
Appendix I: Economic and Demographic Background

Tompkins County Housing Needs Assessment

May 30, 2006

This first appendix of the study presents an historical overview of some of the more significant economic and demographic trends that will continue to have an impact on housing demand and supply in the future. Geographically, the analysis is configured as follows: (1) the county as a region (or in its entirety), (2) a sub-set of communities configured as urban (including the City of Ithaca, the Town of Ithaca, and the Village of Lansing) and rural areas of the county. The rural area analysis includes, where possible, the entire rural area of the county. In some cases (mostly the income and housing value statistics) it is not possible to calculate a median value or income. In those cases where the urban-rural differentiation is not possible, the data for representative high housing price rural community (the Town of Dryden) and a representative low housing price rural community (the Town of Caroline) is instead presented and analyzed. In addition, this appendix also includes material and analysis of city's/town's and the county's economic and demographic structure with an eye towards prospective impacts on the housing situation for the county looking forward. All county and sub-county data and analysis are presented within a framework of comparable data for the upstate New York region—defined as New York State less the counties that comprise the New York City metro region.

This economic-demographic overview and assessment utilizes a variety of secondary data, including: (1) population, household, and housing unit data for the decennial census years from the U.S. Census Bureau, (2) household income and housing cost data from the Census Bureau (using the U.S. Census Bureau definition of money income for the years immediately preceding the decennial Census years), (3) commuting patterns data from the 2000 Census, (4) labor market information from the New York State Department of Labor, and other important secondary data that affect housing demand and supply in the county. Additional data and information such as “arms-length” real estate sales data from the New York State Office of Real Property are used in the affordability calculations that are presented in other parts of this study.

The study also looks closely at the impacts that the presence of the region's major higher education institutions have on the economics and demographics of the region. Clearly, higher education—including Cornell University, Ithaca College, and Tompkins County Community College—is a major regional employer for the region and is one of the key economic engines areas such as the impact their operations budgets have on the regional economy (e.g. on the suppliers and vendors that serve them), and the primary research and technology transfer opportunities afforded by this sector that assist in regional innovation and entrepreneurial development.

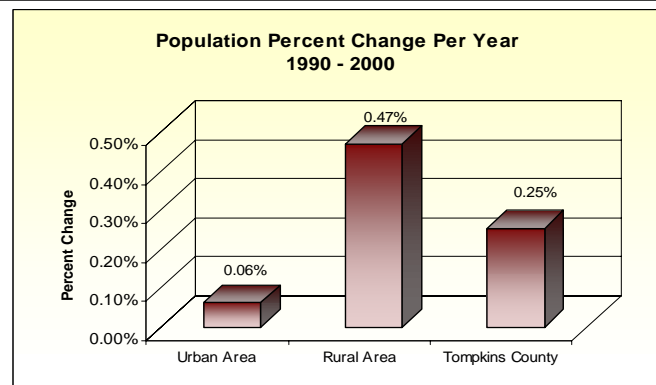
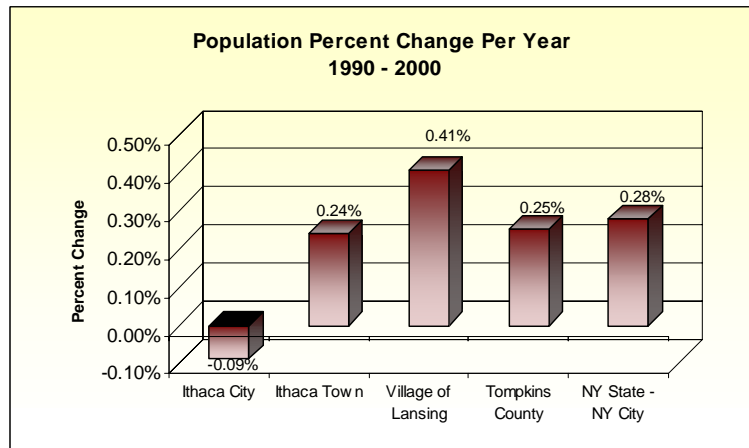
At the same time, higher education also brings several thousand students into the county from external locations. This largely transitional population requires housing, and often procures housing using financial resources that are external to the economic

fundamentals (e.g. jobs, wages, and income growth) of the county’s regional housing market. This dynamic often results in competition for those housing resources with the non-student population, often resulting in a higher level for housing prices and, at times, a faster rate of housing price escalation than would otherwise be the case.

This background analysis of the county’s demographics and economics utilizes the data from the special tabulations completed by the U.S. Census Bureau as requested by the Tompkins County Planning Department for the 2000 Census. These special tabulations separate households and other demographic concepts into two broad categories: (1) those with individuals in the living unit or households that were (as of April 2000) or had recently attended college,¹ and (2) those that as of April 2000 do not have students attending college present in the household or living unit. In some cases, this distinction has a significant impact and in others the impact is not very significant. Where we have usable data in this regard, it is presented to help give insight into the trends and the recent developments in the county’s housing markets. In some cases, the usefulness of this data is limited because these special tabulations were completed only for the 2000 Census. They reflect a useful snapshot at one point in time. Since there is no historical time series or snapshot, this data is not as useful for time series analysis and other analyses in the study as it could be if there was another historical point of reference.

A. Summary Findings of Population Trends and Structure

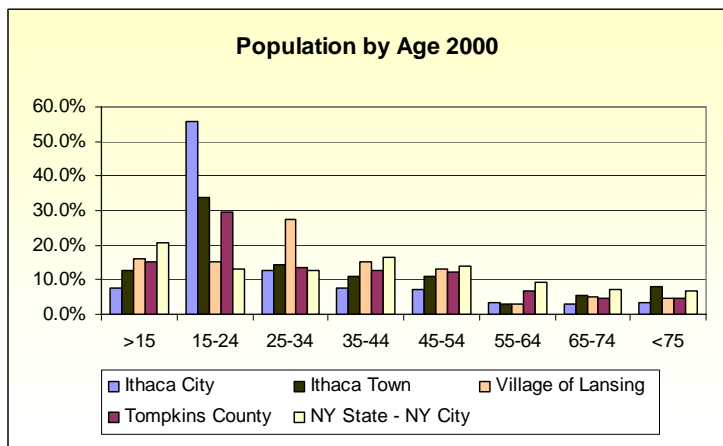
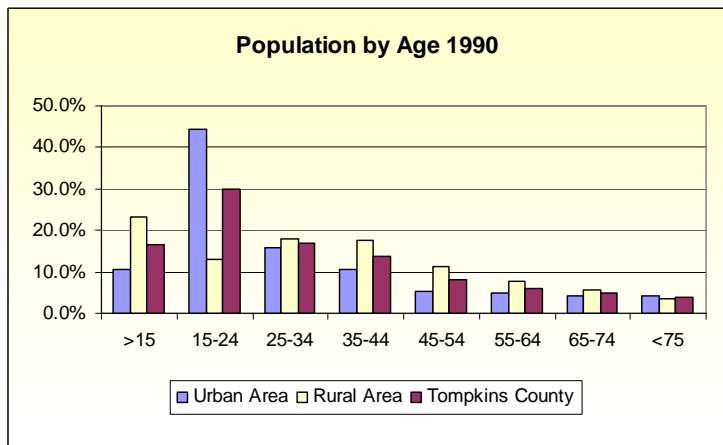
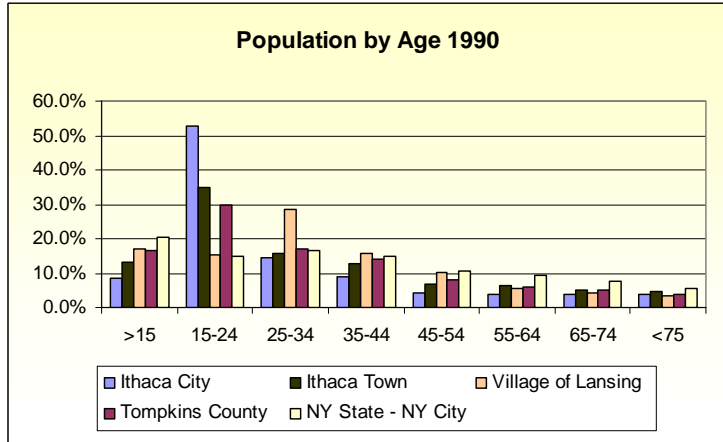
- In terms of population growth, the county as a whole grew only 0.03 percentage points slower than the rate of population growth for upstate New York between the Census years of 1990 and 2000. The City of Ithaca experienced an actual decline in population over the 1990-2000 period, corresponding to a -0.09 percentage points per year rate of decline during the ten-year period. In contrast, the Town of Ithaca experienced a similar annual rate of growth as Tompkins County over the 1990s (at +0.24 percentage points per year). The Village of Lansing experienced the highest rate of



¹ Identified as having a person in the household or living unit that answered “yes” to question 8a of the 2000 Census Questionnaire—the so-called long version.

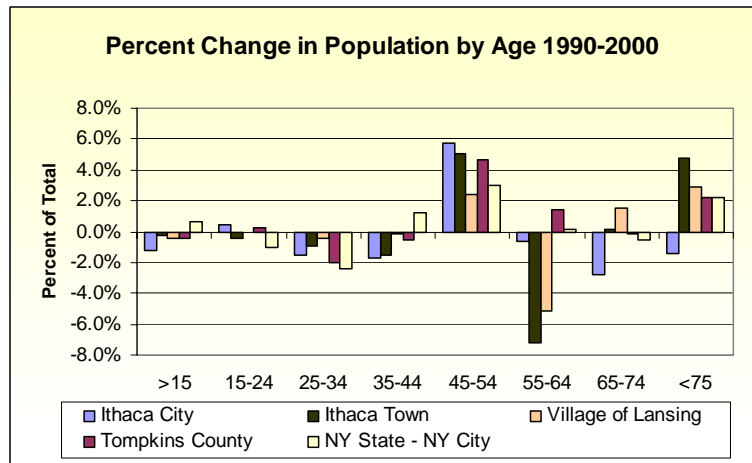
population growth relative to City of Ithaca, the Town of Ithaca, Tompkins County and Upstate New York.

- Looking at the urban and rural areas of the county, the county's rural area experienced a significant increase in population growth corresponding to 0.5 percentage points per year between 1990 and 2000. This percentage exceeded the urban area's population growth rate by 0.4 percentage points. The rural area's annual population growth rate also exceeded the overall county population growth rate average growth by just over 0.2 percentage points during the decade.
- Although the City of Ithaca, the Town of Ithaca, the Village of Lansing, Tompkins County, and Upstate New York have experienced similar rates of population growth over the 1990-2000 period (their growth rates did not differ by more than 0.5 percentage points per year), these communities have experienced differing trends among the eight principal Census Bureau age categories. For example, the county overall experienced significantly greater population growth than the upstate New York region in the aged 15-24 years (at +0.2% per year for the county vs. a -1.0% per year for upstate New York), the age 45-54 years old category (at +4.6% per year for the county vs. 3.0% per year for the upstate region), and the aged 55-64 years category (at +1.4% per year for the county vs. 0.1% per year for upstate New York) during the 1990s. Over the 1990-2000 period the county experienced a decline in its under 15 years of age category (-0.5% per year versus a +0.6% per year for the upstate region), and a somewhat less significant decline in its aged 65-74 years



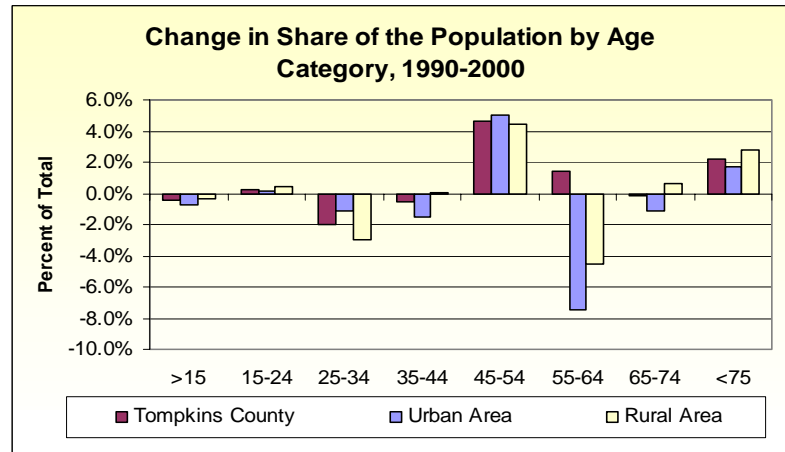
category in comparison to the upstate region as a whole (at -0.1% per year for the county and -0.5% per year for the upstate region). Both the county and the upstate region experience identical +2.2% per year growth rates in their 75 years+ category over the same 10-year period.

- Reflecting its proportionally younger population, the City of Ithaca over the 1990-2000 period experienced a population decline in 6 of 8 categories, with population increases in only the aged 15-24 years category (an increase of 0.4% per year) and the aged 45-54 years category (an increase of 5.7% per year). The city experienced greater than one percent declines per year in the under age 15 years (-1.3% per year), the aged 25-34 years category (-1.5% per year), the age 35-44 years category (-1.7% per year), the age 65-74 years category (-2.8% per year), and the 75 years and up category (-1.4% per year) over the 1990s. Only the aged the 55-64 years category declined by less than 1% per year (-0.6% per year) during the decade of the 1990s.
- The Town of Ithaca and experienced a decline in the majority of its population categories over the 1990-2000 period, with 5 of 8 categories experiencing a decline—with the 55-64 years age category in the Town of Ithaca experiencing a decline of 7.2% per year. Like the city, the town experienced a significant increase in the aged 45-54 years category (at +5.1% per year). However, in contrast to the city, the town experienced population increases in the aged 65-74 years category (at +0.1% per year), and the over 75 years age category (at + 4.8% per year).
- Looking at the Village of Lansing, this municipality experienced a decline in the younger population age category (aged 25-34 years) and a relatively large decline in the aged 55-64 years age category. The latter was a large relative decline in comparison to the village’s performance in the other age group categories. Over the period, the Village of Lansing experienced a population increase in the aged 45-54 years category (at +2.4% per year), the aged 65-74 years (at +1.6% per year), and in the 75 years and up age category (at +2.8% per year).



- When comparing population levels and the population growth in the urban and rural areas of the county, the suburbanization of the rural areas and the importance of the urban area to the aged 15-24 years category becomes clear. The 2000 Census population snapshot shows that the county’s urban area had a significantly higher concentration than the rural areas of the county in the 15-24 years age category and

a slightly higher percentage of its population in the aged 25-34 years category in 2000. In the former age category, the share of the urban area's population accounted for by the aged 15-24 years category increased by 1.7 percentage points over the 1990s, increasing from 44.2% of the total in 1990 to 45.9% of the total in 2000. Two other age categories experienced an increase in share over the 1990s in the urban area of the county. These included the aged 45-54 years (which increased by 3.6 percentage points in share over the 10 year period) and the aged 75 years and over (which increased in share from 4.2% of the total in 1990 to 5.1% of the total in 2000—an increase of 0.9 percentage points in share).

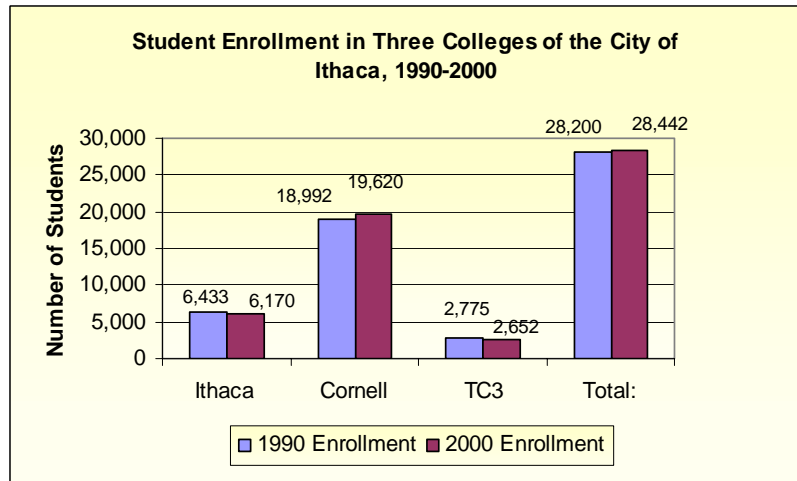


- Reviewing the same population share statistics for the rural areas of the county, the largest increase in share during the 1990-2000 period occurred in the aged 45-54 years category where this category's share increased from 11.3 percent of the rural area's population in 1990 to 17.4 percent in 2000 (an increase of 6.1 percentage points). The second largest increase in share occurred in the aged 75 years and up category, where the share of the rural region's population rose from 3.6% in 1990 to 4.8% in 2000—an increase of 1.2 percentage points. The share of the county's rural area fell sharply in the age 25-34 years category from 17.9% of the total in 1990 to just 13.2% of the total in 2000—a decline of 4.7 percentage points in share.
- Reflecting the aging of the population, the City of Ithaca, the Town of Ithaca, the Village of Lansing, Tompkins County and the Upstate New York Region, all experienced their strongest rates of population increase in the aged 45-54 years category. Conversely, the weakest rates of population growth county-wide across the 1990s were found in the 4 age categories under 44 years of age. In addition, the City/Town of Ithaca, Village of Lansing, Tompkins County each had a higher proportion of their respective populations in 1990 and 2000 and experienced a stronger population change performance in the age 15-24 years category versus the upstate region. This is not surprising, given the importance of the student population at several of the county's higher education institutions to the county overall and in the City/Town of Ithaca. Those trends have had and will continue to have significant implications for the housing demand and supply and housing affordability over the next decade in the county.
- Looking at the college student population, enrollments were essentially flat over the decade of the 1990s at the county's 3 higher education institutions—increasing by

only 242 students. Ithaca College, and Tompkins County Community College (TC3) both have experienced modest declines in the total student population over the 1990-2000 time frame.

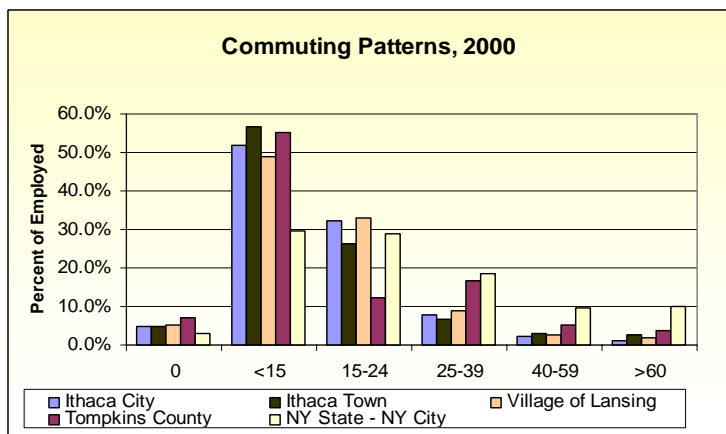
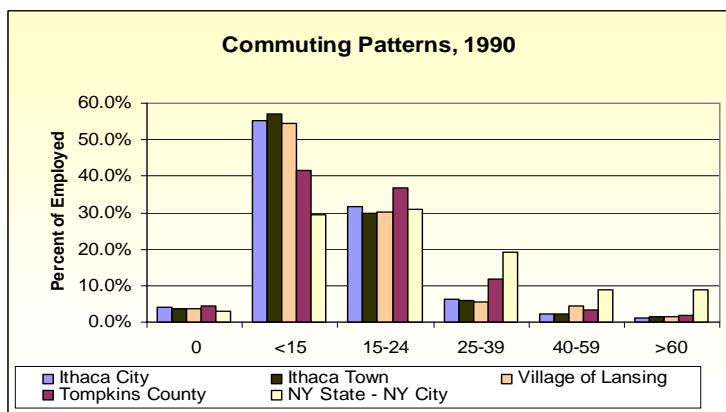
Cornell University, in contrast, experienced a small increase of 628 total enrollments or 3.2% over the 1990-2000. Although student enrollments have been flat overall, the student population may have at least indirectly contributed to the population decline experienced in the City of Ithaca over the 1990s, as households—particularly

younger and potentially larger households—may have left the city seeking more affordably priced housing. The city in 2000 had the highest percentage and number of households with college students of any community in the county (at 4,405 total households or 57.0% of the county total), with the Town of Ithaca a distant second but still with a significant level of 1,579 total households with students attending college (or 20.4% of the county's total). Between City and Town of Ithaca, just over 3 of every 4 households with students attending college are found in these municipalities.



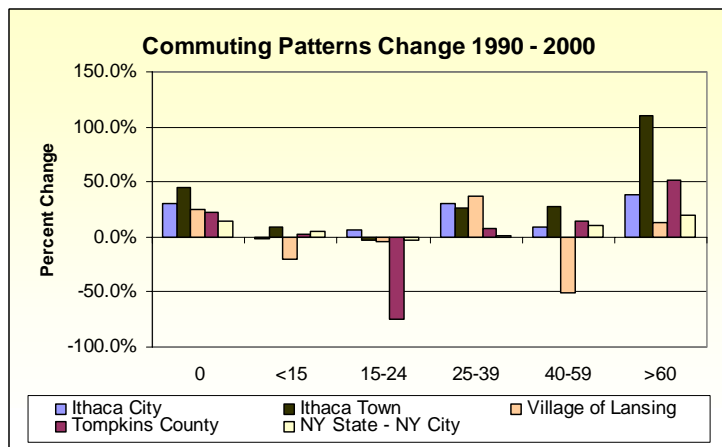
B. Summary Findings Regarding Commuting Patterns

- Looking at the commuting patterns in 1990, the highest percentage of commuters for the City of Ithaca and the Town of Ithaca, the Village of Lansing and the county as a whole lived less than 15 minutes travel time from their place of work. Over 40% of the county's commuters (or 41.5%), and more than 50% of the city's (or 55.2% of the total), the town's (at 56.9% of the total), and the village's (at 54.5% of the total) residents reside within 15 minutes commute of their place of work in 1990. The second highest percentage of commuters is the



greater than 15 minutes but less than 24 minutes category—at 31.6% for City of Ithaca, 29.8% for the Town of Ithaca, 30.2% for the Village of Lansing, and 36.8% for the county overall.

- Looking at the commuting patterns as of the 2000 Census, a similar pattern is evident, with the highest percentage of commuters located within less than 15 minutes traveling time from their home to their place of work (at 51.8% for the City of Ithaca, 56.5% for the Town of Ithaca, 48.9% for the Village of Lansing, and at 55.1% for the county overall (versus 29.8% for the Upstate New York).
- Changes since 1990 show there were significant gains in the percentage of commuters at the extremes and in the less than 15 minutes categories for the county (at +3.6 percentage points in the 0 minutes category, +5.0 percentage points in the greater than 60 minutes category, and +13.6 percentage points in the less than 15 minutes category). Although the increases at both of the extremes represent large percent increases, these categories represent relatively small numbers of commuters in absolute terms. This finding is consistent with the recent

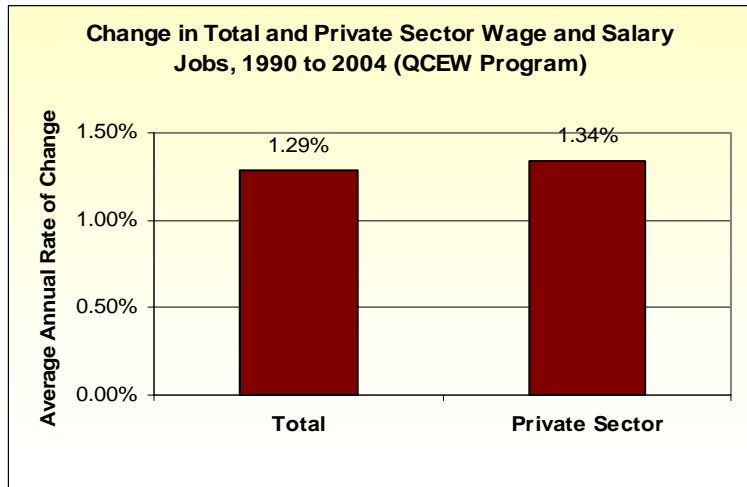


survey of Cornell University workers completed during the Summer of 2005, where a significant number of commuters indicated they were concerned about housing prices closer in towards the university. In fact, although it is apparent that many of the county’s workers enjoy the quality of life afforded by rural living (and they therefore “deal with” the necessities of longer commutes), many workers also indicated they would like to live closer to where they work if more affordable housing options were available.

- From 1990 to 2000, the county experienced a significant 24.5 percentage point decline in the percentage of commuters traveling 15-24 minutes (or from 36.8% in 1990 to 12.3% in 2000 percentage points) from home to their place of work. Apparently those somewhat longer commuting residents were able to shorten their commutes during the decade of the 1990s.
- According to the 2000 Census, the county had a total of 47,394 employed workers. Of these, 91.4% of county residents work within the county and the remaining 8.6% work in neighboring counties inside and outside of the region. Cortland County had the highest percentage of Tompkins County residents working within its borders among the close by counties.

C. Summary Findings Regarding Employment

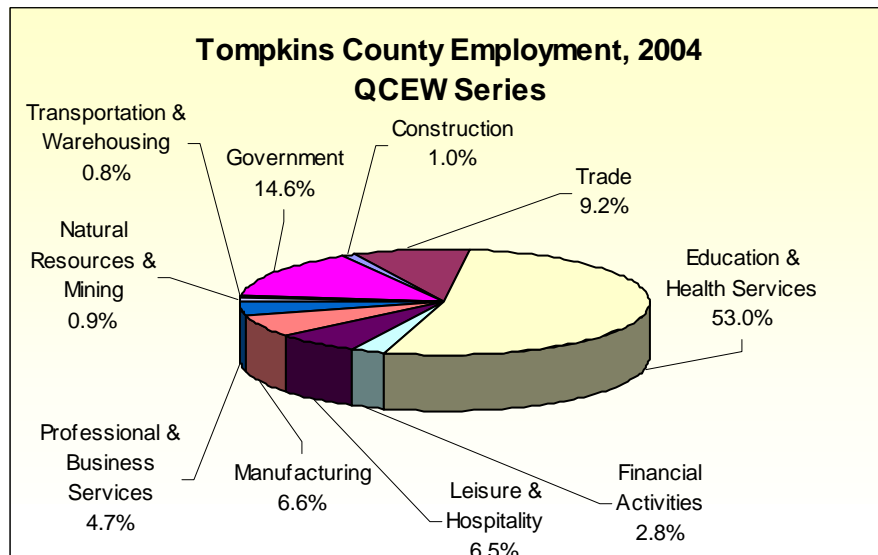
- The county's total employment² grew at the rate of 1.29% per year between 1990 and 2004, growing at a slightly faster rate of 1.35% per year over the 2000-04 period versus a 1.25% annual rate of growth during the 1990-2000 time frame.



- The county's private sector employment grew at the rate of 1.34% per year between 1990 and 2004, growing at a slightly faster rate of 1.53% per year over the 2000-04 period versus the annual rate of 1.26% growth during the 1990-2000 time frame.

- In 2004, Census data on employment by place of residence indicate that over 60% of Tompkins County's employment was found in the two industry sectors, Education and Health Services (at 53.0%) and Government (at 14.6%). The Trade sector was the county's third largest employment category, with a total of 9.2% of the county's employment base in 2004.

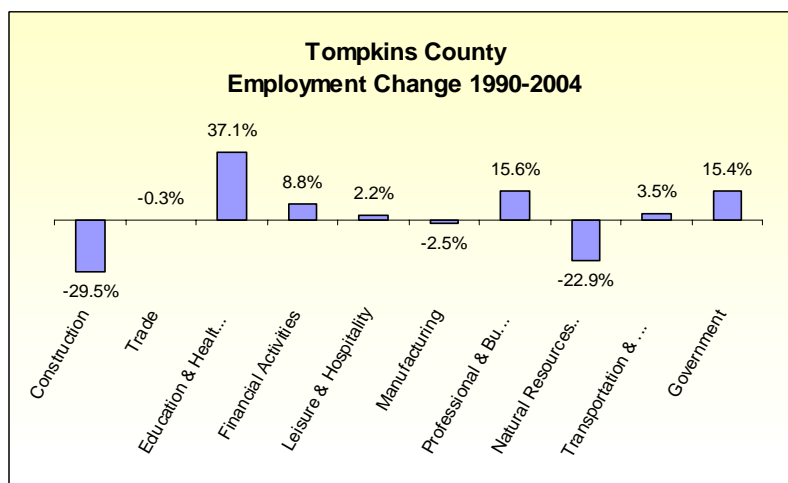
- The remaining seven industry categories—corresponding to Construction, Transportation & Warehousing, Natural Resources and Mining, Professional and Business Services, Manufacturing, Leisure and Hospitality, and Financial Activities represented



approximately one quarter of the county's employment base in calendar year of 2004.

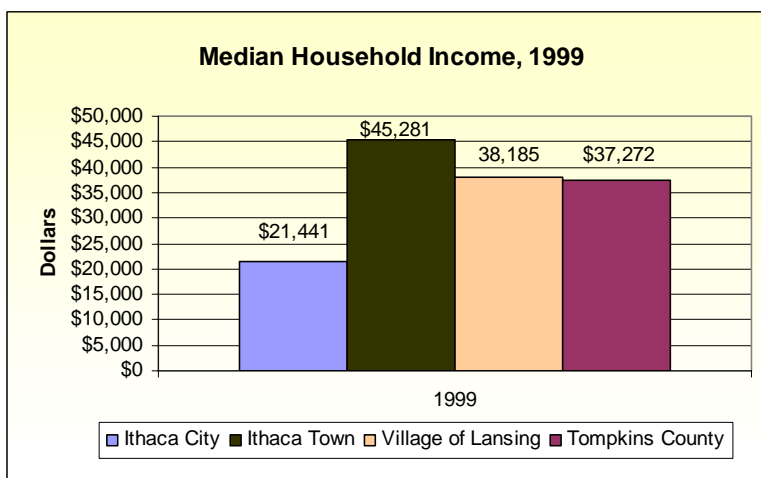
² Per the number of jobs by place-of-work according to the Quarterly Census of Employment and Wages (QCEW). The QCEW reflects actual job counts and wages paid by businesses covered under the state's unemployment insurance program. This program was previously called the ES-202 Covered Employment series.

- Over the 1990-2004 period, the county has increased relative employment share or prominence in 3 major sectors—the Education and Health Services sector (37.1%), the Professional and Business Services sector (15.6%), and the Government sector (15.4%). Construction, Natural Resources and Mining, Manufacturing, and Trade all declined in share over the 1990-2004 period, with 3 sectors including the Manufacturing sector (at -2.5%), the Construction sector (at -29.5%) and Natural Resources & Mining (at -22.9%) experiencing outright employment declines over the 14-year time frame.



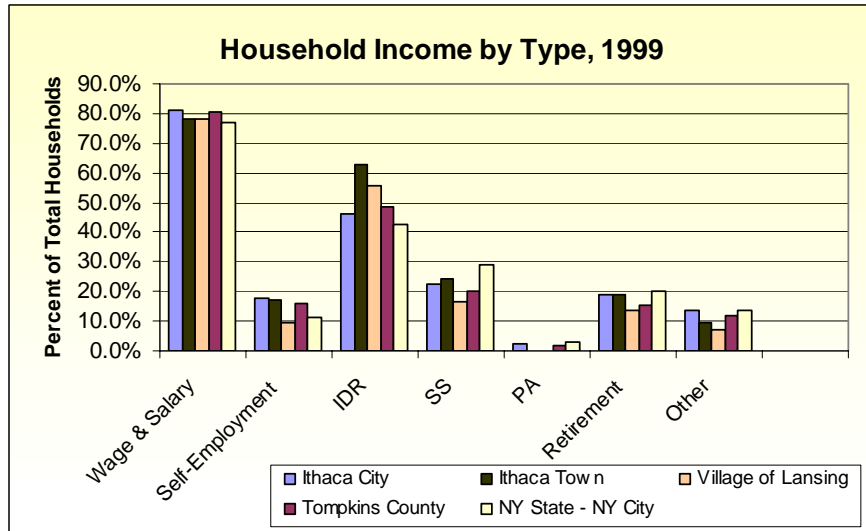
D. Summary Findings on Households and Housing

- According to the 2000 Census, the median household income in Tompkins County in calendar year 1999 was 73.8% higher than that median household income in the City of Ithaca—a difference of roughly \$16,000 per household. Median household income in Ithaca Town totaled nearly \$45,300, a total of 21.5% greater than the county average for that year. Median household income in the Village of Lansing totaled nearly \$38,200 in 1999, a level that was 2.4% higher than the Tompkins County median household income level.



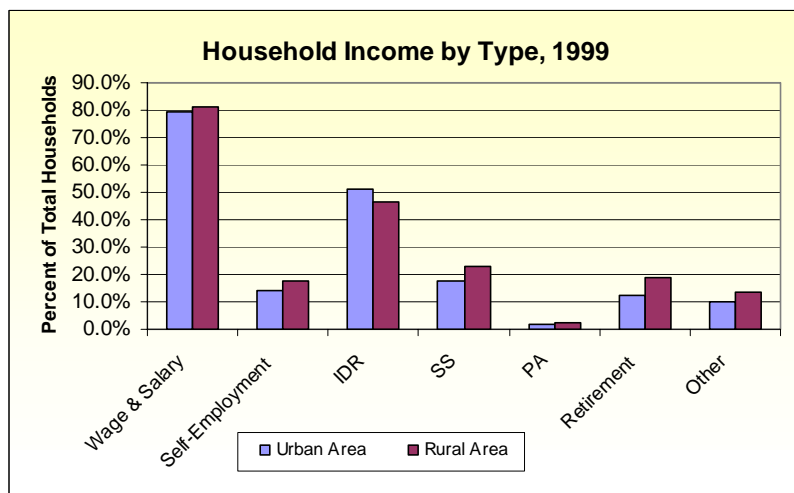
- Of the total number of households in all five peer geographic areas, more than four-fifths of all households receive wage and salary income whether in City of Ithaca (at 80.0%), Ithaca Town and Village of Lansing (at 78.2%), or the county (at 80.3%) in calendar 1999. For the upstate region, a total of 77.1% of all households reported they had income from wages and/or salaries during 1999.

- The second highest category in calendar year 1999 in terms of percentage of households with reported income by source was Interest, Dividends, and Rent (IDR) category. Among five peer geographic areas, Town of Ithaca had the greatest percentage of its



households receiving IDR (at 62.7%) in comparison to all other regions—including the county as a whole (at 48.8%), the City of Ithaca (at 43.8%), the Village of Lansing (55.4%), and the upstate region as a whole (at 42.4%).

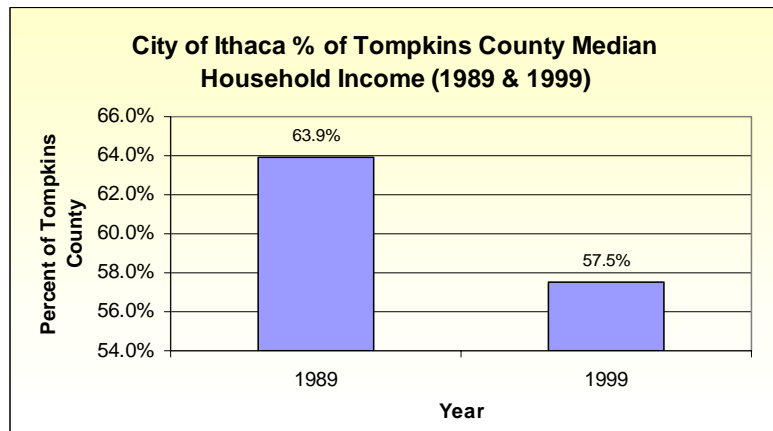
- Social Security (SS) income was the third highest category in terms of the percentage of households reporting to have received such income in calendar 1999. Of all 5 peer geographic areas in SS income, the highest percentage of households receiving such income is the upstate region (at 28.9%) versus the City of Ithaca (at 13.6%), the Town of Ithaca (at 24.1%), the Village of Lansing (at 16.4%), and the county (at 20.1%).
- A total of 16.0% of the county’s residents reported that they received income from Self-Employment—a percentage somewhat higher than Ithaca City and the upstate region as a whole. The smallest income category reported by the 5 peer geographic regions in calendar year 1999 in percentage terms was those households reporting to have received Public Assistance income (PA)—with less than 2.6% of households in all regions reporting to have received such income (versus 2.9% for the upstate region as a whole).



- Looking at the urban and rural areas of the county, the sources of household income in 1999 follow a similar profile. Both the county’s urban and rural areas had roughly four-fifths of their households reporting income

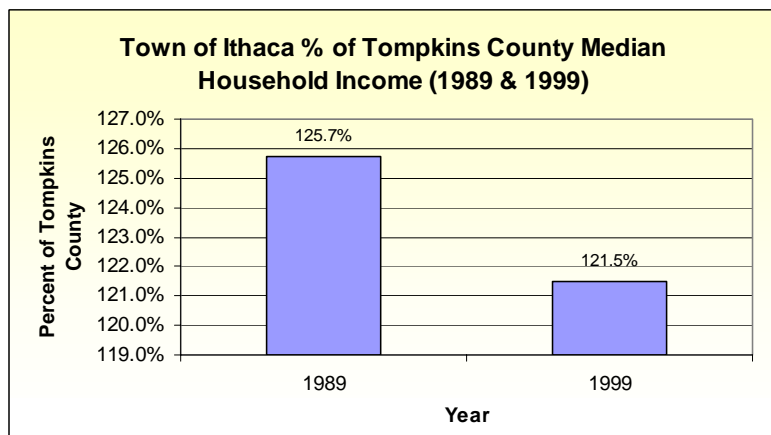
from wages and salaries—with rural areas in the county reporting a slightly greater percentage of households with Wage and Salary income (at 81.3% versus the 79.2% average for urban areas). The category with the second highest percentage of households reporting income was in the Interest, Dividends, and Rent (IDR) category, with the county’s urban area having a slightly greater percentage of households reporting income from that source (at 51.4% versus 46.2% in rural areas). Roughly one-fifth of the households or lower reported receiving income from the remaining Census Bureau categories, with rural areas of the county as a whole reporting a slightly larger percentage of households reporting income in those categories across the board in 1999 versus the county’s urban area.

- Looking at the City of Ithaca’s household median income level as a percent of the county level in 1989 and 1999, the City of Ithaca experienced a decline of 6.4 percent over the 10-year period between 1989 and 1999—declining from 63.9% of the Tompkins County average in 1989 to the level of 57.5% of Tompkins



County average in 1999. This decline means that median household income growth rose nearly 6.5 percent faster in the county outside of the City of Ithaca. Although there is no data or definitive way to know without a special data run from the U.S. Census Bureau, it is possible that rising housing prices and/or an increase in student households in the community may have had at least some influence over city’s median household income growth record and its comparatively lower median household income level.

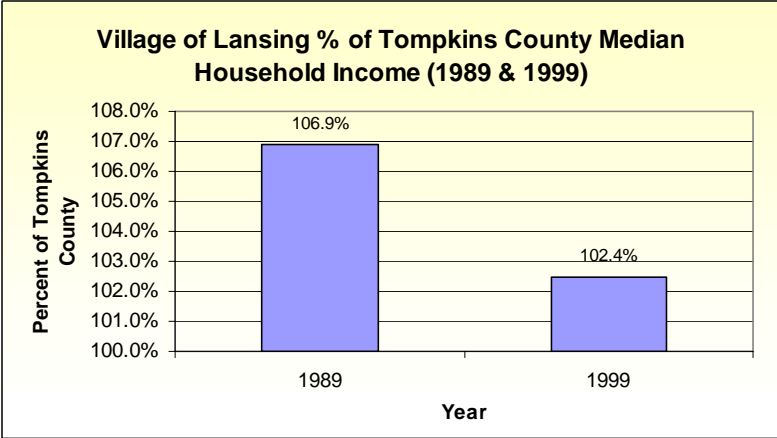
- The same was true for the Town of Ithaca, where the town’s percentage of the county median household income average fell by 4.2 percentage points—from 125.7% of the county average in 1989, to 121.5% of the county average in 1999. Although the median household income remains higher in the town than in the county



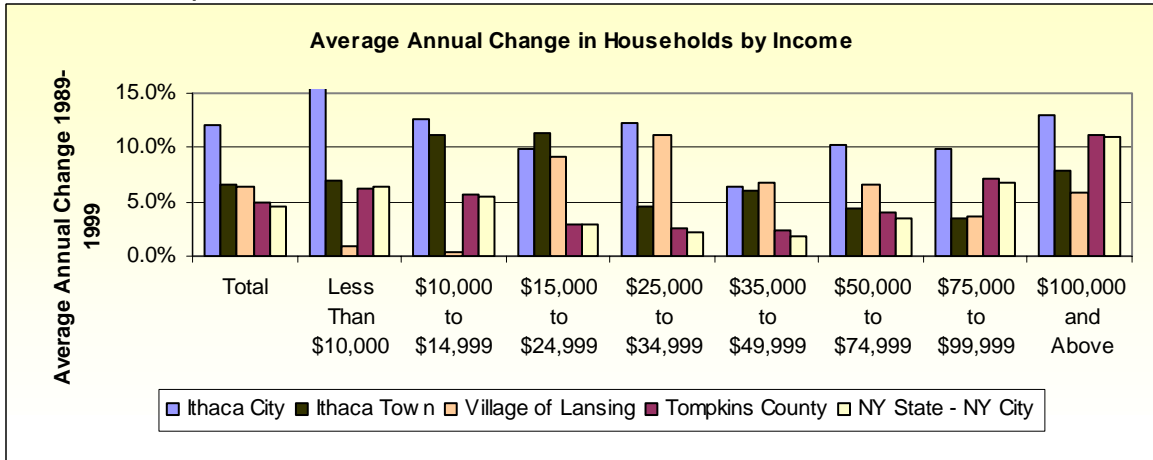
as a whole, this relative median household income growth record for the 1989-1999 period in the town means that median household income grew by over 4% slower in

the town in comparison to median household income growth in the county outside of the town. Like the city above, college student households may have had some influence on this comparatively slower household income level.

- The Village of Lansing's percentage of the county median household income level also experienced a decline of 3.5 percentage points – from 106.9% of the county average in 1989 to 103.4% of the county average in 1999. In comparison to the county median, the Village of Lansing's household income level rose at a 3.5 percentage points slower rate than median household income outside of the village itself.



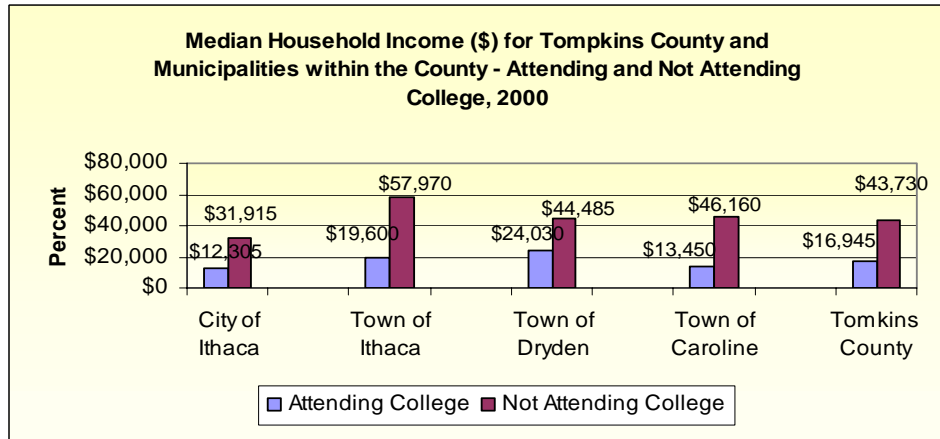
- Examining the change in the number of households among the different household income groups for the county shows that the largest percentage increases occurred in the lower and higher ends of the household income spectrum during the 1989-1999 period. This may be more of a reflection of the fact that the middle income categories tend to have greater numbers of households as all income group categories experienced significant gains in the number of households over the 1989 to 1999 time period.



- In comparison to the county average and the upstate region as a whole, the City of Ithaca experienced higher average annual rates of increase in all household income categories. The same was true in all household income categories when comparing the city's increases to the Town of Ithaca and the Village of Lansing—except for the \$15,000 to \$24,999 household income category and the \$35,000 to \$49,999 household income category. Regarding the former, the Town of Ithaca experienced a slightly higher rate of household growth at 11.4 percentage points versus the City

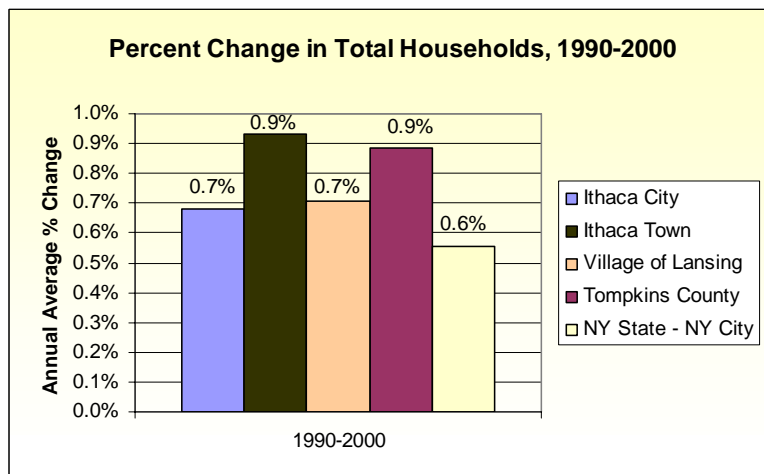
of Ithaca's 9.9 percentage point gain). Regarding the second household income class the Village of Lansing experienced a slight higher rate of household growth at 6.8 percentage points versus the 6.3 percentage point growth for the City of Ithaca. With respect to the upstate region as a whole, the county experienced lower rates of increase in household income level categories except for those \$50,000 in household income and above where the increase in the number households upstate rose at a slightly faster rate than those for the county as a whole (at less than one half of one percentage point per year).

- The graph on Household Income and Median Household Income for attending and not attending college in 2000, suggests that the county may be experiencing



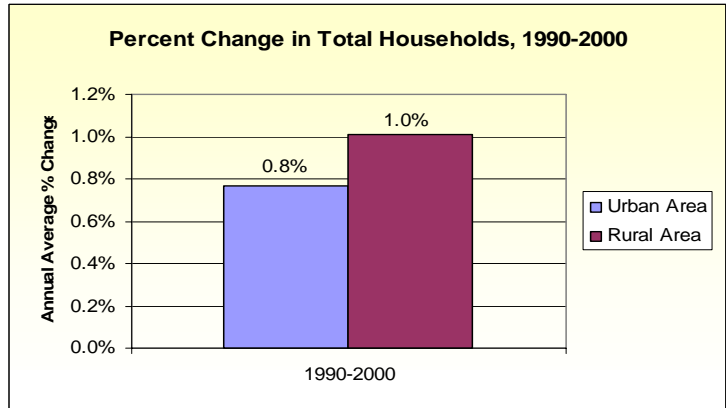
a continuing relative decline in the size of the middle-class. This is less evident in the city where the number of households in the low-household income and middle-household income classes has experienced a somewhat higher rate of increase—in all likelihood a reflection of the population of college students. This also may be tied to the relative price attractiveness of the county's housing inventory relative to the City of Ithaca and the Town of Ithaca where price pressures appear to be greatest from the college student population. In addition, relative price attractiveness of the county's available land may also have encouraged—and may still be encouraging—upper income households to migrate to rural areas in search of a rural lifestyle within the county and to the county from less price attractive parts of the region. Each trend—if true—would have significant current and future housing implications for the county.

- Looking at the change in the number of households over the 1990 to 2000 time period, the Town of Ithaca experienced the largest percentage increase in the number of households of the 5 geographic peer areas—with an average annual rate of increase of just

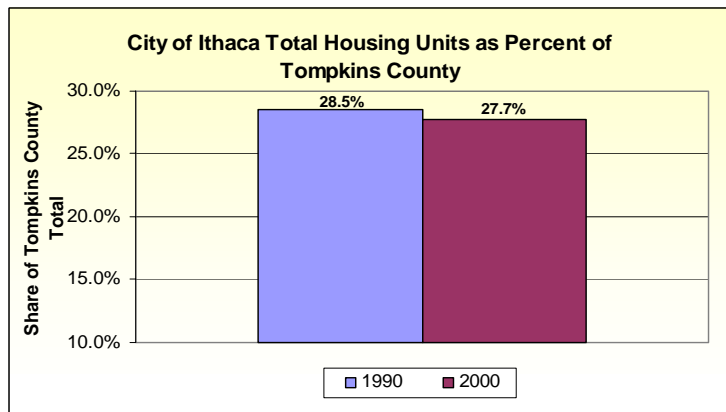


over 0.9% during the 1990-2000 time frame. The county average over the period was just under 0.9% per year, with Village of Lansing finishing third out of the five geographic peer areas just over 0.7% per year. The City of Ithaca average over the period was just under 0.7% during the 1990-2000 time frame. All four county geographic groups exceeded the 0.6% annual average rate of change that occurred during the 1990-2000 period for the upstate region as a whole.

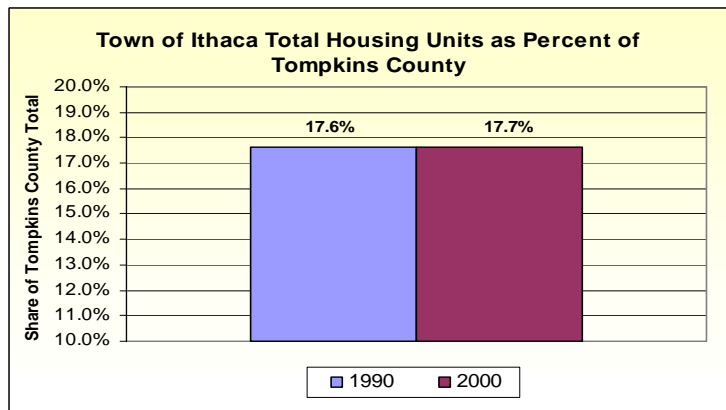
- Looking at the change in the number of households over the 1990 to 2000 time period, the Rural Areas of Tompkins County experienced higher percentage increase in the number of households at 1.0% relative to the Urban Areas of Tompkins County just under 0.8% during the 1990-2000 time frame.



- Looking at the number of housing units, the data show that the City of Ithaca experienced a proportionately slower rate of housing unit growth than the county as a whole, with the share of the county's total housing stock declining slightly from 28.5% of the county total in 1990 to 27.7% of the total in 2000.

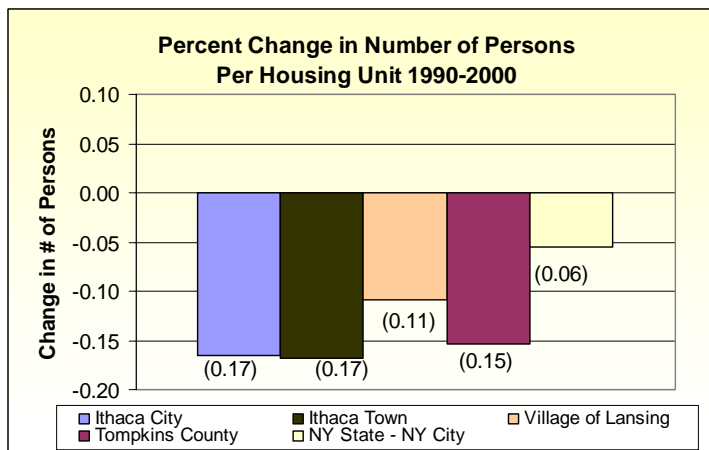


- In contrast, Ithaca Town experienced a slightly higher rate of housing unit growth relative to the county total over the 1990-2000 time period. This resulted in a corresponding small increase in the share of total county housing units from 17.6% of the county in 1990 to 17.7% of the total for the county in 2000.

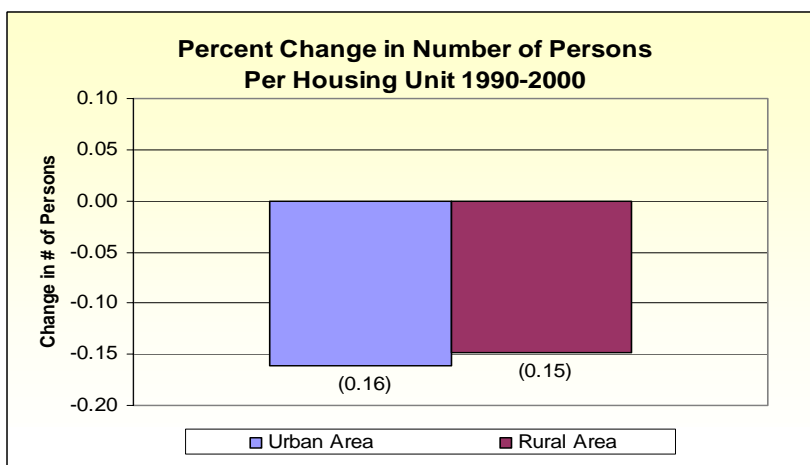


- Rounding out the urban area communities, it should be noted that the Village of Lansing also experienced a proportionately slower rate of housing unit growth than the county as a whole, with the share of the county's total housing stock declining slightly from 4.6% of the county total in 1990 to 4.3% of the total in 2000.

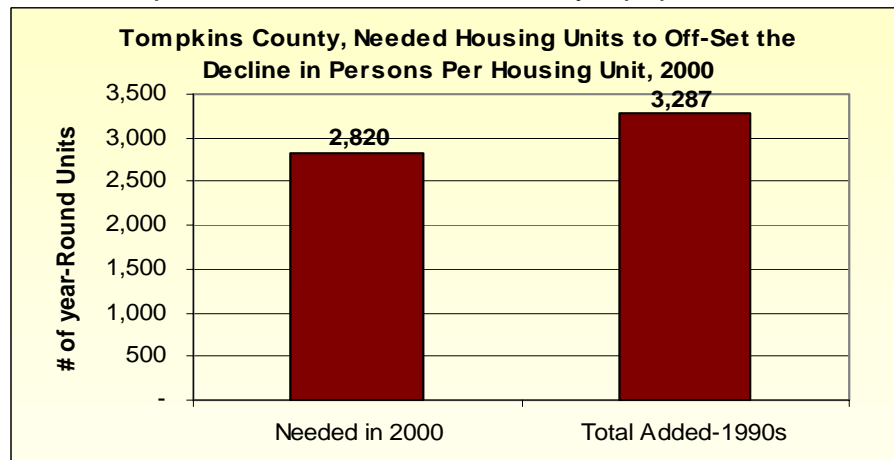
- Over the last decade, the city's population decline and sluggish housing unit growth combined for a relatively larger proportional decline in the number of persons per housing unit between 1990 and 2000 in comparison to both the county average and the upstate New York regional average. Over the last decade, the city's average number of persons per housing unit declined from 2.27 persons per housing unit in 1990 to 2.11 persons per housing unit in 2000—a decline of 0.17 (rounded) persons per housing unit over the period. In comparison, the decline in the number of persons per housing unit for the county overall fell from 2.46 persons per housing unit in 1990 to 2.31 persons per unit—a decline of 0.15 persons per unit. This decline was matched by the population growth dynamics and slightly faster housing unit growth record in the town, where faster population growth at the upper end of the age spectrum resulted in a decline from 2.40 persons per housing unit in 1990 to 2.23 persons per housing unit in 2000—also a decline of 0.17 persons per housing unit over the period even though the absolute number of housing units increased in the town over the 1990s. In contrast, the Village of Lansing experienced the smallest decline of the peer group comparison for the urban municipalities—at only 0.11 persons per unit over the period—corresponding to a decline in the number of persons per housing unit from 2.16 persons per unit in 1990 to 2.05 persons per unit in 2000.



- Looking at the urban-rural area data on persons per housing unit, each area experienced a roughly equal decline in the number of persons per housing unit over the 1990-2000 period. For the county's urban area, the decline of 0.16 persons per unit over the 10 year period was a level just 1 one-hundredth of a person higher than the 0.125 persons per housing unit decline experienced by the county's rural areas over the same 1990-200 time frame.



- As a consequence of the declining number of persons per housing unit dynamic over the course of the decade of the 1990s, the county's housing stock in 2000 had to be significantly larger for each 1,000 person increment in the county's population in 2000 versus the year 1990 in order to accommodate even the sluggish level of population growth experienced in the county. During the decade of the 1990s, a total of more than 2,800 units of the county's 3,287 unit increase in the county's housing



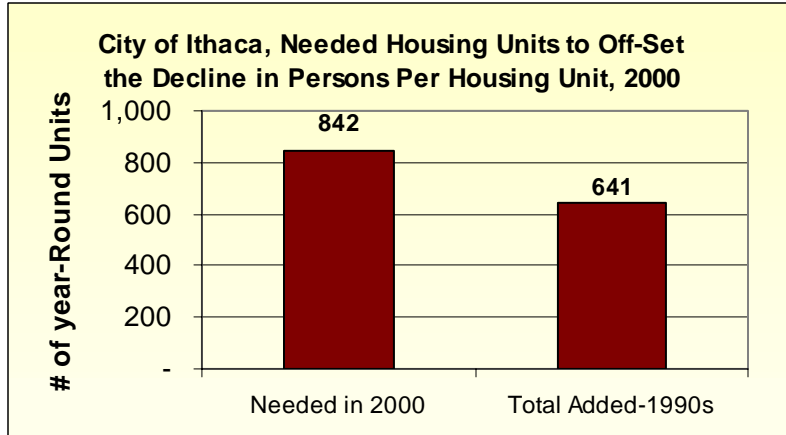
inventory was needed just to off-set the housing consequences of the decline in the number of persons per housing unit experienced over the 1990-2000 period. That corresponded to a total of 85.8% of the total number of housing units added in the county over the last decade—or nearly nine of every ten housing units added to the inventory during the 1990s. This phenomenon, in part, begins to explain the reported housing cost pressures that have emerged in the county over the past five or so years as housing market price pressures have been reported to have intensified in the city, county and broader region.

- Looking at the college student population and how they may have impacted these trends, the situation is mixed. On one side, households with college students in 2000 nearly an identical number of persons per unit in owner occupied units (2.55 persons per unit in households with college students and 2.21 person per unit for renters versus 1.93 persons per unit for non-student renter units), thereby potentially reducing the overall declining persons per unit trend.³ On the other side, students also have likely had the effect of putting upward pressure on housing prices in the county and in those communities where they are present in significant numbers, potentially encouraging the out-migration of non-student households to friendlier housing price-market conditions.
- Looking at the Town of Ithaca for the same declining persons per housing unit trend, the -0.17 person per housing unit decline translates into a similar conclusion. When the -0.17 person per unit decline in the number of persons per housing unit is applied to the roughly 6,800 housing units in the Town of Ithaca, a total of 515 new housing units were needed over the 1990-2000 period simply to off-set the declining persons per housing unit dynamic. Considering that a total of 581 units were added

³ This is an intuitive judgment since rising housing costs in the county, City of Ithaca, and Town of Ithaca where students are the most prevalent in all likelihood are in some cases encouraging a larger number of students per household over the past 10-15 years. However, this intuitive point cannot be confirmed since we do not have a “special tabulation” 1990 data point for comparison.

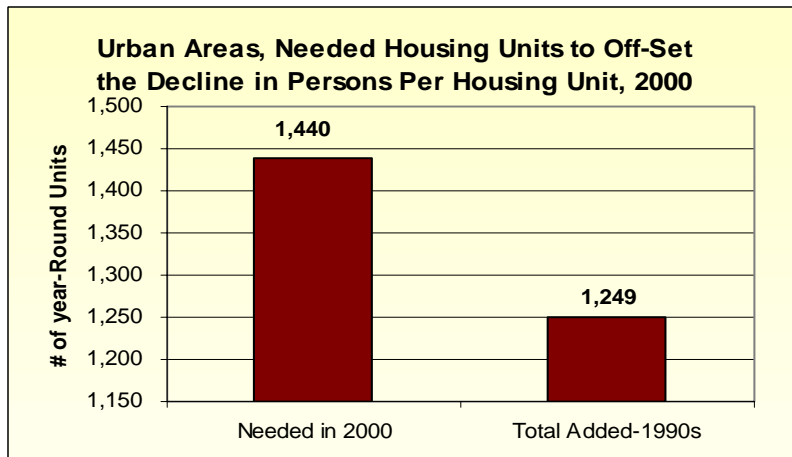
to the town's housing stock during the entire 10-year period, nearly nine of every ten units (or 88.7%) added to the town's housing inventory were needed simply to off-set this declining number of persons per housing unit dynamic.

- Declining household size and the corresponding decline in the average number of persons per housing unit during the 1990s also means that the city's housing stock also needs to have significantly more units per 1,000 persons in the population in 2000 than was the case back in 1990 in order to house the city's population. However, because of the combination of a significant decline in the persons per unit and the relatively few number of housing units added over the 1990s, a total of 842 additional housing units were needed just to off-set the persons per housing unit decline over the period. That total corresponds to 31.4% more housing units than the 641 actually added during the period.

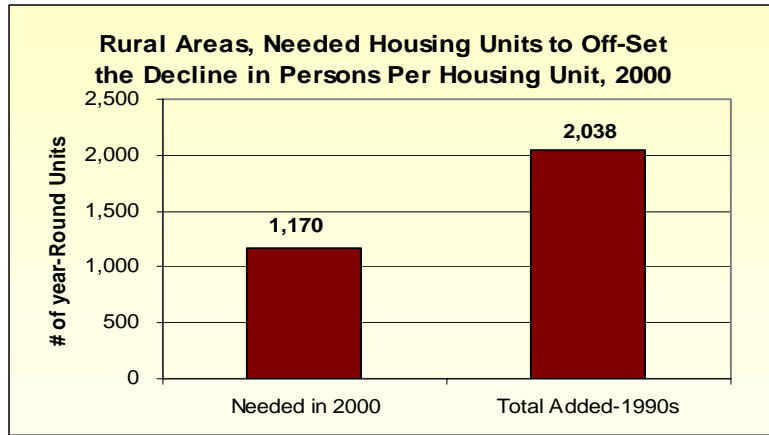


- Looking at the Village of Lansing for the same declining persons per housing unit trend, the -0.11 person per housing unit decline translates into a similar, and even more dramatic conclusion relative to both the Town of Ithaca and the City of Ithaca's situation. When the village's -0.11 person per unit decline in the number of persons per housing unit is applied to the roughly 1,666 housing units in the municipality, a total of 89 new housing units were needed over the 1990-2000 period simply to off-set the declining persons per unit dynamic. Considering that only a total of 27 units were added to the town's housing stock during the period, that need translates into a required housing unit growth rate is more than three times (at 329.6%) the actual rate of unit growth that actually occurred in the village of the 1990s.

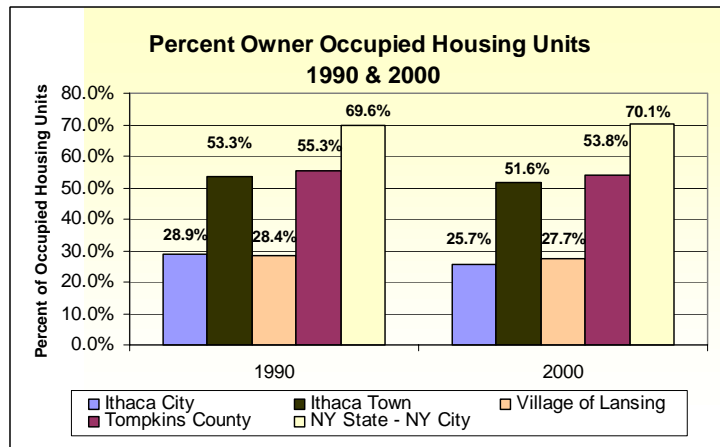
- Looking at the urban area and rural area designations that are used in this housing assessment study, the nearly identical decline in the number of persons per housing unit translates into dramatically different "need" relative to the actual number of housing



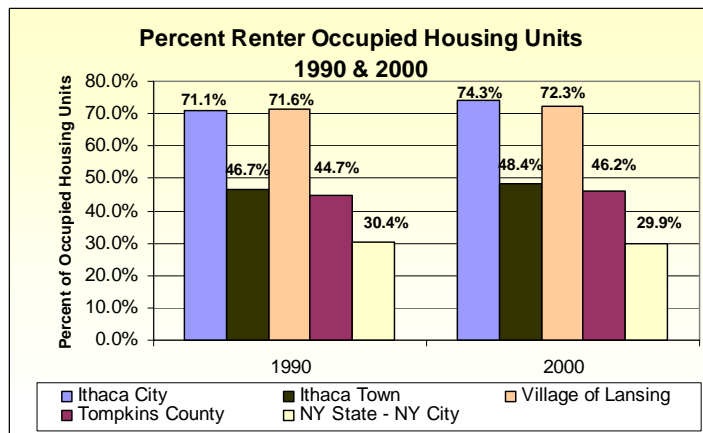
units added in each area during the 1990s. More specifically, the needed increase in housing units required to off-set the declining number of person per housing unit trend exceeded the actual number of housing units added during the 1990s by just over 15% (at 15.3%). In contrast, the decline in the number of persons per housing unit in rural areas of the county translated to a number of housing units that was just under 60% (at 57.4%) of the number of housing units actually added in the county's rural areas during the 1990-2000 period.



- Looking at the trends in owner occupied housing units in the county between 1990 and 2000, the county overall experienced a slight 1.5 percentage point decline in the percentage of owner occupied units over the decade of the 1990s (from 55.3% of the total in 1990 to 53.8% of the total in 2000). Similar to the county, the Town/City of Ithaca and Village of Lansing likewise experienced a slight decline in the percentage of the total occupied housing units over the period, with the town's percentage (at 51.6% in 2000), and the city's percentage (at 25.7% in 2000), and for the Village of Lansing (at 27.7% in 2000) below the 53.8% percentage that prevailed across the county in 2000.



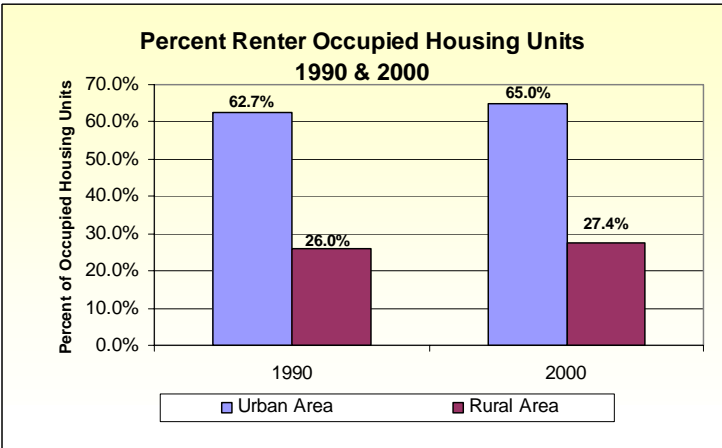
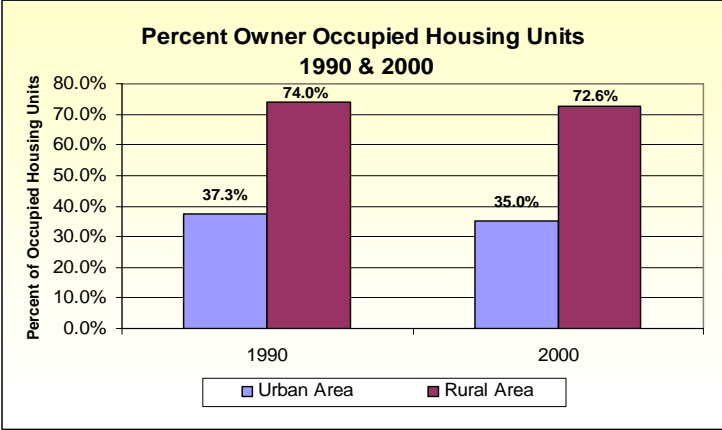
- Given the above, the opposite was true for renter occupied housing units for the county vis-à-vis for the City/Town of Ithaca and the Village of Lansing, where each had a higher percentage of renter occupied housing units in 1990 and 2000.



- In both cases, the City of Ithaca and the Town of Ithaca each experienced a significant increase in the percentage of renter occupied housing units over the 1990-2000 period—with the city increasing from 71.1% of its total occupied housing units to 74.3% of the total, corresponding to an increase of 3.2 percentage points in share. For the town, the percentage of renter occupied housing units increased from 46.7% of the total in 1990 to 48.4% of the total in 2000—a somewhat lower, but still significant 1.7 percentage point increase in the percentage of renter occupied housing units in 2000 versus 1990. The Village of Lansing over the period of 1990 and 2000 likewise continued to have a significantly higher percentage of renter occupied housing units, experiencing a slight increase from 71.6% of the total in 1990 to 72.3% of the total in 2000. Because households with college students attending college are much more prevalent on the renter side of the equation (versus owner), these trends appear to reflect the impact of households with students attending college.

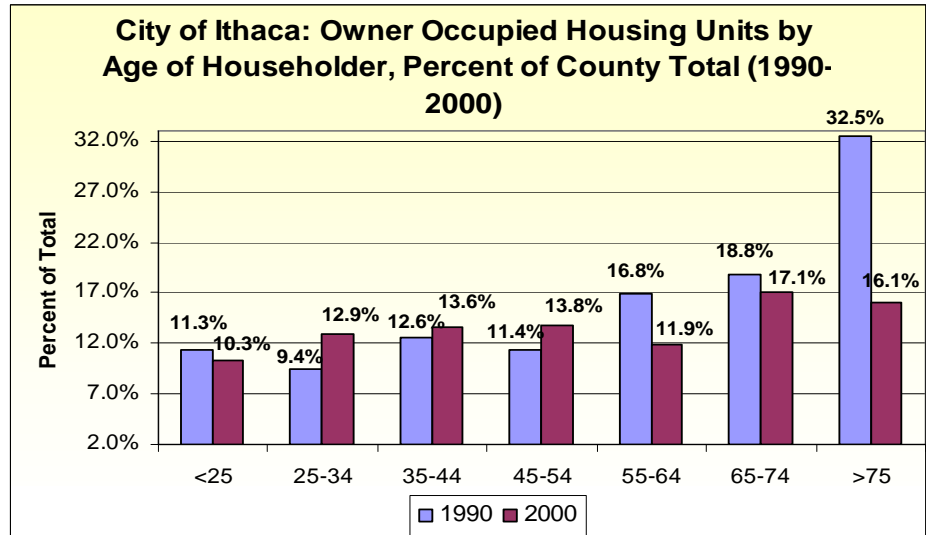
- When looking at the shares of owner and renter occupied housing units for urban area—rural area delineations for the county over 1990 and 2000 time frame, the data show a small, but still noticeable shift in share from owner to renter units. At the same time, the data also clearly show that owner units still dominate the housing market in the county’s rural areas. The opposite is true for the county’s urban area, where the share of the housing market represented by renter occupied housing units still dominates.

Over the 1990-2000 time frame, the share of the county’s urban area accounted for by renter occupied housing rose from 62.7% of the total in 1990 to 65.0% of the total in 2000—or by 2.3 percentage points in share. For the county’s rural areas, the share of the region’s housing units that were renter occupied increased as well, but by a somewhat lower 1.4 percentage point increase in share—increasing from 26.0% of the total number of occupied housing units in rural areas in 1990 to 27.4% of the total number of occupied housing units in 2000. Once again, these trends appear to

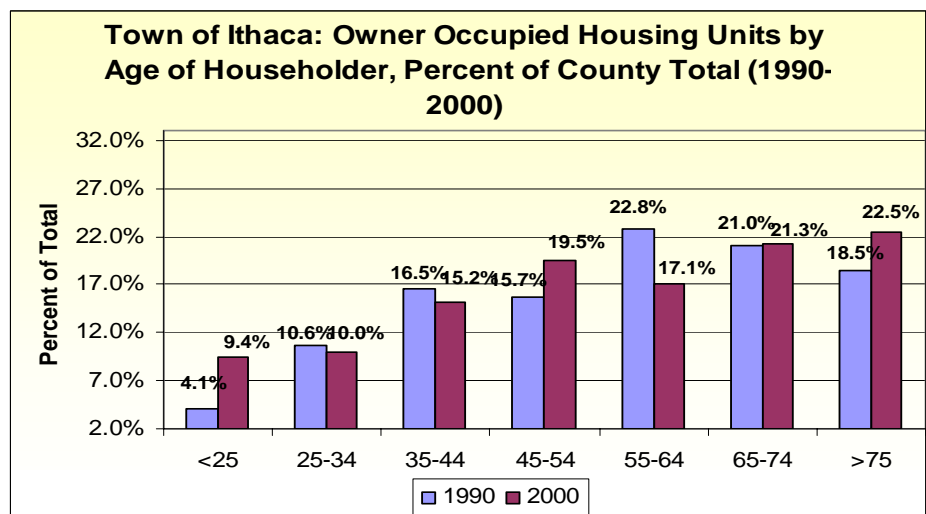


reflect the impact of households with students attending college in urban area of the county.

- Examining trends in the age profile of owner occupied housing units in the City of Ithaca and the Town of Ithaca relative to the county shows that the city gained in share of the county total in terms of the percentage of owner occupied housing units with households in the three age categories between ages 25–54 years) over the 1990 and 2000 time period. The city lost a share at both ends of the age spectrum, including the share of the county total in the less than 25 years category, and in the three age categories comprising the greater than 55 years old age demographic.



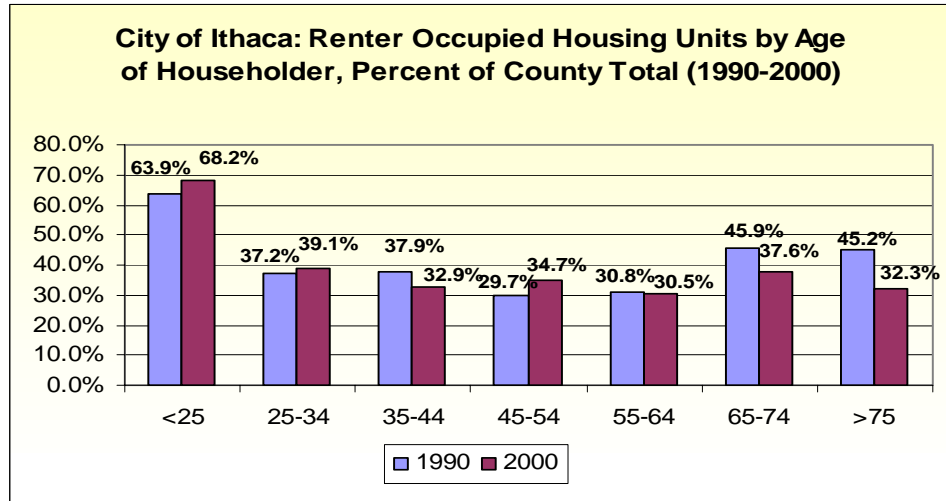
- For the town, the share in owner occupied units was gained at the ends and the middle of the age spectrum (including the less than 25 years category, the 45-54 years category, and the two categories for ages 65 years and older— although the gain in share for the 65-74 years category was not significant. The Town's share of the county total declined in the two categories including ages 25-44 years and in the age 55-64 years category.



- Although the City of Ithaca experienced an increase in the percentage of renter occupied housing units overall versus the county total, the city lost a significant

share of the county total in aged 35-44 years, the aged 65-74 years, and aged 75 years and over categories for renter units. Although there was a small decrease in share in the age 55-64 years category, this change was less than one half of one percentage

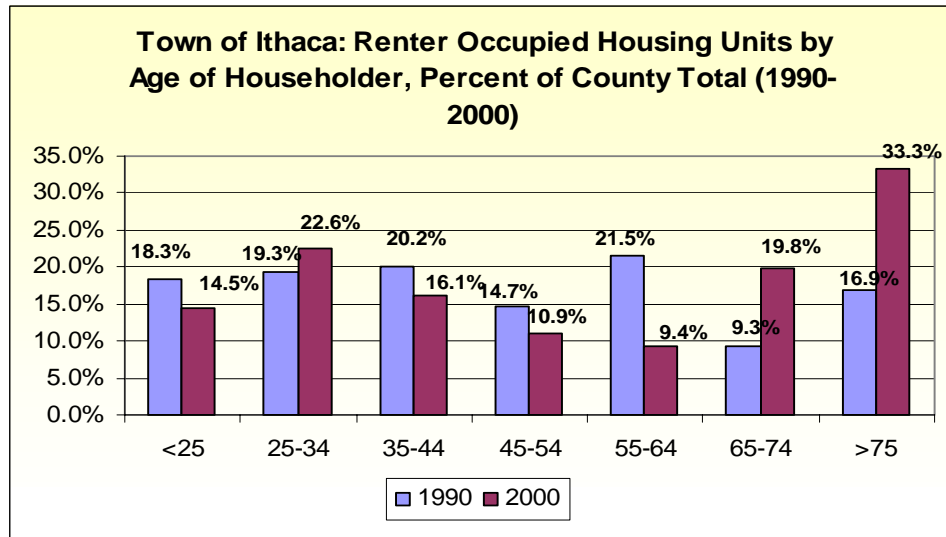
point in share. In age categories including the less than 25 years, aged 25-34 years, and aged 45-54 years, the city experienced an increase in share of



county's renter unit total during the 1990-2000 period. The increasing share trend in the under 25 years age category has in all likelihood been related to the student population in the city.

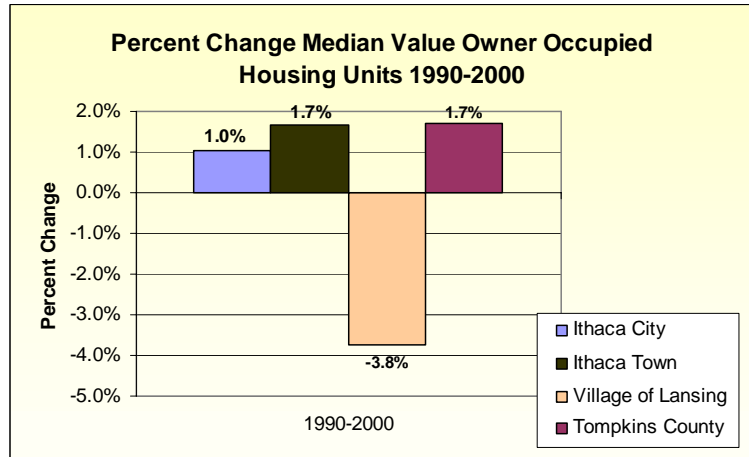
- Looking at the Town of Ithaca's share of the county renter unit total, the town gained share in three categories, including the aged 25-34 years category, the aged 65-74 category, and the greater than 75 years age category.

The town lost share in the other four categories, with significant declines in town renter unit shares in the less than 25 years

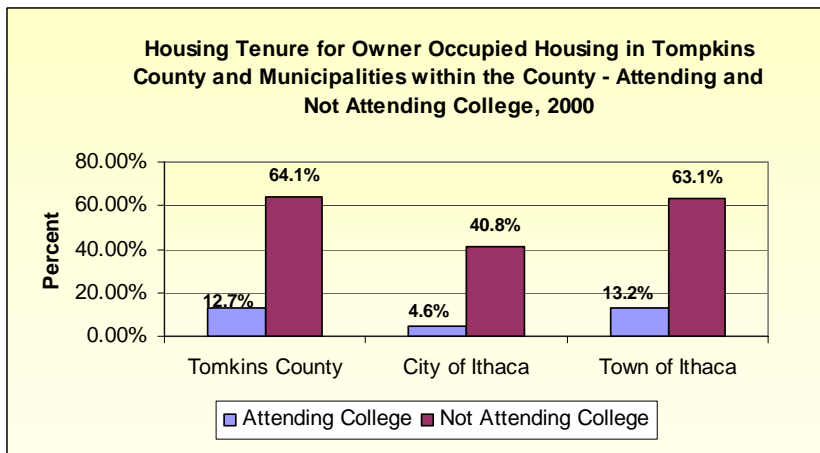


category and the aged 55-64 years category. More modest declines in share were experienced in the remaining two age categories, including the aged 35-44 years category and the aged 45-64 years category.

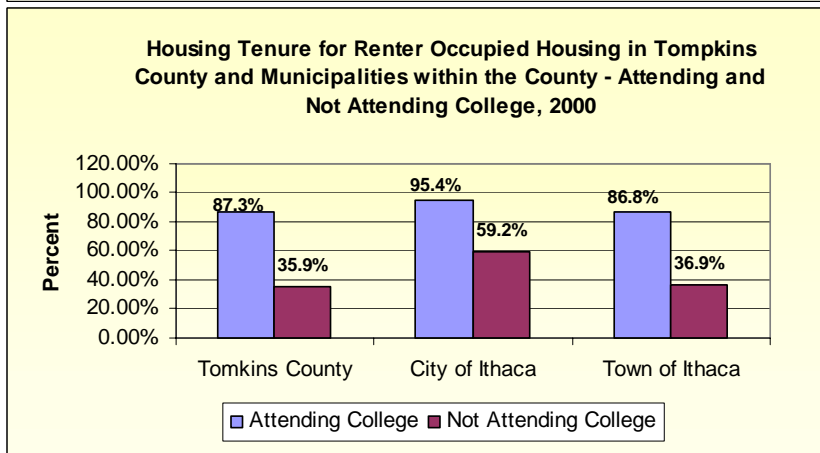
- Reflecting the sluggish regional economy during the 1990s, the median value of the city's owner occupied housing units experienced only a very modest a +1.0% change in the median value over the 1990 and 2000 period (from \$95,300 in 1989 to \$96,300 in 1999). The town experienced a similarly restrained increase in value from \$138,700 in 1989 to \$141,000 in 1999—an increase of only 1.7% over the period. The Village of Lansing was clearly on the other side of the housing value change spectrum, experiencing an actual 3.8% decline in value from \$173,200 in 1989 to \$166,700 in 2000. For the county overall, the median price of owner occupied housing units rose from \$94,700 to \$96,300, an increase of 1.7% over the 10-year period.



- Looking at the trends in owner and renter occupied housing with college students versus these housing units without college students in 2000, the City of Ithaca has the highest renter occupied percentage of housing at 95.4% and lowest 4.6% of owner occupied housing for population attending to



college relative to Tompkins County and the Town of Ithaca. The county and the town also experienced a higher percentage points of 87.3% and 86.8% of renter occupied housing relative to the owner occupied housing by population attending to college in 2000. These two graphs suggest that most of the

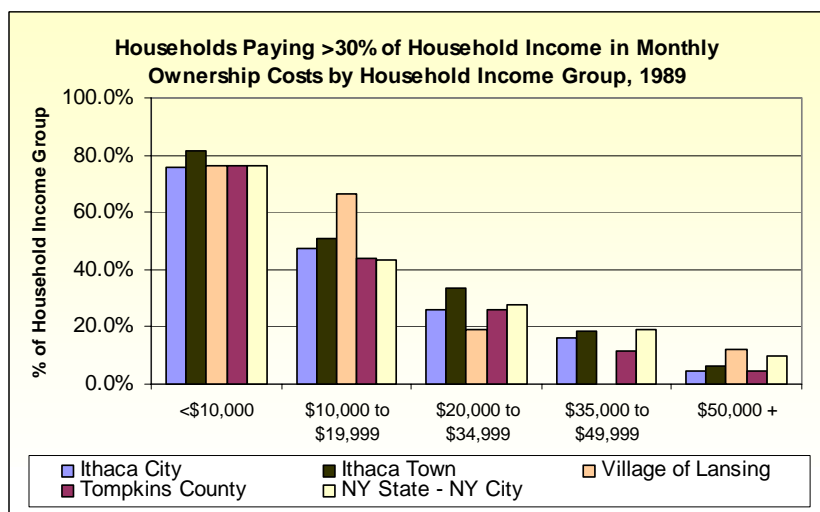


housing occupied by the population attending to college is renter related housing that overtime may cause an increase in the renter housing market price in the city and town of Ithaca and in the county overall.

E. Initial Evidence of Growing Housing Cost Stress in the County

- Following on the above analysis as a backdrop, this next section reviews data from the 1990 and 2000 Censuses in order to take an initial snapshot of the 1990s trend in housing costs in the county for both owner and renter housing units. This analysis examines trends in housing cost pressures using trends in owner and renter households that were reported in each Census as having to pay more than 30% of their household income on housing costs in the calendar year preceding the Censuses (that is calendar years 1989 and 1999). That 30% of household income benchmark is consistent with national and state level burden thresholds that are indicative of the potential for housing cost stress—even though this indicator has limitations such as for those households in the county where occupants were in retirement and/or had accumulated substantial levels of savings.
- Nevertheless, households paying more than 30% of their household income in housing costs (such as rent and utilities for renter households; or for mortgage payments, utilities, taxes, and insurance costs for owners) are generally thought to be experiencing financial stress. At worst, those households are considered potentially “at risk” for not being able to afford their owned or rented home over the longer term.

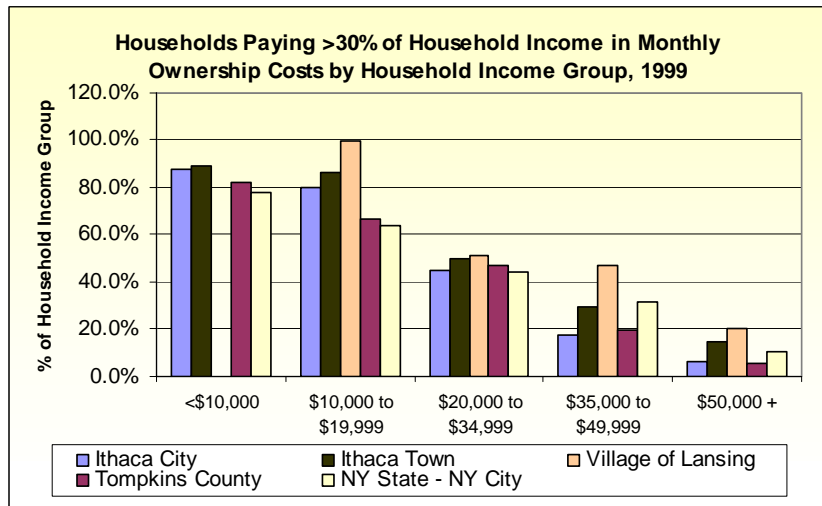
- Looking at the owner housing cost stress in 1989 and 1999, all the owner housing cost indicators worsened significantly over the decade of the 1990s. The highest level of housing cost stress falls on those households with household income under \$10,000—encompassing roughly 80% of all households in that



household income category in 1999. One possible impact here is the increased presence of college students in the owner housing market where property owners may have converted owner units to renter units during the period as they seek to increase their income-financial returns associated with multiple rental streams from multiple unit dwellings versus a single income stream from a single family housing unit. This possible explanation appears to be supported by the data presented above which indicates a rising share in renter occupied housing units in the City of

Ithaca and the Town of Ithaca, the Village of Lansing, and for the county overall during the 1990-2000 period.

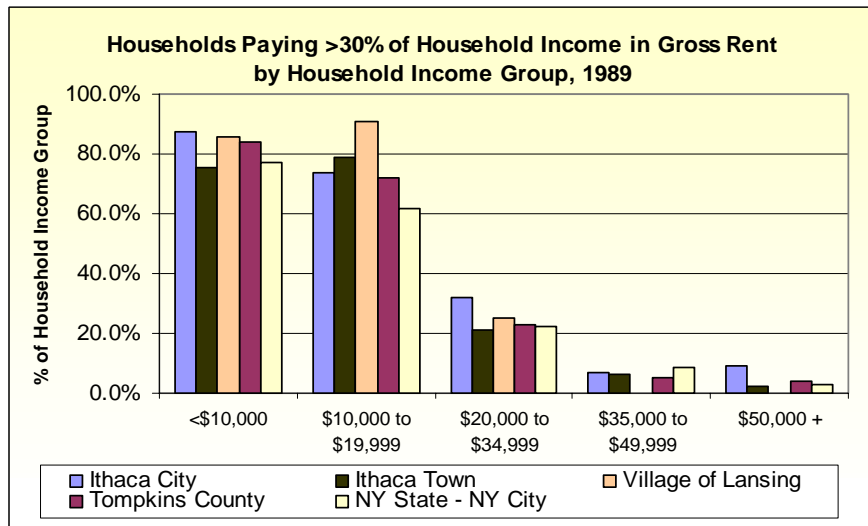
- The second highest level of owner housing cost stress is found in the \$10,000 to \$19,999 household income category with at least 60% of the households in that category reporting they were experiencing housing cost stress in 1999. The lowest level of owner housing cost stress in 1999 was experienced in the upper household income categories—with less than one in every five households reporting they were experiencing owner housing cost stress in 1999.



- From 1989 to 1999, the percentage of households experiencing owner housing cost stress has increased by roughly 50% in the low-middle household income class—including the \$10,000 to \$19,999 household income category and in the middle household income class—including the \$20,000 to \$34,999 household income class. Among the peer areas, the county’s owner housing cost stress increased from 43.8% of households in 1989 to 66.7% in 1999 in the \$10,000 to \$19,999 category (or by 22.9 percentage points). For the middle-income category, the percentage of housing cost stressed households rose from 25.8% of the total in 1989 to 47.0% of the total in 1999—and increase of 21.2 percentage points.
- The City of Ithaca, the Town of Ithaca, and the Village of Lansing have experienced a significantly higher increase of owner housing cost stress in the \$10,000 to \$19,999 household income category—at +32.1 percentage points for the city, at +35.6 percentage points in the town, and +33.3 percentage points in the village. The City of Ithaca, the Town of Ithaca, and the Village of Lansing experienced a significant, but somewhat lower level of increase in owner housing cost stress in the \$20,000 to \$34,999 household income category versus the county—at +18.6 percentage points in the city, +16.8 percentage points in the town, and +31.8 percentage points in the village.
- The final two graphs highlight the housing cost stress indicators for renter households over the 1989-1999 period. Over time, all renter housing cost indicators have experienced an increase in renter housing cost stress except the household income category of less than \$10,000 in household income. This category experienced a slight, but across the board decline for all 5 peer areas over the 1989-

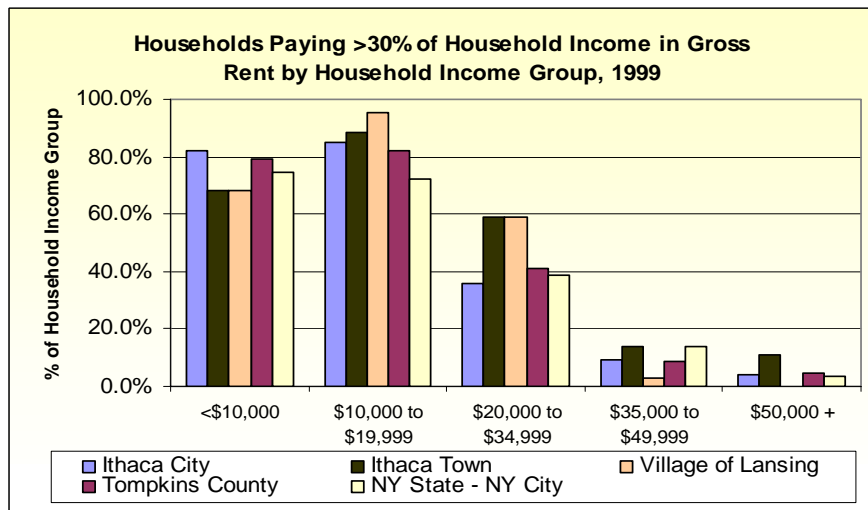
1999 time frame—even though the overall level of renter housing cost stress remains high with at or nearly 4 of every 5 households experiencing housing cost stress in 1999.

- The \$10,000 to \$19,999 household income category for renters demonstrated a similar and significant worsening pattern for both the county overall and in the city, town and village. Each area experienced a roughly 10 percentage point increase in the percentage of renter



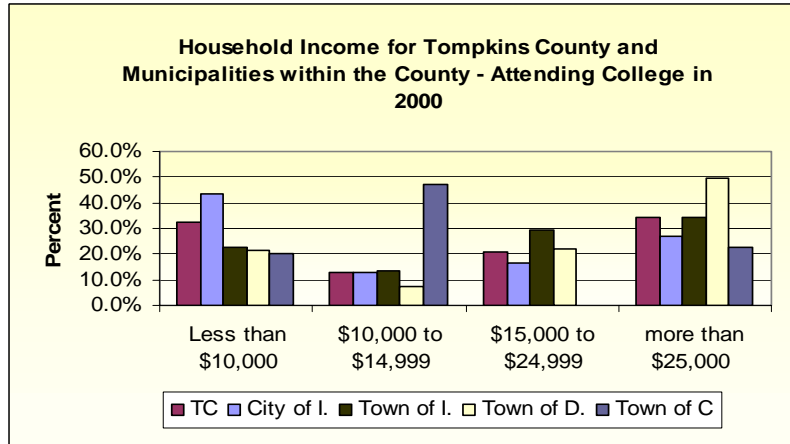
households experiencing housing cost stress when compared to 1989. Increases in renter housing cost stress ranged from a low of +4.6 percentage points in the Village of Lansing over the 1989-1999 time

frame to a high of +11.0 percentage points for the City of Ithaca. The direction of the change in renter housing costs stress in the \$20,000 to \$34,999 household income category was higher—as it was in the owner category—but was much less pronounced for City

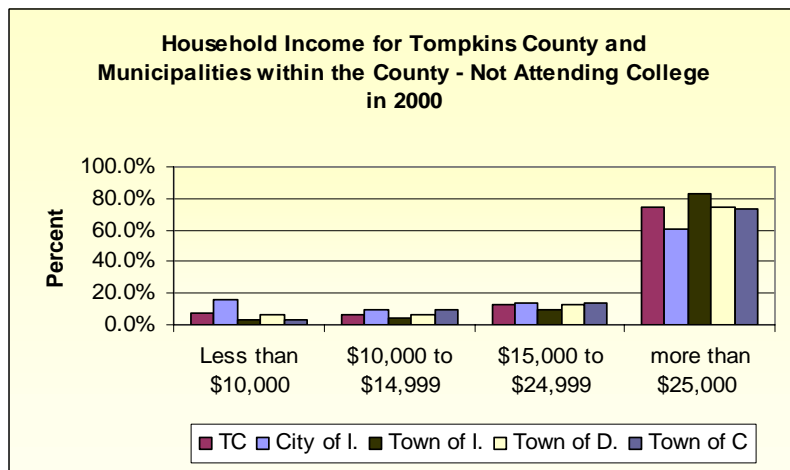


of Ithaca (at +4.0 percentage points). However, the city appears to be an aberration as increase in renter housing cost stress in the Town of Ithaca (at +37.7 percentage points), for the Village of Lansing (at +34.1 percentage points), and the county overall (at +27.8 percentage points) appear to be on a level that was similar to the 1989-1999 increase in owner housing cost stress experienced in this household income category.

- As would be expected, there was substantially lower level of increase in renter housing cost stress in the upper end of household income categories, including the \$35,000 to \$49,999 in household income (corresponding to only a modest increase across the board with the highest level of increase in the Town of Ithaca—at +7.7 percentage points). For the highest household income category of \$50,000 in household income and higher, the county overall (at -0.7 percentage points over the 1990s) and the City of Ithaca (at -5.3 percentage points over the 1989-1999 period) both experienced a modest declines in the percentage of renter households experiencing housing cost stress. In the town, the percentage of renter households reportedly experiencing housing cost stress in 1999 actually rose by 8.8 percentage points relative to the number of renter households in this income category reporting housing cost stress in 1989.



- Looking at the impact of college students on these affordability calculations, the expected impact, if any, is clearly on the side of reducing the affordability of the region's housing inventory.⁴ The income distribution of households with students attending college is decidedly on the lower end of the household income spectrum, with 65.8% of the county's total households with students attending college at or below the \$25,000 in household income level in 1999. This contrasts with only 25.7% of the county's total households that were at or below the \$25,000 in household income in 1999 for those households without students attending college.⁵



⁴ Because there is no corresponding special tabulation for 1989 (from the 1990 Census), these data cannot be added into the above all households analysis presented above.

⁵ It should also be noted that of the 7,730 households with students attending college in 2000, a total of 7,005 had earnings in 1999, leaving a total of 725 without earnings in 1999.

Household Income for Tompkins County and Municipalities within the County - Attending College and Not Attending College, 2000

Municipality	Category	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$24,999	more than \$25,000
Tompkins County	Attending College	32.6%	12.6%	20.6%	34.2%
Tompkins County	Not Attending College	7.0%	6.8%	12.9%	74.3%
City of Ithaca	Attending College	43.5%	12.8%	16.7%	27.0%
City of Ithaca	Not Attending College	15.5%	9.6%	14.3%	60.6%
Town of Ithaca	Attending College	22.8%	13.6%	29.1%	34.5%
Town of Ithaca	Not Attending College	3.7%	4.1%	9.7%	82.5%
Town of Dryden	Attending College	21.2%	7.1%	22.1%	49.6%
Town of Dryden	Not Attending College	6.5%	6.2%	13.1%	74.2%
Town of Caroline	Attending College	20.3%	47.3%	0.0%	22.4%
Town of Caroline	Not Attending College	2.7%	10.0%	13.7%	73.6%

Data Source: U.S. Bureau of the Census - April 2000

- The income data are similar for the City of Ithaca (at 73.0% for households with college students at or below \$25,000 in household income in 1999 versus 39.4% for those households without college students), the Town of Ithaca (at 65.5% for households with college students at or below \$25,000 in household income in 1999 versus 17.5% for those households without college students), the Town of Dryden (at 50.4% for households with college students at or below \$25,000 in household income in 1999 versus 25.8% for those households without college students), and the Town of Caroline (at 67.6% for households with college students at or below \$25,000 in household income in 1999 versus 26.4% for those households without college students).