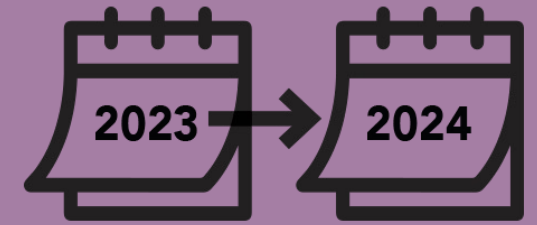


**June 20, 2024**

**FINAL PRESENTATION**



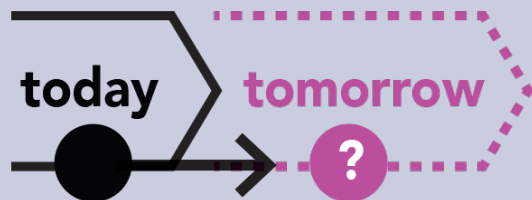
# We spent a year looking at Onondaga County's housing market



## S T O R Y L I N E S T R U C T U R E

### BASELINE & SPECULATIONS

Where is Onondaga today and where could it be tomorrow?



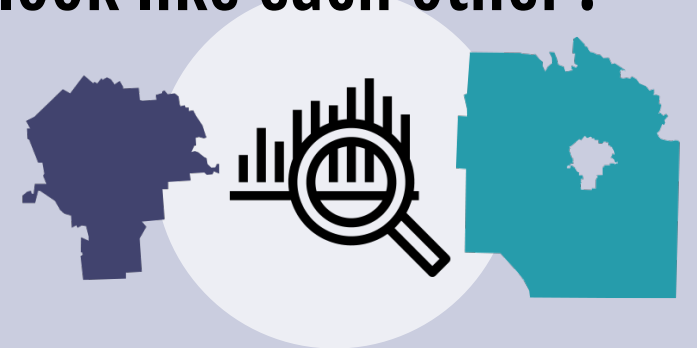
### MICRON IN CONTEXT

What is going on independent of Micron?



### SYRACUSE AND EVERYTHING ELSE

How does Syracuse and the rest of the county look like each other?





# What We Did

## 100 Years of Historical Trends

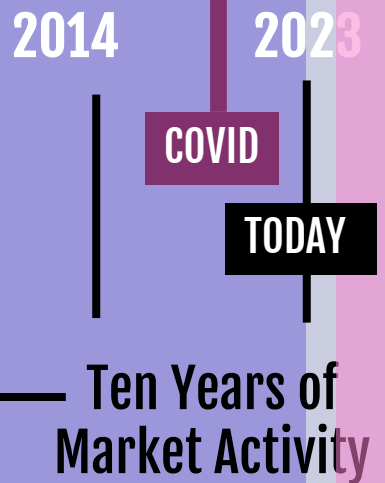


SPECULATION

What We Analyzed – for every jurisdiction and hundreds of combinations of geographies

**Data on Quarterly Basis**

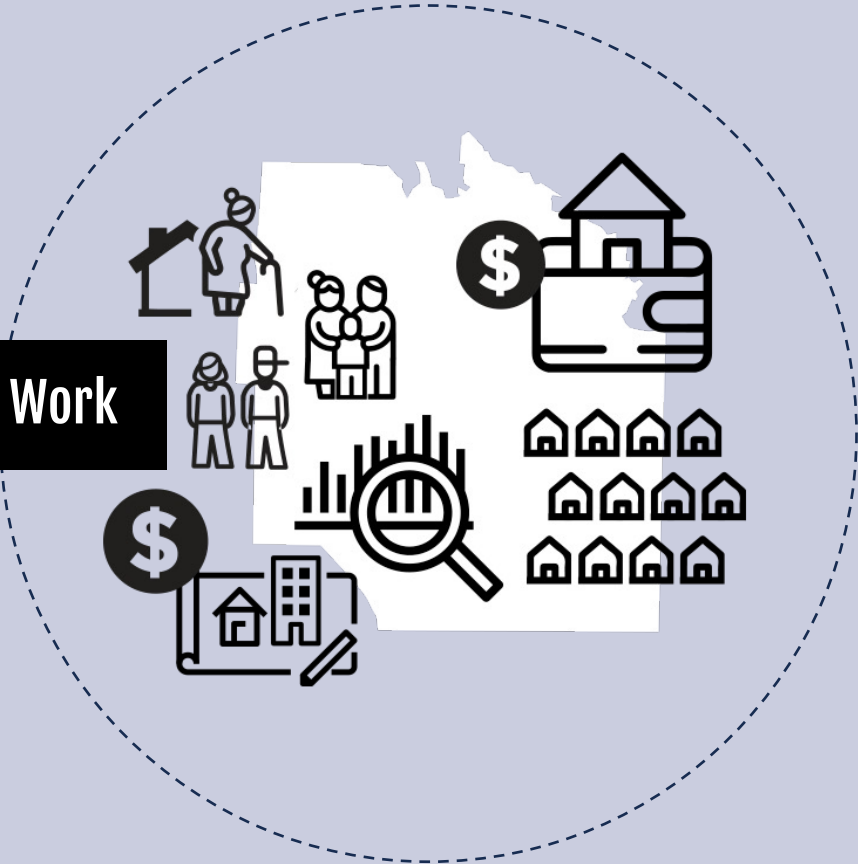
Interest Rates	Sales Activity	Commercial
Cost of Construction	• List/Sales Price	• MF Cap Rates
• Labor	• Duration	• Vacancy Rates
• Materials	• Type (SFD, DPLX, etc.)	
Cost of Land		
Cost of Land Prep		





# What We Did

**"Systems" Level Work**



**Economics**

**Demographics**

**Geography**

Every town and village  
By Sub-Regions



# What We Did

## What we Determined

The county is getting much older  
Households are getting much smaller  
Families are making fewer babies

AND

Development is costly  
Plenty of need but not much demand  
Inflation is a major issue

---

Consequently, YES

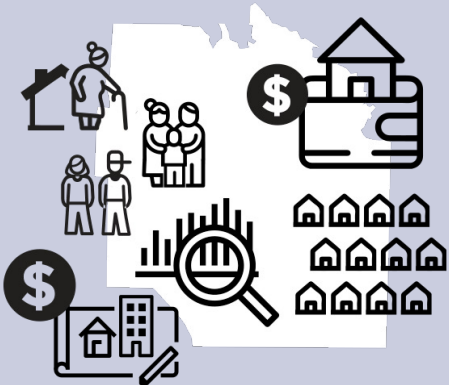
Inventory is indeed tight – *but we think this is temporary*

New construction is very expensive – *and we think this is not temporary*

Regulations are an issue – *an issue of local politics*

Affordability is an issue – *a function of all of the above and deserves less generalization*

And yet...the market overall has been and remains soft when it comes to value, return on investment, and rates of appreciation





# What the data tells us

## BASELINE OF TODAY'S HOUSING CONDITIONS

### Demographics

Aging population staying in their homes



Smaller household sizes



### Rising Costs & Prices

Interest Rates  
Materials and Labor



### Local Government Dispositions

Inclined to say no to certain types of housing development



### Persistent General Softness



### Very Much in Transition

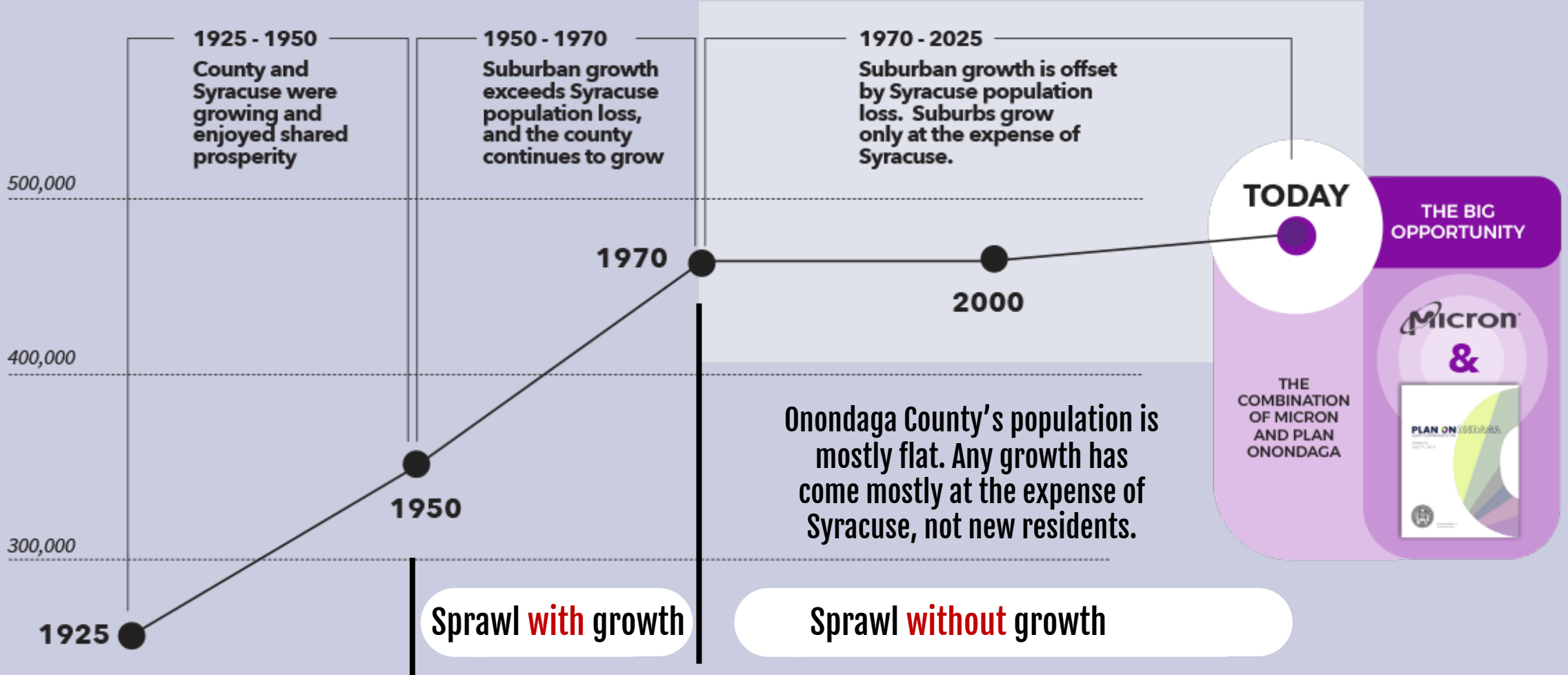


Why Onondaga County's housing market is tighter than past decades



# Understanding Historical Trends

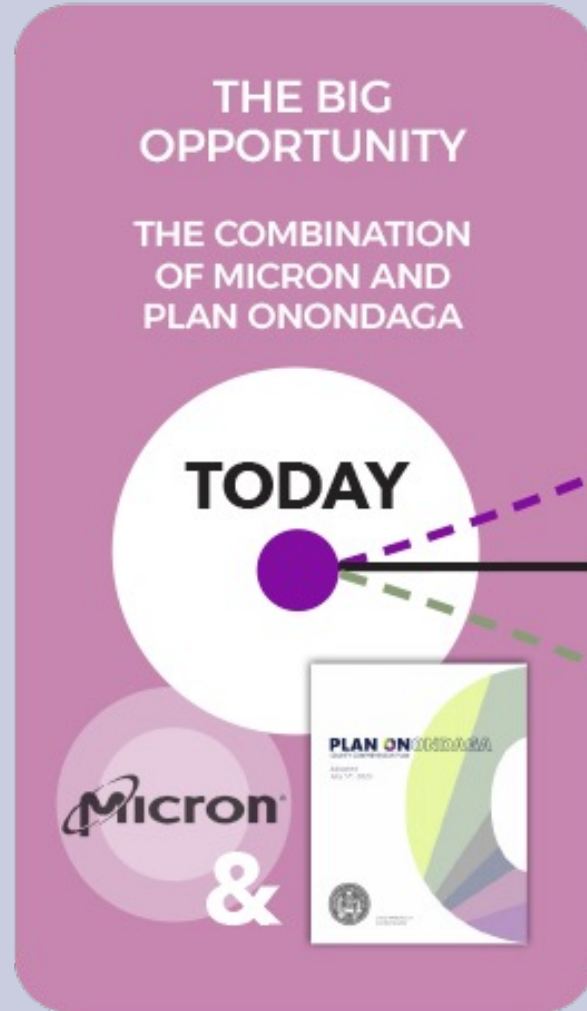
ONONDAGA COUNTY POPULATION



# Where could the county be headed?

With Micron's arrival, Onondaga County is positioned to add well over 30,000 new residents by 2040.

Plan Onondaga is the guidebook to make the most of the growth that Micron brings.



## TODAY - 2050 What will Onondaga County choose?

ECONOMY	PLANNING	OUTCOMES
Micron	<b>PLAN ONONDAGA</b> Zoning Funding 	<i>Progress on structural challenges and overall growth and prosperity</i>
Micron	Planning As Usual	<i>Flat trajectory with continued softness, strength in some areas along with persistent structural challenges</i>
Business As Usual	Planning As Usual	<i>Decline and worsening structural problems</i>



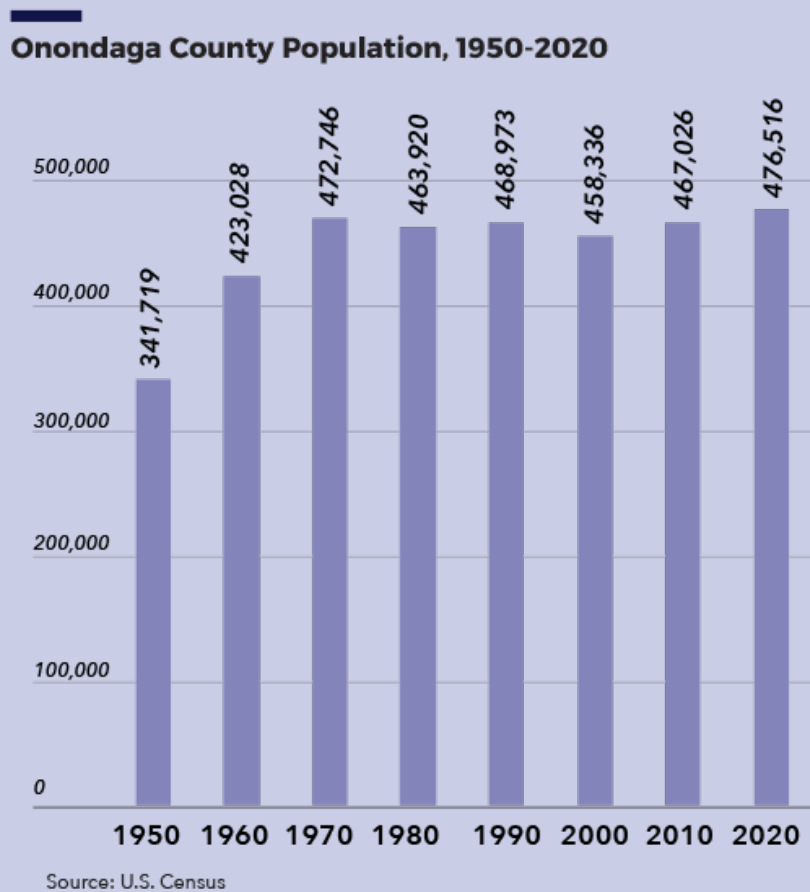
# 01

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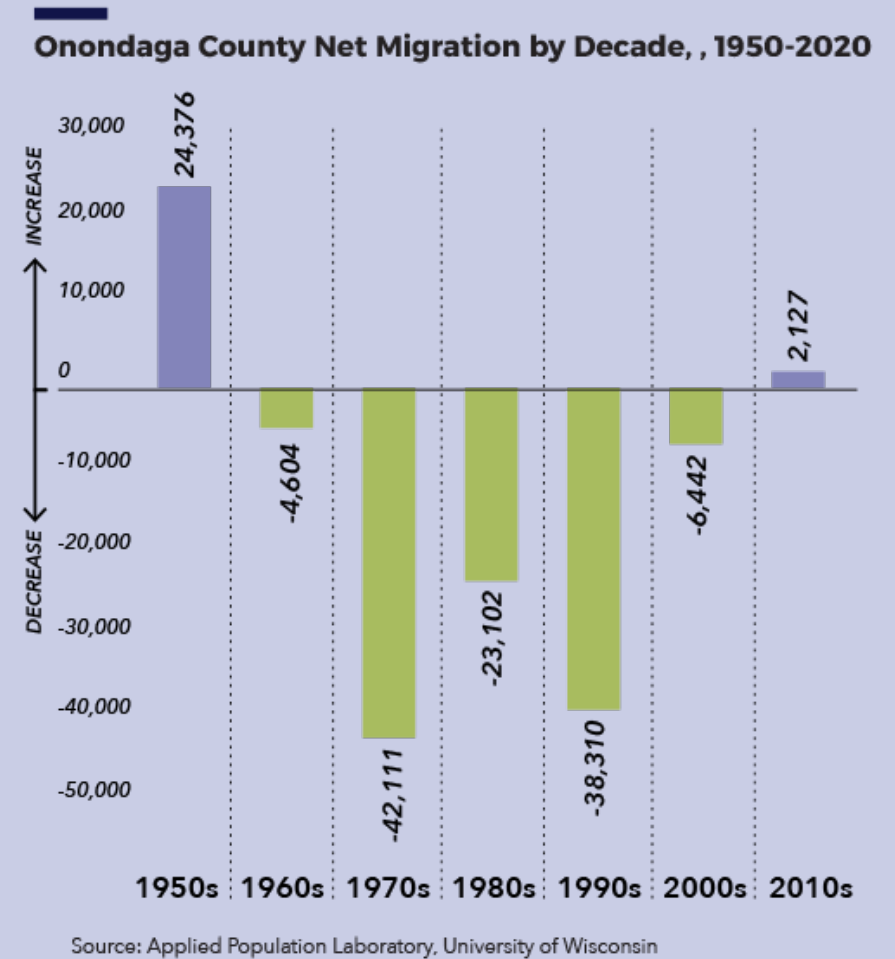
## Historical Factors and Modern Planning Shaping the Housing Market

# 01 Historical Factors and Modern Planning Shaping the Housing Market

The county's market conditions are the result of historical patterns.

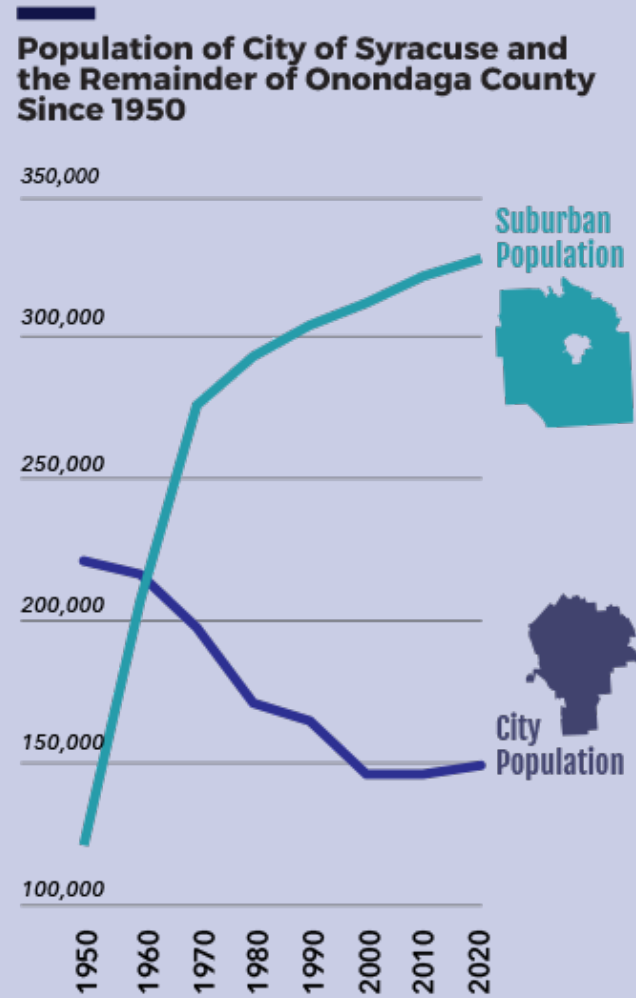


The population failed to grow partially because more people left the county than moved into the county.

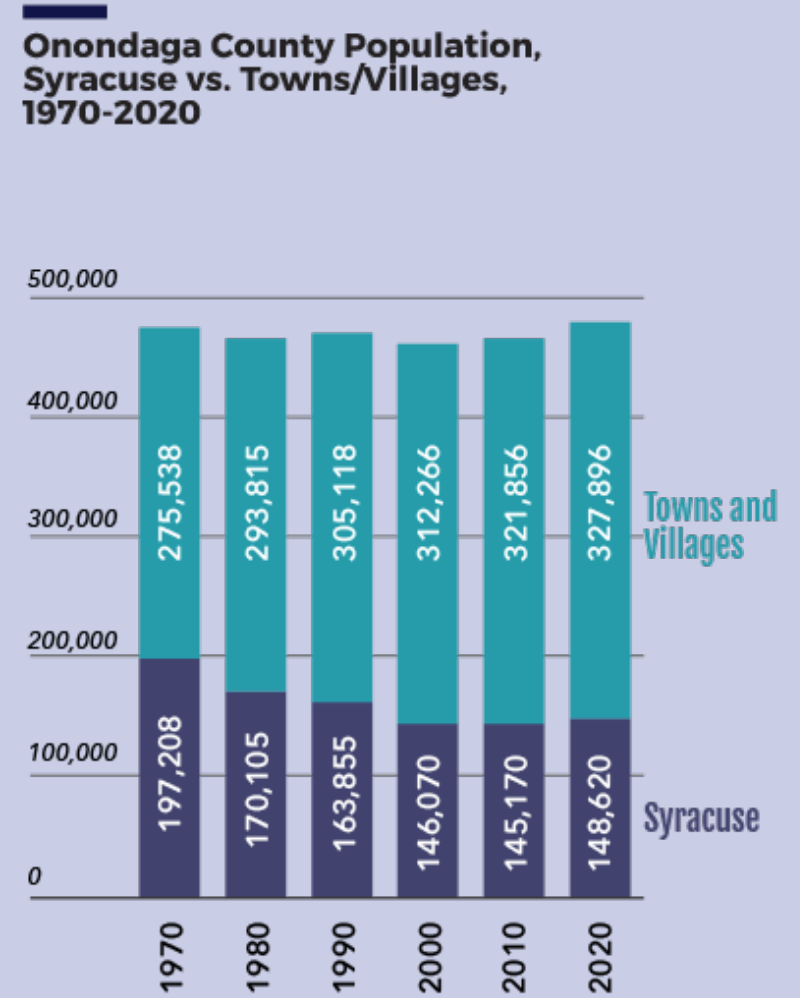


# 01 Historical Factors and Modern Planning Shaping the Housing Market

Sprawl without growth consumed land and hollowed out the region's core.



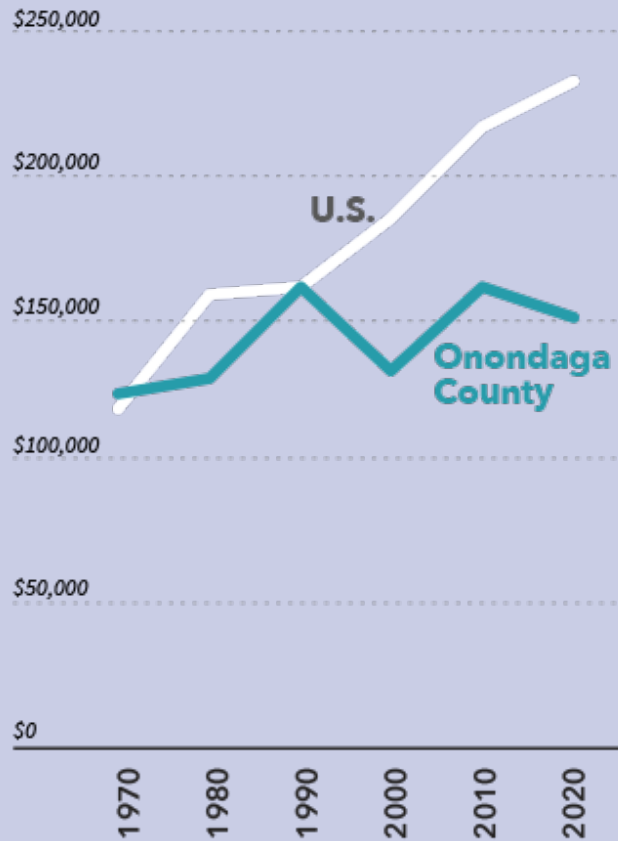
Source: U.S. Census



Source: U.S. Census

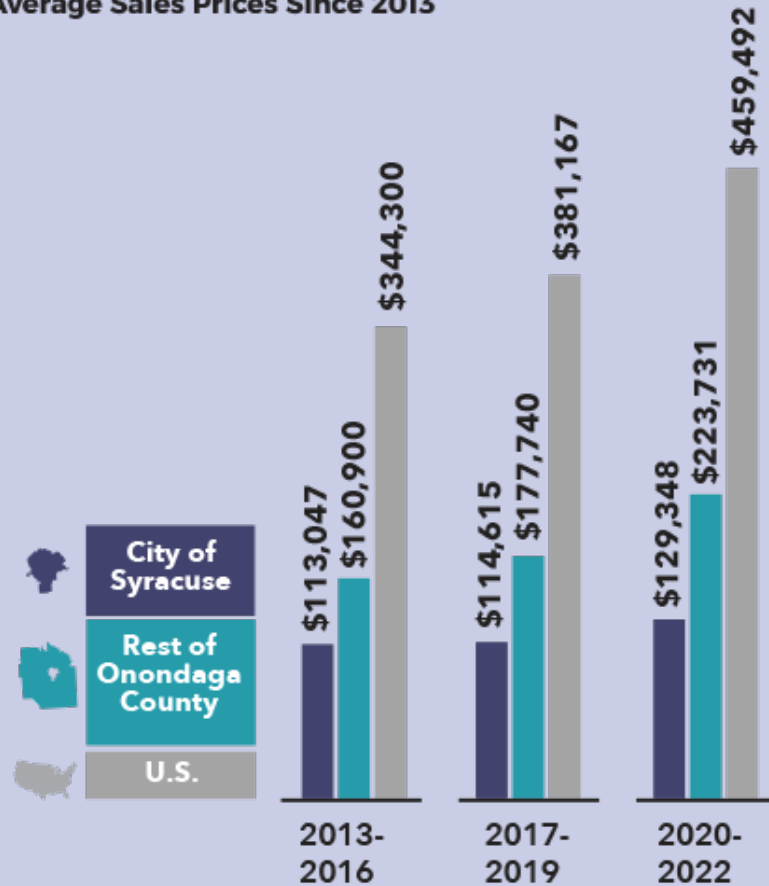
# 01 Historical Factors and Modern Planning Shaping the Housing Market

**Median Home Value, 1970-2020, Adjusted for Inflation**



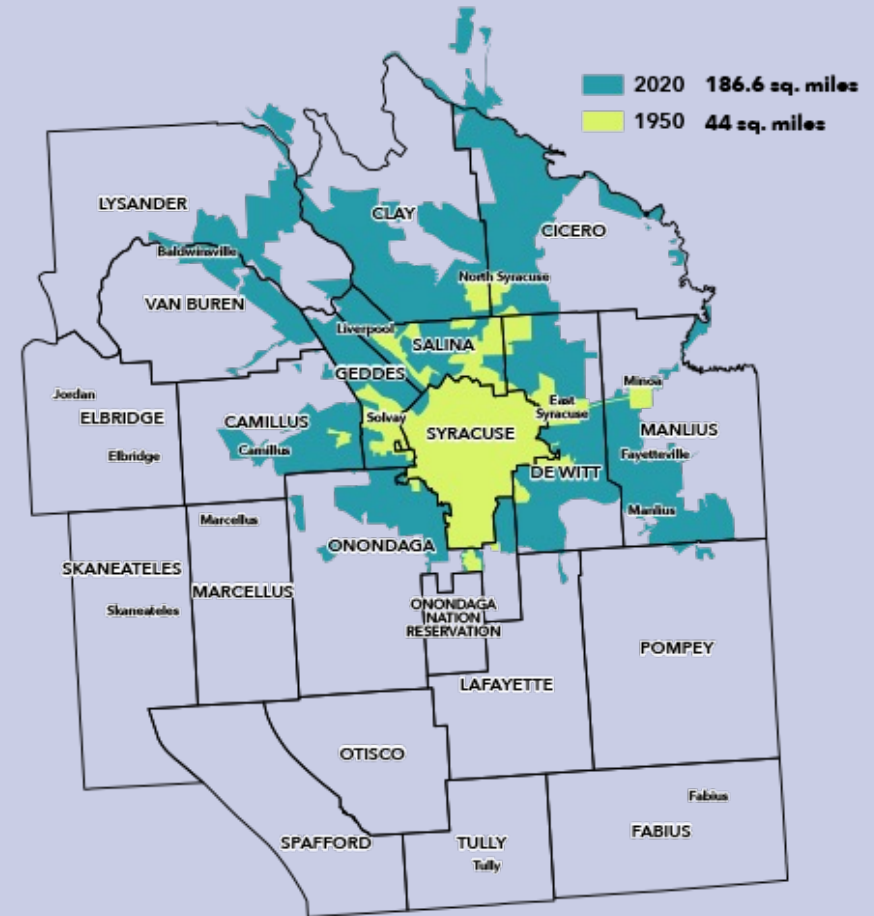
Source: U.S. Census Bureau, Decennial Census for 1970-2000 and ACS 5-year estimates for 2010 and 2020; inflation adjustments made using CPI

**Average Sales Prices Since 2013**



Source: Analysis of single-family sales prices reported by NYS Saleweb for City of Syracuse and the remainder of Onondaga County (all areas outside the city); U.S. figures are based on average annual sales prices reported by the St. Louis Federal Reserve's FRED system

**Onondaga County Urbanized Area, 1950 vs. 2020**



Source: U.S. Census

# 02

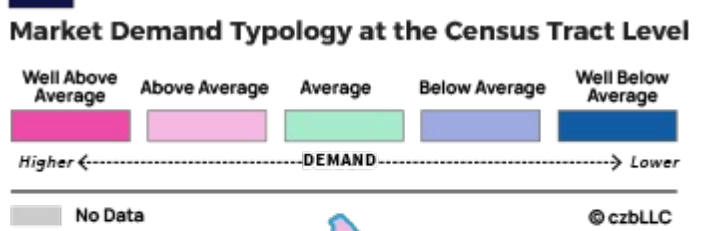
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## Syracuse as a Distinct Housing Market



# 02 Syracuse as a Distinct Housing Market

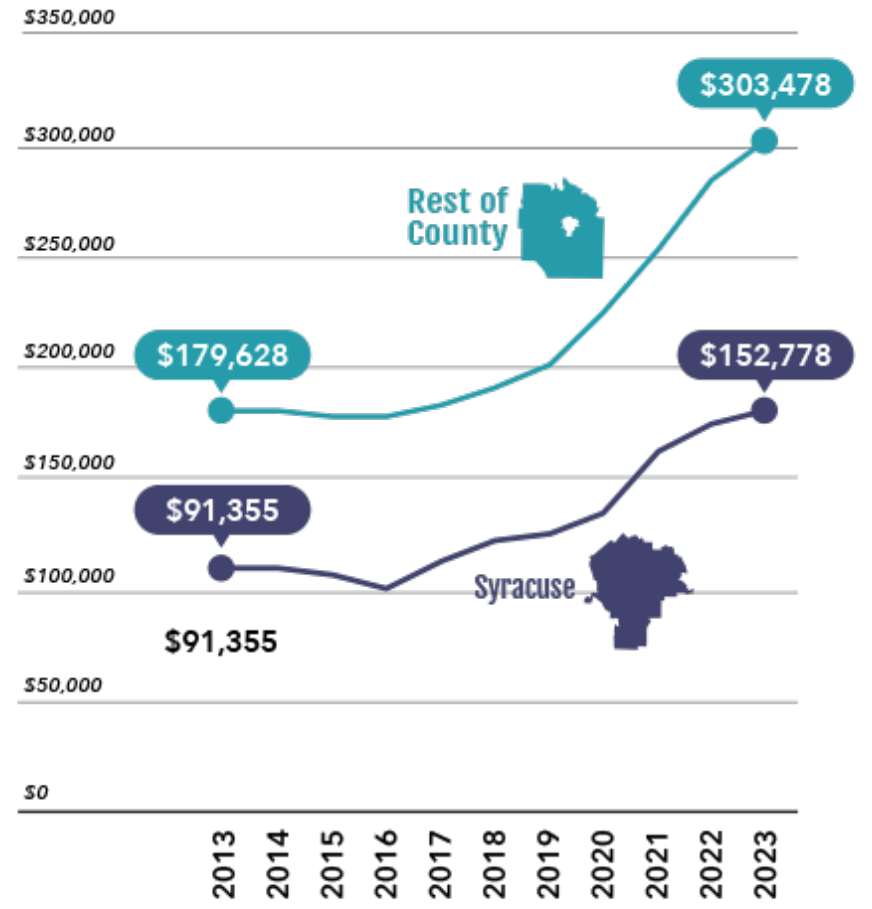
The market typology is a valuable tool, but cannot tell the whole story.



Source: czb analysis using data from 2017-2021 ACS 5-year estimates (median owner-occupied unit value, single-family homeownership rate, and single-family vacancy rate) and single-family sales data from 2018-2023 provided by Onondaga County Assessor.

On average, Syracuse single-family home sale prices are about half those of the rest of the county.

**Average Single-Family Sale Price by Year, 2013-2023**

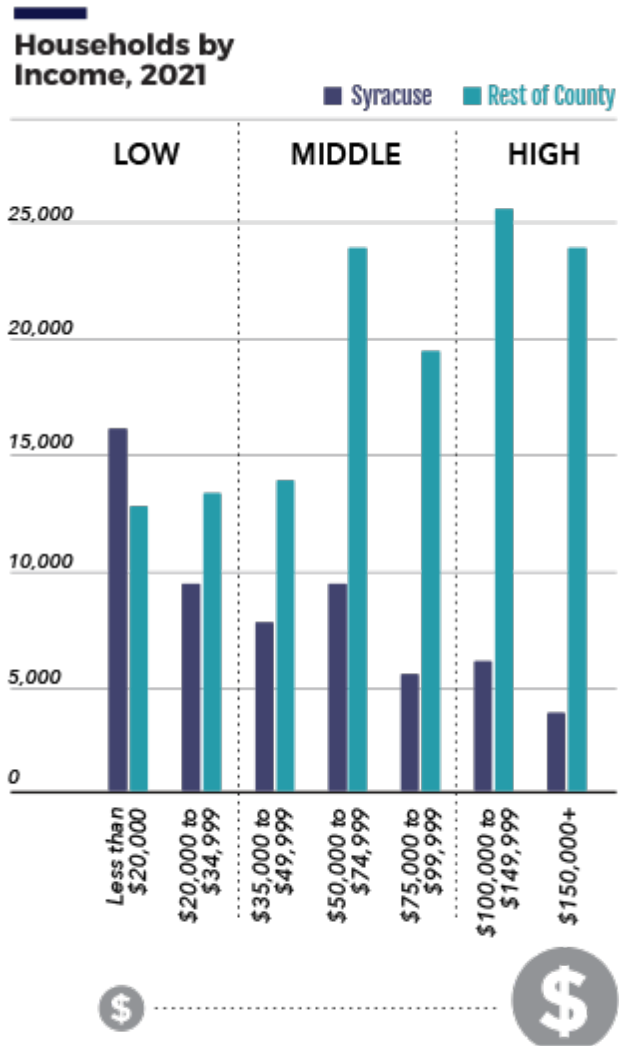


Source: Real estate transaction data from Onondaga County



## 02 Syracuse as a Distinct Housing Market

Syracuse and the rest of the county are segregated from each other by income.



Source: 2017-2021 American Community Survey Five Year Estimates

### Disparities and Distribution

	County ALL	Syracuse	Rest of County
Households	<b>192,785</b>	<b>58,424</b>	<b>134,361</b>
Subsidized	<b>10,071</b>	<b>7,200</b>	<b>2,871</b>
Non-Subsidized	<b>182,714</b>	<b>51,224</b>	<b>131,490</b>
Ratio of Non-Subsidized to Subsidized	<b>18.14</b>	<b>7.11</b>	<b>45.80</b>
	<b>5.22%</b>	<b>12.32%</b>	<b>2.14%</b>

# 03

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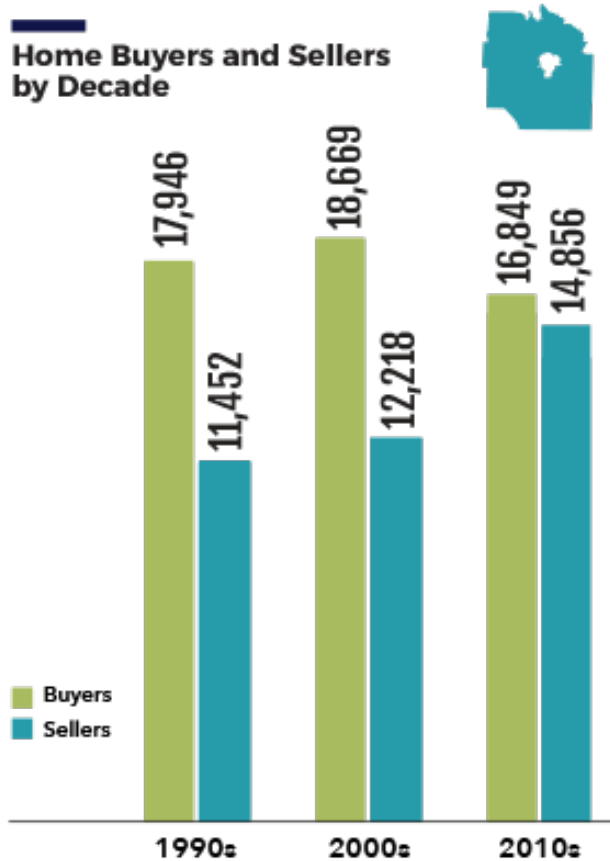
## County Housing Market Outside Syracuse





# 03 County Housing Market Outside Syracuse

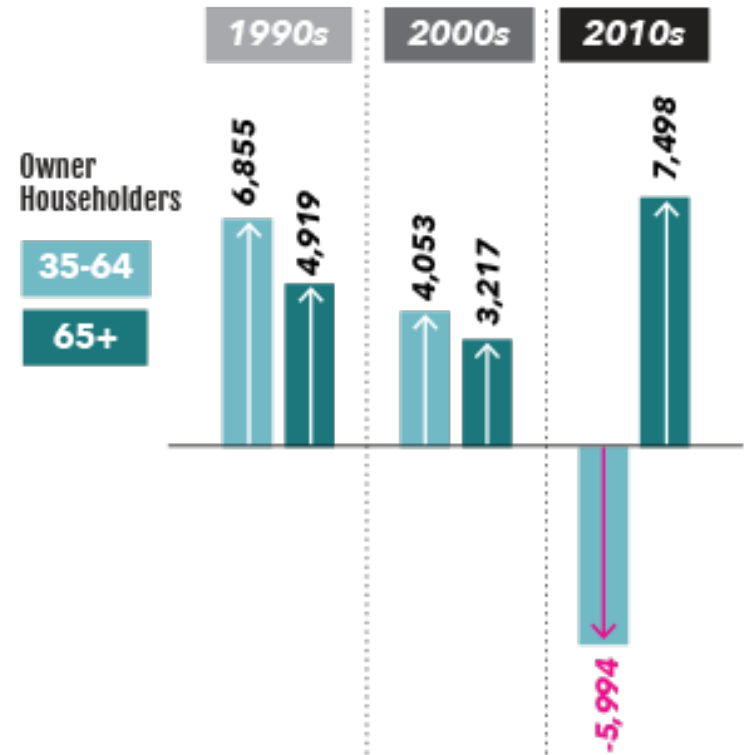
The number of buyers was lower during the 2010s than in past decades, closing the normal gap between buyers and sellers.



Source: czb analysis of data from the U.S. Census

The number of potential “move up” buyers decreased in the 2010s.

Change in Number of Owner Households by Age of Householder by Decade



Source: czb analysis of data from Decennial Census and ACS Five Year Estimates



# 03 County Housing Market Outside Syracuse

## New construction cost escalation is being driven by materials, labor, and financing

**BASIC/ NO FRILLS QUALITY**  
No Garage - 1/5 Acre Lot  
Location: Nothing Special  
*(ie no premium)*



**2,000 SF Home**

	IN 2020	TODAY
Cost to Build	\$300,000	\$350,000
Blended Financing	4.5%	7.5%
Monthly Payment	\$2,650	\$3,700
Income Needed	\$96,000	\$134,000
% of Area Median Income	120%	170%

**BASIC/ NO FRILLS QUALITY**  
No Structured Parking  
Location: Nothing Special  
*(ie no premium)*

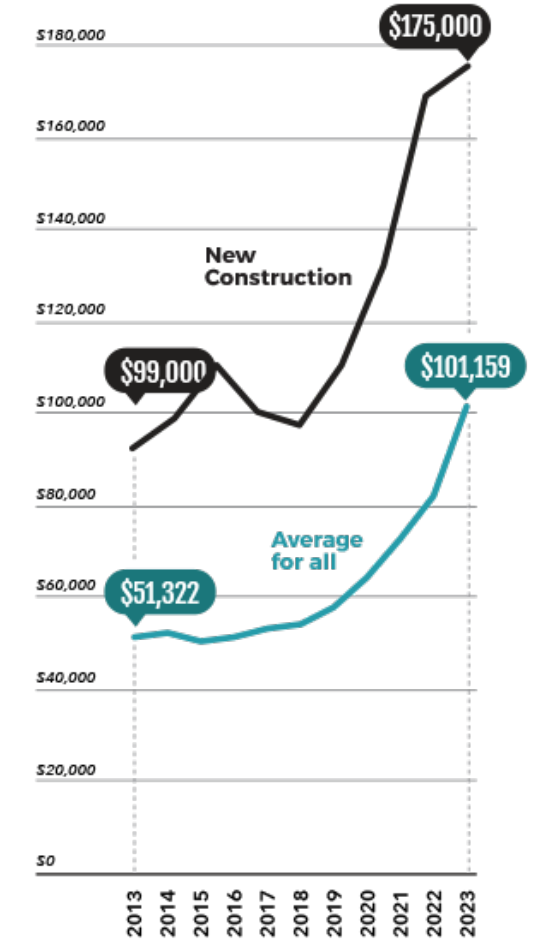


**850 SF Apartment**

	IN 2020	TODAY
Cost to Develop	\$127,500	\$170,000
Break Even Rent	\$1,475	\$2,480
Income Needed	\$54,000	\$90,000
% of Area Median Income	70%	115%

## Overall cost of homes is being driven by influence of new construction plus fewer existing homes on the market

**Income Needed to Afford Average Single-Family Sale Price in Non-Syracuse Onondaga County, 2013-2023**



Source: czb calculations based on sales data from Onondaga County Assessor



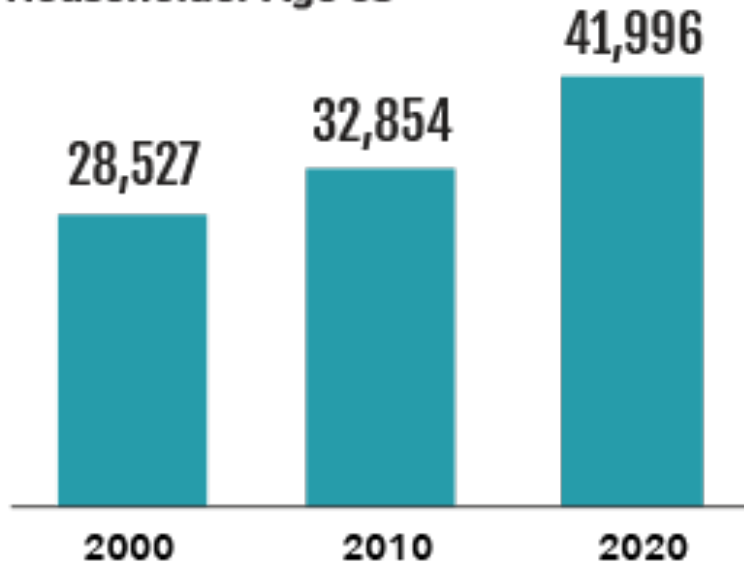
# 03 County Housing Market Outside Syracuse



Homeownership has long been dominant, but growth in homeowners is slowing.



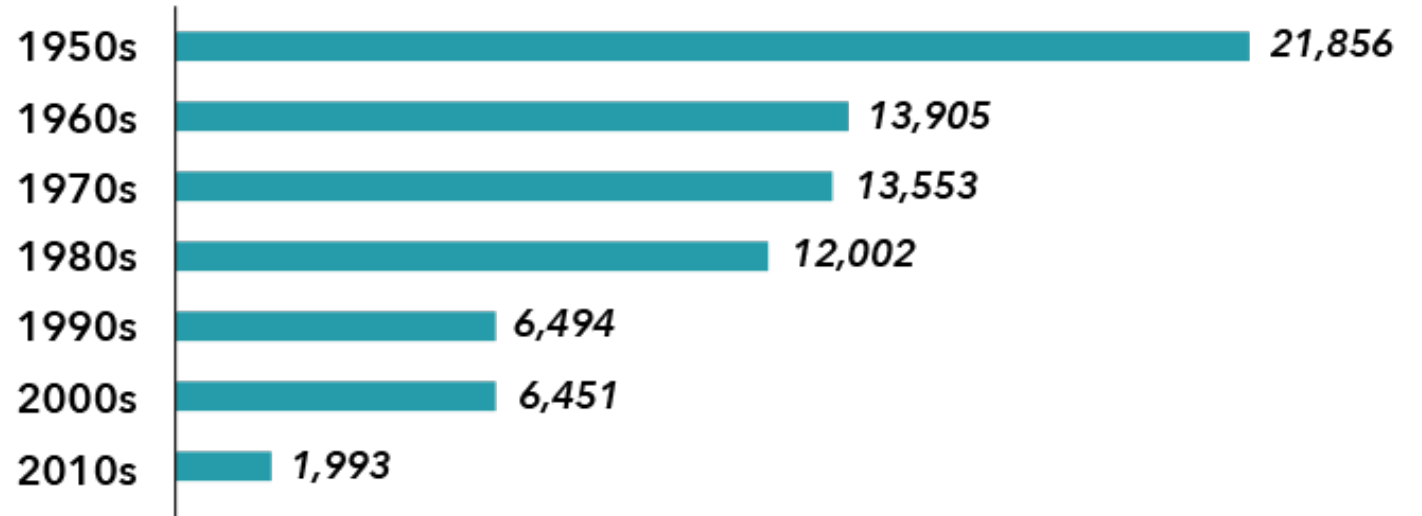
Households with Householder Age 65+



Source: U.S. Census



Increase in Owner Households by Decade



Source: U.S. Census

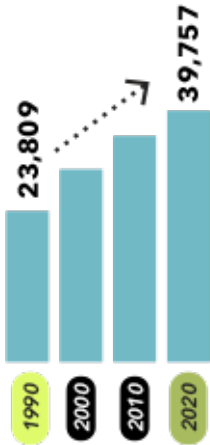


# 03 County Housing Market Outside Syracuse

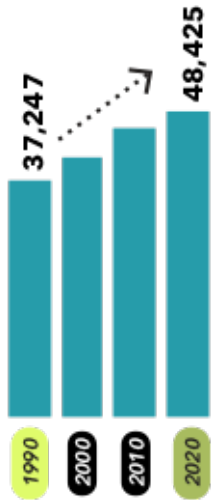
Demographic factors are driving the slowing growth in the ownership market.

## Household by Size

### 1 Person



### 2 People



### 3 or More



Source: U.S. Census

## Households Raising Own Children



Source: U.S. Census

## Increase in Renter Households by Decade



Source: U.S. Census

2010s renter household growth was also attributable to fewer renters exiting the rental market than in the previous decade.

# 04

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## Housing Market Challenges of the Mid-2020s



## Summary of Housing Market Challenges in the Mid-2020s

The current and future health of the county's housing market does not depend solely on how much growth it experiences. A number of housing market challenges exist in the mid-2020s which may require attention from policy makers and practitioners regardless of future events.

**1** Onondaga County remains a soft regional market.

**2** Syracuse is not competitive within the broader county market.

**3** More rental units are needed outside Syracuse.

**4** Suburban renters face affordability challenges.

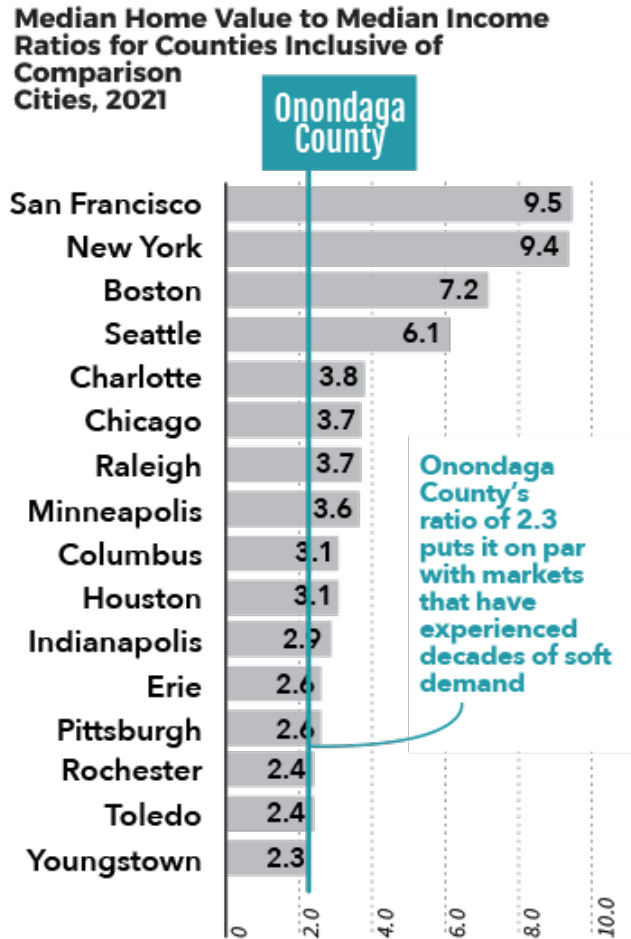
**5** Suburban sprawl undermines the county's housing market.

**6** Onondaga County needs more diverse for-sale products.

# 04 Housing Market Challenges in the Mid-2020s

1

**Onondaga County remains a soft regional market.**

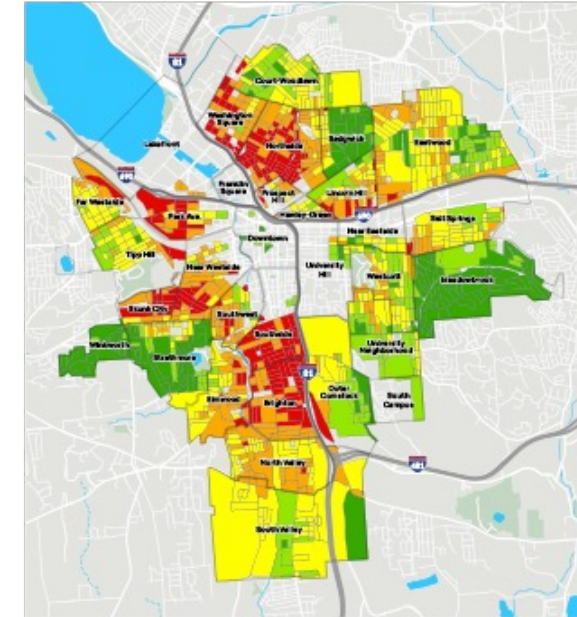


Source: U.S. Census Bureau, ACS 2021 5-year estimates for median home values and median household incomes at the county level; ratios for the comparison cities reflect the ratios for the counties that include the core cities, including all five counties that comprise New York City

2

**Syracuse is not competitive within the broader county market.**

**Average Residential Property Conditions at the Block Level, 2022**



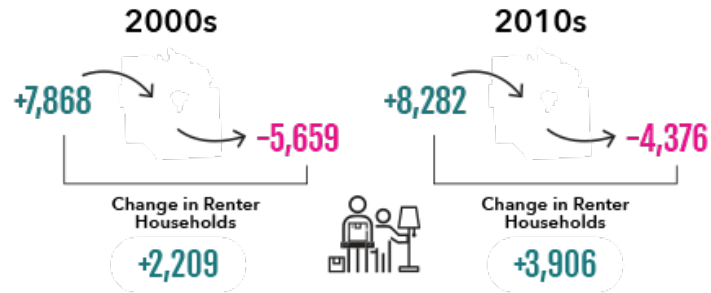
Condition Rating	Number of Properties	% of Properties
1 Excellent condition	2,914	8%
2 Good condition	6,642	19%
3 Average condition	14,145	40%
4 Moderate distress	9,659	28%
5 High level of distress	1,670	5%

Source and Note: czb field survey of property conditions for all properties with residential uses; figures in table represent parcel-level tally of property conditions while the map represents an averaging of those figures at the block level

# 04 Housing Market Challenges in the Mid-2020s

- 3** More rental units are needed outside Syracuse.
- 4** Suburban renters face affordability challenges
- 5** Suburban sprawl undermines the county's housing market.
- 6** Onondaga County needs more diverse for-sale products.

Renter Households Entering and Exiting Market by Decade



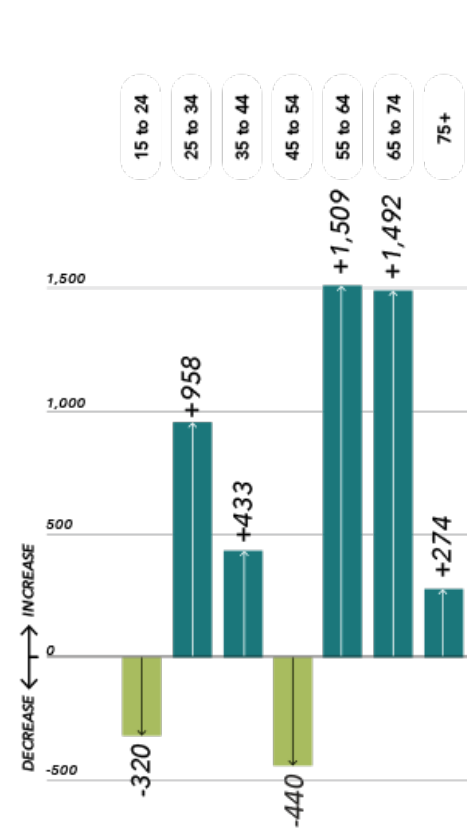
Source: czb analysis of data from U.S. Census

Increase in Key Rental Market Segments, 2000-2020



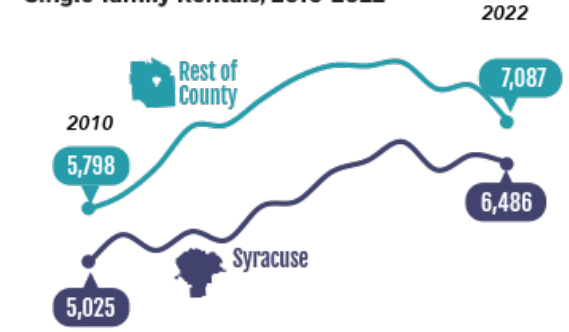
Source: U.S. Census

Change in Renter Households by Age of Householder, 2010-2020



Source: U.S. Census

Single-family Rentals, 2010-2022



Source: American Community Survey Five-Year Estimates

Multifamily Rental Data, Q1 2024

	Multifamily Units	Average Rent	Vacancy Rate
Syracuse	23,555	\$1,131	6.2%
Rest of County	20,343	\$1,319	2.5%

Source: CoStar

Average Annual Multifamily Unit Construction

Period	Construction
2000-2009	300
2010-2019	620

Source: Onondaga County



# 05

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## Speculating about the Future

## BASELINE FACTS

### Baseline as if no Micron working with facts

#### Without Micron,

existing demographic trends would shape the future housing market.

If children aged 5-14 in 2020 convert to householders aged 15-24 in 2030 at the same rates as past decades....

If rates of household formation for all other ages in the 2020s and 2030s match the rates of past decades....

If elderly homeowners exit the ownership market at the same rates as past decades....

If migration in and out of the county matches the rates of the era 2000-2020....

Then **the total number of households across the county will fall by 2040, Syracuse will return to a pattern of household loss, and non-Syracuse Onondaga County will begin to experience a decline in homeowner households even as renter households keep growing.**

## BASELINE FACTS AND SPECULATIONS

### Baseline + Micron working with facts and speculation

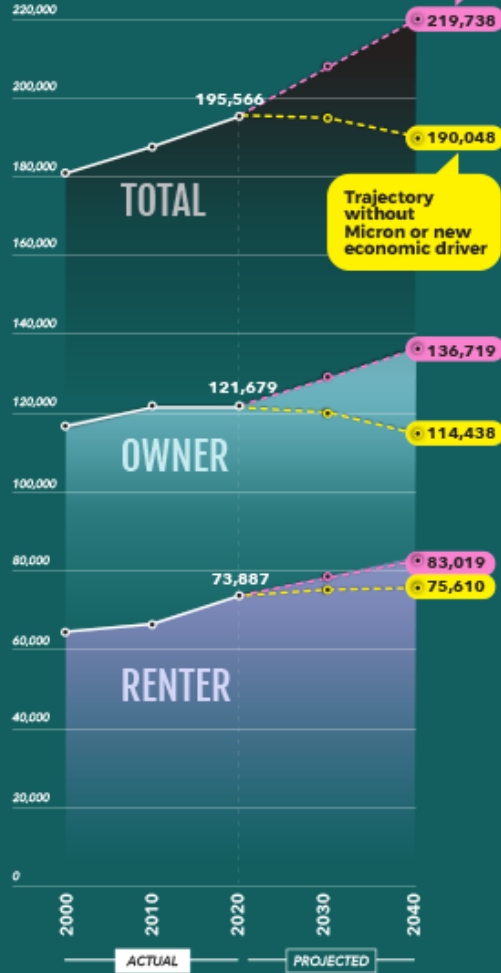
#### With Micron,

if the impacts match what has been projected by REMI, Inc., the county could grow by 24,000 households, and if the household growth is evenly distributed, Syracuse has an opportunity to increase its number of households by over 7,000. **This level of increase, and the distribution within the county, as well as the distribution between owner and renter households, offers a significant opportunity to address identified housing needs if properly leveraged.**

# 05 Speculating about the Future

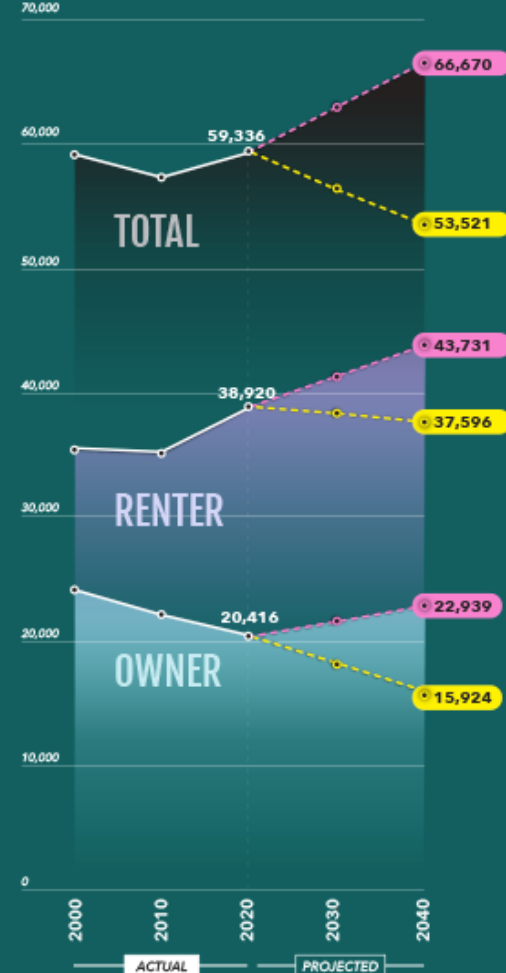
## ENTIRE COUNTY

Number of Households, 2000-2040 (Actual and Projected)



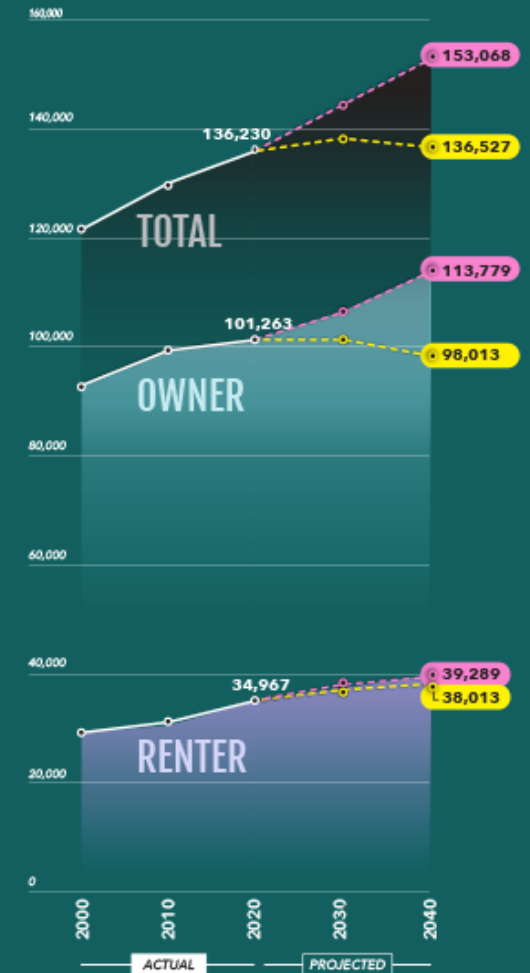
## SYRACUSE

Number of Households, 2000-2040 (Actual and Projected)



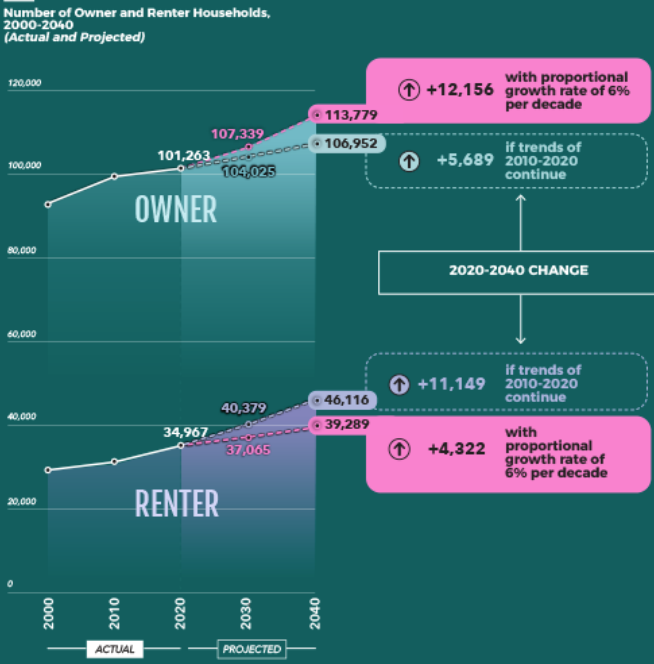
## REST OF COUNTY

Number of Households, 2000-2040 (Actual and Projected)

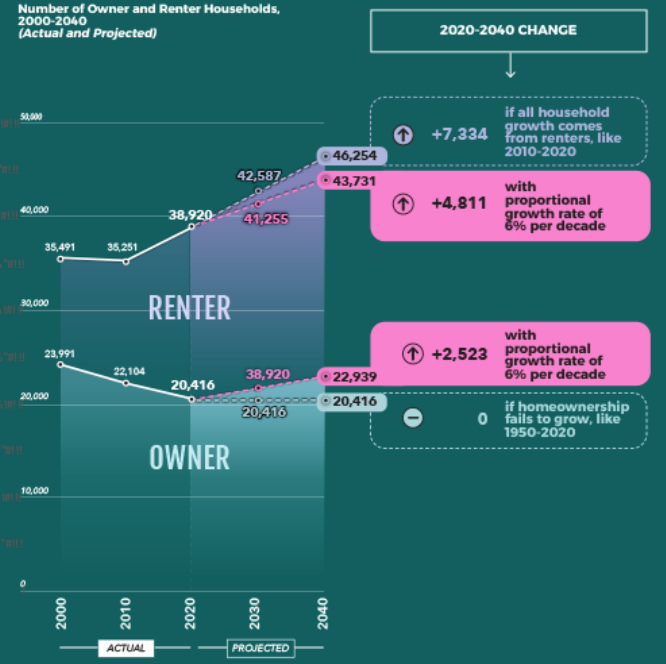


# 05 Speculating about the Future

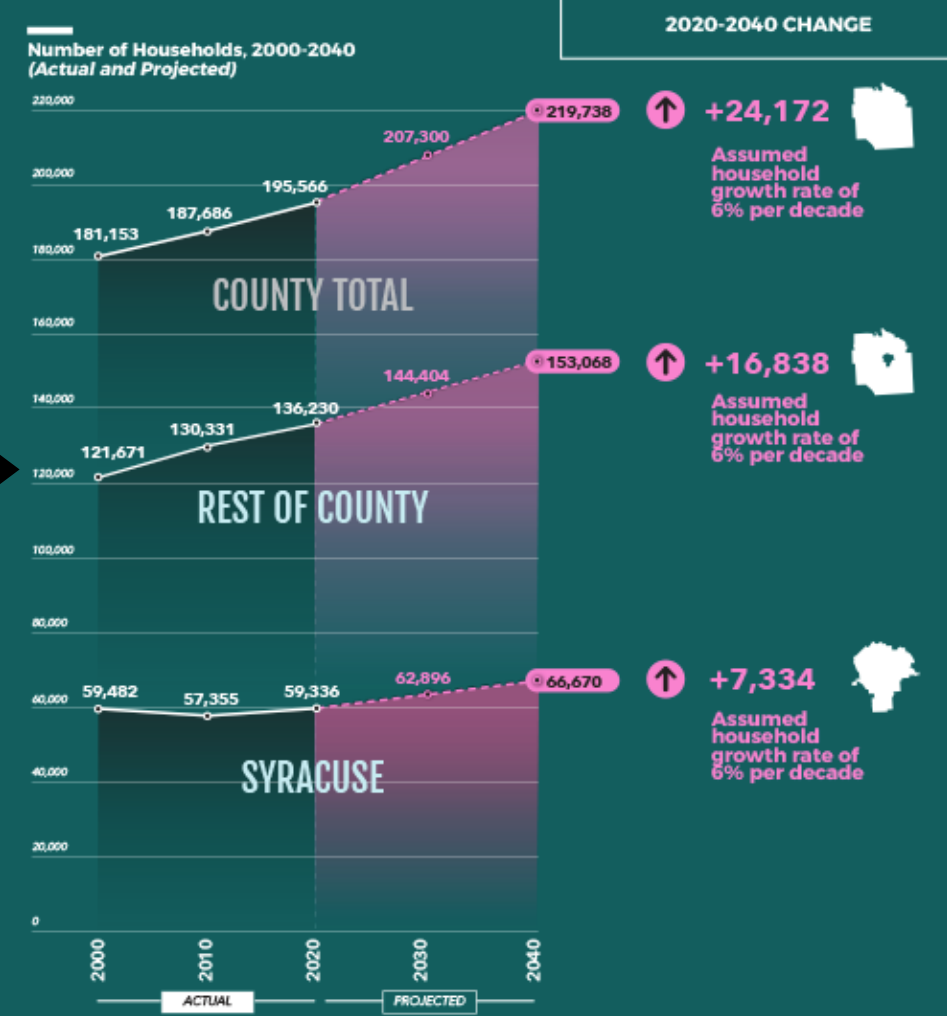
## Rest of County Actual and Projected Total Owner and Renter Households, 2000-2040



## City of Syracuse Actual and Projected Total Owner and Renter Households, 2000-2040



## Onondaga County Actual and Projected Total Households, 2000-2040



# 05 Speculating about the Future

## Housing Market Challenges of the Mid-2020s

- 1 Onondaga County remains a soft regional market.
- 2 Syracuse is not competitive within the broader county market.
- 3 More rental units are needed outside Syracuse.
- 4 Suburban renters face affordability challenges.
- 5 Suburban sprawl undermines the county's housing market.
- 6 Onondaga County needs more diverse for-sale products.



## Future Housing Needs

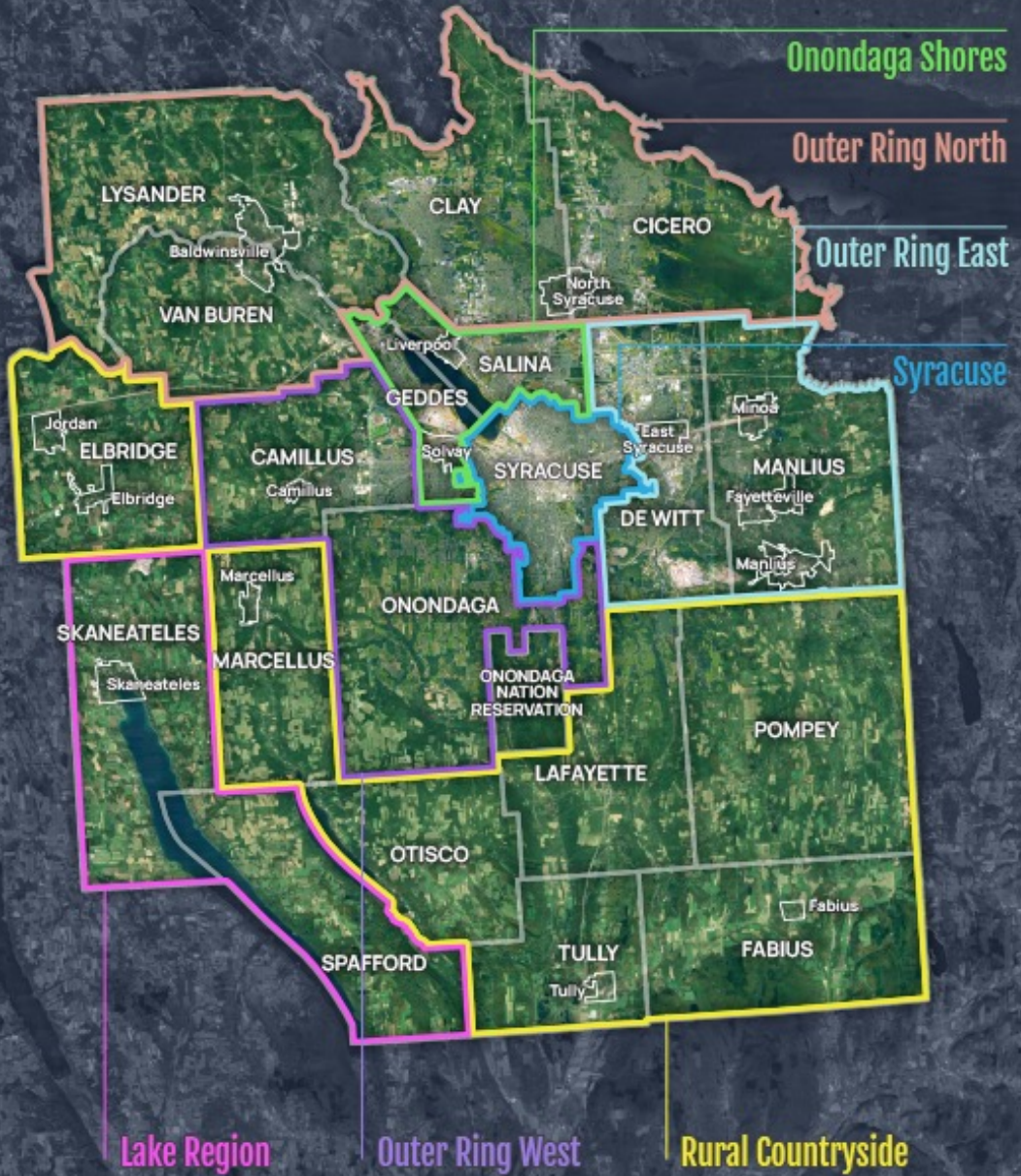
- 1 Onondaga County could grow by 24,000 households by 2040.
- 2 Countywide, net new households would be fewer than two people on average.
- 3 Syracuse could have over 7,000 new households by 2040.
- 4 The rest of the county could have nearly 17,000 new households by 2040.
- 5 It is uncertain how many of the new households will be owners or renters.
- 6 The number of senior renters is projected to grow by 8,000 countywide by 2040, with 75% outside Syracuse.

# 06

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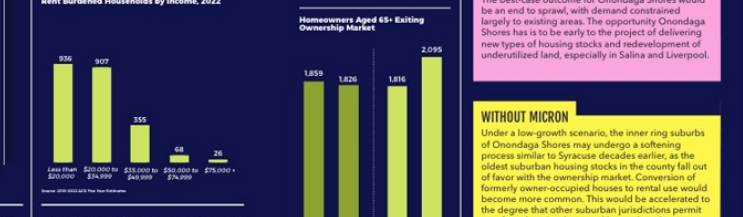
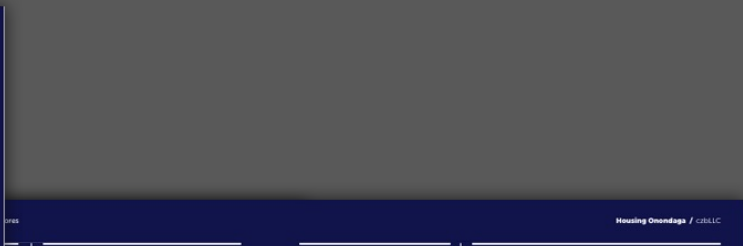
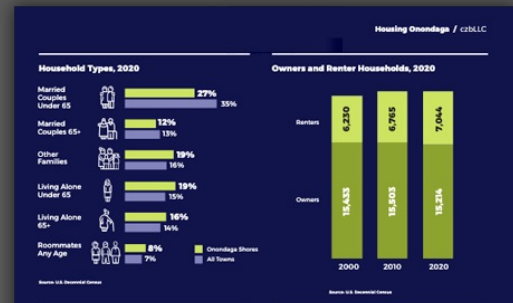
## Sub-Regional Markets





# For each we provide a dashboard on key metrics

- Household Types
- Tenure
- Income
- Market Breakdown
- Ownership
- Rental
- Profile of Seniors
- Positioning for Micron



### WITHOUT MICRON

Under a low-growth scenario, the inner ring suburbs of Onondaga Shores may undergo a softening process similar to Syracuse decades earlier, as the oldest suburban housing stocks in the county fall out of favor with the ownership market. Conversion of formerly owner-occupied houses to rental use would become more common. This would be accelerated to the degree that other suburban jurisdictions permit new for-sale units above and beyond total owner household growth.

# 07

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## Guidance for Strategy Development



# Strategy Assumptions

**Any future strategy to address housing needs and opportunities must recognize the following basic assumptions:**

**Achieving desired housing market outcomes will not be easy.**

**Municipalities must play the lead role in planning for and regulating housing development.**

**Onondaga County must play the lead role in developing and deploying financial assistance to the private sector where necessary.**

**Most municipalities have limited professional expertise, but Onondaga County has professional staff that can assist.**

# Public Sector Roles and Responsibilities

**Any future strategy to address housing needs and opportunities must be clear about the responsibilities of different public sector organizations, and also about how they work together with each other.**

## Municipalities' Role



Use planning processes to decide what the community can say "Yes!" to.

Update land use regulations to create space where desired housing development can locate.

Be clear in regulations about what is allowed and what is not.

Set and maintain high standards of quality.

## County Government's Role



Build and maintain sufficient professional staffing.

Assist municipalities in planning work.

Assist municipalities in updating regulations to reflect updated plans.

Help private sector meet local requirements and close financial gaps through direct financial assistance, tax incentives, infrastructure upgrades, and/or other means.

Offer financial assistance program(s) for existing properties in need of rehab.