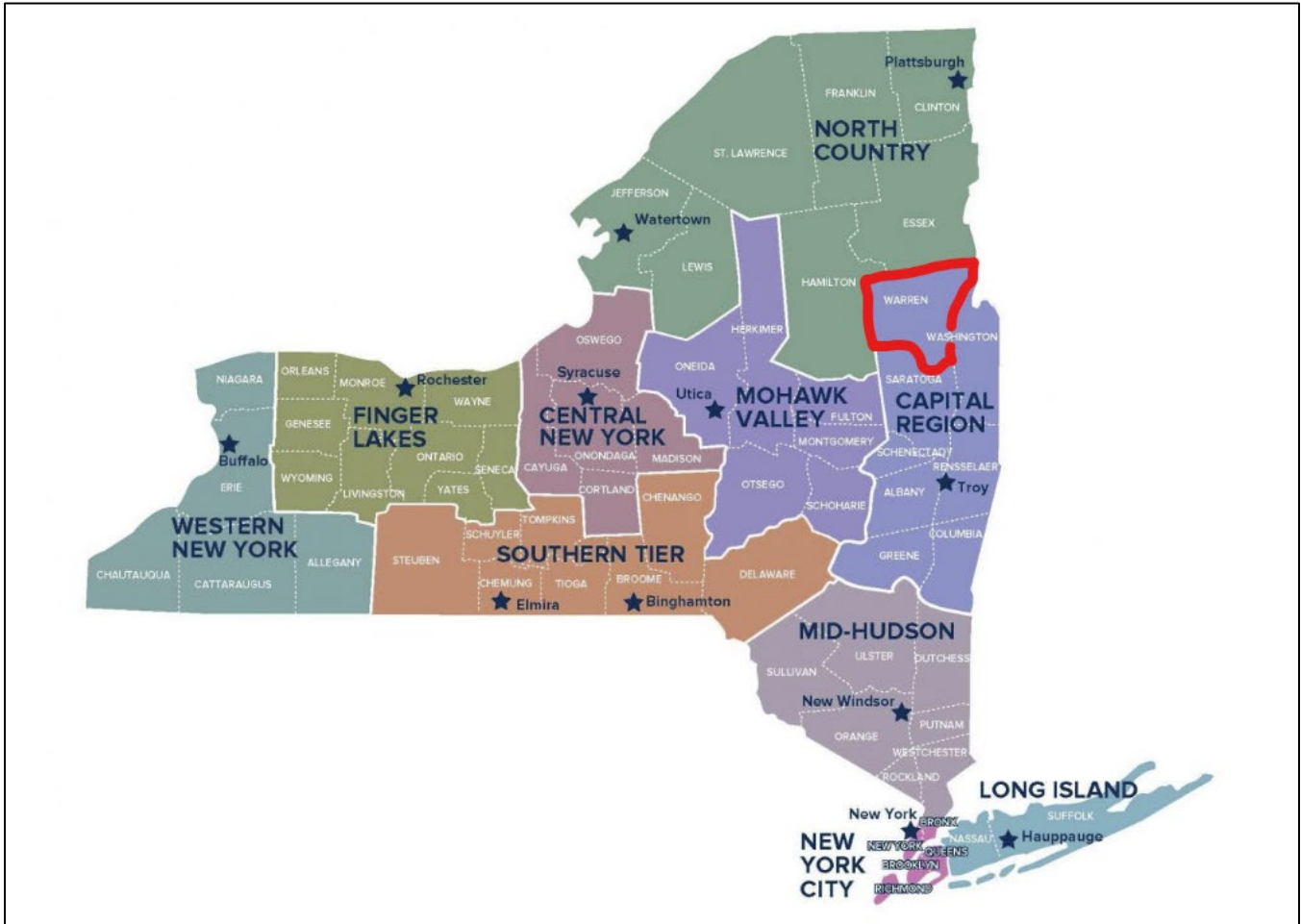
While the current Housing Needs Study and Market Demand Analysis is the first of its kind in Warren County, there have been a number of related reports conducted or underway for specific municipalities or target demographic groups within Warren County and the region. What makes this study unique is the market survey and demand analysis, which provide a more contemporaneous analysis of the current state of the housing market. We have, however, also included standard components of a Housing Needs Study including a high-level inventory of existing services and programs, summary of housing needs as identified by local stakeholders, and a summary of demographic and economic data.

## Overview

This report is primarily about Warren County. But one cannot talk about Warren County without:

- (1) situating it within its regional context,
- (2) acknowledging its internal variation, and
- (3) addressing the effects of the events of 2020 and the COVID-19 pandemic on the local housing market.

**Regional Context.** Warren County is located in the Glens Falls Metropolitan Statistical Area (MSA) along with Washington County. Both Warren and Washington Counties are also part of the Capital Region, which consists of Warren, Washington, Saratoga, Schenectady, Albany, and Rensselaer counties, and just south of the North Country Region, which includes Essex, Hamilton, Lewis, Jefferson, St. Lawrence, Franklin, and Clinton Counties, to the Canadian border. While the Capital Region is a center for technology and innovation strategically located to offer good access to most major metropolitan areas of the Northeast, the North Country is more rural consisting of small towns and cities. Warren County is also the southern gateway to the New York State Adirondack Park (AP), which at approximately six million acres is the largest state level protected area in the contiguous United States. The AP boundary, referred to as “the Blue Line” includes all of Hamilton and Essex counties, significant portions of Clinton, Franklin, Fulton, Herkimer, St. Lawrence, and Warren counties, and small portions of Lewis, Oneida, Saratoga, and Washington counties.

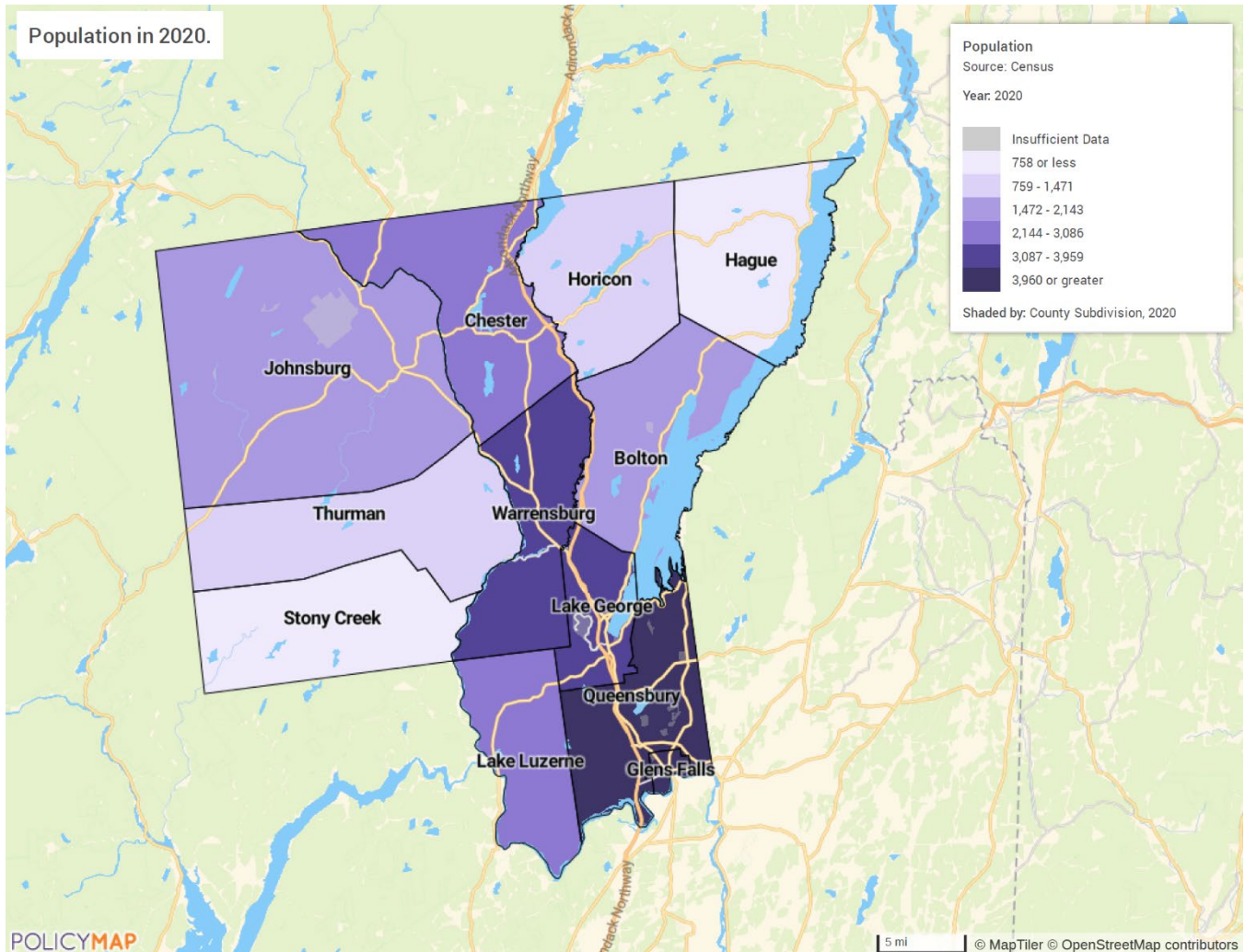


Source: Empire State Development

**Internal Variation.** Although Warren County itself is classified as urban (as defined by the U.S. Census Bureau) with a 2020 Census population of just over 65,000, as the southern gateway to the New York State Adirondack Park (AP), the county offers a wide variety of diverse communities ranging from the small city of Glens Falls and suburban lifestyle of the surrounding Queensbury to the small rural towns and village inside the Blue Line of the AP that include amenity rich tourist destinations such as the communities on Lake George well as the more traditional rural communities located west of Lake George. Although metropolitan by official definitions, much of the land and the population reside in rural communities and this dynamic can make it difficult to identify and compete for public resources. More specifically, the rural areas may not be eligible for select rural targeted programs given they are in a metropolitan county and the urban areas may not be competitive for urban



targeted programs given they are in competition with places like New York City. The following map illustrates the city/town boundaries as well as the spatial distribution of Warren County’s population as of the 2020 census.



Source:www.policymap.com

**Recent Changes.** Most secondary data sets like the U.S. Census Bureau’s American Community Survey (ACS) for smaller geographic areas are pooled over longer periods of time which currently span pre and post 2020, and as such do not yet fully capture the effects of the COVID-19 pandemic. This is particularly problematic for less densely populated and developed communities rich in natural amenities and located within a reasonable driving distance from multiple major urban centers such

as Warren County, which were disproportionately impacted by the effects of the events of 2020. In May 2023, Headwater Economics published a report titled *Amenity Trap: How High-Amenity Communities can Avoid Being Loved to Death*, which describes in detail the process and challenges that high amenity places such as Warren County currently face as well as potential high-level solutions. A brief summary of the report is included below as a backdrop to the narrative and empirical findings included herein.

“More than ever, people are visiting and moving to places with inspiring natural amenities: forests, lakes, beaches, trails, and wildlife. The influx of tourists and new residents into these cities and small towns brings economic opportunities” as “these amenities’ economic power extends well past tourism by helping to keep current residents and attract new ones” with many new residents to these areas first having visited as a tourist and it “can create a positive feedback loop whereby new businesses and services make a place even more attractive. It can also come with serious drawbacks [including] challenges of housing, infrastructure, fiscal policy, and natural disasters .... The paradox of a place with natural attractions that make it a great place to live but also threaten it with being “loved to death” is what is known as the **amenity trap.**” (Headwater Economics 2023)

While many of the housing issues that Warren County is facing are not unique, its geographic location and internal variation certainly are. First, as the gateway to the Adirondack Park, Warren County lies on the border of the more developed and economically diverse counties to the south and the more rural counties of the Adirondacks and Northern Forest to the north. Second, this diversity is also evident within the county. The county has a small city (Glens Falls) and suburban town (Queensbury) as well as rural towns with hamlet centers. The county has areas dependent on outdoor recreation and tourism in the winter, areas dependent on outdoor recreation and tourism in the summer, areas dependent on construction, and with the sole comprehensive acute care community hospital in northeastern New York, areas dependent on the healthcare/social assistance industry. The county has school districts ranked in the top quintile as well as school systems ranked in the bottom quintile. The county has towns with a 2022 median sale price of over \$400,000 as well as towns with a median sale price below \$200,000. The county consists primarily of single-family homes followed by

duplexes and mobile homes, and the limited supply of large (20 or more units) multifamily development is geographically concentrated in the southern portions of the county, outside of the Adirondack Park boundaries, otherwise referred to as outside of the “Blue Line”. The county has areas where vacancy is driven by seasonal/recreational/occasional use, and those where vacancy is driven by homes that are unavailable for other reasons, including, for example, homes not available for occupancy due to the need for significant repairs. The countywide changes in demand, housing shortages, and rent/price increases may have begun in the more recreation amenity/tourism heavy areas of the county, the impacts have since begun to spread to other areas of the county. Thus, while it is important to understand the needs of each city/town/village, it is also important to recognize that these issues do not happen in a vacuum as such a countywide and regional perspective is also important.

“How communities respond to the amenity trap varies, but they generally fall into one of three broad categories: wait, plan, or react. “When a community waits, it holds off on policymaking, often in hopes that problems will abate or resolve themselves, or there emerges sufficient political will to change current policies. Meanwhile, pressures continue unabated and the challenges compound over time ... Reactive strategies seek to stop growth and could include limiting building permits, water taps, or establishing strict growth boundaries or zoning restrictions. These approaches can have the immediate effect of slowing down growth. They do have medium- and long-term consequences, however, that can make a community less livable. The unintended consequences of reactive approaches can include unattainably expensive housing, long commutes for workers, wider income disparities, and a limited tax base ... Proactive strategies seek to anticipate and direct growth rather than be subject entirely to the pressures of the market. Proactive strategies include investing in local capacity, implementing a forward-looking housing program to address housing supply and demand, and making sure that tax policies capture and invest revenue to ensure the costs of growth management programs are funded appropriately and adequately ... There may not be a magic formula, and each community will have to navigate its own solutions, but the common themes of proactive action, regional support, and creative leadership can help avoid the amenity trap

and make destination communities more livable, successful, and places of opportunity for everyone.” (Headwater Economics 2023)

## Research Design

### Methodology/Data Sources

This report uses a mixed-methods research design utilizing both primary data (data collected firsthand by Novogradac, for example from interviews, market survey, and field work) and secondary data (data collected by parties other than Novogradac, for example from administrative sources such as the Census Bureau). Primary data was collected via interviews with local stakeholders, a market survey of rental properties, and field work. Primary and secondary data were collected and analyzed over the course of a five-month period beginning in January 2023 and concluding in May 2023.

- First, interviews were conducted with key stakeholders by telephone, zoom, or in-person and averaged approximately one hour. Key stakeholders were identified in consultation with the client and requests to participate were sent via email/phone/online portals. In total, 27 key local stakeholders representing the public (government), private (professional housing services/experts, developers, major employers), and nonprofit (developer, philanthropy) sectors, were interviewed for the purposes of this report.
- Second, a market survey was conducted of all rental properties with 20 or more units. All properties were contacted by phone/email/online portal. In total, information was collected on 12 subsidized/affordable properties and 29 large (20 or more units) market rate properties in Warren County. Information was compiled via Novogradac’s Rent Valuation Toolkit.
- Third, Novogradac conducted field work in early April 2023 including a windshield survey of the existing housing stock and city/town centers of each of the city/towns in Warren County as well as a variety of in-person interviews. The survey and in-person interviews were conducted between April 4, 2023 and April 8, 2023.

Secondary data was collected and analyzed from a variety of sources including, but not limited to, the following:

- U.S. Census Bureau
- Esri Demographics
- U.S. Bureau of Labor Statistics
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Agriculture (USDA)
- HISTA; Ribbon Demographics, LLC
- Global MLS Data for Warren County
- SalesWeb; New York State Office of Real Property Tax Services
- New York Department of Labor
- New York Homes and Community Renewals
- Novogradac, Affordable Housing Resource Center
- Novogradac, Opportunity Zone Resource Center
- PolicyMap
- Cornell University Program on Applied Demographics
- CoStar
- AirDnA
- Saratoga, North Country Continuum of Care (SNC CoC) network (NY-523)
- Zillow
- CoStar
- Hotpads
- Local Housing Solutions
- Self Sufficiency Earnings Estimator
- Housing + Transportation Index
- Adirondack State Park
- Prior local housing documents/reports including for example prior housing needs assessments, comprehensive plans, zoning codes, planning board minutes, and short-term housing ordinances.
- Stakeholder websites, materials/reports, and interview data
- Review of professional and academic publications on relevant housing issues such as the effects of 2020 on housing markets, high amenity communities, rural areas, and more, for example reports published by Headwater Economics, Adirondack Foundation, Northern Forest Foundation, Harvard Joint Center for Housing Studies, NYU Furman Center, University of New Hampshire, Carsey School of Public Policy, High Country News, Albany Business Review, Adirondack Explorer, Rural Housing Coalition of New York, National Low Income Housing Coalition

For additional information please see the appendix titled Acknowledgements & Data Sources.

## Limitations

As with all research projects, there were a variety of limitations encountered throughout the course of this work - some unique to this project and others that apply to this type of work more generally. There are two study level limitations that are noteworthy here and then a more detailed discussion of data set specific limitations is included, where appropriate, at the beginning of the respective chapter.

First, nonresponse/missing data. There were a number of local stakeholders, property managers, and landlords that we attempted to contact for an interview that either unavailable to participate within the five-month study window, could not be contacted, or refused to participate in the study. The reasoning for the missing data is likely varied with some likely due to lack of understanding or familiarity with this type of work, others attributable to changes in organizational leadership, others due to interview/survey fatigue due to the numerous similar types of projects being done in the region recently/simultaneously, and still others due to a conflict of interest whereby perceived outcomes of work such as this could run counter to the individual/organizational self-interest. Based on our experience in other markets, some nonresponse is normal, particularly among certain stakeholder groups. Based on our conversations with local stakeholders that did participate, our experience in Warren County was generally consistent with those most familiar with those stakeholders/groups that did not participate. Additionally, many smaller rental properties (20 or fewer units) lack contact information and/or only advertise when there is a vacancy. This type of supply is particularly common in the towns inside the Blue Line, and as a result real-time data on the rental market in these communities is more difficult to obtain. Nevertheless, we are confident that the data collected is sufficient upon which to base our findings and conclusions despite these limitations.



Second, secondary data limitations. The U.S. Census Bureau has numerous products relevant to this type of study including the decennial census, completed every ten years, and the American Community Survey (ACS), a nationwide survey that collects and produces information on social, economic, housing, and demographic characteristics about our nation's population every year. Both provide important tools for communities to use to see how they are changing, but there are differences, particularly in data collection methodologies, that warrant mentioning here given the seasonality of Warren County's population and housing market. The decennial census is based on the principle of "usual residence" as of the reference period (usually April 1 of census year). The ACS uses the "current residence" rule and includes information on all people living in the housing unit at the time of the survey as long as the stay at the address will exceed two months. The implications of these data collection differences are summarized as follows by the U.S. Census Bureau: "The differences in the ACS and census data as a consequence of the different residence rules are most likely minimal for most areas and most characteristics. However, for certain segments of the population, the usual and current residence concepts could result in different residence decisions. Appreciable differences may occur in areas where large proportions of the total population spend several months of the year in areas that would not be considered their residence under decennial census rules. In particular, data for areas that include large beach, lake, or mountain vacation areas, or large migrant worker communities may differ appreciably between the decennial census and the ACS if populations live there for more than two months."

There are several features with the U.S. Census Bureau's American Community Survey (ACS) that readers should be aware of at the outset. We provide a brief description here and a more detailed description can be found at the front of the appropriate chapter(s). We want to start by reaffirming that the ACS continues to be the gold standard and the primary data source relied upon by funding agencies, governments, and researchers around the country for demographic, economic, housing, and social data about the country, particularly for smaller geographic areas such as the city/towns within Warren County.

- First, the ACS is based on a sample rather than a census, and as such the ACS estimates are subject to sampling and non-sampling error. A margin of error (MOE) is a measure of the possible variation of an estimate based on a sample around the actual population value. At a specified level of confidence, the sample estimate and the actual population value will differ by no more than the value of the margin of error. More specifically, for the ACS, MOEs are provided at a 90 percent confidence level, the U.S. Census Bureau standard, which means that 90 percent of the time, the population value will fall within the sample estimate plus or minus the MOE, the upper and lower bounds of which are referred to as the confidence interval. Further, there is generally a negative correlation between sample size and the magnitude of the margin of error. As a result, estimates based on small sample sizes typically have a larger margin of error and consequently are less reliable estimates. While having uncertain information may be better than having no information at all at times, at others, it may be misleading. For example, what may appear to be a difference between two geographic areas or within one area over time, may in fact just be due to chance. The question becomes how big is too big such that an estimate moves from being imprecise but useful to being misleading. The coefficient of variation (CV), which equals the  $MOE/1.645/estimate*100\%$ , is used to discern the reliability of the estimate. While there are no formal guidelines, some generally accepted thresholds are 15 percent and below (reasonably reliable), 15 to 30 percent (use with caution), and over 30 percent (low reliability). The following table provides an illustration of this concept.



**MEDIAN GROSS RENT, 2017-2021**

	Margins of Error (MOE)*	Coefficient of Variation (CV)*	Actual Median Gross Rent Within:		
			Minimum	Median Gross Rent Estimate	Maximum
Warren County	±27	2%	\$942	\$969	\$996
Bolton	±77	5%	\$859	\$936	\$1,013
Chester	±52	4%	\$732	\$784	\$836
Glens Falls	±45	3%	\$889	\$934	\$979
Hague	±252	19%	\$573	\$825	\$1,077
Horicon	±63	4%	\$867	\$930	\$993
Johnsburg	±172	12%	\$676	\$848	\$1,020
Lake George	±156	9%	\$897	\$1,053	\$1,209
Lake Luzerne	±129	8%	\$854	\$983	\$1,112
Queensbury	±88	5%	\$987	\$1,075	\$1,163
Stony Creek	±284	24%	\$441	\$725	\$1,009
Thurman	±69	4%	\$874	\$943	\$1,012
Warrensburg	±100	7%	\$782	\$882	\$982

\* MOEs and CVs utilize 90 percent confidence level.

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

First, as expected given the small number of total households and renter households in particular in Hague and Stony Creek, there is more variability in the estimates for these areas as indicated by larger MOEs and CVs.

Second, although the estimate for Stony Creek appears lower than other areas, taking into consideration the larger MOE, the median gross rent in Stony Creek is only statistically different from that of Queensbury and Lake George.

Further, the MOEs are critically important when making comparisons across geography and time. This report aims to focus on trends that are statistically different, meaning that we can say with some level of certainty that differences in the estimates (either across geographies or over time) are due to an actual difference rather than chance. In order to determine whether or not differences in estimates are significant (as opposed to occurring by chance), one must perform a simple statistical test that accounts for the error inherent in estimates based on a sample of a population. An explanation and tool produced by the Census Bureau for conducting such tests can be found here: <https://www.census.gov/programs-surveys/acs/guidance/statistical-testing-tool.html>. Unless noted otherwise, we relied on a confidence level of 90 percent consistent with the U.S. Census Bureau standard.

Overall, the ACS data is among the best data available, particularly for smaller communities, but we advise users to educate themselves about MOEs in order to ensure that the data is used appropriately and to avoid making erroneous conclusions.

- Second, the Census Bureau has established data quality standards for the ACS. In 2020, as a result of the COVID-19 pandemic, the ACS faced numerous challenges that ultimately contributed to the decision by the Census Bureau not to release the standard 1-Year 2020 ACS estimates as the data failed to meet the quality standard requirements. They did however release the 5-Year data under a waiver process despite it also failing the quality standard requirements. According to the Census Bureau, “the reason for this is that we believe there is a critical need for the ACS data as it is the only source of data for small geographic areas and that the margins of error published with each estimate allow data users to make informed decisions regarding the reliability of the estimate. While users are always encouraged to make use of the margins of error in their decision making, we further stress the use of caution when using estimates with high margins of error.” Additionally, given that 5-Year estimates are pooled, the Census Bureau expects similar impacts until the release of the 2025 5-Year ACS Estimates, which would no longer include data from 2020.
- Third, analyzing change over time has never been without complexity, but the COVID-19 pandemic significantly aggravated these complexities. More specifically, the five-year estimates represent a weighted average for the whole five-year period, as opposed to the

average of the five distinct one-year periods. In periods of general stability, the pooled five-year estimates are generally straightforward to interpret, but periods with abrupt change, such as that surrounding the COVID-19 pandemic, are less so. When analyzing trends over time, the U.S. Census Bureau strongly recommends against comparing data with overlapping time periods. Thus, for analyzing trends over time for smaller populations or geographic areas, we compared the 2012-2016 5-Year ACS data set to the 2017-2021 5-Year ACS data set. This approach does not however allow for a complete analysis of the impacts of the pandemic as the current estimates are pooled across a period that includes both pre (2017 through 2019) and post COVID (2020 and 2021) years. Where appropriate and meaningful, we have compared the 1-Year ACS estimates (2021 to 2019, 2018, and 2017) for Warren County.

Finally, because data presented herein comes from a variety of data sources which rely on various sampling designs and methodologies, some of which were discussed above, we caution the reader against attempting to match estimates across data sets. While the overall trends are generally comparable and reconcilable, specific estimates across data sets can vary.

## Demographic Data

Warren County is located approximately one hour north of the state capital at the southern gateway to the Adirondack State Park. The southern portion of the county is located outside of the Blue Line (i.e., outside of the Adirondack State Park boundary) and is the main population and service center for the county. The city of Glens Falls is approximately four-square miles in size and constitutes the southern county border with the adjacent Washington County and South Glens Falls. The city is densely populated and developed relative to other areas of the county. Queensbury surrounds Glens Falls and is generally suburban in nature, serving as a buffer of sorts between the urban Glens Falls and the more rural areas to the north. The following section summarizes demographic trends in Warren County:

- **Population.** Warren County’s population grew by a total of 3.8 percent from 2000 to 2010 and remained stable from 2010 to 2020. Since 2020 the population has decreased slightly to a 2022 total population of 64,885. Additional losses are projected in both the near and long term, but losses are projected to remain fairly steady and be limited in magnitude. The projected contractions are due to deaths outnumbering births as net migration began positive in 2020 and is projected to continue to increase through 2040.
  
- **Age.** Warren County has an aging population that is projected to continue to age for the foreseeable future. The median age in Warren County is 47.0 years, which is older than that of all of the other large counties in the region as well as the national average. Within Warren County, Glens Falls has a significantly lower median age (39.6) relative to other areas.
  
- **At-Risk/Special Needs.** Although with the exception of the senior population, Warren County’s vulnerable and special needs populations are generally smaller in magnitude and representation within the local general population relative to statewide and national trends, their needs are very real and very diverse. Additionally, while some groups are increasing in size (senior population, seniors with a disability, homelessness), others have decreased (veterans, people with incomes below the poverty level, households with cash or food stamps/SNAP benefits, households without a vehicle), in size and/or representation. It is important to note that a decrease in representation, i.e., percent, could be attributed either to an increase in the non-special needs population or a decrease in the special needs population. Additionally, a decrease in the special needs population could be attributed to improved circumstances for the population, or displacement of the population to a different geographic area. Both are plausible based on the empirical evidence available.
  
- **Households.** As of 2022 there are 28,802 households and 9,779 senior (65+) households in Warren County. The number of all households in the county is projected to remain stable through 2027 while the number of senior households is projected to grow, albeit at a slower rate than that projected nationwide.

- **Households by Size:** The majority of households in the county are one- and two-person households. As of 2022, the average household size in Warren County was 2.2 persons per household, smaller than the national average household size of 2.5 persons per household. The average household size in both the county and nation is projected to decrease through 2027. Within the county, the average household size is smallest in Bolton at 2.0 persons per household and largest in Stony Creek at 2.5 persons per household. The average household sizes are projected to remain stable or contract in all city/towns, with the exception of Stony Creek where a small increase is projected.
  
- **Median Household Income.** The median household income in Warren County as of 2022 was \$67,244, only slightly below the nationwide median household income of \$72,414. The median household incomes of Bolton, Chester, Hague, Horicon, Lake George, and Queensbury are above the county median household income; all other city/towns have median household incomes below the county average, particularly Johnsbury. Median household incomes are projected to increase in all city/towns with the strongest growth projected in Bolton and Lake Luzerne and the weakest growth projected in Johnsbury thereby further widening the gaps between the median household income of Johnsbury with that other towns in the county. The median household incomes of senior households in Hague, Bolton, Horicon, and Lake George are above the county median household income; all other city/towns have median senior household incomes below the county average, particularly Stony Creek. With the exception of Thurman and Stony Creek, median household incomes for senior households are projected to increase in all city/towns with the strongest growth projected in Bolton and Queensbury and the weakest growth projected in Johnsbury and Warrensburg. The median household income of seniors in Stony Creek is projected to remain stable while that in Thurman is projected to decrease. These growth trends will further widen the gaps between the median household incomes of senior households in Stony Creek and Thurman with that of other towns in the county.

- **Tenure.** As of 2022 approximately 70.2 percent of occupied housing units in Warren County were owner-occupied, above the national average of 64.6 percent. Warren County has historically been and will continue to be dominated by the owner market. Owner households are more prevalent among all households than their renter counterparts in all of the towns, particularly in Hague, Horicon, Stony Creek, and Thurman, and among senior households in Glens Falls. Glens Falls is the only city/town located within the county where there is a fairly even distribution of renter and owner households (among the general population). Senior occupied owner and renter units are both projected to increase through 2027 with Warren County adding 633 senior owner-occupied units and 254 senior renter-occupied units. Seasonal/occasional/temporary units are classified as vacant housing units; tenure data is based on occupied housing units.
- **Households by Income, Age, and Tenure.** Nearly half (48.3 percent) of all renter households in Warren County have incomes ranging from \$10,000 to \$50,000; this is more than national trends (36.3 percent). Conversely, Warren County has fewer extremely low-income renter households when compared to the nation as a whole. The majority (52.6 percent) of senior renter households in Warren County have incomes in the lowest cohorts, but these income cohorts are still underrepresented relative to national trends (60.2 percent). Warren County also has a significantly larger percentage of senior renter households with middle incomes. More specifically, Warren County has a significantly larger percentage (12.8 percent) of senior renter households with incomes ranging from \$75,000 to \$99,999 when compared to national trends (6.4 percent).

## Economic Data

Warren County has a rich history steeped in manufacturing (medical device and paper), an industry that continues to be active through modern times alongside other main economic drivers of today including healthcare and educational services. Summer and winter tourists come to the county for its outdoor recreation amenities including Lake George and Gore Mountain, and a sizeable percentage of the labor force filling these seasonal jobs are temporary J1 (exchange visitor visa for

educational and cultural exchange programs designated by the Department of State, Bureau of Educational and Cultural Affairs) and H2B visa (nonimmigrant program permitting employers to temporarily hire nonimmigrants to perform nonagricultural labor services in the United States) holders.

Employment in Warren County is concentrated in the healthcare/social assistance, retail trade, and educational services industries, which collectively comprise 40.4 percent of local employment. The large share of Warren County’s employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, Warren County also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods, and this industry has increased in size and representation within the local employment market since 2010. Though the immediate economic effects of the pandemic on total employment and unemployment were less severe with fewer job losses and a smaller increase in unemployment, the recovery locally has been slower with total employment and labor force participation as of the end of 2022 remaining below pre pandemic levels despite an increase since 2018 and 2019 in the civilian noninstitutionalized population ages 19 to 64 in the labor force.

The mean travel time to work in Warren County as of 2021 was 22.3 minutes, which is generally in line with that of that of neighboring counties and the nation. The largest number of workers commute 15 to 19 minutes, but there is also a sizeable minority of commuters who drive 30 or more minutes for work and the percentage of remote workers increased from 2.1 percent in 2017 and 4.3 percent in 2019, to 12.7 percent in 2021. Employed residents of Warren County are slightly more likely to be employed outside of the county (51.8 percent, or 14,304 persons) than within (48.2 percent, or 13,320 persons). Of those employed in Warren County, the majority (58.8 percent, or 19,027 persons) commute in from outside. There is however some variation depending on earnings with the lowest paying and highest paying jobs more likely to be filled by people commuting in. At all earning levels, Warren County is a net importer of labor. Among employed residents, those with the lowest earnings are just as likely to be employed in the county as they are to commute outside of for employment; those with moderate earnings are more likely to be employed within the county; and

those with higher earnings are more likely to be employed outside of the county. Residents that commute out of the county for employment are most likely to commute to Saratoga Springs (1,401 jobs) or Albany (964 jobs). Commuters into the county are most likely to be coming from Hudson Falls (1,147), New York City (956), South Glens Falls (601), Fort Edward (440), and Saratoga Springs (252) and these sending locations are consistent across the earnings distribution. There are a variety of possible explanations for this, including general preferences, the county's excellent access to adjacent employment centers via Interstate 87, the disproportionate number of retirees in Warren County which forces employers to recruit from outside the county limits, and/or the lack of affordable and/or available housing.

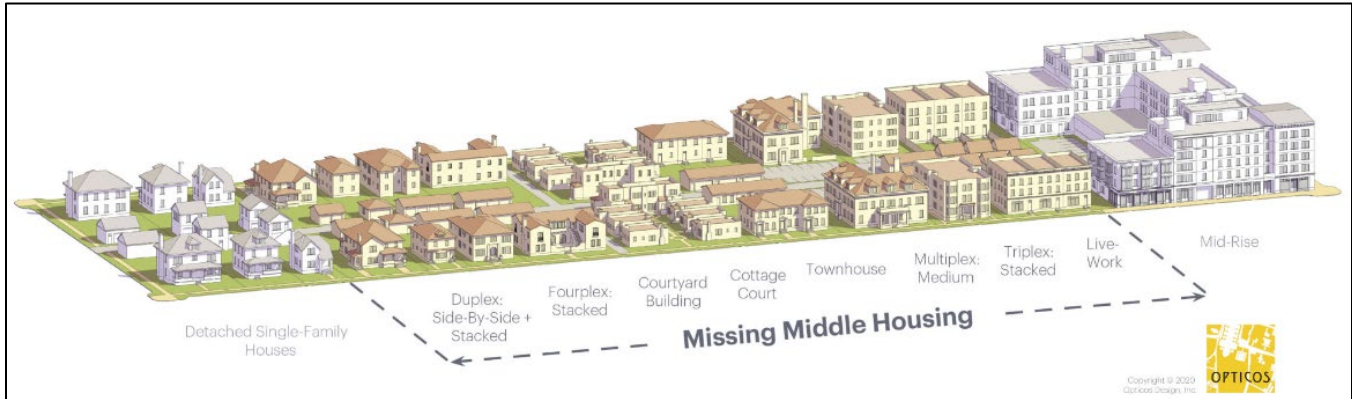
In 2020, the MSA experienced a loss in total employment of 5.9 percent, slightly less severe than that nationwide which is noteworthy given the importance of tourism to the area, an industry that was significantly impacted in the early term of the pandemic. From December 2021 to December 2022 total employment in the MSA increased by 0.6 percent, less than the nationwide growth of 2.0 percent. The local economy has not yet however regained all of the jobs lost in the pandemic despite two years of employment growth; meanwhile the nation as a whole surpassed pre pandemic total employment in 2022. The unemployment rate in the MSA has historically remained slightly below that of the nation during economic downturns and this held true in 2020 following the onset of the COVID-19 pandemic. This is likely attributable to the composition of the labor force with some at or near retirement who may choose to leave the labor force early as well as the reliance on temporary workers who are not eligible to remain in the country beyond some grace period absent employment. The unemployment rate in December 2022 in the MSA was 3.2 percent, generally similar to that of the nationwide unemployment rate of 3.3 percent and the unemployment rate in the MSA reported in December 2021. Overall, though the immediate economic effects of the pandemic on total employment and unemployment were less severe with fewer jobs lost and a smaller increase in unemployment, the recovery locally has been slower with total employment and labor force participation as of the end of 2022 remaining below pre pandemic levels despite an increase since 2018 and 2019 in the civilian noninstitutionalized population ages 19 to 64 in the labor force.



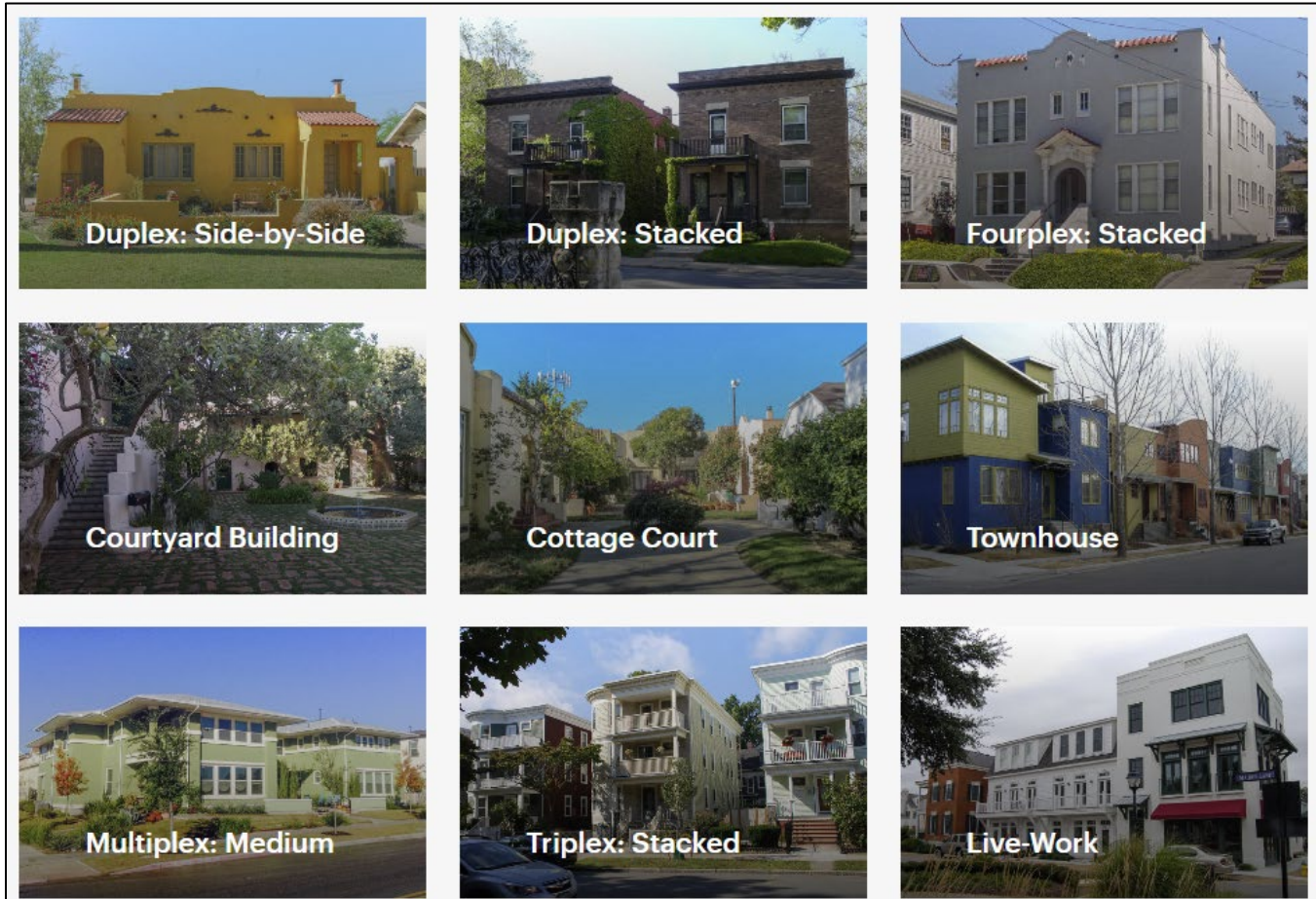
## Housing Inventory

In 2020 Warren County had 39,928 total housing units. From 2000 to 2022 Warren County added approximately 452 new housing units, an above average number relative to other counties in the Capital Region and North Country regions of New York. Without context, vacancy data in Warren County can be misleading. As of the 2020 Census, there were 10,864 vacant housing units in Warren County, or approximately 27.2 percent of all housing units were vacant. This is generally in line with the vacancy rates of other counties in the region with land in the Adirondack Park. Of the 10,864 vacant housing units, approximately 79.5 percent were vacant due to seasonal, recreational, or occasional use. These units are not available for year-round occupancy and as such any analysis of the overall vacancy rate alone can be misleading. The second most common (8.3 percent) type of vacant housing in Warren County is those in the “other” category. This category notably includes homes that are uninhabitable and in need of repair. Thirty (30) percent of Warren County’s housing stock was built prior to 1950. The average lifespan of a house is between 50 and 100 years depending on location and type of construction. At over 70 years of age, homes built prior to 1950 are likely at or beyond their lifespan absent a substantial repair.

In 2010 Daniel Paolek coined the term “Missing Middle Housing” to refer a range of building types that were fundamental to cities and towns pre 1940s, but after which waned in prominence with the application of conventional zoning by land use that typically divides neighborhoods into traditional cases of single-family residential, multifamily residential, commercial, industrial, et. Missing Middle Housing is defined as “a range of house-scale buildings with multiple units – compatible in scale and form with detached single-family homes – located in a walkable neighborhood” and is “missing” because it is a type of housing that is generally disallowed in single-family residential zones under conventional zoning practices. The types of structures that fit the Missing Middle Housing definition are wide ranging including buildings such as duplexes, triplexes, fourplexes, cottage courts, townhomes, and medium sized multiplexes. The following diagram and corresponding images illustrate types of Missing Middle Housing as it relates to the two most commonly understood types of housing, the detached single-family home and the large multifamily building.



The purpose of Missing Middle Housing is to provide a type of housing that can provide solutions to modern day housing challenges such as affordability, accessibility, and walkability, but also be compatible in scale with detached single-family homes. These types of structures are oftentimes particularly attractive to both younger persons and seniors alike, two demographic groups that are the focus of much debate within Warren County, the former due to its importance for the long-term viability of a place as well as its dwindling presence in Warren County, and the latter due to its increased prominence and rising needs as the population continues to age. Proponents advocate for form-based zoning, rather than conventional zoning noting that Missing Middle Housing buildings are more similar in form and scale to detached single-family homes than to modern day multifamily uses and yet are oftentimes only permitted uses in the latter zoning land use districts. Proponents of Missing Middle Housing argue that increasing production of these types of housing has the potential to better enable communities to address housing issues and needs and meet rising demand, but that conventional zoning creates insurmountable barriers because of a lack of dedicated zoning districts and development standards, ineffective mapping of zones, density-based zoning discouraging smaller units, challenges associated with parking requirements, and impact fees making multi-unit projects less economically feasible. Addressing these zoning impediments is a critical step towards addressing the missing middle in the housing stock.



Source: Missing Middle Housing, <https://missingmiddlehousing.com/>

Why is this important? First, smaller, multi-unit structures are more affordable to construct as well as purchase/rent and given supply shortages nationwide and in Warren County in particular, the current affordability challenges in the county are only projected to worsen absent sizeable investments in the housing supply, both in terms of the preservation of the older existing stock and the addition of new housing units. Second, the country, and Warren County in particular, are in the midst of a structure shift in its demographic composition. Demographers have estimated that by 2025, up to 85 percent of American households in America will be childless as younger generations marry later and have fewer or no children in larger numbers than previous generations and the number of empty nesters grows. Within Warren County, the median age is projected to rise from 45.9 in 2015 to 50.4 by 2040 (Cornell Program on Applied Demographics), well above the statewide projected median of 42.1 years. The housing needs and preferences of these demographic groups are different from those of

the traditionally dominant demographic groups and should be considered by local officials and planners.

In Warren County, 72 percent of all housing structures are detached single-family homes. The types of structures that fit the Missing Middle Housing definition are wide ranging including buildings such as duplexes, triplexes, fourplexes, cottage courts, townhomes, and medium sized multiplexes. MMH generally includes structures ranging from attached one-unit homes at the lower end of the housing spectrum to a maximum of 19 units at the upper end of the Missing Middle Housing spectrum. In Warren County, Missing Middle Housing potentially constitutes up to 23.4 percent of all housing structures; in contrast, these housing structures represent approximately 56.0 percent of New York's housing stock and 32.4 percent of the nation's housing stock. It is worth noting, MMH is about more than just structure, it is also about community continuity and consistency as well as walkability; thus, while the structures themselves may meet the definition of MMH, that alone does not constitute MMH. For example, within the county, Queensbury has a fairly large number of townhomes, but they are generally not located in walkable communities and are comprised within larger 20 or more-unit developments, and as such these units would not be considered MMH. Three-bedroom units are the most common bedroom type offered in the nation, state, and Warren County. Warren County also offers more two-bedroom units than the other areas and fewer one-bedroom and studio units; this is noteworthy given Warren County's smaller average household size relative to the nation as a whole. Further, the only bedroom size in Warren County that has statistically changed since the 2016 ACS is units with five or more bedrooms, which increased from 4.1 to 5.5 percent of the county's housing supply. Overall, the bedroom mix of the supply taken together with demographic trends and development patterns suggests that the mismatch between the housing stock and the demographic characteristics and needs of existing residents may be exacerbating by recent development patterns.

## For-Sale Market

The following section summarizes key trends in the for-sale housing market.

**Sale Market Data.** Data for this section comes from a variety of primary and secondary sources including the U.S. Census Bureau, Zillow, the local MLS system, New York Real Property Transfer Reports (via New York State Office of Real Property Tax Services), interviews with local real estate agents/brokers, and the Southern Adirondack Relators Association, Inc. Data points and trends will vary somewhat depending on the geographic area, source data, and methodologies, and these are summarized in this section.

**Inventory.** The local housing market exhibits seasonality, consistent with qualitative data provided in interviews with local stakeholders and as expected given the significance of the tourism and recreation industries in the county with the Adirondack Park and Lake George. On average, inventory has decreased in the Glens Falls, New York MSA since 2018, similar to nationwide trends, but the local decrease in inventory has been more substantial than the decrease in inventory nationwide. This could be attributable to a variety of factors including the increase in demand as well as the historically low interest rates of 2020 and 2021 which have contributed to homeowners who bought in this time period being more reluctant to sell and buy another home with a mortgage at today's considerably higher rates.

**Days to Sale.** According to Zillow, the median number of days from listing to pending sale in the Glens Falls, New York MSA decreased by 85 percent since 2018, currently averaging 13 days. According to local MLS sales data, the average days on the market in Warren County decreased from 117 in 2019 to 41 in 2022. While the average number of days on the market in Warren County appears to have increased to 55 in 2023, this is likely due to the seasonality of the local housing market as the average number of days on the market has historically been higher in the early parts of the year compared to the third and fourth quarters.



**Sale Prices.** On average, sale prices in Warren County have increased since 2019 and the magnitude of the increase depends on the type of structure, location, size, and year built. According to state transfer records for Warren County, from 2014 to 2022 the median sale price for single-family year-round residences at the time of the sale increased by 38 percent; the increase from 2019 to 2022 was 26 percent. There has been considerably more variation in median sale prices for mobile homes, though this is likely due to the smaller sample size where state records indicate between 10 and 20 mobile home sales annually. According to local MLS data, the median sale price for residential uses in Warren County increased from \$210,000 in 2019 to \$248,000 in 2020, \$259,450 in 2021, and \$280,000 in 2022, or by 18 percent (2019 to 2020), five percent (2020 to 2021), and eight percent (2021 to 2022). In total, from 2019 to 2022 the median sale price in Warren County increased by \$77,000, or 33 percent. It is worth noting that some of the increase was due to higher-than-average inflation. County-level increases were driven largely by sizeable increases in Bolton (\$230,000 or 53 percent), Chester (\$149,999 or 118 percent), Johnsbury (52 percent), and Thurman (51 percent). The largest growth from 2019 to 2020 occurred in Chester (97 percent) and Horicon (55 percent) followed by Lake George (36 percent) and Bolton (29 percent). The median sale price decreased in Lake Luzerne and Warrensburg while the median sale prices in Thurman and Glens Falls grew, but by less than that of other areas (less than 10 percent). The growth in median sale prices in Lake Luzerne, Johnsbury, Thurman, and Warrensburg occurred primarily/wholly in 2021 and 2022. Thus, while the initial increase in demand and price increase appears to have been mostly concentrated in the high tourism and second homeowner areas, these trends have since spread into other areas of the county. Condominiums in Lake George have a median sale price of \$155,375 and below; the majority, if not all, of these appear to be fractional ownership/timeshare sales and we caution the reader against drawing any conclusions about market prices for condominiums in Lake George based on this sales data. In general, more recently constructed homes and larger homes in terms of bedroom count sell for higher prices, though the magnitude of these trends varies by location.

WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

MEDIAN SALE PRICE

	MEDIAN SALE PRICE					GROWTH TRENDS (2019 - 2022)**			
	2019	2020	2021	2022	2023*	Overall	Trend Line	%	\$
Bolton	\$437,500	\$565,000	\$674,500	\$667,500	\$469,500	\$575,000		53%	\$230,000
Chester	\$126,000	\$248,745	\$279,900	\$275,000	\$370,000	\$232,500		118%	\$149,000
Glens Falls	\$162,750	\$171,725	\$189,750	\$213,500	\$192,500	\$180,000		31%	\$50,750
Hague	\$380,500	\$457,000	\$432,000	\$440,000	\$322,000	\$436,000		16%	\$59,500
Horicon	\$232,000	\$360,000	\$294,000	\$345,000	\$425,550	\$315,000		49%	\$113,000
Johnsburg	\$195,000	\$224,900	\$256,250	\$296,200	\$489,500	\$245,000		52%	\$101,200
Lake George***	\$285,000	\$387,000	\$334,000	\$375,000	\$374,900	\$350,000		32%	\$90,000
Lake Luzerne	\$210,450	\$185,500	\$240,000	\$262,500	\$177,500	\$218,000		25%	\$52,050
Queensbury	\$235,500	\$269,900	\$300,800	\$325,000	\$321,000	\$277,000		38%	\$89,500
Stony Creek	\$140,000	\$156,200	\$230,500	\$187,000	\$417,500	\$166,950		34%	\$47,000
Thurman	\$155,000	\$159,000	\$310,000	\$234,750	\$305,000	\$209,500		51%	\$79,750
Warrensburg	\$147,950	\$140,000	\$172,400	\$180,000	\$222,500	\$164,000		22%	\$32,050
<b>Overall</b>	<b>\$210,000</b>	<b>\$248,000</b>	<b>\$259,450</b>	<b>\$280,000</b>	<b>\$279,000</b>	<b>\$248,000</b>		<b>33%</b>	<b>\$70,000</b>

\* Through April 2023.

\*\* Growth trends are presented from 2019 to 2022; 2023 was excluded because of seasonality of the market and data is only through April and does not include the high season. The high point over the covered period is represented by a red dot.

\*\*\* The condominium sales in Lake George appear to be fractional ownership sales, which skews the overall Lake George average downward.

Highest median sale price over the entire period

Middle median sale price over the entire period

Lowest median sale price over the entire period

Source: Southern Adirondack Realtors Association Global MLS data, received May 2023

**List Prices.** As of May 2023, there were 133 current available listings for single-family homes, townhomes, and condominiums in Warren County with an average list price of \$414,000, well above the median price for closed sales in 2022 (\$348,000). Only 55 of the 133 current listings are priced below \$300,000 and of those 13 are likely fractional ownership/timeshare offerings as they are priced below \$100,000 in Lake George or Queensbury. The median list price for active listings is highest in Hague and Bolton followed by Lake George and the lowest median list prices for active listings are in Warrensburg, Glens Falls, Chester, and Lake Luzerne.

**Home Values.** List and sale price trends are heavily influenced by the supply that is listed and the supply that sells; more often than not, this is not representative of the entire housing supply in a given area. We also therefore provide data on home values. In general, and consistent with qualitative data provided in interviews with local stakeholders, communities surrounding Lake George have the highest median home values in the county while communities to the west, particularly Thurman, Stony Creek, and Warrensburg, as well as Glens Falls have the lowest median home values. As of the 2021 1-Year ACS, the median home value in Warren County was \$223,100, which is not statistically different from the 2019 1-Year estimate but does represent an increase from the 2018 median home value of \$195,200. According to Zillow, as of April 2023, the typical Warren County home is valued at \$305,985; this represents a 5.5 percent year-over-year increase. In addition to overall trends in home values, Zillow also provides disaggregated trends for each tier (high, middle, low) of the housing value distribution. From 2010 to 2019 the average annual growth in homes values in Warren County ranged from two (mid and top tier) to three (bottom) percent; from April 2020 to April 2023 however the average annual growth in home values in Warren County ranged from 13 (mid and top tiers) to 14 percent (bottom tier). Home values are projected to increase by an additional 4.6 percent over the next year.



WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

**Homeownership Affordability.** The following table illustrates homeownership affordability for the median household by city/town.

**HOMEOWNERSHIP AFFORDABILITY BY MEDIAN HOUSEHOLD INCOME AND MEDIAN SALE PRICE**

City/Town	Median Household Income <sup>1</sup>	Maximum Monthly Housing Expense <sup>2</sup>	Maximum Loan Amount <sup>3</sup>	Affordable Home @ 80% Loan to Value <sup>4</sup>	Affordable Home @ 96.5% Loan to Value <sup>4</sup>	Median 2022 Sale Price <sup>5</sup>	Affordability Gap @ 80% Loan to Value <sup>6</sup>	Affordability Gap @ 96.5% Loan to Value <sup>6</sup>
Bolton	\$71,173	\$1,661	\$256,091	\$320,113	\$265,379	\$667,500	(\$347,387)	(\$402,121)
Chester	\$65,608	\$1,531	\$236,048	\$295,059	\$244,609	\$275,000	\$20,059	(\$30,391)
Glens Falls	\$54,130	\$1,263	\$194,728	\$243,410	\$201,790	\$213,500	\$29,910	(\$11,710)
Hague	\$78,291	\$1,827	\$281,684	\$352,106	\$291,901	\$440,000	(\$87,894)	(\$148,099)
Horicon	\$70,231	\$1,639	\$252,699	\$315,874	\$261,864	\$345,000	(\$29,126)	(\$83,136)
Johnsburg	\$49,515	\$1,155	\$178,076	\$222,595	\$184,535	\$296,200	(\$73,605)	(\$111,665)
Lake George	\$76,252	\$1,779	\$274,284	\$342,855	\$284,232	\$375,000	(\$32,145)	(\$90,768)
Lake Luzerne	\$60,753	\$1,418	\$218,625	\$273,282	\$226,555	\$262,500	\$10,782	(\$35,945)
Queensbury	\$82,632	\$1,928	\$297,257	\$371,571	\$308,038	\$325,000	\$46,571	(\$16,962)
Stony Creek	\$55,336	\$1,291	\$199,045	\$248,806	\$206,264	\$187,000	\$61,806	\$19,264
Thurman	\$54,439	\$1,270	\$195,807	\$244,759	\$202,909	\$234,750	\$10,009	(\$31,841)
Warrensburg	\$54,409	\$1,270	\$195,807	\$244,759	\$202,909	\$180,000	\$64,759	\$22,909
<b>Warren County</b>	<b>\$67,244</b>	<b>\$1,569</b>	<b>\$241,906</b>	<b>\$302,383</b>	<b>\$250,680</b>	<b>\$280,000</b>	<b>\$22,383</b>	<b>(\$29,320)</b>

<sup>1</sup> Source: Esri Demographics 2022

<sup>2</sup> Assumes a household spends a maximum of 28 percent of gross household income on total housing expenses.

<sup>3</sup> Assumes 30-year term at 6.75% interest. Calculated using saving.org loan value calculator available at <https://www.saving.org/loan-value/mortgage/2017?rate=6.75&years=30>

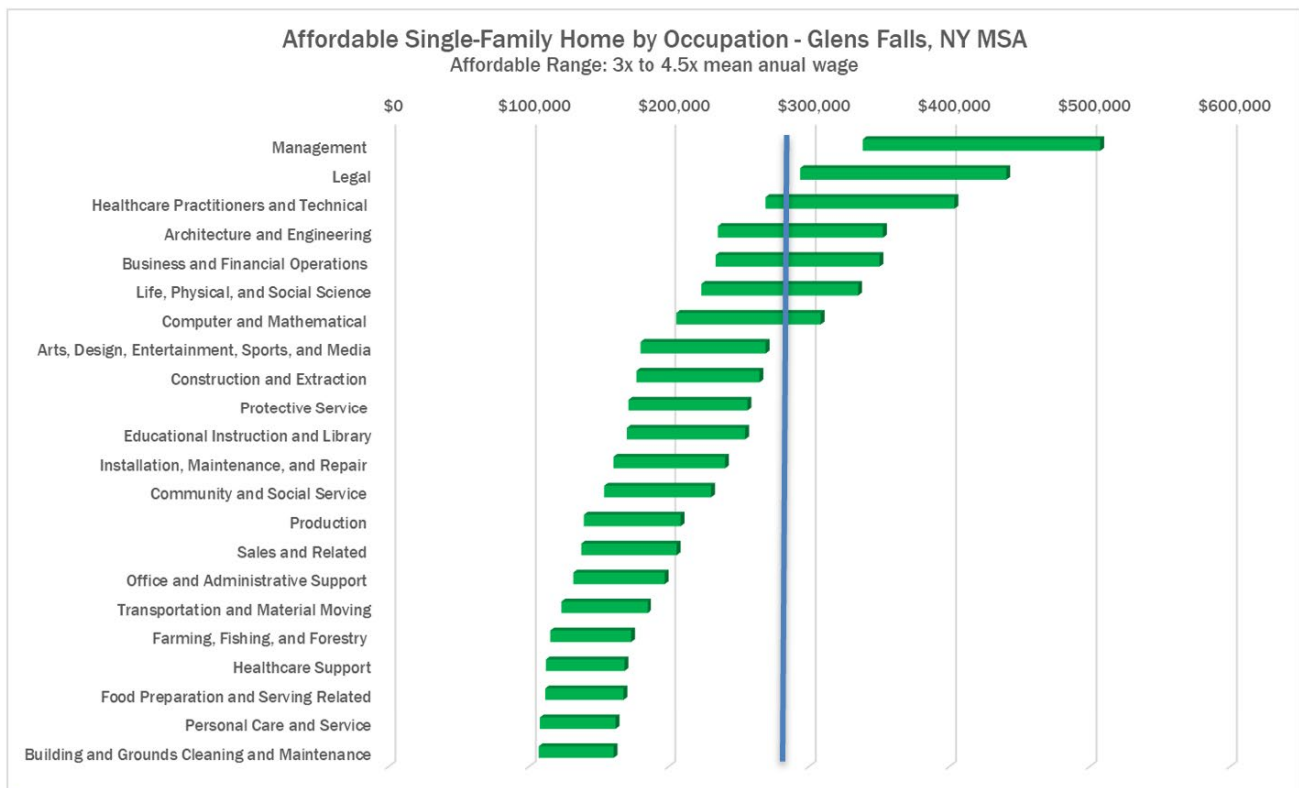
<sup>4</sup> Standard loan to value (LTV) is 80%; FHA loans however allow as little as 3.5% down for a LTV of 96.5%.

<sup>5</sup> Southern Adirondack Realtors Association MLS data; median sale price is for all included residential sales (single-family, condominium, townhouse, or cabin).

<sup>6</sup> Calculated as affordable home value less median sale price.

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

The above analysis illustrates the estimated homeownership affordability gaps by city/town at the 2022 median sale price at varying levels of downpayments. For median income buyers able to put 20 percent down, homes as oof 2022 sale prices continued to be affordable in Chester, Glens Falls, Lake Luzerne, Queensbury, Stony Creek, Thurman, and Warrensburg. For buyers using an FHA loan at just 3.5 percent down, a loan designed to help low to moderate income households attain homeownership, however, homes would only be affordable in Stony Creek and Warrensburg. The above assumptions indicate a homeowner could afford between 3.7 and 4.5 times the household income; this is generally consistent with lending recommendations which typically range from 2.5 to 6.5 times household income depending on debt and downpayment size, among other factors. The following graph illustrates the estimated range of homeownership affordability by occupation.



Source: U.S. Bureau of Labor Statistics, May 2022 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Published May 2023.

As illustrated, wages in the MSA for the majority of occupations do not pay a sufficiently high enough salary for a single-earner households to afford the median single-family home in Warren County at current prices. To be clear, the above is based on one household income; affordability for a two-earner household would depend on the particular combination of occupations.

## Rental Market

The following section summarizes key trends in the rental housing market. Data for this section comes from a variety of primary and secondary sources including interviews with local property managers/landlords and a market survey of rental properties in the county, the U.S. Census Bureau, Zillow, the local MLS system, and CoStar. *It is worth noting that a significant minority of large (20+ units) market rate rental properties (12 of the 29 surveyed properties, or 41.4 percent of surveyed properties) and units (844 of the 2,329 units surveyed, or 36.2 percent of surveyed units), were developed/owned/managed by one company, Schermerhorn Real Estate Holdings; these properties were included in the market survey.*

## **Scope**

According to 2022 ESRI Demographics, there are 8,576 renter-occupied housing units in Warren County. According to the 2021 1-Year ACS, approximately 53.6 percent (4,606 units) were one and two-unit structures or mobile homes. We surveyed 888 affordable - subsidized and Low-Income Housing Tax Credit (LIHTC) units - and 2,329 market rate units, for a total 3,217 total units, or 80.7 percent of rental units in structures with three or more units. We also included classified listings for publicly advertised rental units between February and April of 2023, the majority of which are in structures with fewer than ten units and some of which are for single-family homes. Overall, the survey covers the vast majority of the larger rental supply (20 or more units) and a snapshot of the classified, oftentimes privately owned/managed, rental units.

## Supply

*Affordable.* We surveyed 12 formally regulated affordable properties in Warren County offering a total of 888 units including 619 subsidized units and 269 unsubsidized LIHTC units. Nearly all (832 units) are located either in Glens Falls or Queensbury. One of the 12 properties is under renovation. The majority of the senior properties offer only one-bedroom and a select number of two-bedroom units while general tenancy properties offer one, two, and three-bedroom units, and one also offers four-bedroom units. Affordable one-bedroom units range in size from 451 to 894 square feet, two-bedrooms from 668 to 1,080 square feet, three-bedrooms 1,000 to 1,305 square feet, and the only four-bedroom units are 1,400 square feet in size. Notably, the one-bedroom units at several of the age-restricted properties are larger than those offered at many of the general tenancy properties including the most recently constructed LIHTC properties, particularly 25 Larose. Water, sewer, trash are included in the rent at all affordable properties. Common amenities at affordable properties include blinds, oven/stove, refrigerator, central laundry, on-site management, community room, some form of security, and off-street parking. Any new affordable development should offer these amenities, at a minimum.

*Market Rate.* Information was collected for a total of 29 market rate properties with a total of 2,329 units in Warren County; the vast majority of which are in Glens Falls or Queensbury. This is consistent with qualitative data from local stakeholder interviews which suggested that there is a lack of rental units in general inside the Blue Line and many employees in these smaller communities commute in from Queensbury, Glens Falls, or from outside of Warren County. The rental supply in towns located inside of the Blue Line generally consists of structures with fewer than 20 units, and fewer than 10 units in particular. A variety of structures are offered in the market, but the most common are townhouses, garden-style apartments, and elevator-serviced buildings including lowrise, midrise, and highrise buildings. Mid and highrise buildings are concentrated in the urban center of Glens Falls. One property, Queensbury Gardens, offers single-story townhomes, a structure that is reported in significant demand in part because of its accessibility for seniors looking to downsize but who want to downsize into a rental that allows them to age in place. A select number of units at the age-restricted properties are also single-story, but many are either in multi-story elevator-serviced buildings or two-story townhomes. Two-bedroom units are the most common unit type offered in the

market. This is noteworthy given that nearly half of all renter households and 75.3 percent of senior renter households are one-person households. While some one and two-person households likely prefer to have the additional bedroom, others, particularly younger, lower-income, and/or senior households may be over housed (the number of people in the household is less than the number of bedrooms in the unit) and that may be contributing to affordability challenges. Market rate properties offer a wide range of sizes offered in the market, averaging 555 square feet (studio), 845 (one-bedroom), 1,074 (two-bedroom), 1,497 (three-bedroom), and 2,664 square feet (four-bedroom). In general, the larger units are offered at properties built in the past ten years. Blinds, dishwashers, refrigerators, oven/stoves, washer/dryer connections, balcony/patios, and off-street or garage parking, are typically offered at the market rate comparables and should be offered at a newly constructed development. The properties that offer the most amenities, and property amenities in particular, are the more recently constructed developments including Fowler Square, 14 Hudson, and The Mill of Glens Falls. The majority of the properties, including the Schermerhorn properties, typically offer limited property amenities.

## **Vacancy & Waiting Lists**

*Affordable.* Vacancy at the 11 stabilized properties ranges from zero to 2.0 percent with an overall average of 0.4 percent. Additionally, all of the affordable properties for which waiting list information was available reportedly maintain waiting lists many of which are extensive. Overall, the vacancy rate for affordable housing units in the market is very low and is consistent with qualitative data from interviews with local stakeholders, many of whom reported a significant housing shortage in the area.

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	City/Town	Total Units	Vacant Units	Vacancy Rate
25 Larose	LIHTC, LIHTC/Section 8	Family	Glens Falls	54	0	0.0%
Broad Street Commons	LIHTC	Family	Glens Falls	71	0	0.0%
Cedars Senior Living	LIHTC/HOME	Senior	Queensbury	124	0	0.0%
Peaceful Valley Townhomes	LIHTC	Family	North Creek	20	0	0.0%
Montcalm Apartments <sup>1</sup>	LIHTC/Section 8/ Market	Family	Queensbury	226	1	0.4%
Cronin High Rise	LIHTC/RAD/Section 8	Senior	Glens Falls	101	2	2.0%
Stichman Towers <sup>2</sup>	LIHTC/RAD/Section 8	Senior	Glens Falls	82	42	51.2%
Village Green Apartments	LIHTC/Section 8	Family, Senior (21)	Glens Falls	135	0	0.0%
White Water Manor	LIHTC/USDA/Section 8	Senior	North Creek	24	0	0.0%
Austin Perry Corners	LIHTC/ Section 8	Senior	Warrensburg	8	0	0.0%
Panther Mountain Senior Apartments	Section 8	Senior	Chestertown	4	0	0.0%
Solomon Heights	Section 8	Senior	Queensbury	39	0	0.0%
<b>Subsidized<sup>1</sup></b>				<b>619</b>	<b>45</b>	<b>5.1%</b>
<b>LIHTC</b>				<b>269</b>	<b>0</b>	<b>0.0%</b>
<b>Total</b>				<b>888</b>	<b>45</b>	<b>5.1%</b>
<b>Total Online<sup>3</sup></b>				<b>846</b>	<b>3</b>	<b>0.4%</b>

<sup>1</sup> Includes units at Montcalm, which is primarily subsidized.

<sup>2</sup> All vacancies at Stichman Towers are offline due to ongoing renovations.

<sup>3</sup> Excludes the 42 vacancies at Stichman Towers which are offline due to ongoing renovations.

### WAITING LIST

Property Name	Rent Structure	Tenancy	City/Town	Waiting List Length
25 Larose	LIHTC, LIHTC/Section 8	Family	Glens Falls	Yes, up to 5 years
Broad Street Commons	LIHTC	Family	Glens Falls	Yes, three years in length.
Cedars Senior Living	LIHTC/HOME	Senior	Queensbury	Yes, length unknown
Peaceful Valley Townhomes	LIHTC	Family	North Creek	Yes, three to six months in length.
Montcalm Apartments	LIHTC/Section 8/ Market	Family	Queensbury	Yes, length unknown
Cronin High Rise	LIHTC/RAD/Section 8	Senior	Glens Falls	Yes, up to one year
Stichman Towers	LIHTC/RAD/Section 8	Senior	Glens Falls	Yes, up to one year
Village Green Apartments	LIHTC/Section 8	Family, Senior (21)	Glens Falls	N/Av
White Water Manor	LIHTC/USDA/Section 8	Senior	North Creek	Yes, three households
Austin Perry Corners	LIHTC/ Section 8	Senior	Warrensburg	N/Av
Panther Mountain Senior Apartments	Section 8	Senior	Chestertown	N/Av
Solomon Heights	Section 8	Senior	Queensbury	Yes, couple years in length

*Market Rate.* Vacancy rates in the market are very low ranging from zero to 2.4 percent with an overall vacancy rate for the 2,329 surveyed units of 0.4 percent. Additionally, vacancies in both Glens Falls and Queensbury are below one percent as is the general tenancy vacancy rate; the vacancy at the senior properties is slightly higher, but still considered very low. Further, nine of the properties maintain some form of waiting list and others indicated that waiting lists are not maintained as a matter of preference as demand is sufficiently high so as not to warrant the need to maintain a list. The majority of those interviewed reported strong demand for rental housing in the market. In fact, one manager reported significant stress associated with the turnover process not because of concerns about re-leasing the unit, but rather because of the reported onslaught of interest and applications to process. For one vacancy in April 2023, a manager received 60 applications within the first five days of advertising a single vacancy. Overall, the vacancy rate in the market is very low and is consistent with qualitative data from interviews with local stakeholders, many of whom reported a significant housing shortage in the area. The following table summarizes vacancy trends at the surveyed properties.

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

### VACANCY & WAITING LIST

Comp #	Property Name	Tenancy	City/Town	Total Units	Vacant #	Vacant %	Waiting List
1	14 Hudson Apartments	Family	Glens Falls	87	0	0.0%	Yes, length unknown
2	21 Bay Street	Family	Glens Falls	37	0	0.0%	N/Av
3	221 Glen Street	Family	Glens Falls	29	0	0.0%	Yes, six months
4	Bayberry Place	Family	Queensbury	36	0	0.0%	None
5	Baybrook Townhomes	Family	Queensbury	48	0	0.0%	None
6	Canterbury Woods	Family	Queensbury	36	0	0.0%	None
7	Colonial Gardens Apartments	Family	Glens Falls	84	2	2.4%	N/Av
8	Colony Ridge	Family	Glens Falls	22	0	0.0%	None
9	Cottage Hill Townhomes	Family	Queensbury	114	0	0.0%	None
10	District 425	Family	Glens Falls	98	1	1.0%	None
11	Fowler Square	Family	Queensbury	172	3	1.7%	None
12	Hiland Springs	Family	Queensbury	120	0	0.0%	None
13	Hunterbrook	Family	Queensbury	66	0	0.0%	None
14	Mallard's Landing	Senior	Queensbury	36	0	0.0%	Yes, length unknown
15	Maple Wood Apartments	Family	Queensbury	60	0	0.0%	N/Av
16	Meadowbrook Park	Family	Queensbury	20	0	0.0%	None
17	Northbrook	Family	Queensbury	128	0	0.0%	None
18	Northern Lights Apartments	Family	Warrensburg	24	0	0.0%	N/Av
19	Olde Coach Manor	Family	Queensbury	42	0	0.0%	Yes, 15 to 20 households
20	Pinewood Village	Family	Queensbury	40	0	0.0%	None
21	Queensbury Gardens	Family	Queensbury	30	0	0.0%	None
22	Regency North Park	Family	Queensbury	296	0	0.0%	None
23	Robert Gardens North	Family	Queensbury	200	0	0.0%	Yes, length unknown
24	The Mill Of Glens Falls	Family	Glens Falls	52	0	0.0%	Yes, length unknown
25	The Willows Cottages & Apartment	Senior	Queensbury	80	1	1.3%	Yes, length unknown
26	Warren Street Square	Family	Glens Falls	27	0	0.0%	None
27	Wedgewood	Senior	Queensbury	56	0	0.0%	Yes, length unknown
28	Westbrook Apartments	Senior	Queensbury	100	2	2.0%	None
29	Whispering Pines	Family	Queensbury	189	0	0.0%	Yes, 15 to 20 HHs for each unit type
<b>Total</b>				<b>2,329</b>	<b>9</b>	<b>0.4%</b>	
<b>By</b>	<b>Glens Falls</b>			<b>436</b>	<b>3</b>	<b>0.7%</b>	
<b>Location</b>	<b>Queensbury</b>			<b>1,869</b>	<b>6</b>	<b>0.3%</b>	
<b>By</b>	<b>Senior</b>			<b>272</b>	<b>3</b>	<b>1.1%</b>	
<b>Tenancy</b>	<b>General</b>			<b>2,057</b>	<b>6</b>	<b>0.3%</b>	

**Rents.** The 2017-2021 ACS 5-Year median gross rent in Warren County was \$969. The median gross rent in Queensbury (\$1,075) is higher than that of the majority of the other city/towns; the exceptions are Hague, Lake George, and Lake Luzerne. The median gross rent in Chester (\$784) is lower than that of the majority of the other city/towns; the exceptions are Hague, Johnsbury, Stony Creek, and Warrensburg.

**Affordable.** Unsubsidized LIHTC properties in Warren County offer units restricted at the 50, 60, and 70 percent AMI levels. Only one property (25 LaRose) is reportedly achieving maximum allowable LIHTC rents, but the unsubsidized units at this property are predominantly occupied by tenants utilizing tenant-based vouchers with fewer than ten percent of tenants paying LIHTC rents. Property



managers at other properties reported that maximum allowable rents are not achievable in the market despite the strong occupancy and waiting lists. Nearly a quarter of renter households in Warren County have incomes that would qualify them for LIHTC units at the 60 and 80 percent AMI levels, respectively. Given the limited number of formally restricted affordable housing units in the county, the majority of income qualified renter households appear to be renting market rate units in the county and are either rent burdened (i.e. paying more than 30 percent of household income towards gross rent) or are renting naturally occurring affordable housing units (i.e. market rate units with rents comparable or below maximum allowable LIHTC rents).

*Market Rate.* None of the surveyed properties are currently offering rent specials. For the 11 properties for which information was available, rent growth ranged from stable to an increase of up to eight percent with the majority reporting rent growth ranging from five to eight percent. While only a single data point, it is worth noting that we are aware of one property that has increased its rents by 22 to 41 percent since our last survey in November 2020; the majority of that increase appears to have occurred between late 2020 and early 2022 as management indicated that rents have remained fairly stable over the past year. Naturally occurring affordable housing consists of market rate units with rents comparable to or below LIHTC maximum allowable rents. As illustrated, there are a number of naturally occurring affordable housing units in the market that would be affordable to households who could otherwise qualify for formally restricted affordable housing units. This likely explains why the LIHTC properties are reportedly not able to achieve maximum allowable rents as formally restricted units oftentimes need to offer a discount to the market supply. The newly constructed properties however are generally achieving rents that are similar to well above the maximum allowable LIHTC rents. Overall, though vacancy in the market is low and consistent with a housing shortage, rents, on average, do not appear to have responded to the supply shortage and properties may not be testing the limits of the market. However, renter households are more likely to be cost burdened, paying 30 percent or more of household income on housing costs, than their owner counterparts. With rising home prices and an inventory shortage in the sales market, rents are likely to continue to rise for the foreseeable future as renters who may otherwise transition to homeownership are increasingly priced out.

# WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

The following table illustrates unsubsidized rents being achieved at properties and maximum allowable LIHTC rents (highlighted).

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.													
		Properties Surveyed:		42		Units Surveyed:		3,217		Weighted Occupancy*:		99.6%	
		Market Rate		29		Market Rate		2,329		Market Rate		99.6%	
		Affordable		12		Affordable		888		Affordable*		99.6%	
Studio		One Bedroom One Bath		Two Bedrooms One Bath		Three Bedrooms One Bath		Four-Bedroom					
Property	Average	Property	Average	Property	Average	Property	Average	Property	Average				
<b>RENT</b>	<b>Maximum 80% AMI Rent</b>	<b>\$1,151</b>	Fowler Square	\$1,520	14 Hudson Apartments (2BA)	\$1,965	Fowler Square (2BA)	\$2,775	The Mill Of Glens Falls (3BA)	\$2,700			
	District 425	\$1,032	14 Hudson Apartments	\$1,498	The Mill Of Glens Falls (2BA)	\$1,962	The Mill Of Glens Falls (2BA)	\$2,630	<b>Maximum 80% AMI Rent</b>	<b>\$2,102</b>			
	<b>Maximum 70% AMI Rent</b>	<b>\$992</b>	The Mill Of Glens Falls	\$1,450	District 425	\$1,497	14 Hudson Apartments (2BA)	\$2,568	<b>Maximum 70% AMI Rent</b>	<b>\$1,839</b>			
	Regency North Park	\$935	Fowler Square	\$1,375	Warren Street Square	\$1,450	Queensbury Gardens (1.5BA)	\$2,000	<b>Maximum 60% AMI Rent</b>	<b>\$1,576</b>			
	21 Bay Street	\$900	Olde Coach Manor	\$1,350	<b>Maximum 80% AMI Rent</b>	<b>\$1,444</b>	Cottage Hill Townhomes (2.5BA)	\$1,700					
	Warren Street Square	\$895	Fowler Square	\$1,260	Fowler Square (2BA)	\$1,415	<b>Maximum 80% AMI Rent</b>	<b>\$1,652</b>					
	221 Glen Street	\$840	<b>Maximum 80% AMI Rent</b>	<b>\$1,221</b>	Colony Ridge	\$1,410	Whispering Pines (1.5BA)	\$1,648					
	<b>Maximum 60% AMI Rent</b>	<b>\$833</b>	District 425	\$1,218	Queensbury Gardens (1.5BA)	\$1,400	District 425 (2BA)	\$1,578					
			Whispering Pines	\$1,139	Wedgewood (1.5BA)	\$1,297	Regency North Park (1.5BA)	\$1,515					
			221 Glen Street	\$1,100	221 Glen Street	\$1,279	Pinewood Village	\$1,500					
			Regency North Park	\$1,085	Baybrook Townhomes	\$1,275	Regency North Park (1.5BA)	\$1,465					
			Canterbury Woods	\$1,075	Hiland Springs (1.5BA)	\$1,275	<b>Maximum 70% AMI Rent</b>	<b>\$1,416</b>					
			<b>Maximum 70% AMI Rent</b>	<b>\$1,051</b>	Whispering Pines	\$1,275	Baybrook Townhomes	\$1,400					
			21 Bay Street	\$1,050	Regency North Park	\$1,270	Hiland Springs (1.5BA)	\$1,400					
			Regency North Park	\$1,045	Pinewood Village	\$1,250	Hunterbrook (1.5BA)	\$1,400					
			Warren Street Square	\$1,010	<b>Maximum 70% AMI Rent</b>	<b>\$1,240</b>	25 Larose * (70%)	\$1,291					
			Olde Coach Manor	\$1,000	Broad Street Commons * (80%)	\$1,207	Canterbury Woods	\$1,275					
			Whispering Pines	\$989	Olde Coach Manor	\$1,200	<b>Maximum 60% AMI Rent</b>	<b>\$1,180</b>					
			The Willows Cottages & Apartments	\$938	Regency North Park	\$1,180	25 Larose * (60%)	\$1,076					
			Montcalm Apartments * (60%)	\$920	Canterbury Woods	\$1,175	Broad Street Commons * (60%)	\$1,021					
			25 Larose * (70%)	\$905	Whispering Pines	\$1,155	Montcalm Apartments * (M)	\$950					
			<b>Maximum 60% AMI Rent</b>	<b>\$881</b>	Westbrook Apartments (2BA)	\$1,147	Colonial Gardens Apartments	\$906					
			Robert Gardens North	\$880	Westbrook Apartments (2BA)	\$1,132	25 Larose * (50%)	\$860					
			Broad Street Commons * (70%)	\$873	25 Larose * (70%)	\$1,131	Peaceful Valley Townhomes * (60%)	\$757					
			Robert Gardens North	\$840	The Willows Cottages & Apartments	\$1,127	Peaceful Valley Townhomes * (50%)	\$589					
			Colonial Gardens Apartments	\$829	Bayberry Place	\$1,110							
			25 Larose * (60%)	\$781	Hunterbrook	\$1,110							
			Broad Street Commons * (60%)	\$737	Mallard's Landing	\$1,102							
			Cedars Senior Living * (60%)	\$729	<b>Maximum 60% AMI Rent</b>	<b>\$1,036</b>							
			Montcalm Apartments * (M)	\$720	Northbrook	\$1,010							
			Northern Lights Apartments	\$670	Robert Gardens North	\$970							
			Cedars Senior Living * (60%)	\$655	25 Larose * (60%)	\$944							
			Montcalm Apartments * (M)	\$650	Robert Gardens North	\$930							
			25 Larose * (50%)	\$626	Meadowbrook Park	\$885							
			Cedars Senior Living * (50%)	\$595	Broad Street Commons * (60%)	\$880							
			Cedars Senior Living * (50%)	\$586	Cedars Senior Living * (60%)	\$857							
			Peaceful Valley Townhomes * (60%)	\$557	Colonial Gardens Apartments	\$824							
			Peaceful Valley Townhomes * (50%)	\$455	Cedars Senior Living * (60%)	\$819							
			Cedars Senior Living * (30%)	\$304	Montcalm Apartments * (M)	\$815							
					Maple Wood Apartments	\$798							
					Northern Lights Apartments	\$795							
					Montcalm Apartments * (M)	\$790							
					25 Larose * (50%)	\$757							
					Broad Street Commons * (50%)	\$717							
					Cedars Senior Living * (50%)	\$691							
					Cedars Senior Living * (50%)	\$683							
					Peaceful Valley Townhomes * (60%)	\$656							
					Peaceful Valley Townhomes * (50%)	\$528							

\*Rents are concession and utility adjusted based on the Glens Falls utility allowance schedule effective November 2022 and reflect water, sewer, and trash removal included in the rent.

## Renter Affordability

The New York State Department of Labor maintains a Self Sufficiency Earnings Estimator developed by the Center for Women’s Welfare, University of Washington. This estimator calculates the income required by an individual or family to meet its basic needs without public or private assistance for a given family size and geographic location). These basic needs include housing (rental, food, health care, transportation, childcare and taxes. The estimated income does not include public or private assistance. The calculator can be used by workers to determine if a particular job will pay enough to meet one’s needs as well as employers to determine whether or not the wage offered will be sufficient to allow potential employees to be self-sufficient at the offered wage. The following tables summarize the 2023 standards for Warren County for a select number of household types.

**2023 SELF SUFFICIENCY EARNINGS ESTIMATOR - WARREN COUNTY, NY**

Household Type	Hourly (Per Adult)	Monthly (Per Household)	Annually (Per Household)
Single Adult	\$14.93	\$2,628	\$31,532
Two Adults	\$11.02	\$3,878	\$46,536
One Adult, 1 Infant	\$30.60	\$5,386	\$64,629
One Adult, 1 Preschooler	\$29.42	\$5,177	\$62,126
One Adult, 1 School-Age Child	\$26.40	\$4,647	\$55,761
One Adult, 2 School-Age Children	\$34.17	\$6,014	\$72,166
Two Adults, 1 Infant	\$17.90	\$6,302	\$75,623
Two Adults, 1 Preschooler	\$17.37	\$6,114	\$73,370
Two Adults, 1 School-Age Child	\$15.86	\$5,581	\$66,977
Two Adults, 2 School-Age Children	\$19.56	\$6,887	\$82,641

Notes: Assumes full-time, year-round work

Source: Self-Sufficiency Standard at the Center for Women’s Welfare, University of Washington (Available at: <https://selfsufficiencystandard.org/New-York/>), released April 2023.

While the above analysis provides insight into wages that would be necessary in order for a household to avoid requiring public or private assistance, they assume fair market rents (FMR) as determined by HUD. In most cases, FMRs are set at the 40<sup>th</sup> percentile of the distribution, meaning 40 percent of housing in a given area is less expensive than the FMR. Additionally, the current (2023) FMRs are based on 5-Year ACS data from 2016 to 2020 and as such do not fully capture the impacts of the pandemic on housing. Novogradac’s market survey suggests limited availability in the rental market,

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

particularly at current FMRs, likely due to rent increases following the surge in demand for housing in the county as a result of the pandemic. The following analysis illustrates affordability by occupation relative to the current median rents identified in Novogradac’s market survey.

### AFFORDABILITY BY OCCUPATION<sup>1</sup>

Occupation	Employment	Annual mean wage <sup>1</sup>	Affordable Rental <sup>2</sup>
Management Occupations	2,480	\$112,790	\$2,820
Legal Occupations	320	\$97,920	\$2,448
Healthcare Practitioners and Technical Occupations	3,310	\$89,710	\$2,243
Architecture and Engineering Occupations	550	\$78,390	\$1,960
Business and Financial Operations Occupations	1,980	\$77,850	\$1,946
Life, Physical, and Social Science Occupations	190	\$74,460	\$1,862
Computer and Mathematical Occupations	760	\$68,530	\$1,713
<b>3BR Median Market Survey<sup>3</sup> Market Rent - Warren County, NY</b>			<b>\$1,515</b>
Arts, Design, Entertainment, Sports, and Media Occupations	440	\$59,820	\$1,496
Construction and Extraction Occupations	2,240	\$58,840	\$1,471
<b>3BR Fair Market Rent - Warren County, NY</b>			<b>\$1,451</b>
Protective Service Occupations	1,810	\$56,950	\$1,424
Educational Instruction and Library Occupations	3,510	\$56,570	\$1,414
Installation, Maintenance, and Repair Occupations	2,440	\$53,390	\$1,335
Community and Social Service Occupations	990	\$51,180	\$1,280
<b>2BR Median Market Survey<sup>3</sup> Market Rent - Warren County, NY</b>			<b>\$1,180</b>
Production Occupations	3,780	\$46,360	\$1,159
Sales and Related Occupations	4,900	\$45,740	\$1,144
<b>2BR Fair Market Rent - Warren County, NY</b>			<b>\$1,119</b>
Office and Administrative Support Occupations	6,440	\$43,840	\$1,096
<b>1BR Median Market Survey<sup>3</sup> Market Rent - Warren County, NY</b>			<b>\$1,075</b>
Transportation and Material Moving Occupations	3,350	\$41,030	\$1,026
Farming, Fishing, and Forestry Occupations	60	\$38,380	\$960
Healthcare Support Occupations	2,050	\$37,340	\$934
Food Preparation and Serving Related Occupations	4,460	\$37,180	\$930
<b>OBR Median Market Survey<sup>3</sup> Market Rent - Warren County, NY</b>			<b>\$900</b>
Personal Care and Service Occupations	1,040	\$35,930	\$898
<b>1BR Fair Market Rent - Warren County, NY</b>			<b>\$896</b>
Building and Grounds Cleaning and Maintenance Occupations	1,860	\$35,620	\$891
<b>OBR Fair Market Rent - Warren County, NY</b>			<b>\$790</b>

Source: U.S. Bureau of Labor Statistics, May 2022 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Published May 2023.

1 Occupation employment and wage data is for the Glens Falls, NY MSA; data is not available only for the county.

2 Assumes household spends no more than 30% of household income on rental housing cost.

3 Median market survey rents from countywide market survey conducted by Novogradac.

As illustrated, there are a variety of occupations that have wages that are below the current surveyed market rents and persons employed in these occupations would require rent/income restricted housing to avoid being rent burdened. More specifically, approximately 26.2 percent of employed persons in the MSA have annual wages below the median one-bedroom market rent from the Novogradac market survey. To be clear, the above is based on one household income; affordability for a two-earner household would depend on the particular combination of occupations.

**Reconciling Supply and Demand Trends.** Demand for all types of housing is strong and virtually all contemporary data points to a housing shortage in Warren County that spans geographic areas, tenure, and targeted tenancies.

- There is a limited supply of new construction units, particularly outside of Queensbury and Glens Falls,
- There is a limited supply of fully renovated and updated older housing units, particularly outside of Queensbury and Glens Falls,
- There is a limited supply of affordable and available for-sale and for-rent housing units,
- There is a limited supply of formally restricted affordable housing units in areas outside of Queensbury and Glens Falls,
- There is a very limited supply of market rate rentals priced at \$700 and below, which is generally in line with the rent that would be affordable for someone working full-time at minimum wage, and only a few properties offer market rents of below \$1,000,
- There is a limited amount of amenity rich (either property amenities or in highly walkable locations) market rate supply which is desirable by young professionals and seniors looking for opportunities to age in place as well,
- There is a limited supply of single-family homes priced at \$300,000 and below, and few at \$200,000 and below
- There is a limited supply of starter homes,
- There is a limited supply of missing middle housing for owner-households, particularly smaller unit types, and
- There is a limited supply of senior-friendly supply, either condominiums or single-story units.

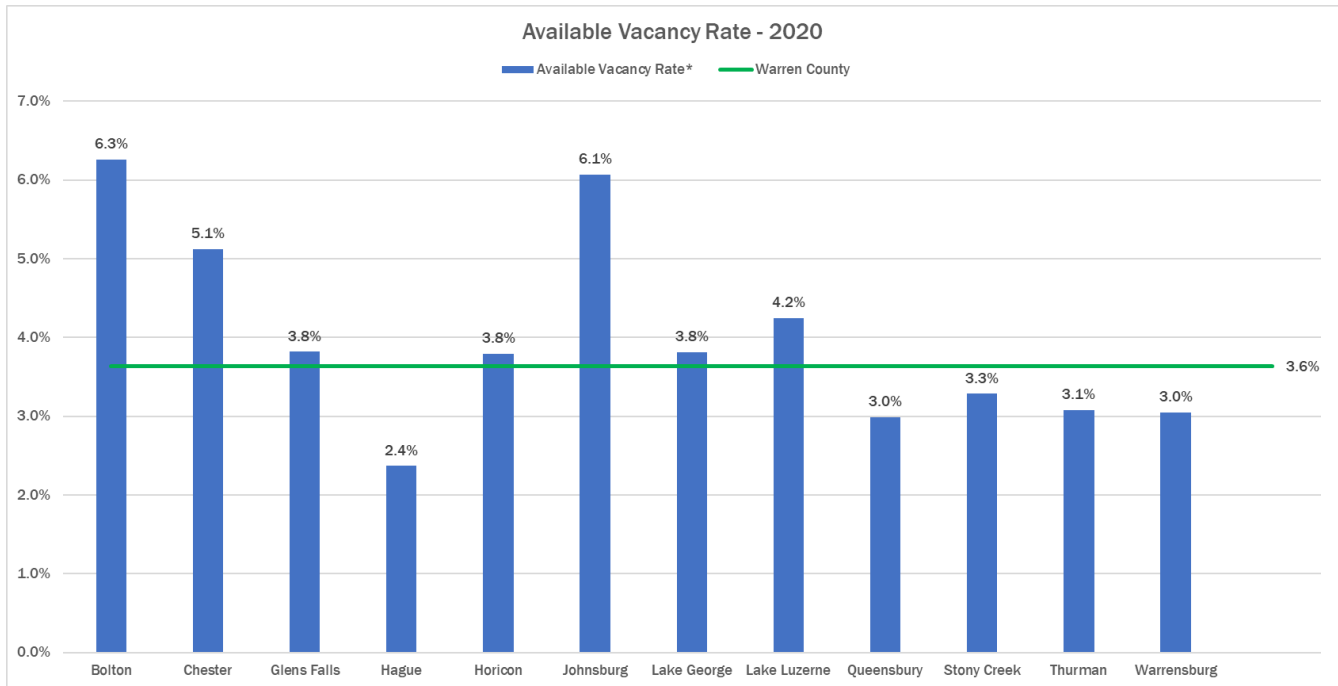
## Housing Shortage

**Affordable and Available Supply.** Housing shortages have led to affordability challenges throughout the United States. Within Warren County, as of the 2020 Census, there were 10,864 vacant housing units, or approximately 27.2 percent of all housing units. Absent context, vacancy in Warren County appears elevated. This, however, is misleading for several reasons.

- The vast majority (79.5 percent of all vacancies) are vacant due to seasonal, recreational, or occasional use. This is generally in line with the vacancy rates of other counties in the region with land in the Adirondack Park, which is a popular tourism and second homeowner destination in the state. These units are not available for full-time year-round occupancy.
- The second most common type of housing vacancy is those units classified as “other”. Other vacancies could include units where the owner does not want to rent/sell, the unit is used for storage, the occupant is elderly and living in a nursing home or with family members, the unit is being held for settlement of an estate, is being repaired or renovated, or is being foreclosed. These units are not available for occupancy full-time year-round occupancy, though select units included in the “other” could be targeted for acquisition/rehabilitation.
- Units that are rented or sold, but not yet occupied are also counted as vacant. These units are not available.

**After accounting for units that are not available, the vacancy rate for Warren County is low at just 3.6 percent.** The following table illustrates vacancy rates for available units by city/town within Warren County.

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS



\*Excludes units that are not available for new occupancy including seasonal/recreational/occasional use, other (the owner does not want to rent/sell, the unit is used for storage, the occupant is elderly and living in a nursing home or with family members, the unit is being held for settlement of an estate, is being repaired or renovated, or is being foreclosed), or rented/sold but not yet occupied.

Source: U.S. Census Bureau, 2020 Decennial Census

While Warren County's overall vacancy rate (27.2 percent) is much higher than the national average (9.7 percent), available vacancy in Warren County (3.6 percent) is lower than the national average (3.8 percent). Vacancy below five percent typically indicates a shortage of available supply for immediate occupancy .

The contemporaneous market survey and demand analysis presented herein provides more insight into current market conditions and supply shortages. More specifically,

- Interviews with local stakeholders identified housing shortages are the primary housing issue impacting Warren County.
- The average days on the market for the current sale inventory in Warren County decreased from 117 in 2019 to 41 in 2022.
- The current sale inventory in the Glens Falls, New York MSA is now at a 10-year low.

- The current vacancy rate in the rental market according to Novogradac’s market survey is very low at 0.4 percent.

Housing shortages are caused by changes in demand, changes in supply, or some combination of the two. Absent additions to the housing supply, or reductions in housing demand, the identified shortages will continue, and likely worsen. The subsequent sections explore changes, or lack thereof, to the housing supply and demand in the market.

**Changes to Pipeline Supply.** While the majority of building permits issued in Warren County are for single-family structures, there have however been two spikes in multifamily permits issued in recent years, one from 2014 to 2016 and a second from 2020 to 2022. While building permit data indicates a fairly limited amount of construction in the pipeline in Warren County, we also interviewed local stakeholders to gain additional insight into the supply pipelines including projects under construction, approved, in review, and in the planning stages. Collectively there are 128 units under construction, 157 approved units, 257 units in the review pipeline, and a final 414 units in the planning stages. While the majority of the additions in Queensbury and Bolton are planned owner-occupied developments, those in Glens Falls and Lake George are primarily proposed rental units, though the majority remain in the planning stages. It is difficult to know what percentage of the projects in the pipeline, and particularly the planning stages, will ultimately be developed, but the increased pipeline activity is a positive indicator as the primary mechanism to address a housing shortage is to add new supply, typically achieved through new construction. If all units in the pipeline are added, this would increase the housing supply by approximately 2.7 percent.

**Changes in Demand.** Similar to other tourism and recreation amenity destinations across rural and small city America, demand for housing in Warren County soared in 2020 following the onset of the pandemic. According to interviews with local stakeholders Warren County was an attractive destination for households looking to get away from densely populated urban areas for a variety of reasons.



- First, it has excellent interstate access providing relatively easy access to multiple major metropolitan areas and labor markets.
- Second, Warren County is the southern gateway to the Adirondack Park so all visitors approaching the park from the south including Saratoga Springs, Albany, and New York City, go through Warren County increasing the county's exposure.
- Third, given that the southern portion of Warren County is located outside the blue line, there are more housing units, employment opportunities, and amenities, including widespread broadband access and healthcare services from the Hudson Headwaters and Glens Falls Hospital networks, when compared to more rural areas to the north.
- Fourth, Warren County is home to Lake George (among many other lakes), the Hudson River, and the Adirondack Park, and Gore Mountain (ski area), with an established tourism market, albeit skewed to the summer season.
- Fifth, housing costs in Warren County were comparatively lower than those in the nearby urban markets from which the surge in demand was coming.
- Sixth, the majority of the towns did not have restrictions or capacities to regulate short-term rentals (STRs) in place at the outset of the pandemic.

Collectively, these features of Warren County made it an attractive destination for remote workers, second homeowners, short-term renter landlord/investors, and retirees and interviews with local stakeholders suggest that each of these market segments increased in size since 2020.

Despite this, demographic data for the county generally suggest stability rather than change. For example, annual estimates of the resident population for Warren County from April 2020 through July 2022 reflect a generally stable population and the number of households has not statistically changed since 2017. Further, there were no major changes in residency flows into the county from 2019 to 2021; there was however slightly less movement among residents of the county from 2019 to 2021. Lastly, the number of housing units has remained generally stable since 2017. According to ACS data on means of transportation to work, the percentage of persons in Warren County “working from home” has however increased from 2.1 in 2017 and 4.3 percent in 2019, to 12.7 percent in 2021. Further, though the median household income has not changed since 2019, there are two

notable changes in the distribution, namely the percentage of households with incomes ranging from \$10,000 to \$14,999 decreased from 4.8 to 2.3 percent, while the percentage of households with upper middle-class incomes ranging from \$75,000 to \$99,999, increased from 7.0 to 11.9 percent. Overall, the relative stability of the resident population and its characteristics combined with evidence of an increase in housing demand as evidenced through declining inventory/vacancy and rising prices/rents since 2020, suggests that the source of the increase in demand has come primarily from nonresidents outside of the county.

**Short Term Rentals (STRs).** Warren County requires that all STRs be registered, and all are required to pay a four percent occupancy tax fee on all stays and city/towns in Warren County have additional regulatory restrictions. According to the countywide list of STR licenses as of March 29, 2023, there were 850 active STR licenses in the county. It is worth noting that this is less than the “nearly 1,000” registered properties referenced in a February 2023 press release from the Warren County Treasurer’s Office. The press release also noted that staff is aware of an additional 175 or so properties that were not yet registered; this equates to approximately 1,175 known STRs, which is still below the number of active listings identified by AirDNA, a leading STR data analytics firm (1,503 entire homes, 162 private rooms, and two shared rooms). It is worth noting that as of September 2023 the number of registered STRs in Warren County has increased to 934.

The effects of this new source of demand on the housing markets, and housing shortages and affordability issues in particular, is complex and oftentimes depends on how, and for whom, one measures impacts. An increase in STRs results in a decrease in available housing units from some other market segment. Research and local stakeholders however disagree as to what that other market segment is with some arguing that STRs are competing only with potential second homeowners not year-round resident buyers, others argue that competition does not occur in a vacuum. Even if STR buyers compete primarily with second homeowner buyers, second homeowner buyers who are unable to compete may look elsewhere in the housing stock or to a neighboring geographic area, which could then contribute to an increase in competition between them and a different market segment including potential full-time residents. A rise in STRs also, however, has the

potential to increase the total amount of tourism to a destination, which would then require an increase in the workforce who would also then require housing. Empirical research on the topic is in its infancy and preliminary results are mixed. While some studies find significant impacts on home price appreciation, others suggest that after controlling for positive effects, for example an increase in sales taxes, the impact on housing prices are considerably more muted.

Given that the problems caused by the emergence and growth of the STR markets vary by city/town/village, rather than recommend one overarching approach, we recommend that communities determine the best approach forward for their respective community based on the issue(s) they are attempting to address. There are however some emerging countywide trends worth noting and that could suggest some countywide action as it relates to policy solutions to the growing STR market.

- **Permitting system.** As of September 1, 2020, all STRs in operation in Warren County are required to be registered, licensed, and collect and remit the four percent occupancy tax to the county. Since that time, the county and city/towns have worked to inform the public about the regulation and to get all STRs registered, but to date there continues to be some STRs in operation that are not yet licensed. This report compares the number of licensed STRs by the county (licensed STRs) to those in operation as identified by AirDNA (active STRs). A review of AirDNA data, a leading STR data analytics firm, suggests there are more STRs currently considered active (at least one reserved or available date in the past month) in operation that remain unregistered, particularly in Lake George and Johnsbury. There are a variety of potential explanations for these gaps. Most relevant here, in some higher tourism markets, traditional short-term lodging facilities (hotels/motels/tiny cabin/camping cottage developments), which are licensed through alternative mechanisms, are increasingly using STR websites to attract additional business; this appears to be the case in Lake George in particular.

- **Growth in STRs and home sale prices.** From the first quarter of 2020 to the first quarter of 2023, the number of active STRs identified by AirDNA increased by 58 percent; the median sale price according to local MLS sales increased by approximately 23.7 percent over the same time period, though inflation over this time period was also substantial. Further, this is just a correlation, it does not mean that the rise in STRs caused the rise in home prices.
- **Profitability relative to other potential rental uses.** AirDNA identified STRs reported an average occupancy of 56 percent and at that occupancy level an average median monthly revenue of \$3,889, well above the rents being achieved by year-round long-term rentals, where the highest rents reported were below \$3,000 per month and the vast majority ranging from \$1,000 to \$2,000 per month.
- **Size of STR market.** Currently licensed STRs represent approximately two percent of all housing units in the county; active STRs identified by AirDNA represent approximately four percent of all housing units. But there is variation within the county.

**Reconciliation of Changes in Supply and Demand.** Our analysis of the sales and rental market suggests a tightening of both the rental and sales markets since 2020 pushing both to what appears to be record low inventory and vacancy rates. This is consistent with qualitative data from interviews with local stakeholders who reported significant housing shortages in both the sale and rental markets. Absent new additions to the housing supply, these shortages are expected to continue in the near term. Absent an increase in supply, prices are expected to continue to rise. While there are nearly 1,000 units in the development pipeline, only 13 percent are under construction; the majority, if built, are two or more years out before market entry. Absent policy/regulatory changes, the number of short-term rentals are also expected to continue to rise.

## Housing Gaps

Gaps identified fall into four broad types of housing gaps: gaps for particular demographic groups, gaps at particular price points, gaps in housing design/type, and gaps in geography.

- Demographic gaps identified include the lack of affordable starter homes for first time homebuyers and young professionals and families, homeownership opportunities and program assistance for 80 to 150 percent AMI households, rental housing for seasonal workers, small households, and affordable housing for renters, particularly for renters with incomes at the bottom of the income distribution.
- Sale price point gaps identified include ownership options priced at \$300,000 and below. Rent price point gaps include market rentals priced at \$700 and below, which is generally in line with the rent that would be affordable for someone working full-time at minimum wage, and only a few properties offer market rents of below \$1,000,
- Housing design/type gaps identified include missing middle housing, which could include townhomes, duplexes, stacked housing, cluster homes, up to small multifamily buildings with fewer than 20 units. These designs allow for greater density, while maintaining the fabric of the traditional single-family home neighborhood. Other design/type gaps identified include a lack of property amenities at much of the market rate supply.
- Geographic gaps include the lack of rental housing outside of Queensbury and Glens Falls, lack of affordable ownership options in the lakeshore communities, and a lack of newly constructed/renovated housing supply in towns west of Lake George.

## Interviews with Local Stakeholders

Key stakeholders were identified in consultation with the client and requests to participate were sent via email/phone/online portals. In total, 27 key local stakeholders representing the public (government), private (professional housing services/experts, developers, major employers), and nonprofit (developer, philanthropy) sectors were interviewed for the purposes of this report. The following table summarizes people/organizations interviewed for this report by stakeholder type.

Stakeholder	Title/Organization	Stakeholder Type
Wayne Lamothe	Wayne County Planning Director	Government
Patricia Tatich	Warren County Planning	Government
Stuart Baker	Town of Queensbury Senior Planner	Government
Dan Barusch	Town & Village of Lake George Planner	Government
Kevin Geraghty	Chair of Warren County Board of Supervisors/Town of Warrensburg Supervisor	Government
Ron Conover	Town of Bolton Supervisor	Government
Craig R. Leggett	Town of Chester Supervisor	Government
Josh Westfall	Director of Planning & Zoning Town of Bolton	Government
Jeff Flagg	City of Glens Falls Economic Development Director	Government
Cheri Kory	Glens Falls Housing Authority	Government
Larry Regan	Regan Development	Developer
Gabe Regan	Regan Development	Developer
Tim Stuto	Hodorowski Homes	Developer
Micheal Grasso	Sun Valley	Developer
Adam Feldman	Habitat for Humanity of Northern Saratoga, Warren, and Washington Counties	Nonprofit Developer
Lori Bellingham	Adirondack Foundation	Nonprofit / Funder - Housing Professional Services
Densay Sengsoulavong	Southern Adirondack REALTORS, Inc. CEO	Realtor/Broker - Housing Professional Services
Kimberly Bullard	Legacy Nine Realty	Realtor/Broker - Housing Professional Services
Jim Siplon	EDC Warren County President	Economic Development
Beth Gilles	Lake Champlain Lake George Regional Planning Board Director	Economic Development & Planning
Judy Calogero	President of Calogero Partners	Housing Professional Services
Michael J. Borges	Rural Housing Coalition of New York	Housing Professional Services
Sharon Reynolds	Rural Housing Coalition of New York	Housing Professional Services
Tom Guay	The Sagamore	Major Employer - Tourism
Kathryn Muncil	Fort William Henry Corporation	Major Employer - Tourism
Luke Dow	Lake George Steamboat Company	Major Employer - Tourism
Susan Corney	Hudson Headwaters Health Network	Major Employer - Healthcare

Interviews were conducted with key stakeholders by telephone, zoom, or in-person and averaged approximately one hour. Participants were asked questions about current housing issues and needs as well as recent changes in demand as well as perceived future needs, impediments to meeting those needs, and strategies/recommendations for changes that could be made to better meet the identified needs. The following section summarizes the results of these interviews.

## Housing Needs

- **Housing Shortages.** First and foremost, there is widespread recognition that there is a countywide housing shortage. Specific gaps referenced by local stakeholders include a lack of affordable housing for households with incomes up to 150 percent of the AMI and below, single-story structures more appropriate for aging in place, seasonal workforce housing, and year-round workforce housing. Further, there is fairly widespread recognition that this housing shortage has become sufficiently extreme to now be an economic development and community development issue as well as a housing issue.
- **Supply Gaps – Young Professionals, Seniors, Workforce, and Young Families.** The vast majority of the housing stock in the county consists of older single-family homes, which is inconsistent with preferences of young professionals, the majority of which are one or two-person households who prefer walkable and amenity rich housing options or the aging population given the lack of small lot, one-story cluster/townhomes or elevator-serviced multifamily buildings. Additionally, the increase in demand, particularly following the onset of the pandemic, contributed to a housing shortage, and the majority of the additions to supply have generally targeted higher income buyers. As a result, the existing housing stock at current prices is considered out of reach for the local workforce, young families, and year-round residents. Condominiums and owner-occupied duplexes, townhomes, and other types of missing middle housing structures for year-round occupancy are not common in this market, though this type of design could fill a variety of the aforementioned supply gaps. For example, higher density structures would be both more affordable and more appropriate to the changing demographics of the county including the aging population and large number of one-person households.

- **Workforce and Workforce Housing.** The generally accepted definition of workforce housing is housing that is affordable for those earning between 80 percent and 120 percent of area median income, or AMI. Households in workforce housing typically earn too much to qualify for programs under HUD. However, the type of workforce housing needed will vary by location. The definition of workforce housing utilized among local stakeholders varies depending on location. Within the tourism destinations such as Lake George, workforce housing generally refers to the seasonal workforce, many of which are international visa holders who come to the United States to work in the service industry for a season (typically the summers) and need temporary housing just for the season. How to house this population remains the source of much discussion among Lake George stakeholders in particular. Several major employers attributed staffing shortages and attrition to housing shortages. Major employers in the tourism industry have become more involved in housing discussions, and in some instances have started to offer housing as part of their compensation package. The Town of Lake George recently kicked off a Workforce Housing Needs Study to help guide these efforts. Outside of these markets in other parts of the county, workforce housing was more likely to refer to housing for teachers, paramedics, and police officers, as well as persons employed in the service sector. The multifamily rental property currently under construction in Lake George (Sun Valley Apartments) will reportedly offer workforce housing units targeting households with incomes of 60 to 120 percent of the AMI, but not for the seasonal workforce; instead, this housing will target the year-round workforce.
- **Changing Demographics.** Warren County’s population is aging. Young people are leaving, the remaining population is aging, and the area is not attracting new younger residents. This demographic shift is impacting local institutions including the school systems through declining enrollment and the size and structure of the local labor force. Absent any intervention, these effects will continue to have these negative impacts and at some point, may result in the need to consolidate school systems, business closures due to a lack of labor supply, and more. While local stakeholders generally agreed that the current state of the housing market, and prices and lack of supply in particular, was a contributing factor, there was less agreement on the magnitude



of the effect with some noting that these shifts predated the 2020 shifts in the housing market. Regardless, there was widespread agreement that addressing housing issues, and supply shortages and affordability issues in particular, would be necessary in order to have any hope of addressing the changing demographics.

- **Difficulties Securing Financing – Households.** Younger generations, and the most common pool of first-time homebuyers, generally have more consumer and education debt than prior cohorts and at the higher sale prices these debts have contributed to rising difficulties in securing financing. This has been further complicated by rising interest rates and prices in the past year reportedly outpacing income growth.
  
- **Lack of Competitiveness for State/Federal Financing/Credits – Developers/Municipalities.** In order to be financially feasible and competitive for federal/state competitive funding cycles, properties in the county reportedly need to offer a minimum of 60 units. With the exception of Glens Fall and Queensbury, the other areas of the county are unlikely to be able to support that size of a project. While a 60-unit scattered site project may be feasible, they are difficult to structure and additional incentives/resources such as donated land, infrastructure improvements, private grant funding, or property tax exemptions would have to be brought to the table in order for a project to even be considered.
  
- **Increased Competition from Cash Buyers, Non-Local Investors/Buyers, and Short-Term Rentals (STRs).** Warren County is an amenity rich small city/rural county with excellent interstate access and good access to multiple major metropolitan employment centers, advanced infrastructure including broadband, access to a variety of locational amenities including multiple healthcare providers and a full-service hospital and recreation uses, established seasonal tourism flows, and comparatively more affordable housing prices relative to urban centers, Taken together, these characteristics made the county a

particularly attractive destination for nonlocal buyers including remote workers, second homeowners, and investors.

- **Pluses and Minuses of Short-Term Rentals (STRs).** In tourism and high amenity locations in particular, STRs generate additional taxes for the local municipality and demand and revenue for local businesses, yet they also remove housing units from the year-round housing stock, introduce a new type of buyer into the housing market, and consequently can contribute to a rise in housing prices and decrease in the available housing supply. Additionally, if businesses cannot fully staff because employees cannot find housing, then the additional business revenues generated may be offset by the need to raise wages or other costs associated with higher attrition rates. The county and city/towns/village are currently in varying stages of exploring whether, and if so how, to control this new market of STRs, but where regulations are in place, most to date are done through the zoning code. As of September 2020, STRs in Warren County have been required to register and pay a licensing fee.

## Impediments

- **Increase in Development Costs.** Material costs increased as a result of supply chain problems and inflation. Labor costs increased due to the increase in demand for specialized skills much of which was coming from higher income households accustomed to paying much higher costs. Though costs have reportedly decreased from the pandemic peaks, they continue to be above pre COVID levels and market participants do not expect them to return to pre COVID levels because as one respondent noted “we all know that costs are quick to rise, but slow to fall.” One stakeholder estimated that current construction costs are \$225 per square foot for multifamily and \$200 per square foot for single-family construction, the latter reportedly being slightly more affordable because soft costs are lower. Land costs have also reportedly increased significantly in the past few years, a trend also attributed to the increase in demand from nonlocal buyers.

- **Regulatory/Zoning.** Current zoning rules in parts of the county and region disincentivizes density; this in turn increases construction costs and contributes to higher prices and affordability challenges for local buyers in particular.
  
- **Regulatory/Adirondack Park (AP).** Approximately 43 percent of the AP is owned by the State of New York and not currently available for sale or development. Being in the AP adds an additional layer of development requirements when compared to development outside of the AP boundaries. According to local stakeholders, these additional requirements drive up construction costs and make new higher density development difficult outside of the hamlets. Discussions are currently being held among local stakeholders as to how best to advocate for the expansion of hamlet(s) in Warren County – suggestions include an appeal to the Governor’s recent commitment to adding affordable housing units throughout the state (since the park is state owned and the Adirondack Park Agency (APA) is a state agency) to discussions about the reallocation of development rights as the AP expands its footprint.
  
- **Infrastructure.** The costs associated with running infrastructure to potential development sites can be significant. Public systems may not be able to support the increases in supply that are needed in order to meet rising demand.
  
- **Increase in Demand.** Migration flows from densely populated urban centers to rural/small towns during the height of COVID are well documented nationally and interviews with local stakeholders indicated that Warren County was not immune to these trends. The increase in demand has contributed to rising housing costs and, in some of the more tourism/recreation amenity rich areas of the county, an increase in perceived vacancy and absenteeism as a larger share of housing units are being used seasonally/occasionally.

- **Decrease in Supply with Rise in Short-Term Rentals.** The decrease in supply came both from second homeowners looking to offset some of their costs with income when at their alternative residence as well as from investors who flocked to the area because of relatively low housing prices and the perceived significant upside associated with the county’s tourism and recreational amenities.
  
- **Lack of Capacity.** There has been a decrease in the presence of housing and nonprofit service providing organizations working in Warren County. The exception is Habitat for Humanity of Northern Saratoga, Warren, and Washington Counties, which is currently expanding its profile into the multifamily marketplace. The organization that previously administered the Queensbury CDBG program is no longer operational. The county’s CDBG preservation/critical repairs program is also not currently active. The organization that managed a scattered site affordable housing project (only one site is located in Warren County) reportedly filed for bankruptcy and the management of that project was transferred by the state to an experienced private LIHTC developer, at least temporarily. Until recently, there was no Rural Preservation Company (RPC) based in Warren County. Now there is one and this RPC has elected not to focus on preservation/repairs; there are two other RPCs that do some preservation/repair work in Warren County, but both are located in adjacent counties. There is no land bank in operation in Warren County.
  
- **NYHCR Award Processes Disadvantage Rural/Small City Projects.** Award decisions processes for federal and state housing funds, and Low-Income Housing Tax Credits (LIHTCs) in particular, reportedly favor awards for projects that offer a minimum of 60 units. The majority of the towns in Warren County could not support a project of that size, thereby limiting the potential locations for developers looking to build affordable rental housing in the county to Glens Falls, which has limited land sufficiently large enough to support a project of the needed size, or Queensbury, which is more suburban thereby limiting potential development sites to a select number of areas within the town limits with close proximity to various locational amenities

and public transportation as this is necessary to ensure the competitiveness of a project submitted for federal/state funds in a competitive grant cycle.

The rural/urban designation is particularly relevant for Warren County because many of the areas within Warren County designated as “rural” under the Census definition are also those with the most severe infrastructure limitations as well as being inside the blue line and as such have additional regulatory impediments to development. Conversely, the areas that would face the least regulatory and infrastructure hurdles, are designated as urban and as such are excluded from rural programs and funding sources and have to instead compete for funding and resources with other urban areas where needs and cost burdens are considerably higher.

## **Recommendation & Implementation Strategies**

There are a variety of strategies that can be pursued to address housing affordability issues: increase supply, manage demand, increase incomes, and/or lower rates. Counties and municipalities have varying degrees of control over these different levers; we focus here on the first two, which are the levers for which there is the most control.

Recommendation #1: Add Housing Supply with Focus on Addressing Identified Gaps

**RECOMMENDATION # 1 - ADD NEW HOUSING UNITS**

Recommendation	Action Item	Implementation
New Construction Housing	Add affordable (<80% AMI) rental units for low to moderate-income households	<ul style="list-style-type: none"> <li>- Support Low Income Housing Tax Credit (LIHTC) Applications; these developments provide formally regulated affordable rental units to the low to moderate income workforce and would increase the number of voucher accepting landlords in Warren County</li> <li>- Promote New York Real Property Tax Law Section 420-a (RPTL § 420-a), which provides real property tax exemption for property owned by qualifying non-profit organizations when used for select purposes. For properties owned by not-for-profit housing companies, see RPTL § 422 for a complete description</li> <li>- Provide density bonus / fastrack zoning changes for fully affordable/workforce housing projects</li> <li>- Streamline development process</li> <li>- Use publicly owned property for affordable housing projects</li> <li>- Create Land Bank and provide donated/discounted land</li> <li>- Create Housing Trust to provide gap/below market financing for fully affordable/workforce housing projects</li> <li>- Share or secure grant for predevelopment costs</li> <li>- Extend infrastructure to/complete predevelopment site work for potential development sites</li> </ul>
	Add workforce (80-120% AMI) rental units, including studio and one-bedroom units, in amenity rich (mixed-use developments) and/or in downtown/hamlet walkable areas	<ul style="list-style-type: none"> <li>- Incentivize workforce units via tax discounts/PILOT, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work, development sites secured via newly created Land Bank in exchange for adding affordable units (80 - 150% AMI units) to otherwise market rate projects</li> <li>- Use HOME/CDBG/Housing Trust Fund (HTF) funds as source of financing for construction</li> <li>- Promote New York Real Property Tax Law Section 420-a (RPTL § 420-a), which provides real property tax exemption for property owned by qualifying non-profit organizations when used for select purposes. For properties owned by not-for-profit housing companies, see RPTL § 422 for a complete description</li> <li>- Donate publicly owned or land bank acquired land</li> <li>- Share or secure grant for predevelopment costs</li> <li>- Extend infrastructure to/complete predevelopment site work for potential development sites</li> </ul>
	Add market rate rental units, including studio and one-bedroom units, in amenity rich (mixed-use developments) and/or in downtown/hamlet walkable areas	<ul style="list-style-type: none"> <li>- Incentivize affordable units (80 - 150% AMI) at market rate developments by offering tax discounts/PILOT, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work, and/or provide or discount publicly owned or land bank acquired development sites in exchange for adding the affordable units to an otherwise fully market rate project</li> <li>- Revise zoning code to permit Accessory Dwelling Units (ADUs) when used for year-round occupancy</li> <li>- Share or secure grant for predevelopment costs</li> <li>- Extend infrastructure to/complete predevelopment site work for potential development sites</li> </ul>
	Add affordable ownership options for first-time homebuyers, young families, workforce, and seniors looking to downsize	<ul style="list-style-type: none"> <li>- Revise zoning code to permit missing middle housing structures in single-family districts</li> <li>- Revise zoning code to permit ADUs for year-round homeowners to help lower costs and/or for any unit if the occupant of the ADU will be a year-round occupant</li> <li>- Revise zoning codes to permit modular home construction and/or permanent tiny house village.</li> <li>- Expand first time homebuyer assistance programs</li> <li>- Use publicly owned property for affordable housing projects</li> <li>- Use Land Bank / Land Trust or Housing Trust with deed restrictions to acquire sites and improve with affordable housing in perpetuity</li> <li>- Provide incentives (land donation, tax discounts, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work)</li> </ul>

## WARREN COUNTY, NEW YORK – HOUSING NEEDS STUDY AND MARKET DEMAND ANALYSIS

Recommendation	Action Item	Implementation
Preserve Existing Housing Stock	Adaptive reuse of existing structures	<ul style="list-style-type: none"> <li>- Consider commercial/office conversion to residential/mixed-use development. This could be micro-units where tenants have private bedroom/bathroom but share kitchen facilities (motel/hotel conversion) or private bedroom/kitchenette but share bathroom facilities (office conversion)</li> <li>- Explore options for purchase (and then weatherize for year-round occupancy) camping cottage or other currently seasonal use in tourism areas into year-round workforce housing</li> <li>- Incentivize through PILOT/tax incentives, density bonus, and/or share infrastructure/predevelopment costs</li> </ul>
	Rehabilitate existing large vacant structures	<ul style="list-style-type: none"> <li>- Downtown revitalization funds</li> <li>- Historic Tax Credits</li> <li>- Low Income Housing Tax Credits (LIHTC)</li> <li>- CDBG/HOME/HTF funds as financing sources</li> <li>- Recreation Economy for Rural Communities planning assistance program</li> <li>- Package a project and promote to Opportunity Zone investors / funds</li> <li>- Incentivize through PILOT/tax incentives, density bonus, and/or share infrastructure/predevelopment costs</li> </ul>
	Rehabilitate/critical repairs/weatherize existing units	<ul style="list-style-type: none"> <li>- Restart the Queensbury and Warren County CDBG/HOME funded repairs programs</li> <li>- Expand critical repairs services to Warren County residents by leveraging and coordinating action and administrative costs with the two Rural Preservation Corporations (RPCs) already working in Warren County - Rebuilding Together Saratoga County and PRIDE of Ticonderoga, Inc.</li> <li>- Work with newly established RPC (Warren-Hamilton ACEO, Inc.) on weatherization program for existing structures.</li> </ul>

**Land Banks** are public entities, usually nonprofit or governmental entities, which specialize in the conversion of vacant, abandoned and foreclosed properties into productive uses. Land banks typically have special authorities which allow them to accomplish the aforementioned goal including the ability to remove legal and financial barriers (i.e., delinquent property taxes) that otherwise make the vacant, abandoned, and foreclosed properties inaccessible or less attractive to private developers.

While a land bank is relatively unique in its role in terms of establishing the potential development pipeline, there are a variety of tools and mechanisms that can be used to ensure that the rehabilitated or newly constructed residential improvements meet community needs, but they generally fall into two categories.

- **Community Land Trust (CLT):** A CLT is related, but distinct, to a land bank and these tools are oftentimes deployed together as complementary tools within a given community. A CLT is typically a nonprofit organization that holds land in trust for the purpose of providing affordable housing and other community identified essential uses ranging from land conservation to community services/amenities to affordable housing; regardless of the use, the purpose of the CLT is to ensure that the use is maintained in perpetuity. Typically, a CLT acquires the land/property from the local land bank (donated or otherwise), and then develops or contracts out development of the land for a particular identified community use. For residential projects for example, affordable housing units would be developed on the land and then homeownership would be generally comparable to traditional homeownership except that: (1) the purchase price would be lower because the land would continue to be owned by the CLT via a ground lease and (2) there are restrictions on any future re-sale of the home that ensures that the seller achieves some gains based on earned equity and market growth, but also that the home itself remains affordable based on conditions at the time of the sale such that any residential improvements built on land owned and managed by the CLT would be affordable in perpetuity. For more information on CLTs, we refer the reader to



Grounded Solutions' Startup Community Land Trust Hub, found at <https://groundsolutions.org/start-upclthub>.

- **Zoning Code/Development Process – carrots and sticks:** As part of the development process, communities can incentivize (carrot) and/or mandate (stick) types of uses including affordable housing development. For example, a community can **mandate** that all new development includes some percentage of units that will be affordable, either for a particular period of time, or more commonly, into perpetuity through **inclusionary zoning (IZ)** policies and/or a **deed restriction program**. Further, some communities with IZ policies also allow developers to pay a fee in lieu of including the affordable housing units. That fee can be used for a variety of uses, but often is used as a dedicated funding source for a local **housing trust fund**. The housing trust fund is a source of funding that can be used to support a variety of different affordable housing initiatives including, for example, rental assistance, energy-efficient retrofits, downpayment and closing cost assistance, security deposit and/or other renter move-in costs, weatherization of existing structures, and below market financing of affordable housing development via acquisition/rehabilitation or new construction. The key for any housing trust fund is a dedicated revenue source. Some examples of dedicated revenue streams include development fees such as that referenced above as part of an IZ program, or a dedicated percentage of broader fees/taxes such as a real estate transfer tax, document recording fee, permit fees, STR licensing fees, property taxes for improvements constructed on formerly publicly owned land, among others; a dedicated percentage of tourism or lodging taxes; a dedicated percentage of a local sales tax; etc. For additional information and guidance on how to establish a housing trust fund, we refer the reader to The Center for Community Change's Housing Trust Fund Project at [www.housingtrustfundproject.org](http://www.housingtrustfundproject.org). Alternatively, communities can offer **incentives** in exchange for a particular type of use – design, unit mix, affordability, etc. The most common incentive based strategies for adding affordable housing supply are **allocating public lands** (either by donation or at below market rates); **preparing sites, publicly owned or otherwise, for development by running necessary infrastructure to site(s); sharing predevelopment costs;**

offering **density bonuses** to projects that will include affordable housing units; and tax abatement/reductions, typically in the form of a **Payment in Lieu of Taxes (PILOT)**.

Which of these strategies will be the best fit depends on the needs, assets, and impediments of each community. Further, what types of projects will be most feasible also varies by location. For example, a LIHTC project is most likely to be awarded in Glens Falls or Queensbury given the size of development reportedly needed (approximately 60 units) and access to services/amenities needed in order to be competitive. It is our understanding that a LIHTC project has been proposed in Queensbury and is currently in the planning stages and this developer has experience in the market, which is an added benefit. Adaptive reuse projects, by contrast, are most likely in hamlet centers (existing commercial to residential, for example the old school in Pottersville), in lakeshore communities (existing commercial/seasonal to year-round residential), and in Glens Falls given the larger number of older vacant properties in the city. Having said that, the data suggests that the home/work commuting flows (where one lives to where one works) are fluid both within the county and the region more generally. As such, a new housing project in one part of the county will likely have knock-on effects for other parts of the county.

## Recommendation #2: Manage/proactively respond to changes in demand

### ➤ **Short-term rentals (STRs)**

- Given that the problems caused by the emergence and growth of the STR markets vary by city/town/village, rather than recommend one overarching approach, we recommend that communities determine the best approach forward for their respective community based on the issue(s) they are attempting to address.
- Develop monitoring system to enforce STR rules and regulations; for example, use a third-party company to monitor compliance with licensing regulations.
- Cap STRs at a predetermined share of housing stock. Limited use exceptions, grandfather clauses, or lottery systems can be incorporated.

- Increase licensing fee and use proceeds for housing and transportation programs/services for year-round residents. This program has the added benefit of serving as a dedicated revenue stream for a local housing trust or some other managed housing fund.
- Reinvest proceeds from collected occupancy taxes from STRs into programs that offset the negative impacts of increased tourism and STRs on year-round residents and the year-round housing market.
- Develop incentive program STR conversion to long-term housing unit or seasonal temporary workforce housing unit. The most common incentive is a cash subsidy covering the gap between what would be affordable given current workforce incomes and the average monthly revenue for a STR in the market. These programs are typically funded with a combination of local tax revenue, employer contributions, and/or philanthropic dollars.

### ➤ **Second homeowners**

- Implement impact or transfer fee and use proceeds for housing and transportation programs/services for year-round residents. This program has the added benefit of serving as a dedicated revenue stream for a local housing trust or some other managed housing fund.
- Develop incentive program for absentee second homeowners/investors to convert unit to a long-term housing unit or seasonal temporary workforce housing unit. This could include a cash subsidy or funds to use towards home improvements. These programs are typically funded with a combination of local tax revenue, employer contributions, and/or philanthropic dollars.

### ➤ **Landlords**

- Develop incentive program (damage deposits, hold fees, one-time grants, low interest repair loans) to attract landlords back to the Section 8 Housing Choice Voucher program.

➤ **Local Workforce**

- Expand existing first-time homebuyer incentive programs to additional, higher income, households through new funding sources, for example through the NYS Affordable Housing Corporation’s (AHC) Affordable Home Ownership Development Program (AHOD Program).

Recommendation #3 – Leverage existing capacity, local and regional

- Work with the two existing RPCs in Saratoga and Ticonderoga to develop a Memorandum of Understanding (MOU) for these organizations to manage and operate housing repairs and rehabilitation programs in Warren County.
- Work with developers, non-profits, and foundations familiar with the market to develop additional affordable housing opportunities, both rental and homeownership. One recent example of such leveraging and collaboration is found in the currently underway 10-unit acquisition/rehabilitation permanent supportive housing project in Glens Falls. The project represents the first of its kind, a partnership between two local non-profits – Habitat for Humanity of Northern Saratoga, Warren, and Washington Counties and WAIT House. This project represents an extension of the traditional business model for both organizations. More specifically, this is Habitat’s first multifamily rental project (traditionally they have done single-family owner-occupied housing units) and WAIT House’s first permanent supportive housing (PSH) project (traditionally they have done emergency and temporary housing as well as rapid rehousing). The City of Glens Falls kick-started the \$1.1 million project with a \$200,000 grant through its \$12.4 million ARPA grant from the federal American Rescue Plan Act. They also received funds through the Charles Wood Foundation, Glens Falls Foundation, and the Cloudsplitter Foundation, an Adirondack regional non-profit. WAIT House is participating in the partnership as part of a STEP grant – “Solutions to End Homelessness”. Habitat borrowed \$800,000 for the project and owns the buildings. Peerless Construction is responsible for

construction and will reportedly manage the units. WAIT House will provide referrals as well as supportive services. Rents will range from \$900 to \$1,100 per month. While tenants are expected to be employed, all units will operate with project-based rental assistance allowing tenants to pay just 30 percent of their household income for rent, and the rental income collected will go towards paying Habitat’s mortgage.

- Encourage employers to use the Self Sufficiency Earnings Estimator (can be found at <https://dol.ny.gov/self-sufficiency-earnings-estimator>) as a tool to set wages for prospective employees.
- Be proactive to understand and respond to how housing issues are impacted by and impact other fields such as economic development, fiscal policy, and infrastructure. Consider innovative approaches to integrating funding/strategies across these policy fields. Refer to Headwater Economics (2023) *Amenity Trap: How High-Amenity Communities can Avoid Being Loved to Death*.
- Learn about best practices from neighboring communities and apply those to plans for Warren County. For example, most recently, Essex County and Franklin County received approvals from the state in the spring of 2023 to establish their own Land Banks. In Lake Placid, a new nonprofit developer, Homestead Development Corp. was created by bringing together expertise already local to the community to develop affordable homeownership options in the area. Given the lack of a Land Bank and nonprofit developers in Warren County, the experiences of these other communities may help guide Warren County in their own efforts.

## Recommendation #4 – Develop a strategy to attract new residents, particularly younger people.

As a starting point, the county can turn to the Northern Forest Center’s strategy on how to attract new residents. More specifically, the report identified ten conditions needed to attract a younger generation including: jobs and careers, quality housing, authenticity and walkability, recreational trails and other assets reachable from town/hamlet centers, reliable and affordable high-speed internet and cell coverage, among others. Leverage existing young residents are partners on this project. Each city/town/village in the county has different resources and draws and as such the strategies need not be singular. For example, Glens Falls can focus on providing walkability and culturally rich amenity housing opportunities; Queensbury could focus on a mixed-use development (versus strictly residential developments which has been the focus of recent residential additions); towns in the north can focus on revitalizing the hamlets and promoting recreational amenities within their borders. Having adequate and affordable housing will be a necessary component of this/these strategies but adding housing alone or making housing more affordable alone, are unlikely to be sufficient to address the changing demographics.

## Recommendation #5 – Leverage Opportunity Zones (OZ) designations

H.R. 1, signed into law on December 22, 2017, created a new tool for community development, designed to provide tax incentives to help unlock investor capital to fund businesses in underserved communities. Warren County has two OZs, one in the town of Johnsbury including the Hamlet of North Creek and Gore Mountain Ski Resort, and one in downtown Glens Falls including portions of the Arts, Wellness and Entertainment (AWE) District as defined in the Glens Falls Downtown Revitalization Initiative. To date, real estate investments have dominated this new marketplace and this tool should be used as such in these designated communities. These communities should leverage this classification to attract additional investment to these communities. Novogradac developed and maintains an Opportunity Zones Resource Center, found at <https://www.novoco.com/resource-centers/opportunity-zone-resource-center/about-opportunity-zones>. This resource center includes

OZ basics, a list of Opportunity Zone Funds, guidance and tools, research and reports, updates on legislation and court rulings, and more.

## Conclusion

From January 2023 through June 2023, Novogradac collected data from a wide range of primary and secondary sources including publicly available data sets such as that provided by the U.S. Census Bureau, proprietary data sets such as that provided by Esri Demographics, sales records, a survey of rental properties, and interviews with key local stakeholders. What makes this study unique is the market survey and demand analysis, which provides a more contemporaneous analysis of the current state of the housing market. We have, however, also included standard components of a Housing Needs Study including a high-level inventory of existing services and programs, summary of housing needs as identified by local stakeholders, and a summary of demographic and economic data. The results of this work are contained in two documents. This is the first document, and it serves as the high-level summary of the Housing Needs and Demand Analysis study. The second, titled Supplemental Materials, is the longer, more detailed document within which the data is sourced and analyzed. The results of the study suggest demand for all types of housing is strong and virtually all contemporary data points to a housing shortage in Warren County that spans geographic areas, tenure, and targeted tenancies. An analysis of the sales and rental market suggests a tightening of both the rental and sales markets since 2020 pushing both to what appears to be record low inventory and vacancy rates. This is consistent with qualitative data from interviews with local stakeholders who reported significant housing shortages in both the sale and rental markets. Absent new additions to the housing supply, these shortages are expected to continue in the near term. Absent an increase in supply, prices are expected to continue to rise and the lack of affordable and available housing will persist, if not worsen. Absent policy/regulatory changes, the number of short-term rentals are also expected to continue to rise. There are a variety of strategies that can be pursued to address housing affordability issues: increase supply, manage demand, increase incomes, and/or lower rates. Counties and municipalities have varying degrees of control over these different levers; we focus here on the first two, which are the levers for which there is the most control. Five key recommendations and accompanying implementation strategies were identified: (1) add

housing supply with a focus on addressing identified housing gaps through the creation of newly constructed units as well as the preservation of existing units, (2) manage/proactively respond to changes in demand, (3) leverage existing capacity (local and regional), (4) develop a strategy to attract new residents, particularly younger people, and (5) leverage opportunity zone designations.