

Housing consortium survey supports need for variety of homes to meet growth

By James Pletcher Jr., Herald-Standard
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Fayette County needs specialized housing to meet growth, according to a survey that supports information presented at this week's Workforce and Housing Summit, sponsored by Fay-Penn Economic Development Council.

According to a housing market analysis done for the Fayette County Housing Consortium, there is and will be through at least next year a need for higher-income housing to accommodate more white-collar job growth in the county.

In terms of housing, the panelists at the Fay-Penn summit said there are not enough rental properties for both entry level and upper management workers. There is also a dearth of ready-to-move-in housing for people across all income ranges. Some of the employers offered personal stories of spending months trying to find a home through newspaper advertisements, local real estate firms and word of mouth.

Michelle P. Cunningham, Highlands Hospital CEO, said she has about "100 physicians" but it's difficult to recruit them because of the lack of medium-range existing housing and illegal drug use.

"We have doctors who live in Rostraver or Greensburg because they can't find housing here," she said.

She said the problem with housing also affects other hospital workers.

"We try to find single-parent dwellings for some of our people when they are having problems in order to keep them. About 85 percent of our employees live in Fayette County but we still have trouble finding places to live for the balance of our employees," Cunningham added.

Karen Stiles, Argon ST director of system engineers and manufacturing, related her own experience finding a home in Fayette County when she moved here to take the job at the Smithfield area facility.

She said she began looking at want ads in local newspapers and later sought listings from local real estate agents, ultimately looking at from 35 to 40 places.

"I had about two months to find a place here (in Fayette County). I was disappointed with the quality of the rentals I looked at," she said, adding she finally found something through word-of-mouth "from a friend of a friend of a friend."

While she might have preferred an apartment, Stiles said she found a nice house to rent. "It's a real issue for anybody relocating here," to find a suitable home, she said.

The Fayette Housing Consortium analysis supports those and other findings.

In part, the analysis says the county needs more homes for people with incomes of \$75,000 and more as well as more quality rental properties.

Andrew French, Redevelopment Authority of the County of Fayette executive director, explained the consortium was formed in 2000 and includes a cross section of public and private representatives.

"This was a collaborative group formed to look at housing and planning issues in Fayette County," French said.

He explained the group commissioned the consulting group of Mullin & Lonegran Associates Inc. to conduct the housing needs analysis in 2005.

The analysis, according to the consultant, "attempts to provide the 'big picture' of housing in Fayette County - a comprehensive look at all facets of the housing market and the factors that influence it."

French said the consortium, a non-profit organization, acquired a grant to pay for the survey.

"It's a pretty substantial document," French said of the survey, which contains more than 300 pages. "It was done not just to look at affordable housing but also market rate housing and different types of housing. We looked at it countywide and held focus group meetings with builders, realtors and lenders.

"Our goal was to have something we could use when, as a redevelopment authority, we are approached by a developer who comes in with a project. This way, we have our own background material to look to so we can say if we need the type of housing the developer wants to build or if we need it where he wants to build it," French said. Prior to this, he added, the authority would have to rely on the data the developer provided.

"This analysis gives us the information we need to make an educated decision," French added.

However, no mention of the survey was made during the summit Fay-Penn held on April 24.

The summit focused on employer needs from the labor pool and housing requirements to meet current and anticipated growth.

French said the survey hasn't been well publicized and that the consortium plans to work to change that.

"It (the survey) hasn't received a lot of publicity but it has been very useful to us. The housing authority has used it, developers have looked at it, but in order to get the information better disseminated we are developing a promotional piece on the study, something that can be handed out to developers, lenders and others in the building industry," he said.

The housing consortium analysis paid particular attention to the housing sections of the county's recently completed Comprehensive Land Use Plan.

It also noted that three factors drive the county housing market: the economy, interest rates and population growth.

The analysis showed the county gained nearly 10,000 more workers between 1990 and 2000, that interest rates for home loans have fallen to their lowest level in years and that the county's population has gained more than 3,000 people in a decade.

During the 1990s, the market, the analysis says, responded to housing needs by creating more than 5,000 new units.

The county's housing stock is also becoming more diverse with a growth in the number of multifamily units and mobile homes.

But in future, demands for housing will be needed in six household types, according to the analysis:

- Low-income households are households with an annual income under \$25,000, including all age groups up to age 65.
- First-time homebuyers are generally younger households in the market for for-sale housing, ages 25-44 years old, with incomes between \$25,000-\$75,000.
- Affordable households are homebuyers ages 45-64 with incomes between \$25,000-\$75,000, and renters ages 25-64 in the same income range.

- Move-up households are households relocating from existing housing units and from beyond the county's borders. They have annual incomes of over \$75,000 and are found in age brackets up to age 64.

- High-income households have annual incomes in excess of \$100,000 and ages up to 65. This household type is generally seeking the most expensive units in the county.

- Elderly households are households age 65 and over, regardless of income.

"Homeowner housing demand will primarily be generated by the move up, higher income, affordable, and elderly buyer categories. The number of units constructed per year in the county is, at first glance, sufficient to keep pace with homeowner demand.³ an accurate depiction of housing construction in Fayette County," according to the analysis.

"However, the types of housing recently constructed are not necessarily meeting all housing demand. Specifically, market rate for-sale housing for households with incomes above \$75,000 is not being built in sufficient quantities. Speculative housing development is negligible. And non-traditional for-sale units (patio homes, duplexes, quads, townhouses, condos, etc.) are only just now being constructed in the county.

"Current construction practices only perpetuate the housing status quo, leaving little room for pent-up demand of non-traditional units to surface. More variety in for-sale housing is crucial to adequately house new residents," the analysis says.

Meanwhile, the analysis shows that rental housing demand will primarily be generated by the move up, higher income, affordable, and elderly housing types.

"With an average of 23 multifamily units constructed between 2000-2003, the current pace of multifamily unit construction is insufficient to keep pace with renter demand. The highest demand for rental units is generated by those households with incomes of \$75,000 or higher. Little high-end rental housing of any building type (single-family or apartment style) exists to support this demand," according to the analysis.

The analysis also presents data on where growth is most likely to occur in the county in housing development as well as features affecting housing growth, including public education and commuting patterns.

Under major housing needs in Fayette County, the analysis concludes that the "county's many housing stakeholders need to capitalize on the county's assets to continue to improve its quality of life. No one entity is powerful enough to address these issues - continuing and expanding the collaborative effort pioneered through the housing consortium is critical to long-term success."