

# Warren County Housing Needs Study and Market Demand Analysis

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Update to the Board of Supervisors

## Purpose of Study

The purpose of the Housing Study was, 'to conduct and provide a housing needs and market demand analysis for Warren County to be utilized by Warren County and partner organizations to assess current and future housing needs and market demand.' The \$50,000 study was funded by a grant from the NYS Housing Trust Fund Corporation and direct financial contributions from Warren County. The firm Novogradac was engaged in spring 2023 and a final draft of the study was received in October 2023.

## Findings








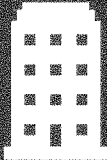






The results of the study suggest demand for all types of housing is strong, and virtually all contemporary data points to a housing shortage in Warren County that spans geographic areas, owners, renters, and household types.

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 is 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 (increase supply and manage demand), which are the levers for which there is the most control.

Recommendations<sup>1</sup>:

<p>Add housing supply with a focus on addressing identified gaps, including:</p> <ul style="list-style-type: none"> <li> New construction of affordable rental units</li> <li> Studio and one-bedroom units in hamlet areas</li> <li> Affordable ownership options for first-time homebuyers</li> </ul>	<p>Focus on adaptive reuse of existing structures, including:</p> <ul style="list-style-type: none"> <li> Commercial/office conversion to mixed-use units</li> <li> Conversion of older seasonal housing to year-round workforce housing</li> <li> Development of micro-units with shared kitchen facilities.</li> </ul>
<p> Rehabilitate existing dilapidated housing stock using CDBG/HOME funding and partnering with Rural Preservation Corporations</p>	<p> Rehabilitate large vacant structures, taking advantage of tax credits and Opportunity Zones</p>
<p> Revisit zoning codes to incentivize and/or mandate specific types of development to help address gaps</p>	<p> Pro-actively manage short-term rentals through monitoring systems, zoning regulations, caps, fees and incentives.</p>
<p> Develop incentive programs for landlords to attract them back to the Section 8 program</p>	<p> Continue to explore Land Banks and Community Land Trusts</p>
<p> Work with regional partners, including local Rural Preservation Coalitions, developers and non-profits. Learn about best practices from successful neighboring communities.</p>	<p> Develop a strategy to attract new year-round residents, particularly young families</p>

<sup>1</sup> Page 57

## Takeaways: Housing Demand

Warren County is an attractive home for residents, situated at the gateway to the Adirondack Park, on the border between more economically developed counties to the south and rural counties to the north. New residents attracted to the area, economic conditions, local policy decisions, and changing demographics over the past decades have led to a mismatch between housing supply and demand.

- 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
- 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,
- 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 and smaller units,
- There is a limited supply of senior-friendly supply, either condominiums or single-story units.

## Takeaways: Housing Gaps

Gaps identified fall into four broad types of housing: 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 low/moderate income 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.
- 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.
- 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.<sup>2</sup>

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## What are the next steps?

The Housing Study provides Warren County with up to date information about our housing needs and the factors influencing housing supply and demand. The Housing Study includes broad recommendations for Warren County to consider, but the recommendations do not provide a clear, actionable strategy. While some portions of the recommendations can be immediately implemented directly by the Warren County Planning Department, the majority of the actions will require the dedication of staff time and financial resources. Since the housing needs in Warren County are so broad, the county will need to work with various partners to choose and prioritize which of the documented housing needs to address. Coordination will need to include but not be limited to; individual municipalities, the Lake Champlain Lake George Regional Planning Board, the Office of Homes and Community Renewal, Warren County EDC as well as the myriad not-for-profits and community-based organizations that are working to address housing issues.

Through this process the Housing Study can be carried forward to create a Warren County Housing Strategy.

- Closely examine LCLGRP Housing Study for applicability to Warren County. This data driven strategy did not include Warren County. While the implementation strategies include Warren County and we are within the service area of LCLGRP, Warren County Planning Department will verify that the data informing the strategies is consistent with the Housing Needs Report. WCPD Staff to meet with LCLGRP Staff on 11/13
- Closely examine Lake George Workforce Housing Market Study. This recently finalized report provides additional data on Warren County and specific strategies to address workforce housing. WCPD Staff to meet with Town Staff on 11/13
- Continue to analyze and work to present data in an easy to understand format for elected officials and the general public. This includes a dynamic website and community housing dashboard.
- Coordinate with Columbia County EDC and Hudson Valley Pattern for Progress to discuss how they moved from developing a Housing Needs Study to a Housing Strategy. Their compelling 2022 Housing Brief identifies actions that are specific to county government.
- Continue to understand how Warren County's documented housing needs incorporate into the county's overall goals and community priorities via the comprehensive planning process. The consultant team will be incorporating the Housing Study into the comprehensive plan.
- Provide direct support to municipalities that are actively developing comprehensive plans in the form of buildout analysis and evaluations of land use regulations.
- Continue to localize the data and findings from the Housing Study to the municipal level so that local governments have a clearer understanding of what the data means in the context of their community. Warren County EDC has ARPA funds to support the promotion of the Housing Study.
- Incorporate the findings from the Housing Study into the intermunicipal review process (239) so that local boards understand how their actions can support the creation of housing to meet regional needs.
- Further scrutinize the distribution and impacts of STRs to help municipalities make informed decisions about if and how to regulate them.



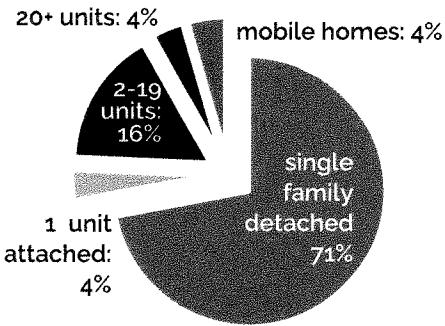
# Warren County, New York

## Housing Characteristics

Warren County has 40,406 housing units.



Of these, 71% are detached single-family homes.



This is substantially higher than the percentage of single-family homes in the state (42%) and nation (62%).

### Size

59% of Warren County's housing units have 3 or more bedrooms.



The only housing unit type to have statistically grown since 2016 is units with 5 or more bedrooms, increasing from 4.1% to 5.5% of the County's housing stock.

Compared with New York State, Warren County has 10% more 3 or more bedroom units and 13% fewer studio and one-bedroom units.

Combined with an aging population and shrinking household sizes, there is a mismatch between supply and demand when it comes to housing size.

### Age



Nearly a third of the housing stock in Warren County was built prior to 1950.

63% of homes in Glens Falls were built before 1950.

This is generally similar to other counties in the region and state, but is substantially older than that of the nation (16.5% built pre-1950).

Homes built prior to 1950 are likely at or beyond their lifespan absent substantial repair.

### Construction

Since 2010, the County has added 1,680 new housing units, an increase of 4.3%.

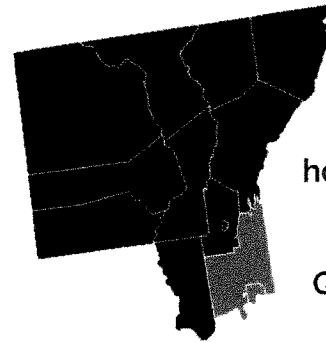
This is above the North Country region (2.4%), but below the Capital Region (6.4%), state (5.9%), and national (9.2%) increases.



There are 956 units in the pipeline in the County, of which 13% are under construction.

The majority of planned development in Bolton and Queensbury is owner-occupied homes, while proposed development in Glens Falls and Lake George is primarily for renter units. Minimal activity is in the pipeline in the northern part of the County.

### Distribution



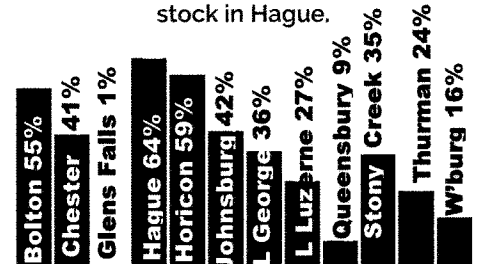
54% of Warren County's housing units are in Glens Falls and Queensbury.

### Seasonality

22% of Warren County's housing units are seasonal.

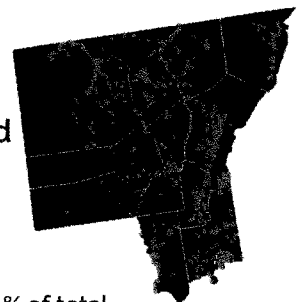


Distribution of seasonal housing ranges from less than 1% of housing units in Glens Falls to nearly 65% of the housing stock in Hague.



### Short-Term Rentals

Warren County has 934 registered short-term rentals, with an additional ~ 570 unregistered units.



Distribution of STRs ranges from less than 1% of total housing stock in Glens Falls and Queensbury to 6% in Bolton and Hague and nearly 8% in Johnsburg.

# Warren County, New York

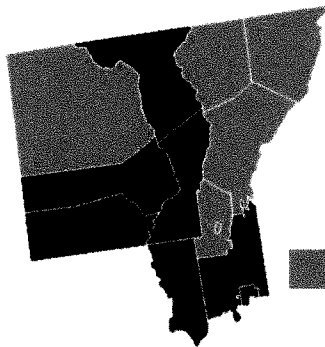


## Housing Characteristics

On average, households in Warren County spend **26%** of income on housing costs.

This percentage is in line with our neighboring counties (ranging from 24% in Hamilton County to 28% in Saratoga County) and is considered affordable.

The median 2022 home sale price in Warren County was **\$280,000**, which is considered affordable for the median household income of **\$67,244**.



Median priced single-family home unaffordable to a household with median income

However, affordability varies by community, with homes in Bolton, Hague, Horicon, Johnsburg and Lake George generally unaffordable to the median income earners in those towns. Homes sold in 2022 in the town of Bolton exceeded affordability for the median income earner by nearly \$350,000.

## Affordability

However, renter households are disproportionately cost-burdened, with **47%** of all renter households in Warren County paying more than 30% of their income on rent.



An affordable 1-bedroom rental for a person making minimum wage is \$896/month. The median 1BR market rent in Warren County is \$1,075.

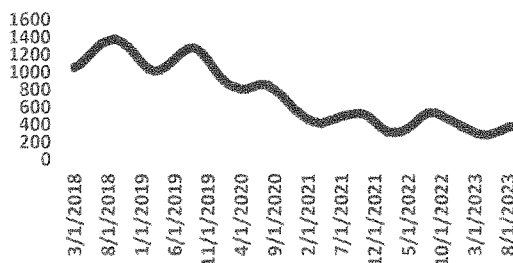
The median sales price for homes in Warren County has increased **33%** since **2019**.

## Availability



The median days from listing to pending sale in Warren County decreased from 84 in 2018 to **13** in 2023. This is an 85% decrease over the surveyed period, compared to a 38% decrease nationwide.

The current sales inventory is at a 10-year low. Between 2018 and 2023, inventory in the County decreased by 74%, compared with a decline of 44% nationwide.



There is a shortage of affordably priced inventory. In May 2023, the median list price for active listings in the County was \$414,000, which is unaffordable for Warren County's median household income.



Warren County's current overall housing vacancy rate is **3.6%**, which is below the national average of 3.8%.

The current vacancy rate in the rental market is **0.4%**.

Vacancy rate below 5% typically indicates a housing shortage

Two-bedroom units are the most widely available rental unit type, although nearly half of the County's overall renter households and over

**75%** of senior renter households are one-person.