CommunityScale

Harrison County
Housing needs assessment

2023

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What is a housing study?

A housing study is a systematic inventory and analysis of a community's population and housing stock to help inform future planning and policy around housing issues and opportunities. Housing studies typically include:

- An overview of local housing policy goals and community priorities.
- A detailed profile of local households with emphasis on the characteristics that indicate housing situations and influence housing decisions.
- An inventory of existing housing units by cost, bedroom count, tenure (rent/own), and structure type, including subsidized units.
- Projections about future growth or other changes to the communities household composition and population characteristics in coming years.
- Estimates of the numbers of housing units by cost, bedroom count, tenure, and structure type that will be needed to meet local policy goals and achieve communities priorities in the future.

Why do a housing study?

A housing study provides a range of benefits and insights that can improve the community's ability to better plan for its residents' needs today and and anticipate emerging needs in the future, including:

- Identifying populations whose housing needs are underserved helps planners and policymakers direct resources toward filling gaps.
- Projecting future population growth trends helps planners and policymakers prepare to meet new housing demand.
- Sharing a housing study's observations and findings with the community helps everyone learn more about the needs and preferences of their fellow residents and the state of their local housing stock for a more informed and productive public conversation about policy and investment ideas to improve attainability and foster new development

How are housing studies used?

Housing studies can support a variety of planning, policy, and development efforts and objectives, including:

- Satisfying state and federal housing needs assessment reporting requirements to secure funding for municipal programs.
- Underpinning broader planning efforts such as comprehensive plans and neighborhood master plans.
- Attracting developer interest in delivering the housing units the study identifies as needed and in demand.
- Informing policy changes such as zoning revisions and incentive programs to help foster new housing development and fill identified affordability gaps.

Introduction
Overview
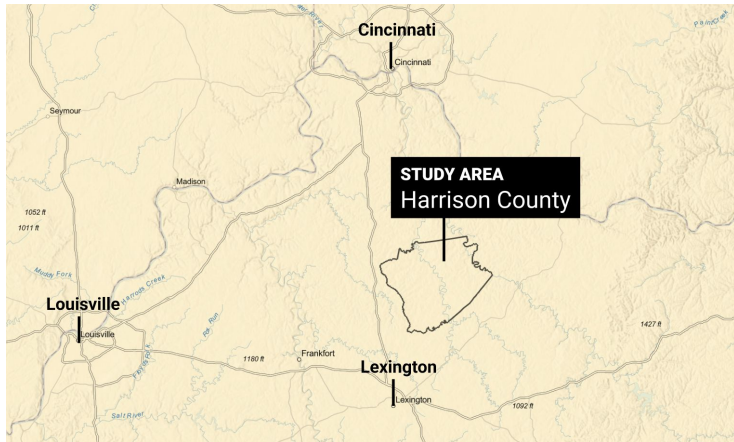
This report profiles the local community's people and housing stock, establishes an approach to meeting projected demand, and recommends the new housing mix best suited to meet local and expected need over the next 10 years.

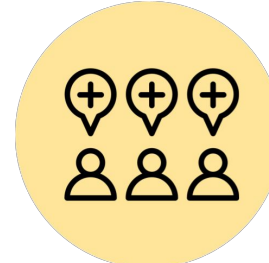## The study consists of the following sections:

Overview, introducing the purpose of this report and key findings from the analysis.
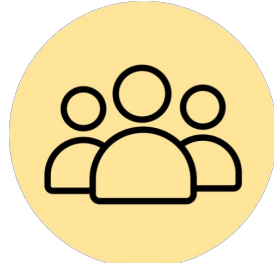
People, profiling characteristics such as income, employment, household structure, and cost burden.

Place, detailing characteristics such as income, employment, household structure, and cost burden.

Demand, including how many units are needed in total and what is the optimal mix of unit types and prices.
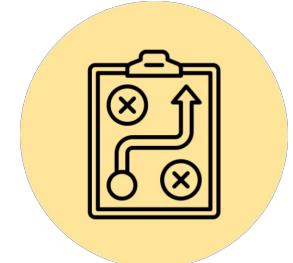
Results, summarizing the housing production volume and mix needed to capture growth and close attainability gaps.

HARRISON COUNTY

This housing needs assessment combines extensive quantitative data analysis with consideration of the community's goals for its future to produce a 10-year housing production target.

Overview

Community goals. The community's stated goals around growth, attainability, and land use provide essential context for this report's analysis and findings. In particular, these goals influence the report's culminating housing production target recommendations, which synthesize data analysis results with community leaders' policies and economic development priorities.

Key findings. The analysis detailed in this report results in a housing production target that combines extensive data analysis with consideration of the community's housing policy goals and priorities. This product target constitutes the future housing the community should plan for over the next 10 years.

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Harrison County housing policy goals and priorities

To set the stage for this housing needs assessment, meetings with Cynthiana City and Harrison County leadership have informed the following set of goals and priorities for housing development and policy moving forward:

GROWTH GOAL
Promote and accelerate growth moderately, especially in the City.

ATTAINABILITY GOAL
Preserve existing affordable housing stock and support the local economy to bolster residents' ability to access attainable housing.

LAND USE GOAL
Accommodate all housing types as the market demands, locating higher density units in appropriate locations such as in and around downtown Cynthiana.

Key findings
Housing production target

Combining the analysis contained within this housing needs assessment with the community's housing policy goals and priorities results in the housing production target tabulated at right. This constitutes the primary results from this report.

The table summarizes this housing mix in terms of price points and bedroom counts. The Results section of the report also includes a breakdown by tenure (rent/own) and a comparison of how this mix compares to the mix of recently developed housing in the community and the total housing stock overall.

Production target - Overview

Unit mix by AMI, annual income, monthly cost, and affordable purchase cost range

AMI level*	Household income range	Monthly payment*	Purchase price*	0-1 beds	2 beds	3 beds	4+ beds
30%	<$22,400	$800	$110,985	1	1	1	0
60%	$22,400-$44,800	$1,600	$221,970	6	16	12	2
80%	$44,800-$59,750	$2,100	$291,335	5	13	18	5
100%	$59,750-$74,700	$2,650	$367,637	11	4	9	4
120%	$74,700-$89,650	$3,150	$437,003	10	11	5	4
>120%	>$89,650			10	11	14	27

*Upper limit

Table: CommunityScale • Source: CommunityScale, Census, PUMS • Created with Datawrapper

People

The following section profiles the people of Harrison County, detailing characteristics such as income, employment, household structure, and cost burden. These indicators combine to describe the local population's housing needs and preferences which inform this report's recommended strategies for new housing production to meet demand and fill gaps in affordability and attainability.

Demographic profile. Understanding the demographic composition of a community and changes over time sheds light on likely housing needs today and into the future. Key demographic indicators include racial makeup, presence of children or seniors in a household, prevalence of 1-person households, and population age trends.

Socioeconomic profile. Analyzing a community's demographic and housing characteristics by income level provides insight into the range of housing types and costs that might best meet local needs and ability to pay. Key household socioeconomic indicators include incomes, cost burden by tenure (rent/own), household size, number of bedrooms, age, number of children, number of earners, and housing structure type - all broken down by income level for comparison between higher- and lower-income households.

Employment patterns. Evaluating the local jobs mix and changes over time suggest what income levels and housing values employers within the area are able to support. Key indicators include employment change over time by sector and the geographic distribution of jobs by sector in and around the area.

Community demographics and housing need

These demographic trends provide insights into how Harrison County is or is not changing over time and what that means for current and future housing demand:

- A community's **racial and ethnic composition** may be correlated to need regarding affordability and access to capital needed for homeownership. Also, more diverse communities may need more housing options to reflect more diverse preferences.
- **Households with children** may need more bedrooms and select housing based on schools and childcare services. **Households with adults over 60** may be interested in downsizing or senior living options.
- A declining **median age** might suggest need for more family-friendly housing and services. A growing median age suggests need for smaller units and senior options.
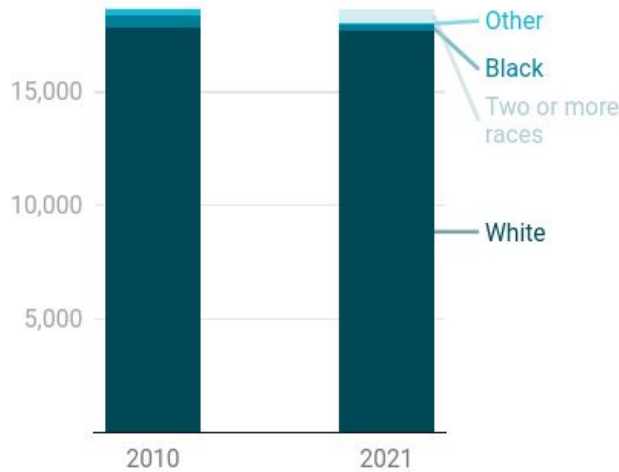
Racial makeup

Chart: CommunityScale • Source: ACS • Created with Datawrapper
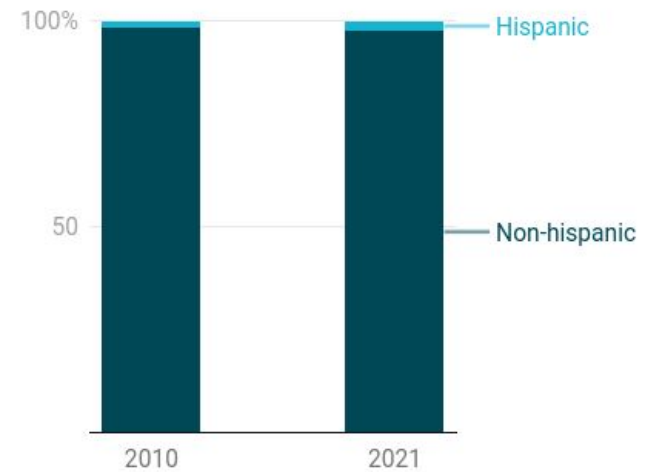
Ethnicity

Chart: CommunityScale • Source: ACS • Created with Datawrapper

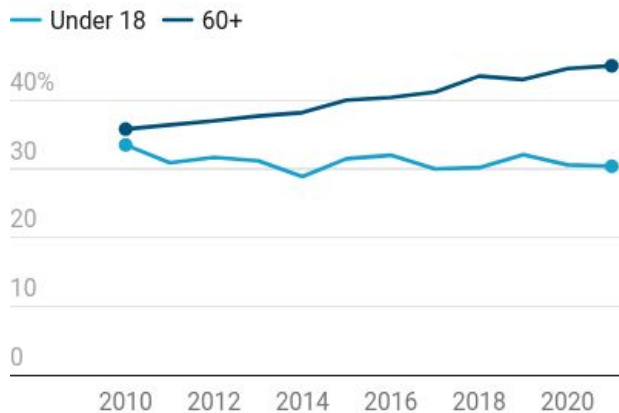## Share of households with children or adults over 60

Chart: CommunityScale • Source: ACS • Created with Datawrapper
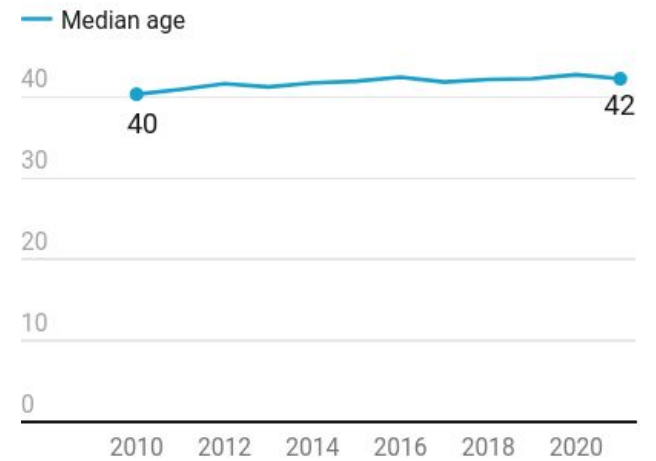
Median age

Chart: CommunityScale • Source: ACS • Created with Datawrapper

Demographic profile

Population age trend and projection

Harrison County's older and young adult cohorts are growing, while the number of Harrison County residents that are younger than 20 or between ages 35 and 49 has dropped considerably. If these trends continue through the next decade, the distribution of age cohorts in Harrison County will be dramatically different than it was in 2011 or 2023.

Younger households are more likely to prefer family-oriented housing and neighborhoods where as older households may have a broader range of preferences and priorities, including senior options.
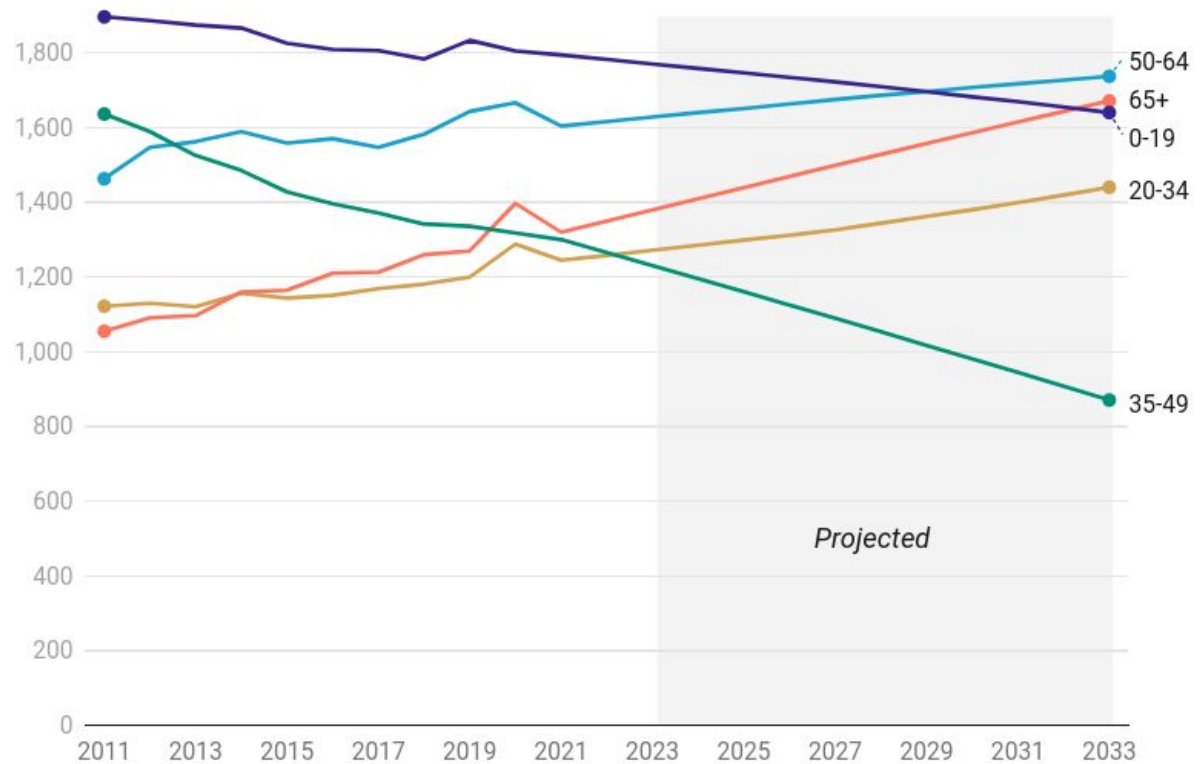

Residents by age group, Harrison County

Chart: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

This chart illustrates trends in population by age cohort, both historic and projected.

HARRISON COUNTY

Demographic profile

Household profiles by income group

The following analysis examines household characteristics and housing need in terms of household incomes relative to the local Area Median Income (AMI). For example, households within the "60-80%" group earn between 60% and 80% of the HUD-established AMI for the metro area. Each household AMI group has a different need for monthly housing costs.

| <30% AMI	30-60% AMI	60-80% AMI	80-100% AMI	100-120% AMI	>120% AMI
Very low income	**Low income**	**Low-mid income**	**Middle income**	**High-mid income**	**High income**
1,327	**995**	**1,020**	**766**	**628**	**2,505**
Total households	Total households	Total households	Total households	Total households	Total households
<$22,400	**$22,400-44,800**	**$44,800-59,750**	**$59,750-74,700**	**$74,700-89,650**	**>$89,650**
Household income range	Household income range	Household income range	Household income range	Household income range	Household income range
Cashiers **Cooks** **Housekeeping** **Janitors** **Retail salespersons** Top 5 most common jobs	**Cashiers** **Truck drivers** **Retail salespersons** **Cooks** **Janitors** Top 5 most common jobs	**Truck drivers** **Cashiers** **Elem./Mid. teachers** **Retail salespersons** **Customer service reps** Top 5 most common jobs	**Truck drivers** **Elem./Mid. Teachers** **Other managers** **Cashiers** **Retail salespersons** Top 5 most common jobs	**Elem./Mid. Teachers** **Truck drivers** **Other managers** **Registered nurses** **Retail salespersons** Top 5 most common jobs	**Other managers** **Elem./Mid. Teachers** **Registered nurses** **Truck drivers** **Retail salespersons** Top 5 most common jobs
0.7	**0.9**	**1.2**	**1.3**	**1.5**	**1.8**
Average earners per household	Average earners per household	Average earners per household	Average earners per household	Average earners per household	Average earners per household
<$550	**$550-1,100**	**$1,100-1,500**	**$1,500-1,850**	**$1,850-2,250**	**>$2,250**
Monthly affordable housing costs	Monthly affordable housing costs	Monthly affordable housing costs	Monthly affordable housing costs	Monthly affordable housing costs	Monthly affordable housing costs

Socioeconomic profile

Household growth by AMI group

Harrison County is not projected to grow significantly over the next decade. However, the household income mix is expected to change somewhat, with slight growth among households earning 60-80% and above 120% of AMI. On the other hand, the 30-60% AMI group is likely to shrink substantially over the next 10 years.

Harrison County household growth by AMI group
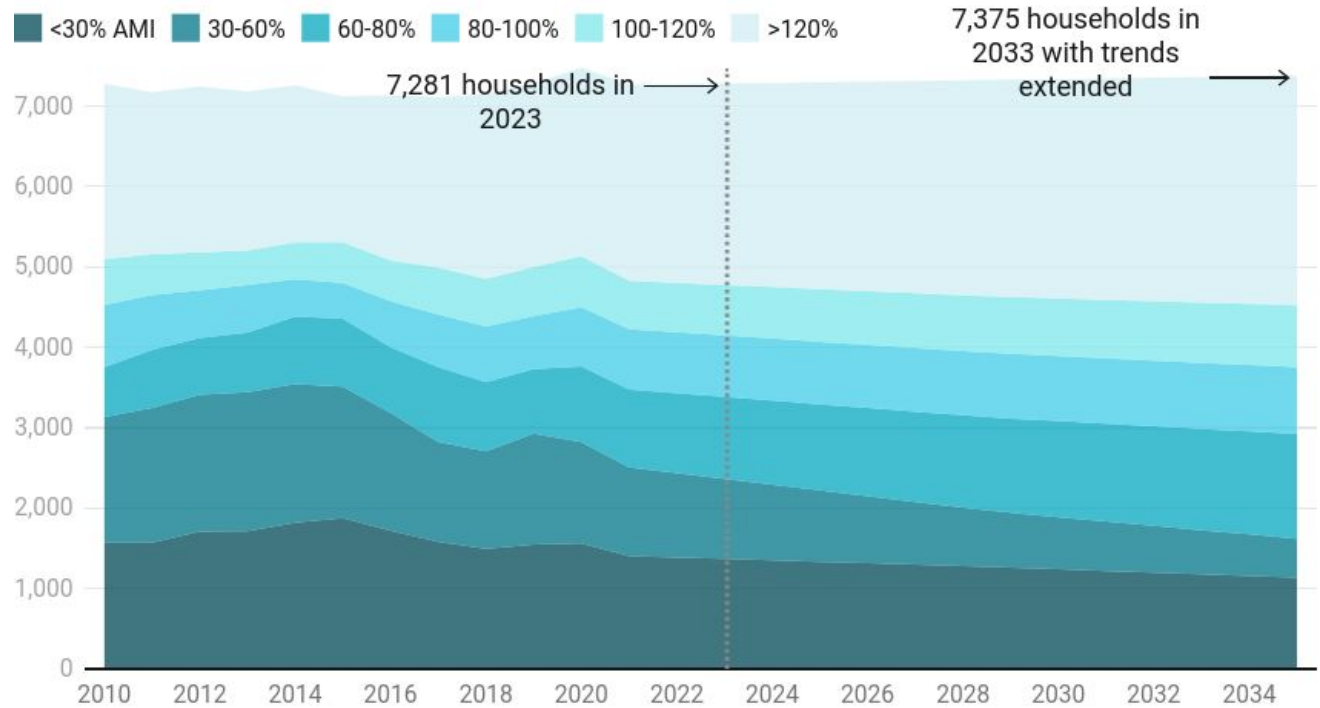
This graph shows our analysis of inflation-adjusted household incomes by AMI bracket based on the Chatham's AMI of $124,300 in 2023.

Chart: CommunityScale • Source: ACS, CPI, HUD • Created with Datawrapper

This chart illustrates the past, present, and projected household distribution by AMI group. Changes in this distribution over the next 10 years help inform what types of housing would need to be produced and at what price points to accommodate expected population shifts through growth and other trends.

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Socioeconomic profile

Cost burdened renters by AMI group

The charts over the next few pages describe the households in terms of indicators that influence housing needs and preferences.

There are 2,154 households renting in Harrison County, 764 of which (35%) are cost burdened. Cost burden is more pronounced in lower income groups and not a detectable issue at incomes above 80% AMI.

Cost burdened renters
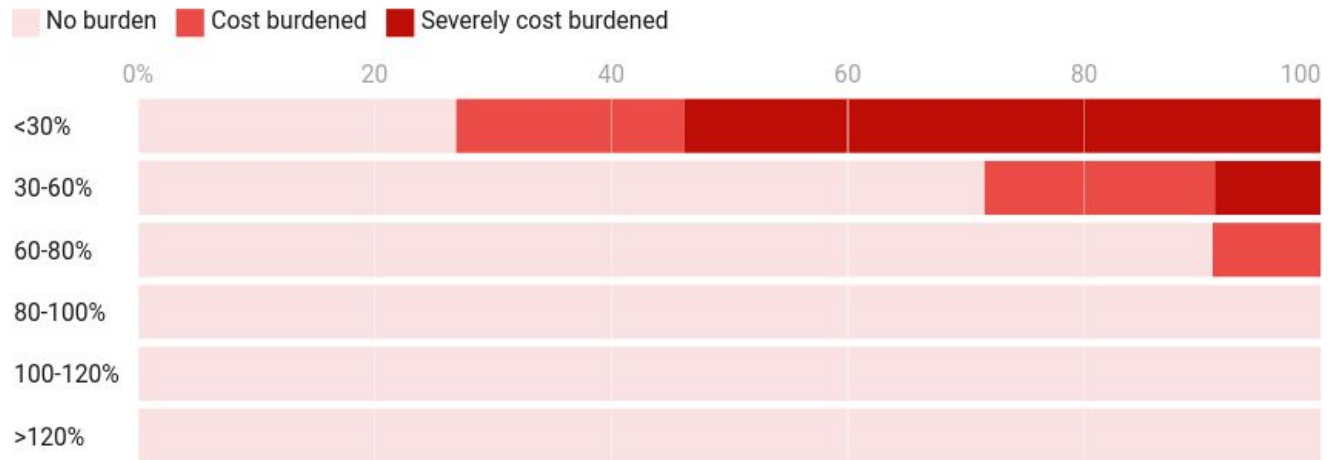
Renters are considered moderately cost burdened when paying more than 30% of their income on rental costs (primarily lease rent). They are considered severely cost burdened when rental costs exceeds 50% of their income. Renter cost burden is typically much more prevalent at the lowest incomes but it can occur at middle incomes as well, albeit at lower rates.

Socioeconomic profile

Cost burdened homeowners by AMI group

There are 5,110 homeowners in Harrison County, 689 of which (13%) are cost burdened. Cost burden is more pronounced in lower income groups but occurs even at incomes above 120% AMI.

Cost burdened homeowners

No burden   Cost burdened   Severely cost burdened
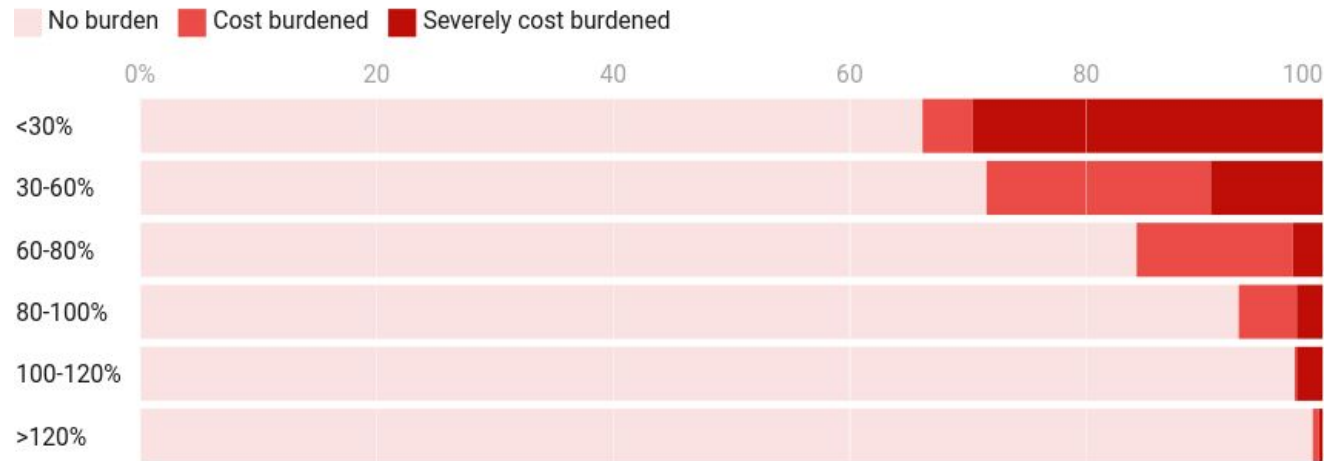
Homeowners are considered moderately cost burdened when paying more than 30% of their income on ownership costs (mortgage, property tax, etc.). They are considered severely cost burdened when rental costs exceeds 50% of their income. Homeowner cost burden is typically much more prevalent at the lowest incomes but it can occur at middle and upper incomes as well.

Socioeconomic profile
Household size by AMI group

In Harrison County, household income generally tracks with household size, larger households typically earning more overall, though all household sizes are represented at all income levels. The distribution shown here is similar to trends for the State of Kentucky.

Household size

Legend: 1 person, 2 people, 3 people, 4+ people

Income groups: <30%, 30%-60%, 60%-80%, 80%-100%, 100%-120%, >120%
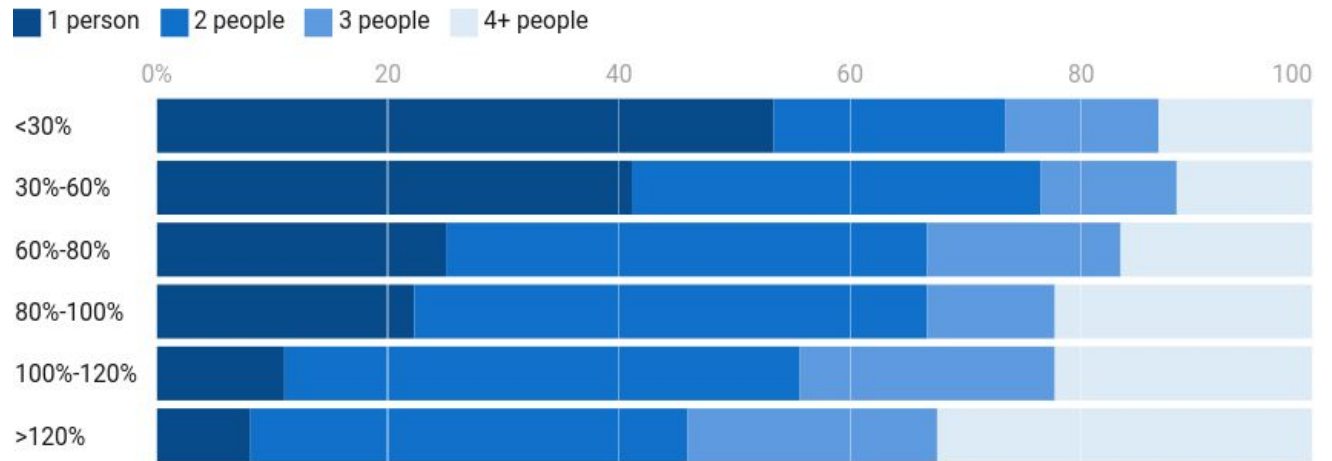
Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

Smaller households tend to have lower incomes than larger households for several reasons. 1-person households in particular are limited to an individual's earning potential and be living on a fixed income. Larger households with children are more likely to include parents or guardians closer to prime earning age with higher wages.

Socioeconomic profile
Bedroom count currently occupied by AMI group

Similar to household size, households with more bedrooms tend to be higher-income. The distribution shown here for Harrison County is similar to the State of Kentucky's with the exception that Harrison County includes few or no households making 80-100% AMI living in 0-1 bedroom units.

Number of bedrooms

■ 0-1 beds ■ 2 beds ■ 3 beds □ 4+ beds
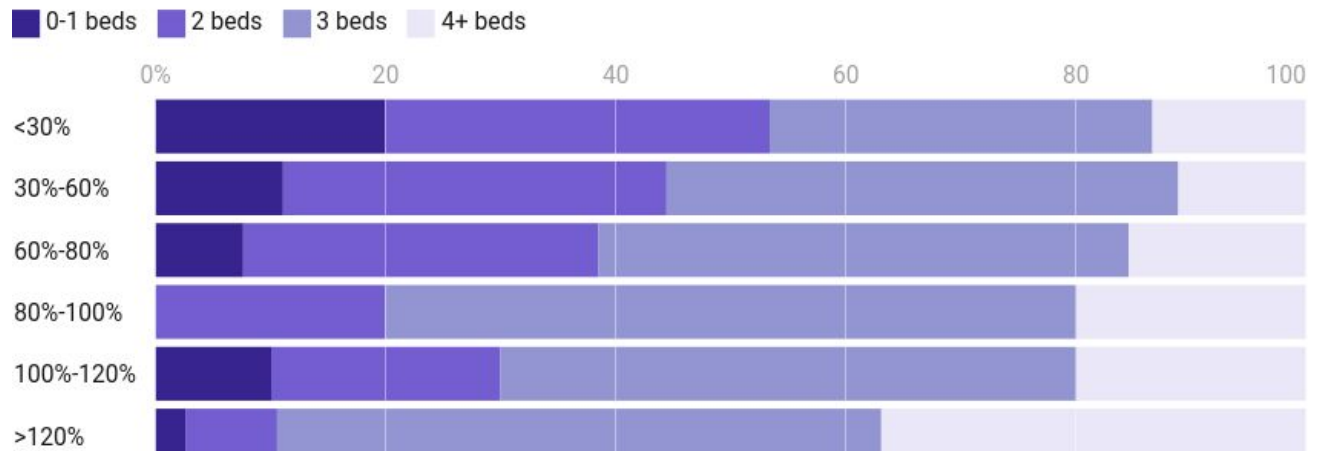
Household size and bedroom count are often related. However, higher-income households are more likely to have an extra bedroom than lower-income households.

Socioeconomic profile
Ages by AMI group

Age distribution is relatively even across income levels in Harrison County. Households earning 100-120% AMI are most likely to include children, and at a rate higher than typical for the rest of the state.

Resident age

■ 0-19 ■ 20-34 ■ 35-49 ■ 50-64 ■ 65+

	0%	20	40	60	80	100
<30%						
30%-60%						
60%-80%						
80%-100%						
100%-120%						
>120%						
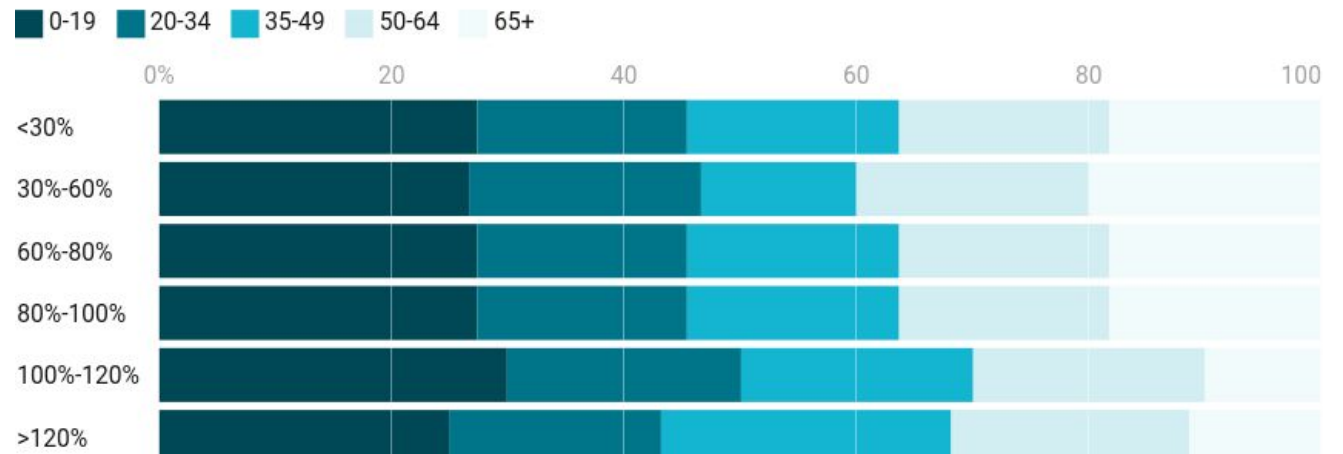
Patterns between age and income are not always as clear as other indicators. However, older individuals are more likely to be retired and living on a fixed incomes.

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Number of children by AMI group

Overall, higher-income households are more likely to have at least one child. However, the distribution of multi-child households is less even across incomes. In general, households in Harrison County have more children than households across the state overall.

Children in household

- 0 children
- 1 child
- 2 children
- 3+ children

	0%	20	40	60	80	100
<30%						
30%-60%						
60%-80%						
80%-100%						
100%-120%						
>120%						
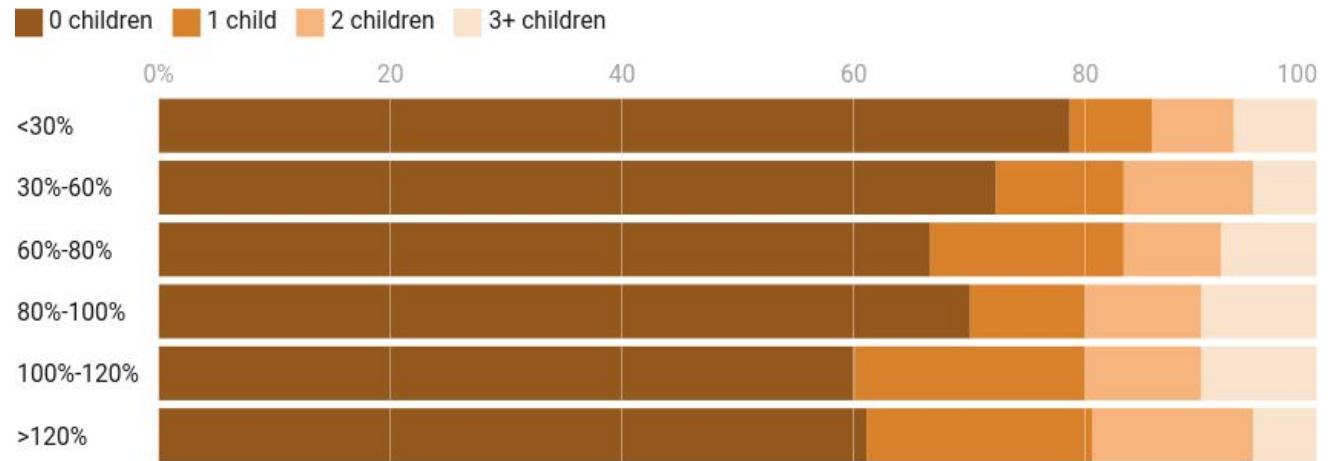
While the number of children in a household does not necessarily have a strong relationship to income, it can drive housing cost by requiring extra bedrooms and diverting disposable income from housing payments to childcare and other family costs.c

Socioeconomic profile

Number of earners by AMI group

In Harrison County, as in the State of Kentucky overall, more earners in a household tends to correlate to higher household incomes. One exception to the trend in Harrison County is the presence of 3-earner households in the 60-80% AMI group and lack thereof in 80-120% AMI groups.

Earners per household

- 0 earners
- 1 earner
- 2 earners
- 3+ earners
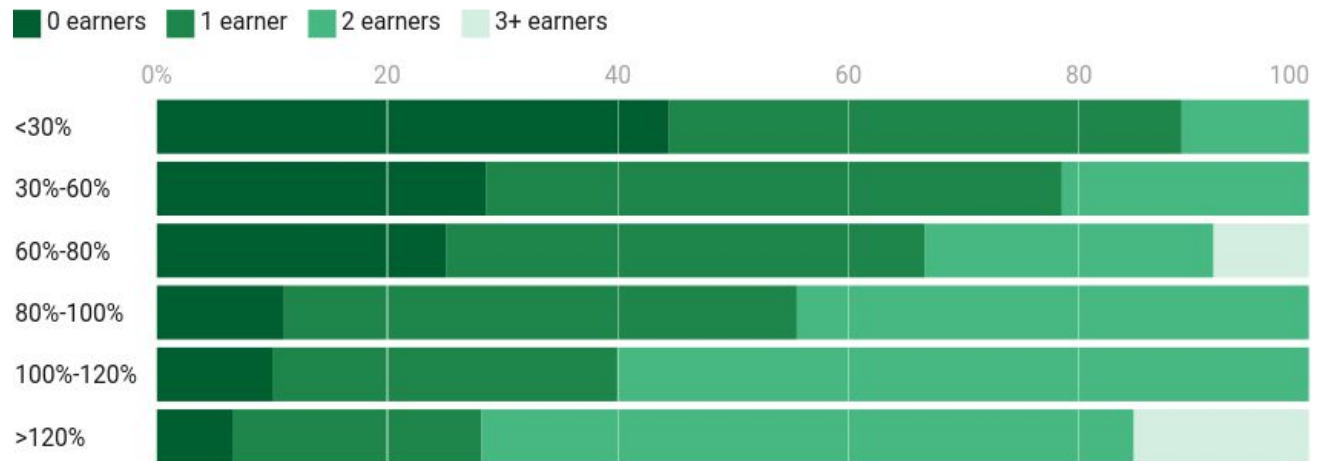
Especially at higher incomes, households often include multiple earners which effectively lift household income above an individual's personal wages or salary. Households registering zero earners might be headed by retirees or people otherwise on fixed-incomes derived from sources outside conventional employment.

Socioeconomic profile
Housing structure type by AMI group

The structure type distribution in Harrison County generally tracks with statewide trends, though there are fewer units in 50+ unit structures than in the rest of Kentucky.

Structure type describes the building that contains a given unit in terms of its density and form. For example, single-family attached includes townhomes that share party walls; 2-4 unit buildings include duplexes, triplexes, and quadplexes; 5-49 unit structures are small apartment buildings; and 50+ unit structures are larger apartment buildings. Single-family detached are typically more expensive than multifamily units and thus more readily available to households with higher incomes.

Structure type

Single-family detached   Single-family attached and 2-4 family   5-49 units   50+ units
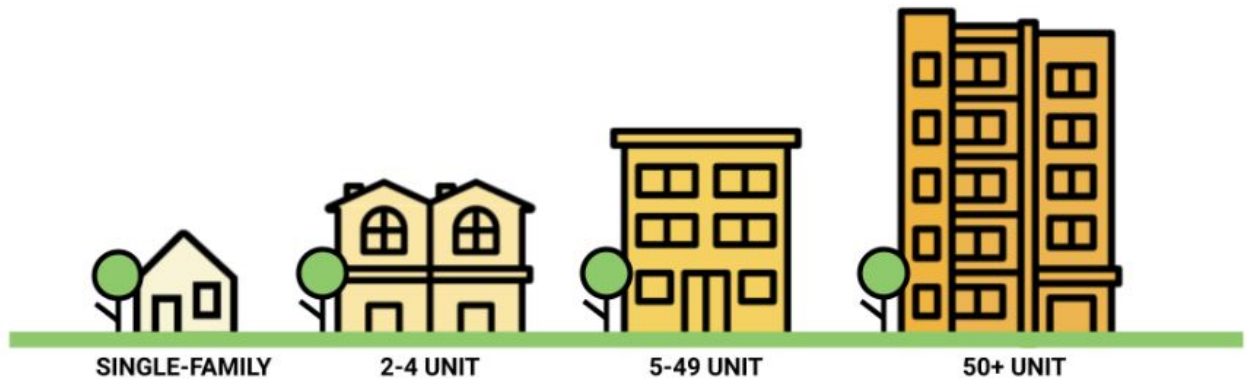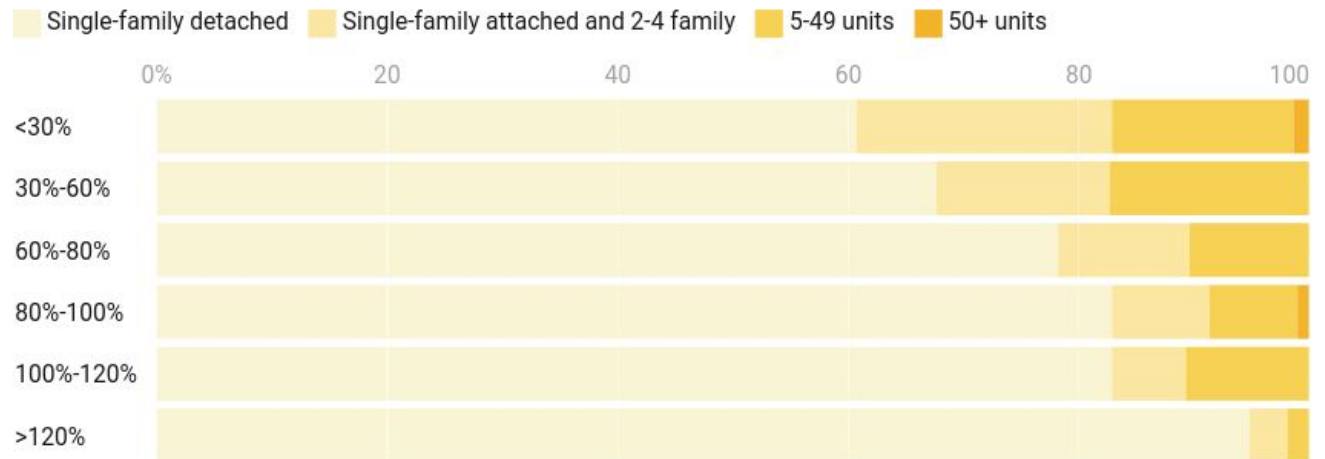
Employment patterns

Jobs by sector within Harrison County and held by Harrison County Residents

Similar to population trends over time, Harrison County has not experienced job growth over the past two decades. In fact, there has been a slight overall decline in recent years. The distribution of jobs by sector has changed somewhat, with some growth in blue collar employment and a slight drop in new economy higher wage jobs.

Employees of different sectors can represent different housing preferences, attainability thresholds, and job access considerations.

Jobs in Harrison County and held by County residents

2020

	Blue collar	Eds, meds, government	Knowledge sector	Services and warehousing
Jobs in Harrison County	1,582	1,737	241	1,124
Jobs held by Harrison County residents	2,176	2,143	1,023	2,068

2010

	Blue collar	Eds, meds, government	Knowledge sector	Services and warehousing
Jobs in Harrison County	1,272	1,833	470	1,417
Jobs held by Harrison County residents	2,117	2,358	1,055	2,341

Examples of jobs by sector:

- Blue collar: Jobs in construction, manufacturing, and natural resources
- Eds, meds, and government: Teachers, nurses, police officers
- Knowledge sector: Software engineer, financial manager
- Services and warehousing: Warehouse workers, retail salespeople

Jobs by sector, mapped

Knowledge sector

Eds, meds, government

Service and warehousing

Blue collar
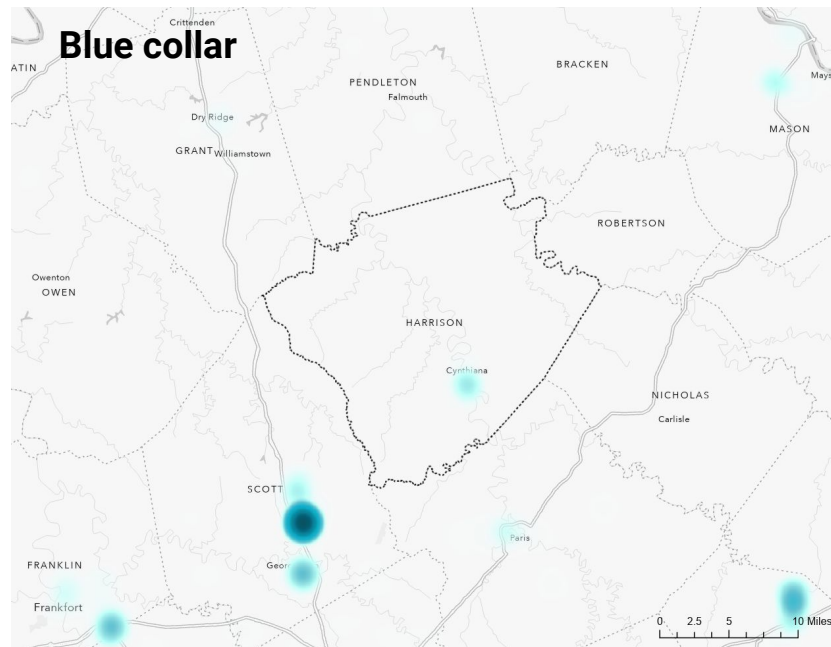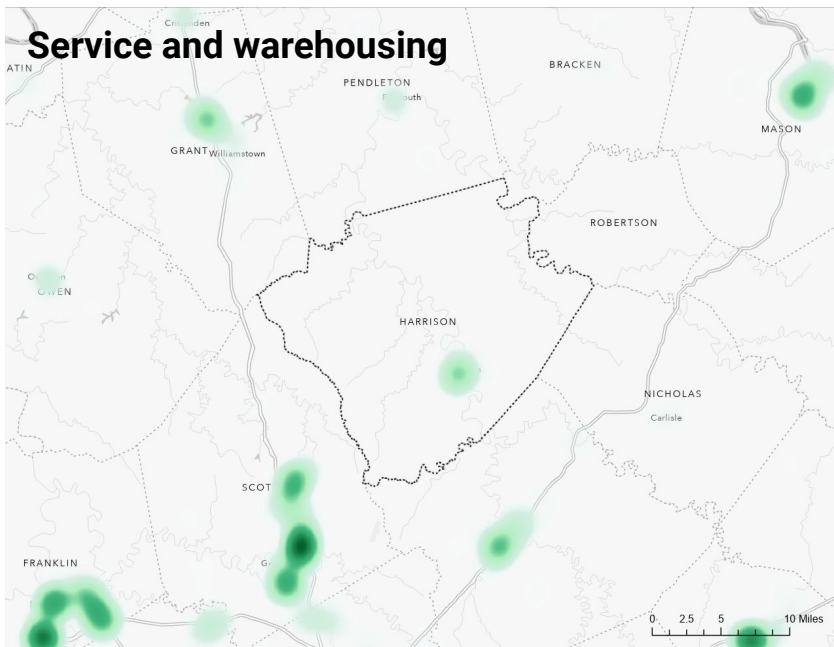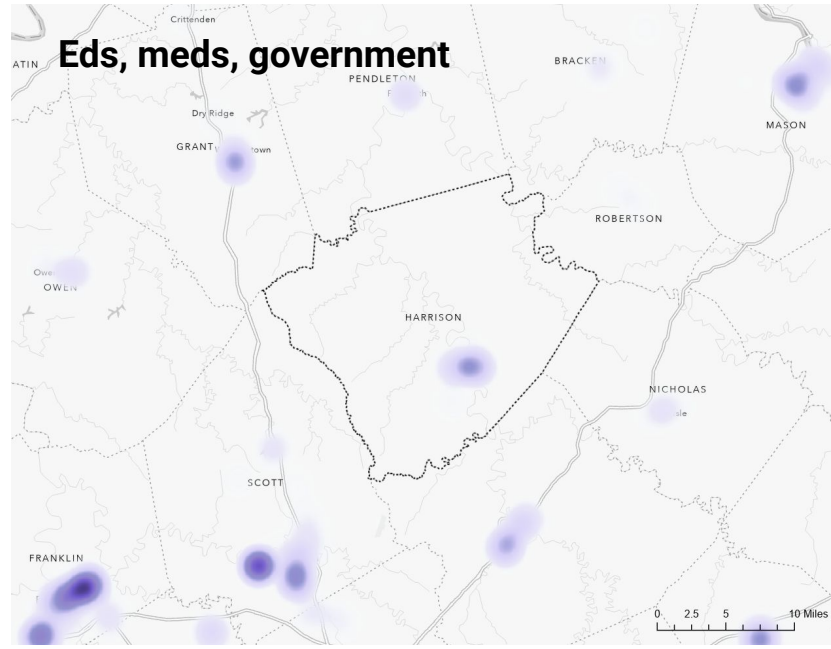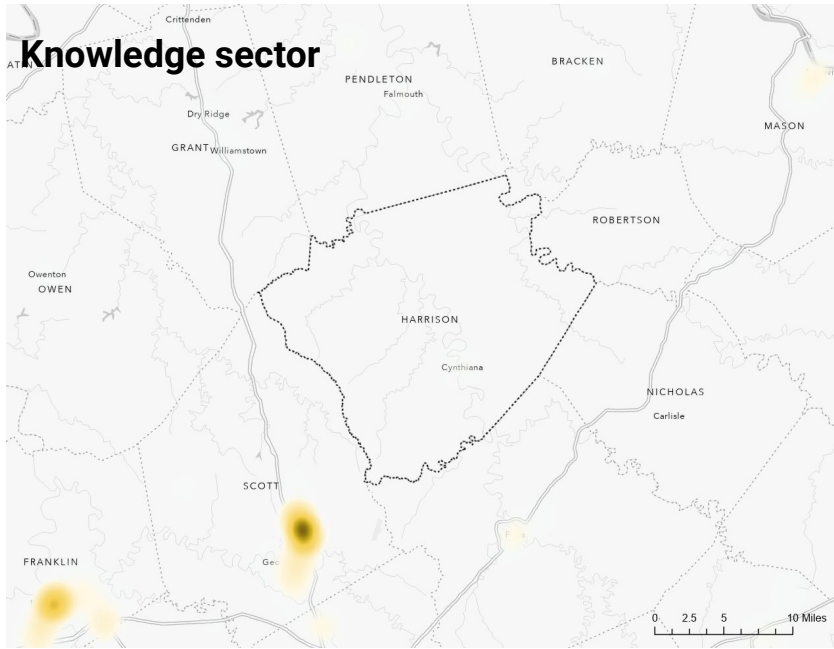
These maps illustrate the geographic location of employment clusters by sector in and around Harrison County.

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Place

The following section profiles Harrison County's housing stock and affordability, detailing characteristics such as structure type, bedroom count, and development timeframe as well as household costs and market pricing for local rental and ownership units.

Current housing mix. A community's housing stock varies in terms of several variables that are important to gauging how well local residents' needs are being met, including the unit's structure type and number of bedrooms. Organizing units by year of construction helps identify the relative pace of development over the years. Tabulating subsidized units within the community indicates how many of the lowest income households are likely to find units they can afford.

People in place. Mapping key socioeconomic characteristics can reveal potential geographic disparities within the community, such as neighborhoods with particularly high concentrations of cost burden.

Cost of housing. Housing prices can change much more rapidly than housing stock or the resident population. Tracking prices over time can indicate trends of higher or lower overall housing affordability and, as an extension, the degree of economic vulnerability households at lower income levels are likely to experience.

Current housing mix

Existing units by structure type

The bar graphs on the following pages detail today's housing stock by unit in terms of structure type and number of bedrooms.

The overall distribution of units by structure type and tenure in Harrison County is similar to that of the state as a whole. However, some variations include Harrison County's lack of owner-occupied attached single family and 2-4 unit multifamily units and a lower proportion of units in 50+ unit structures.

Existing units by structure type

Detached single-family   Attached single-family and 2-4 unit multi-family   5-49 unit multi-family   50+ units
Other

Owner	5,110
Renter	2,154
Vacant	809
Total	8,073
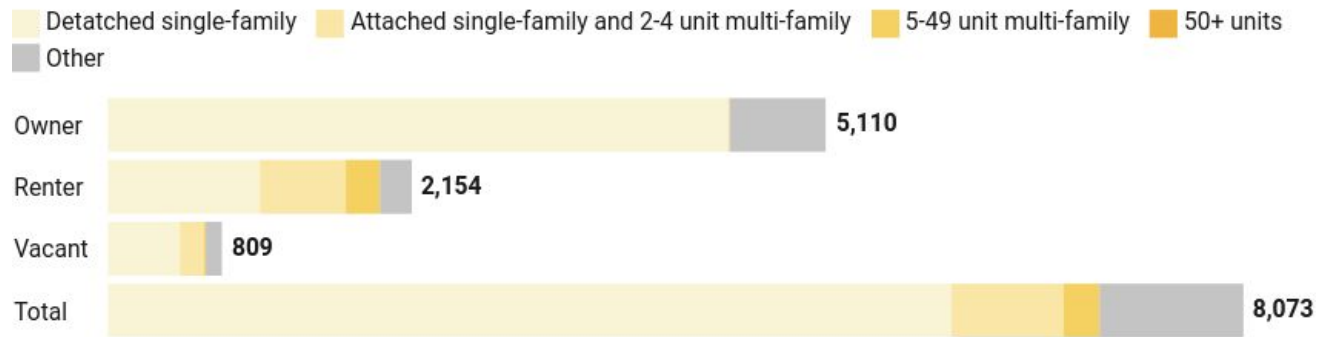
This graph inventories the local housing stock in terms of each unit's structure type, a characteristic defined as the number of units in the building that contains a given unit.

Households may have different structure type preferences depending on characteristics such as household size, income, employment, presence of children, age of individuals, and lifestyle choices. Understanding the housing stock in corresponding terms helps assess how well existing units align with existing households' ideals.

In most places, ownership units are predominantly single family detached. Rental units are typically more diverse, including small- and large-scale multifamily developments. While these trends might reflect market preferences to some degree, other non-market factors also influence what types of units are actually built, such as zoning ordinances, regulatory constraints, and community choices.

Current housing mix

Existing units by bedroom count

Harrison County's housing stock includes more 3-bedroom units than other sizes, a trend consistent with the state as a whole. The County contains higher proportions of 0-1 bedroom ownership units and 4+ bedroom rental units compared to the state overall.

Existing units by number of bedrooms

■ 0-1 bed   ■ 2 beds   ■ 3 beds   ■ 4+

Owner	5,110
Rental	2,154
Vacant	809
Total	8,073
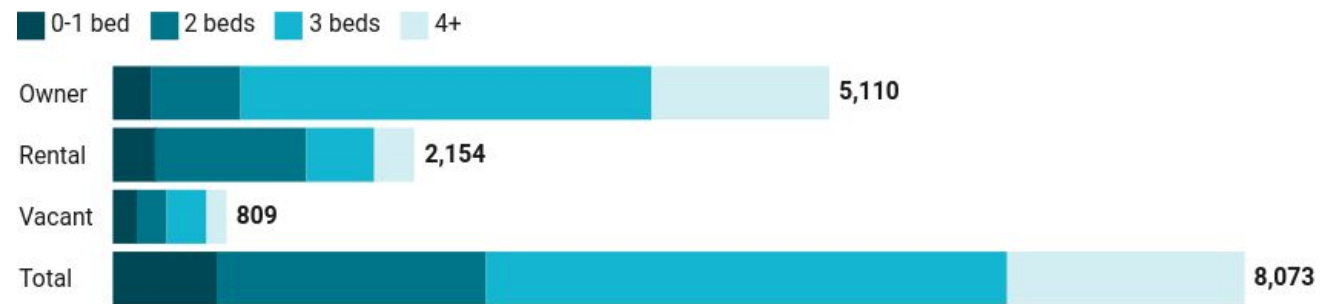
Chart: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

This graph inventories the local housing stock in terms of bedroom count by unit by tenure.

Household size and the presence of children are primary drivers for bedroom count with, as expected, larger families desiring more bedrooms than smaller households. However, other factors such as income and the incremental cost of extra bedrooms also influence these preferences. In most places, ownership units are generally offer more bedrooms than rental units. As above with structure type, this is not exclusively a result of the market reflecting household preferences. Few single family houses contain less than 3 bedrooms so, if they dominate the local ownership supply, there will not many small ownership units available. Conversely, most rental units contain fewer than 3 bedrooms so households interested in renting a larger unit may have limited options to choose from. This misalignment is at least somewhat driven by the fact that it is less capital efficient to build small houses and large apartments even if there may be some demand for them.

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Current housing mix

Age of existing housing

Harrison County's periods of highest construction activity were between 1990-2009 and before 1940. Since 2010, there have been relatively few units built and almost none in the past 10 years. This trend could be related to the County's relatively flat population and job growth. Depending on the perspective, a lack of housing construction could be associated with low demand for growth. Alternatively, potential growth could be considered constrained and not realized due to lack of new housing supply.

Age of existing housing

Year built	Units	Share	Cumulative share
2014 or later	124	2%	2%
2010 to 2013	400	5%	6%
2000 to 2009	1,124	14%	20%
1990 to 1999	1,417	17%	37%
1980 to 1989	972	12%	49%
1970 to 1979	891	11%	60%
1960 to 1969	695	8%	69%
1950 to 1959	661	8%	77%
1940 to 1949	344	4%	81%
1939 or earlier	1,554	19%	100%

Table: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

...ms of when they were built. This effectively chronicles the community's development history, indicating decades with relatively more or less construction activity. 2014 or later is approximate as new housing units are completed.

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Current housing mix
Subsidized housing units

The local housing stock includes a mix of supportive housing supported by HUD programs such as Low Income Housing Tax Credits (LIHTC) and Housing Choice Vouchers. For households with particularly low incomes, these units can represent one of the only housing options available to them.

Local inventory of subsidized housing units by HUD program and expiration horizon

■ No expiration   □ Expiring 2040s

LIHTC	75
Public Housing	264
Housing Choice Vouchers	202

Chart: CommunityScale • Source: HUD, CommunityScale • Created with Datawrapper

While most of these programs are funded indefinitely, LIHTC units are only required to remain cost-restricted for up to 30 years. After that "expiration" date, the units may convert to market-rate costs, effectively ending their affordability for these low income households.
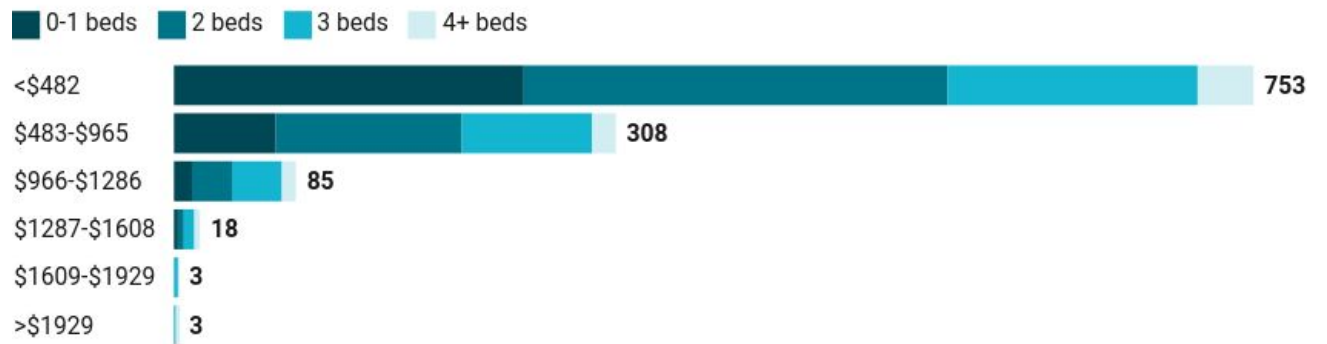
27

Current housing mix

Attainability gaps

Like nearly all places in the country, Harrison County includes a number of cost burdened households that have not found housing they can comfortably or stably afford. While solving this challenge in a short timeframe is not realistic, adding new units from the mix summarized at right would help ease local attainability pressure.

Units needed to fill projected attainability gaps

At given monthly cost, renter and owner combined

■ 0-1 beds   ■ 2 beds   ■ 3 beds   ▫ 4+ beds

Monthly cost	Units
<$482	753
$483-$965	308
$966-$1286	85
$1287-$1608	18
$1609-$1929	3
>$1929	3

The chart above translates the total number of cost burdened households into the mix of units they would prefer and be able to afford if they were made available. This can serve as a quantification of the community's current attainability gap: these are the units needed to ensure all households are not cost burdened.

In many cases, this is an instructive but largely hypothetical analysis due to the scale of the gap and the challenge of delivering new affordable housing in large quantities. However, a community must start somewhere and there are other ways to ease attainability pressure beyond just building new units.

28

People in place

Spatial distribution of community characteristics, in regional context
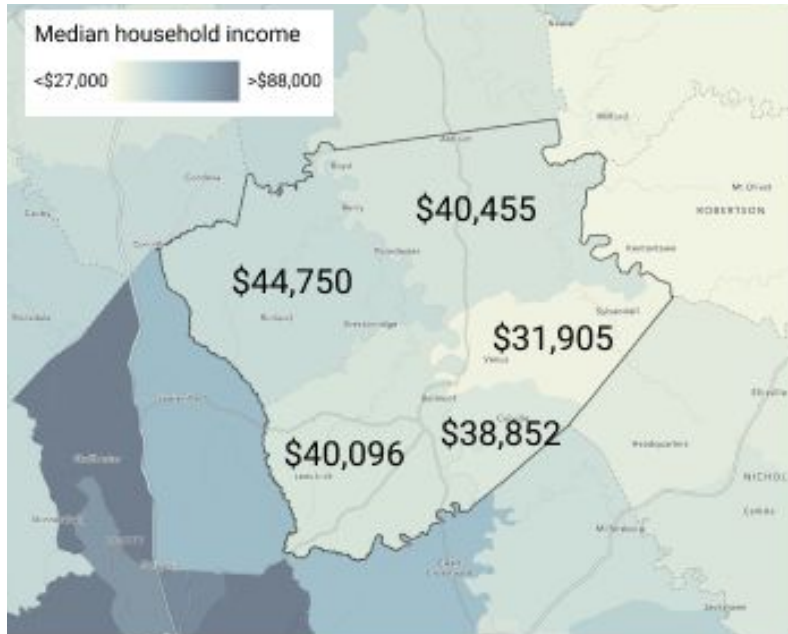
These maps visualize many of the variables described in the People section in terms of how they are distributed across the community. The maps includes data for the areas outside the study area as well, allowing comparison between the local community and its regional context. An interactive version of these maps can be found here.
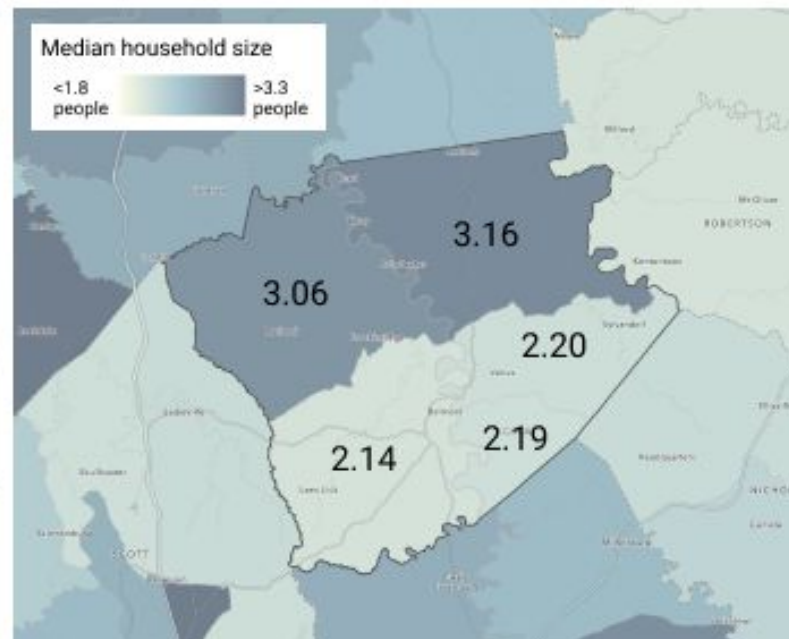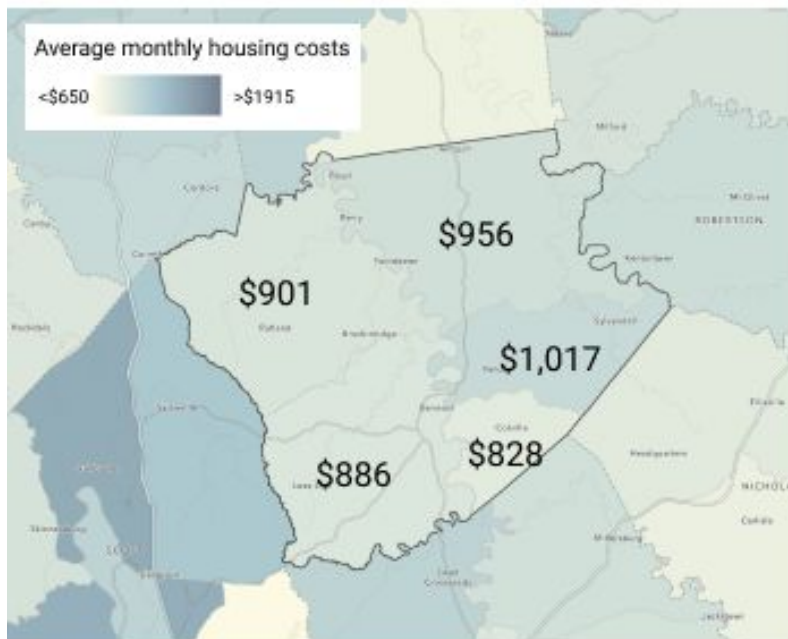
People in place

Cost burden

This map visualizes the prevalence of cost burden in and around Harrison County. As explained elsewhere in the report, a "cost burdened" household is one that spends 30% or more of their monthly income on housing costs. One important role of this report is to better understand these cost burdened households in terms of their housing needs so future housing production might be calibrated to meet them.

Cost burden

0% >65%

22%

9%

25%

24%

20%

Cost burden is most concentrated in the southeast corner of the County, near Sylvandell, Colville, and Venus.
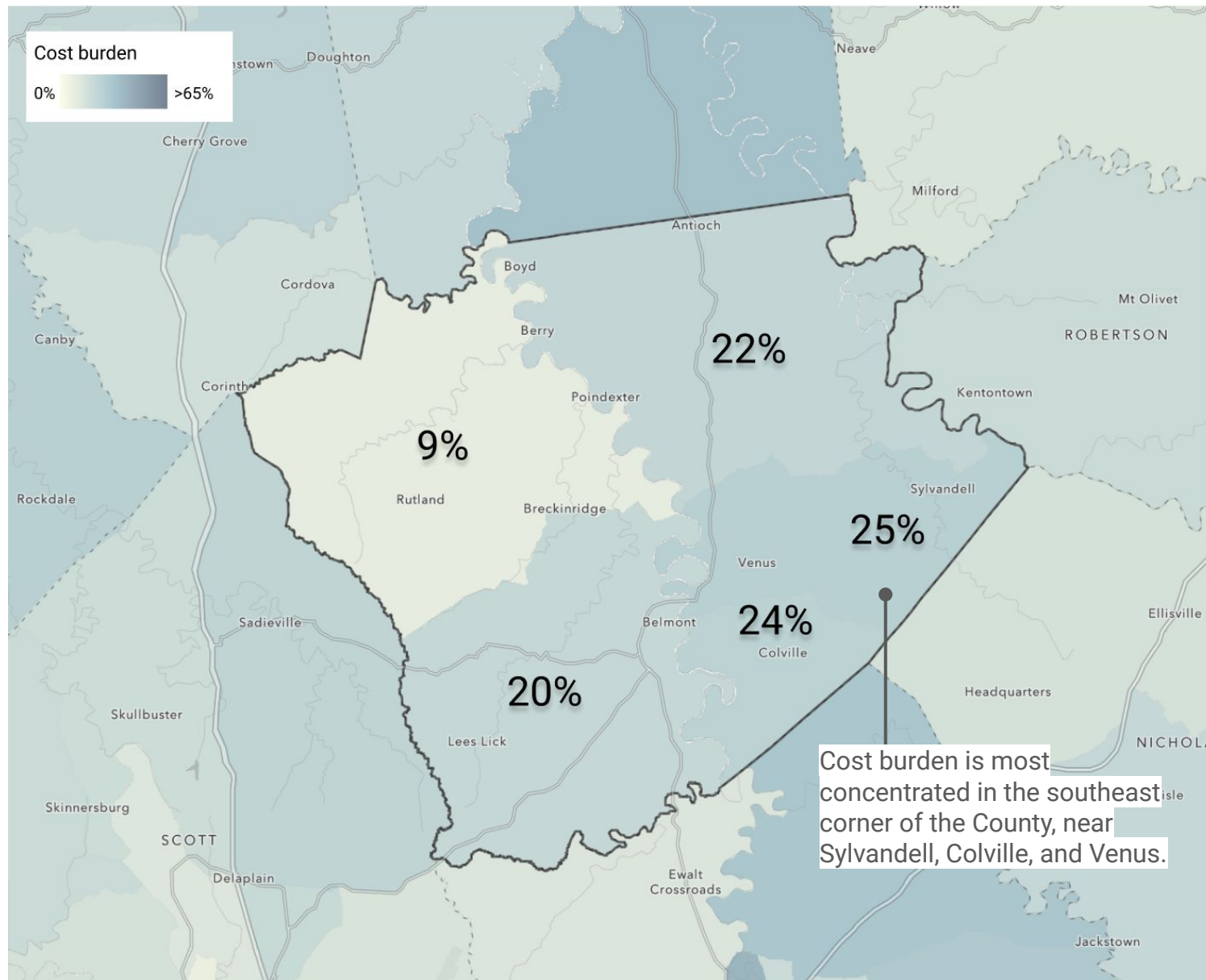
Cost of housing

Housing costs and affordability

The following pages examine housing costs, prices, and other measures of affordability. Combined with the indicators described in the report's People section, this data directly relates to the scope and scale of attainability problems such as cost burden and other misalignments between demand and supply.

How to estimate what's affordable? Variables and assumptions informing the affordability metrics featured on the following pages include:

- **30-year loan term:** 90% of mortgages in the US are 30 year term loans.
- **Variable interest rate:** This model tracks changing interest rates over time, reflecting the typical rate available at each point in time along the graph. Mortgage rates are a primary driver of affordability: lower rates amplify a household's buying power while higher rates can dramatically reduce it.
- **12.2% down payment:** While a 20% down payment is often considered standard, most households pay less. In Kentucky, the average down payment is 12.2% of the purchase price.
- **0.5% PMI**: Private mortgage insurance (PMI) is required by virtually all lenders when the down payment is less than 20% of the purchase price. Rates range widely due to a variety of factors but 0.5% approximates a typical rate.
- **0.75% property tax rate**: Property tax obligations reduce the amount of household income available for mortgage payments. The average property tax rate in Harrison County is 0.75%.

Translating sale price to monthly cost. Even setting aside factors such as interest rates and down payments, changes in home sales prices - especially dramatic increases - can significantly limit households' ability to access the housing options they may need or prefer. First-time homebuyers are especially impacted by rising prices because they don't have access to equity in the form of a prior home that they might otherwise be able to sell into the same hot market and derive extra value from. Here is how example sale prices translate into typical monthly costs based on current mortgage rates, down payments, property taxes, and related factors:

- $100,000 home costs $700/month
- $200,000 home costs $1,450/month
- $300,000 home costs $2,150/month
- $400,000 home costs $2.900/month

Cost of housing
Home sales prices

Sales prices in Harrison County increased more rapidly since 2020 than over the previous several years, especially among higher-priced homes. However, since the beginning of 2023, prices have stabilized across cost levels. These trends are consistent with pricing over the same time period in Kentucky overall.

Home sales prices

Average price by tercile (Upper, middle, and bottom third of prices)

Chart: CommunityScale • Source: Zillow, CommunityScale • Created with Datawrapper

This chart tracks the average sales prices over time of homes within the top 33%, middle 33%, and bottom 33% of total prices.

Current owner costs by local households

Most homeowner households in Harrison County pay less than $1,100 per month in housing costs. This distribution is markedly different than statewide trends whereby the most common cost levels are nearer the middle of of the spectrum along with a larger portion at the top end.

Current owner costs by local households

<$550	2,099
$550-$1,100	1,371
$1,100-$1,500	939
$1,500-$1,850	330
$1,850-$2,250	236
>$2,250	135

Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

The home sales prices described above indicate the cost of typical homes in the area upon their sale to a new household. As such, households not recently or currently in the market for a new unit are not experiencing the same cost levels. The graph at left summarizes the distribution of costs across all ownership units in the area, most of which last transacted years ago.

Cost of housing

Average asking rent

The average asking rent for a newly occupied unit in Harrison County has increased significantly since 2021 when compared to the prior decade overall. Unlike home sales prices, the upward trajectory has not yet leveled off. Rents in Harrison County are higher than Kentucky's overall $1,301 average asking rent in September 2023.
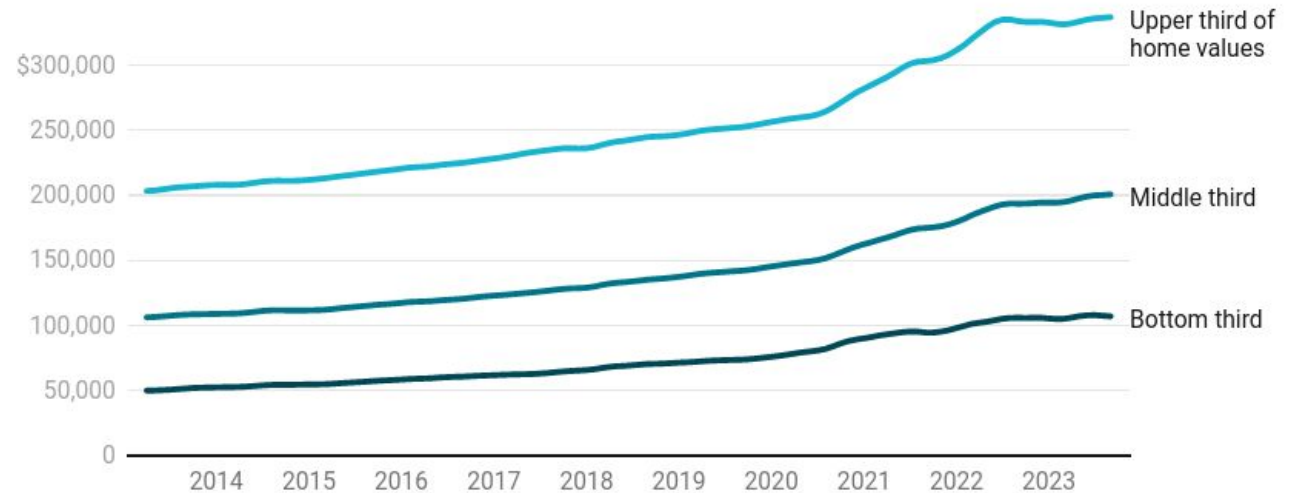

Average asking rent
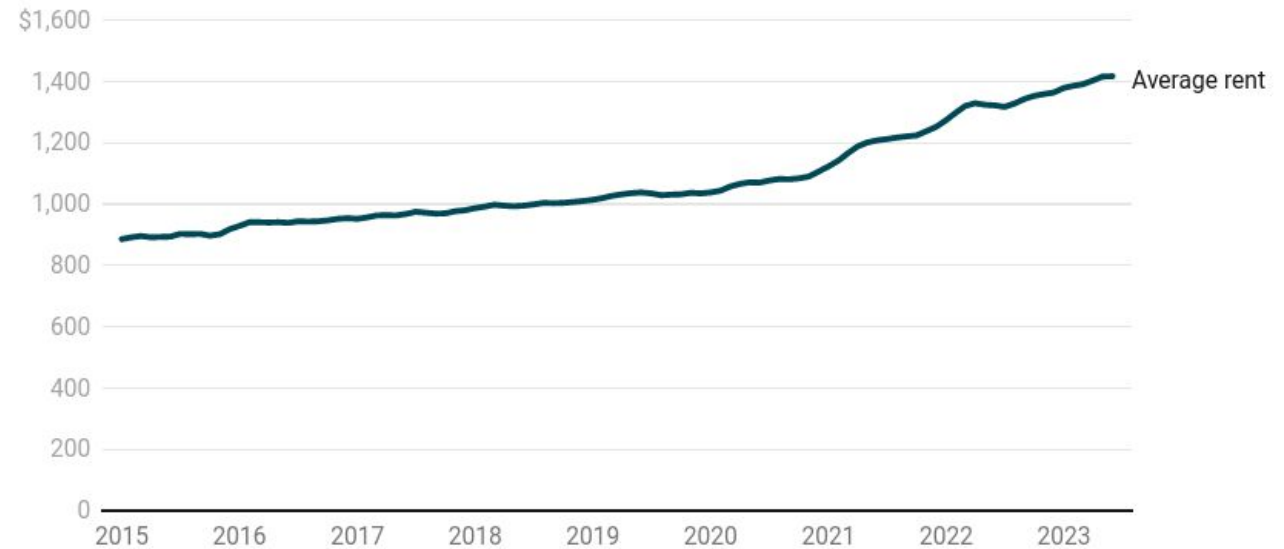
Chart: CommunityScale • Source: Zillow, CommunityScale • Created with Datawrapper

This chart tracks the average asking rent over the past several years, revealing overall trends as well as short-term fluctuations in the local rental market. This average rental rate should be understood as the typical cost to a household signing a new lease under current conditions. In reality, because this is a single average value, actual asking rents may vary depending on characteristics such as size, location, and property features but they will collectively track along this trendline.

Cost of housing

Current renter costs by local households

Most renters in Harrison County pay less than $1,100 per month. This total includes newly occupied units along with units that have been occupied for longer (and where rent may have been set at a much lower rate than today's asking price). Harrison County rents are quite low compared with state trends which include a portion of units at somewhat and considerably higher price points.

Current renter costs by local households

<$550	756
$550-$1,100	1,282
$1,100-$1,500	116
$1,500-$1,850	0
$1,850-$2,250	0
>$2,250	0

Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

To provide context to the asking rent indicator above, the distribution of current rental costs refers to the actual housing costs borne by all renting households in the area, not just those who would be signing a new lease now.

Comparing these costs to the current average asking rent above, it seems likely most local households would incur a substantial increase in their cost of living should they choose or need to relocate to a different unit in today's market. In the event the new cost outstrips their ability to pay, this could lead to displacement from the community by forcing them to search elsewhere for an option they can afford.

Cost of housing

Median home price affordability

In Harrison County, the median home was affordable to a household earning the median income until as recently as 2022. Currently, the median home costs about $60k more than the median income household can afford. This pattern reflects trends at the state level, though the affordability gap is more pronounced in Kentucky overall at about $95k.

Can a household with a median income afford a median home price?
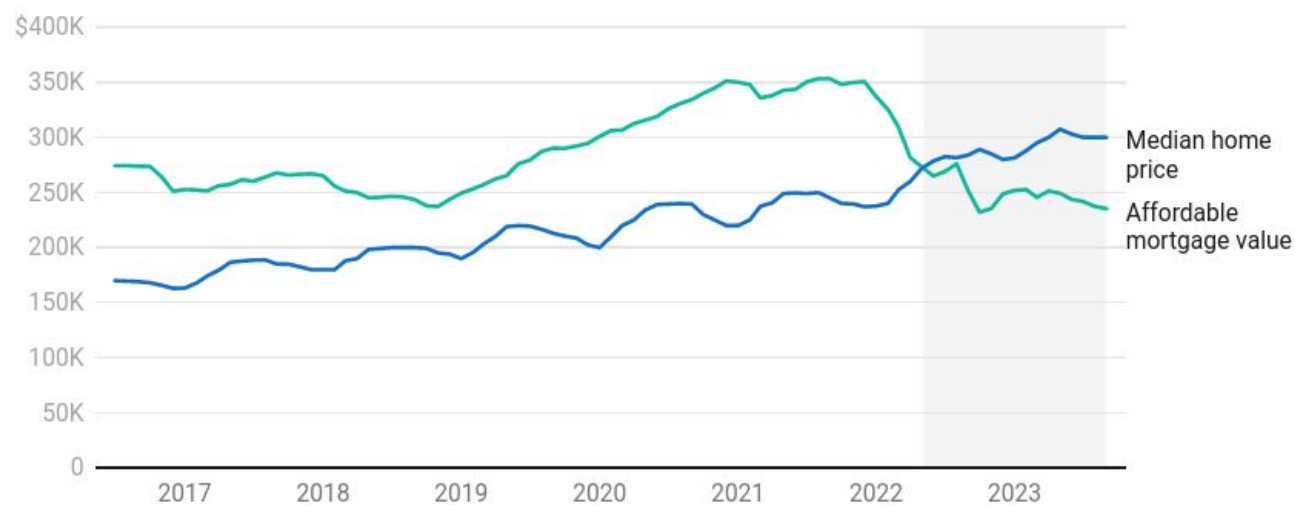
Chart: CommunityScale • Source: FRED, Federal Reserve Bank of St. Louis • Created with Datawrapper

This chart compares the median listing price in Harrison County with the home value affordable to a household earning the median household income. A wider gap means higher barrier to entry for first-time homebuyers and increased risk that an existing resident might be priced out of the community if they choose or need to move to a different house.

In order to calibrate future housing production to best meet the community's needs, two factors must be established: how many units are needed in total and what is the right mix of unit types and prices. The following section addresses each of these factors to inform recommendations that effectively meet local need and reflect the community's values and priorities.

Demand

How many units are needed? The magnitude of housing production to plan for is informed by a combination of factors, including projected household growth, existing vacancy rates, and the condition of existing housing stock. While the future might transpire differently than we expect today for reasons that cannot be anticipated now, estimating change based on these growth and market trends is an industry-standard approach to inform short- and long-term planning with reasonable confidence in the meantime.

What is the right mix? Determining the most appropriate mix of new housing types, sizes, and price points requires establishing a clear understanding of what "need" a community is trying to serve. There are multiple ways to define and measure housing need, each addressing distinct but not necessarily competing priorities. These include accommodating the needs of new households expected to arrive in the future and closing existing attainability and cost burden gaps of current residents.

How many units are needed?

Organic growth projection

This organic growth projection estimates the range of expected change in household numbers over the next 10 years. Harrison County is not anticipated to grow significantly over the coming decade.

Net organic growth is projected by measuring the slope of the previous 12 years of documented household change and extrapolating these trends 10 years into the future. The high and low potential values account for potential variation driven by external economic, policy, employment, and other forces.

Household growth, observed and potential

— Households, ACS 5-year — Households, forecast slope (used in this report) ··· Households, Woods & Poole
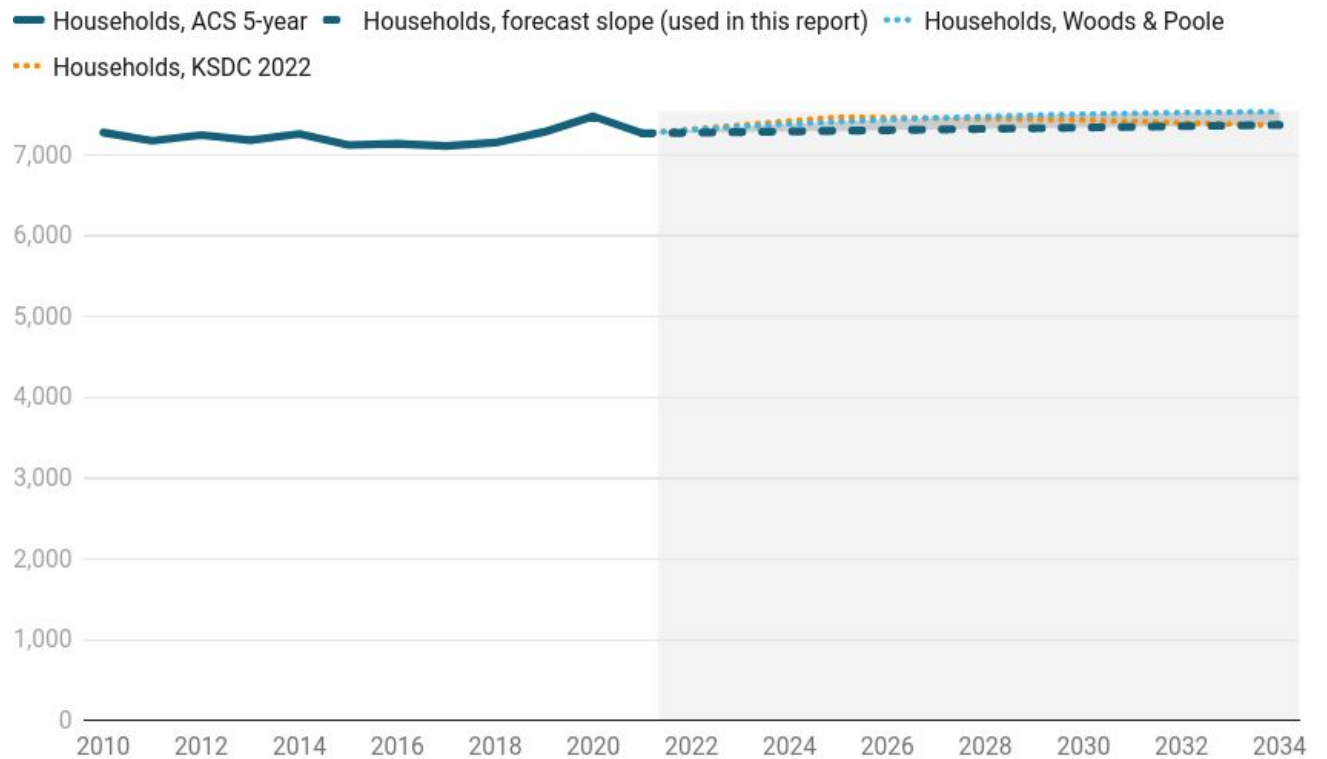··· Households, KSDC 2022

Chart: CommunityScale • Source: CommunityScale, Census • Created with Datawrapper
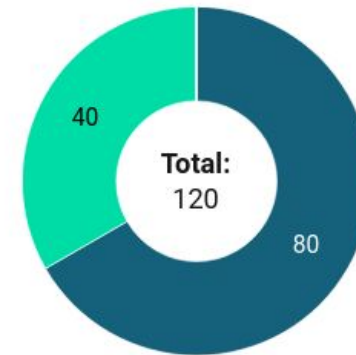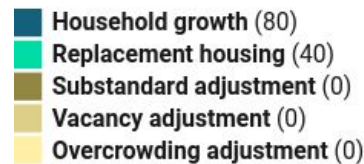
Woods & Poole and Kentucky State Data Center (KSDC) estimates are included for context but were not used to inform housing needs estimates in the following pages of this report.

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How many units are needed?

Accommodating organic growth

Despite Harrison County's low expected growth rate, some housing production would be need to accommodate the new households that are expected as well as help maintain the overall health and quality of the housing stock. Regardless of growth prospects, every local market should maintain sustainable vacancy rates and offer hospitable housing stock to best serve community residents. Some housing production is often necessary to keep each of these indicators in a healthy range.

Production needed to keep up with 10-year growth

- Household growth (80)
- Replacement housing (40)
- Substandard adjustment (0)
- Vacancy adjustment (0)
- Overcrowding adjustment (0)

40   Total: 120   80

2023-2033. This analysis would be recreated and refined for 2024-2029 during this project.
Chart: CommunityScale • Source: ACS, CommunityScale (Mesquite 2023) • Created with Datawrapper

Organic household growth: 80 units forecasted from 2023 to 2033.

Overcrowding adjustment: 0 units. The local rate of 2.1% is higher than the national average of 3.3%. Overcrowding is measured by >1 occupant/room. Often related to vacancy rate, the degree to which supply limitations drive households to occupy under-sized units.

Replacement housing: 40 units. 0.05% of the housing stock is replaced annually, which includes uninhabitable or obsolete units requiring replacement.

Vacancy adjustment: 0 units. The local rate of 10% is above the healthy market minimum of 5% for ownership and rental combined. Vacancy is the "slack" in the housing market (too low and prices can spike, too high and neighborhoods can suffer blight)

Substandard adjustment: 0 units. The local rate of 2.5% is lower than the national average of 4.5%. Substandard housing is measured by incomplete plumbing or kitchen. It is the portion of units that are functionally inadequate.

HARRISON COUNTY

What is the right mix?
Modeling housing preferences

This report predicts housing preferences by measuring and compiling the actual choices of households who have recently moved within the greater region in terms of their income and housing selection (unit count and monthly cost). The resulting model provides a way to predict the choices future households would make if their preferences were available in a given community.

Importantly, the housing preference model is calibrated for sensitivity to the distinction between "ability to pay" and "willingness to pay:"

- **Ability to pay**: The maximum monthly cost a household can spend based on their income without incurring cost burden. This is typically considered 30% of monthly household income.
- **Willingness to pay**: The monthly amount a household would choose to spend to obtain their preferred unit type in their preferred locale. For lower-income households in expensive housing markets, willingness to pay may significantly exceed 30% of their monthly income. Conversely, most higher-income households spend less than the 30% threshold.

What is the right mix?

Modeling housing preferences per AMI group

Distribution of household willingness-to-pay for new non-cost-burdened housing

	<30%	30%-60%	60%-80%	80%-100%	100%-120%	>120%
<$488	100%	2%	4%	0%	0%	1%
$489-$977	0%	98%	17%	40%	7%	5%
$978-$1302	0%	0%	79%	19%	16%	15%
$1303-$1628	0%	0%	0%	42%	32%	17%
$1629-$1953	0%	0%	0%	0%	45%	18%
>$1953	0%	0%	0%	0%	0%	44%
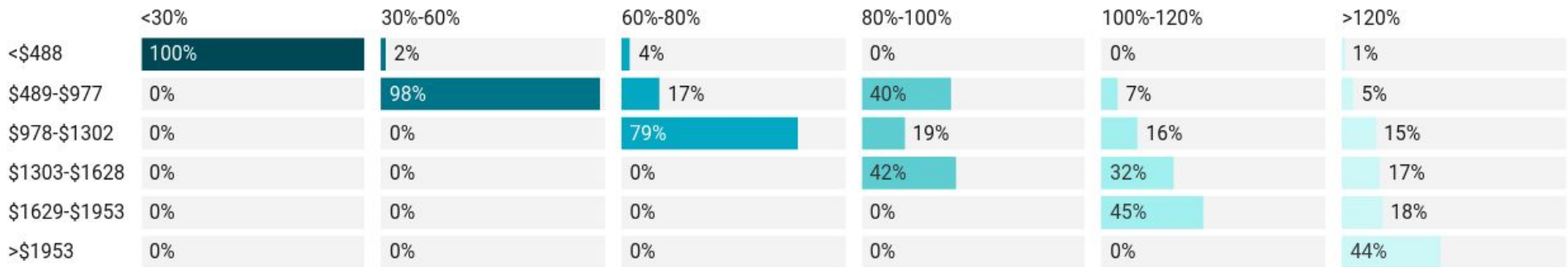
The chart above illustrates housing cost preferences by income for the greater Harrison County market. To account for both ability to pay and willingness to pay, the preference model reflects willingness to pay for all income groups but caps monthly costs at 30% of household income to avoid creating new cost burden.

The following list characterizes the types of housing typically affordable to each AMI group:

- **0-30% AMI:** Deeply subsidized units and public housing developments
- **30-60% AMI:** Lower-cost naturally occurring affordable housing (NOAH) and for whom new units require significant subsidy
- **60-80% AMI:** NOAH and for whom new development would require subsidy
- **80-100% AMI:** Typically occupying "workforce housing", sometimes requires subsidy to depending on market conditions
- **100-120% AMI:** Market rate housing except in the tightest markets
- **Above 120% AMI:** Market rate housing which is often developable without subsidies

What is the right mix?

Capturing regional market rate demand

In addition to organic growth, Harrison County could capture a larger share of the overall regional market by proactively building housing units tailored to attract households currently shopping for a new home or apartment.

This could be particularly impactful if the households attracted by this proactive development were not otherwise projected to move to Harrison County.

In the table at right, shaded units could be built market rate and without subsidy. Unshaded units would require assistance.

Total addressable regional market

Cost	0-1 bed	2 beds	3 beds	4+ beds
$482 and below	2,165	2,556	2,525	664
$483-965	5,947	10,608	6,981	1,514
$966-1286	1,963	4,505	5,365	1,137
$1287-1608	711	1,776	3,168	1,318
$1609-1929	210	432	1,372	977
$1930-2250	150	173	611	745
$2251-2570	46	86	277	472
$2571-2890	64	86	203	255
$2891-3210	22	37	109	190
$3211-3530	4	5	16	105
$3531-3850	8	16	29	78
$3851 and up	8	28	51	242

Each year, thousands of households relocate into and within the broader region. These households move for a variety of reasons but each is new to the market in that each needs to find a unit and location that meets their needs and preferences. Left to run its course organically, this pattern of resettlement will likely follow trends established in previous years. However, if a community proactively adds units that appeal to portions of this regional market, it might attract an outsized share of these households. Shaded areas indicate the market's approximate feasibility threshold beyond which rents/prices are high enough to support market-rate development without subsidy. The position of this line is informed by recent regional comps.
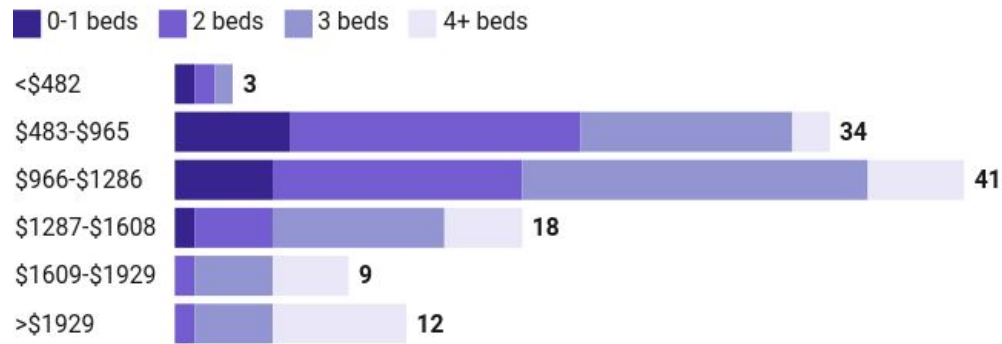
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What is the right mix?

Components of demand

Future housing demand can be broken into two relatively independent categories: local organic growth and regional market capture. Organic growth is likely to occur as long as current policies extend into the future. Market capture requires proactive development and policy intervention.

The top chart at right summarizes what Harrison can expect under current circumstances. The bottom chart indicates what additional development could be possible with the right policies and developments.

Units needed to keep up with demand - Growth

At given monthly cost, renter and owner combined

■ 0-1 beds ■ 2 beds ■ 3 beds ■ 4+ beds

<$482	3
$483-$965	34
$966-$1286	41
$1287-$1608	18
$1609-$1929	9
>$1929	12

Additional 10-year regional market demand capture

At given monthly cost, renter and owner combined

■ 0-1 bed ■ 2 beds ■ 3 beds ■ 4+ beds

<$482	0
$483-$965	0
$966-$1286	0
$1287-$1608	1
$1609-$1929	2
>$1929	5

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Results
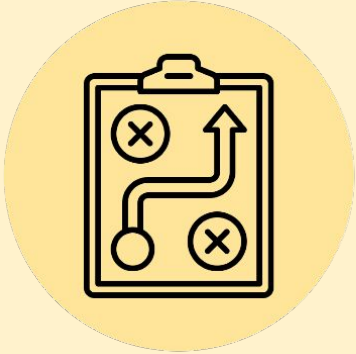
This section translates the People, Place, and Demand sections into a a recommended housing production mix optimized to respond to local need and meet projected new demand in line with the community's values and priorities for the future.

Housing production target. Based on the housing needs assessment analysis and the community's stated housing policy goals and priorities, the housing production target summarizes the new housing units the community should plan for, organized by cost, bedroom count, and tenure (rent/own).

A change in course. Housing markets and household preferences are always changing. As such, building to accommodate new trends might entail a shift from past development patterns. The change in course summary addresses how the mix of future units compares in terms of structure type and bedroom count to recent development and the local housing stock overall.
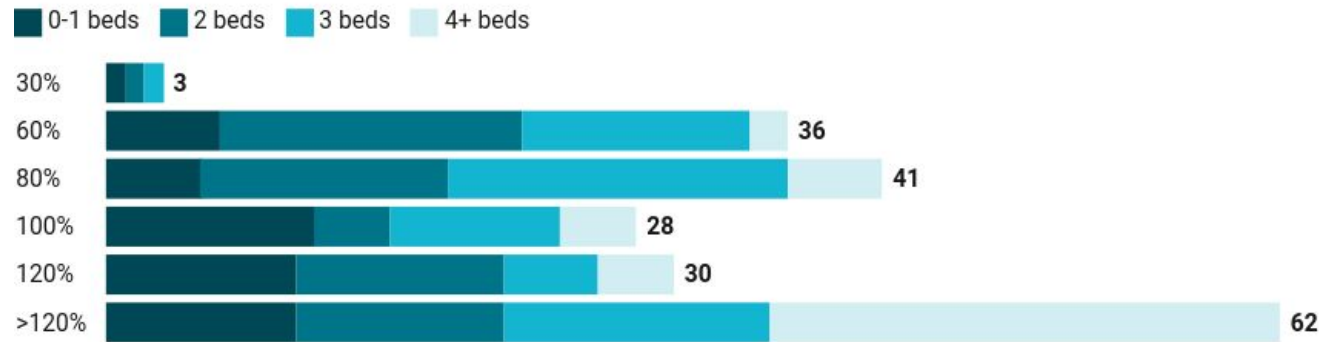
Housing production target

Harrison County housing production target

Based on the community's stated housing policy goals and priorities and the results of this housing needs assessment study, Harrison County should plan for the production of new units over the next 10 years per the cost and bedroom distributions summarized at right.

Community-preferred production mix, by number of bedrooms

By maximum AMI level

■ 0-1 beds ■ 2 beds ■ 3 beds ☐ 4+ beds

AMI level	Total
30%	3
60%	36
80%	41
100%	28
120%	30
>120%	62

The chart above serves as the community's housing production target for long-term planning purposes. The totals were derived by combining demand projections for organic growth and regional market capture and calibrating the results to meet the community's housing policy goals and priorities.

Housing production target

Blended scenario overview

Harrison County's housing production target includes units calibrated for middle incomes as well as units priced at and above current area median incomes. This mix reflects local leadership's intention to maintaining current levels of attainability while also attracting a meaningful amount of new market-rate development.

Production target - Overview

Unit mix by AMI, annual income, monthly cost, and affordable purchase cost range

AMI level*	Household income range	Monthly payment*	Purchase price*	0-1 beds	2 beds	3 beds	4+ beds
30%	<$22,400	$800	$110,985	1	1	1	0
60%	$22,400-$44,800	$1,600	$221,970	6	16	12	2
80%	$44,800-$59,750	$2,100	$291,335	5	13	18	5
100%	$59,750-$74,700	$2,650	$367,637	11	4	9	4
120%	$74,700-$89,650	$3,150	$437,003	10	11	5	4
>120%	>$89,650			10	11	14	27

*Upper limit

Table: CommunityScale • Source: CommunityScale, Census, PUMS • Created with Datawrapper

This table translates the unit mix from the previous page into a more detailed breakdown of unit costs and bedroom counts. The monthly payment variable applies to both rental or ownership costs. The purchase price variable translates the monthly payment into a corresponding home sale price based on current interest rates, typical down payments, and other regionally specific purchasing factors.

Housing production target
Blended scenario tenure detail

For planning purposes, Harrison County could plan for the tenure mix tabulated at right.

Intended for general guidance, this mix reflects broader regional trends and preferences but is subject to change because the tenure of new developments can often change due to shifting market and financial climates which are often outside the developer's complete control.

Production target - Tenure detail

Unit mix by tenure

	Rent				Own			
	0-1 beds	2 beds	3 beds	4+ beds	0-1 beds	2 beds	3 beds	4+ beds
<$482	0	0	0	0	0	0	0	0
$483-$965	0	1	1	0	1	2	1	0
$966-$1286	0	1	1	0	1	2	2	1
$1287-$1608	4	0	0	0	11	1	1	1
$1609-$1929	1	2	0	0	4	7	1	1
>$1929	1	1	4	4	5	8	24	26

*Upper limit

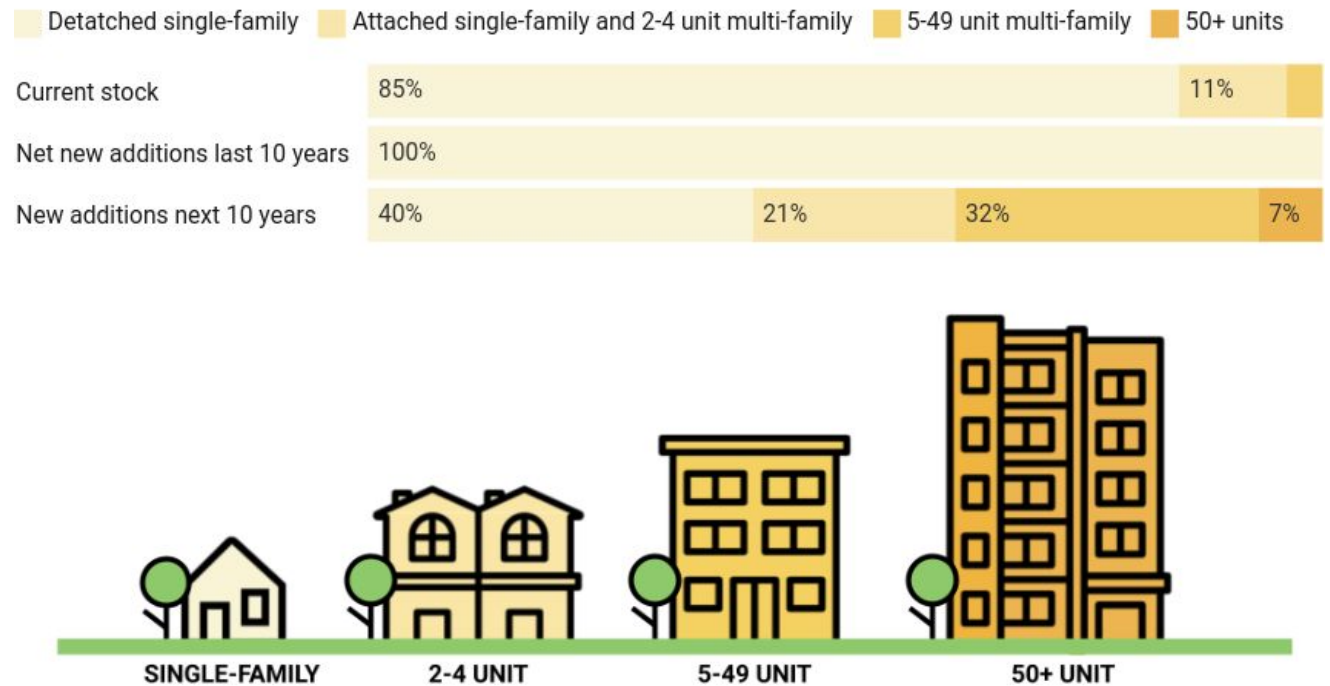Table: CommunityScale • Source: CommunityScale, Census, PUMS • Created with Datawrapper

This table expands the production target into bedroom mixes by tenure. It should be noted this subdivision is more speculative than other aspects of the analysis. Tenure is a difficult characteristic to regulate for and often subject to market prevailing market forces at the time of development (for example, a developer may determine or change a project's tenure late in the development process depending on financing and market forces). However, to the extent it can be achieved, this mix would help the local housing stock better align with the tenure mix the broader market prefers.

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A change in course

In many cases, responding to future demand entails changing course from previous development patterns. As illustrated at right, Harrison County's housing production target includes a different mix of structure types than have been developed recently or comprise the current overall housing stock. The community should plan for more attached single-family and multi-family units and fewer detached single-family units.

Change in course - Structure type

Detached single-family   Attached single-family and 2-4 unit multi-family   5-49 unit multi-family   50+ units

	Detached single-family	Attached single-family and 2-4 unit multi-family	5-49 unit multi-family	50+ units
Current stock	85%			11%
Net new additions last 10 years	100%			
New additions next 10 years	40%	21%	32%	7%

SINGLE-FAMILY   2-4 UNIT   5-49 UNIT   50+ UNIT

The chart above illustrates the degree to which pursuit of the above housing mix might represent a change in course for the local development community in terms of structure type compared to past production patterns. Larger deviations between past and future might require more proactive work by local leadership to help developers adapt to new priorities and/or to attract additional developers to the market who might have more experience building under-represented housing types. **Note:** The net new additions analysis does not take into account already permitted units or units in the development pipeline.
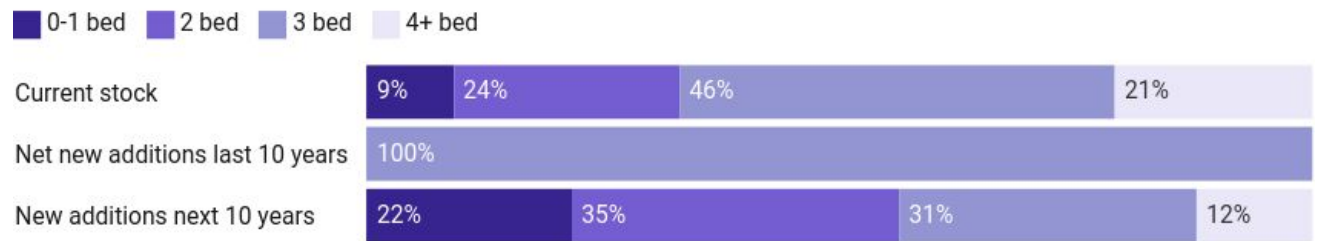
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A change in course

In terms of bedroom count, Harrison County's production target includes a mix that differs from recent development or the local housing stock overall. Moving forward, the community should plan for a higher ratio of smaller units than currently exist locally. Some larger units are also called for, but at a lower rate than currently exist. 3-bed units should remain in the development mix but at a much lower rate than the previous 10 years.

Change in course - Number of bedrooms

■ 0-1 bed   ■ 2 bed   ■ 3 bed   □ 4+ bed

	0-1 bed	2 bed	3 bed	4+ bed
Current stock	9%	24%	46%	21%
Net new additions last 10 years	100%			
New additions next 10 years	22%	35%	31%	12%

The chart above illustrates the degree to which pursuit of the above housing mix might represent a change in course for the local development community in terms of bedroom count per unit compared to past production patterns. Larger deviations between past and future might require more proactive work by local leadership to help developers adapt to new priorities and/or to attract additional developers to the market who might have more experience building under-represented housing types. **Note:** The net new additions analysis does not take into account already permitted units or units in the development pipeline.

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Appendix

This appendix to the housing needs assessment includes a brief methodology and glossary for reference when reading and using the report.

Methodology. This housing needs assessment involves an extensive set of analytical techniques that draw from best practices as well as innovative new approaches. The methodology page reviews some of the key steps in this process.

Glossary. The housing policy field involves a broad range of agencies, programs, standards, and terminologies. The glossary page defines some of the most commonly referenced names, terms, and acronyms used in this report and elsewhere in the discourse.

Methodology

Methodology overview: Producing this report involves extensive data analysis across numerous sources and methodologies. This page provides an overview of many of the key sources and techniques required to complete the assessment and derive its recommendations.

CommunityScale accesses and analyzes public and private datasets to provide an overview of the demographic and housing stock conditions, which then inform scenarios for housing needs assessments. The data that are used to populate the charts in the report can be accessed within this shared workbook.

Inflation adjustment: Past ACS data on incomes and rents are typically delivered in current-year dollars. Where appropriate, CommunityScale inflation-adjusts past data to 2023 dollars according to the CPI to be able to assess trends in earnings and attainability.

Rebinning: ACS and other data sources are provided in pre-set ranges, also known as bins. CommunityScale has an approach to rebin the counts into new ranges that preserves the total quantity and quality of the data while fitting into new ranges, such as percent of regional median income.

Data sources

ACS 5-year: Latest-year demographic and housing stock variables, and referencing time series back to 2010 where relevant for trends.

**CPI:** Inflation adjustments for past data.

HUD: Area Median Income, permits

FRED: Latest data on rental information

PUMS: Regional demographic details and housing preferences

Zillow: Latest for-sale and rental figures

Local forecast (If applicable): States, regional governments, professional forecasters like Woods & Poole and other sources may be applied to create scenarios for the number of households in the future.
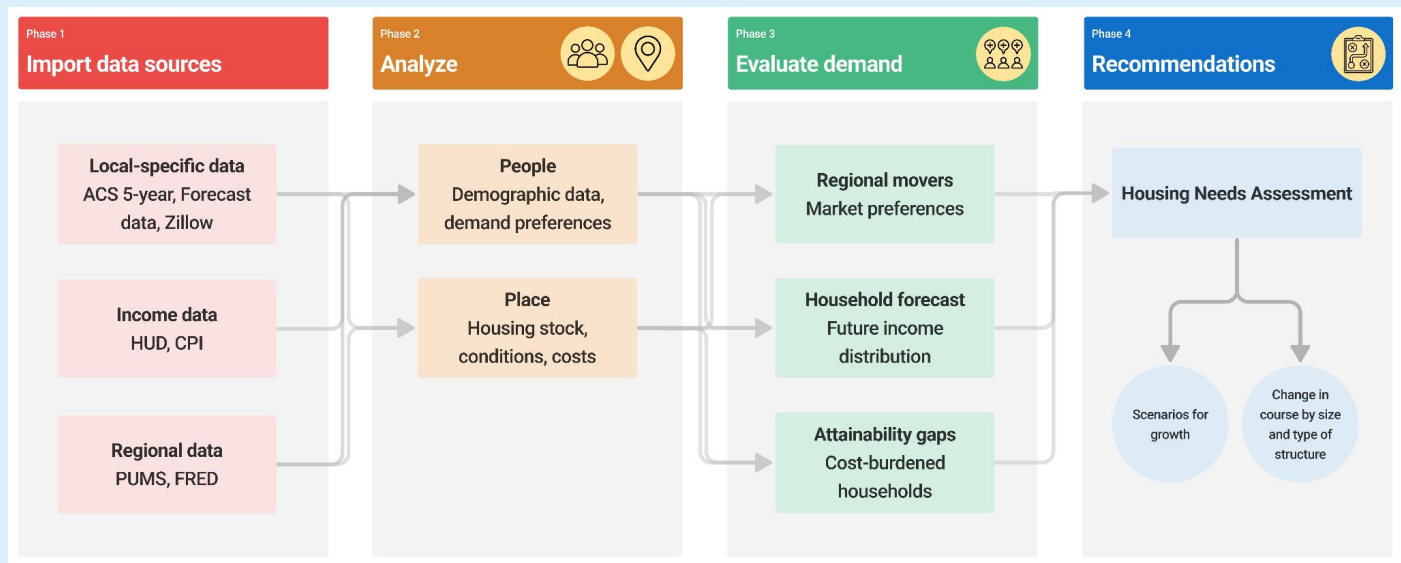
Glossary

ACS 5-year - American Community Survey 5-year estimates. Demographic and housing stock variables dating back to 2010.

AMI - Area Median Income. A metric calculated annually by HUD to determine income eligibility for housing programs.

Asking rent - The listed rental rate for vacant units on the market.

Attainability gap - Difference between housing supply and demand at each income level group.

Bedroom count - The number of bedrooms in a housing unit.

Cost burden - Spending more than 30% of household income on housing costs.

Cost burden, severe - Spending more than 50% of household income on housing costs.

CPI - Consumer Price Index. A measure of inflation.

FRED - Federal Reserve Economic Data. Provides recent data on rents.

Housing needs assessment - An analysis of a community's housing market to determine the current and future housing needs in order to guide planning and policy decisions.

HUD - U.S. Department of Housing and Urban Development. Provides data on Area Median Income, housing permits, and more.

LIHTC - Low Income Housing Tax Credit. A federal program that provides tax incentives for affordable housing development.

Multifamily - A housing structure with multiple separate housing units, such as an apartment building.

NOAH - Naturally occurring affordable housing. Market-rate housing that is affordable to low- and moderate-income households without public subsidy.

Organic growth - The natural increase in households over time, excluding growth from major new developments or projects.

Overcrowding - Having more than one person per room in a housing unit.

PUMA - Public Use Microdata Area. Geographic areas that PUMS data is organized into.

PUMS - Public Use Microdata Sample. Detailed demographic data from the Census Bureau used to model regional housing preferences.

Purchase price - The sale price of a home.

Regional mover - A household that has moved into the region in the last 12 months.

Single-family - A stand-alone housing unit detached from any other house.

Substandard housing - Housing units that are inadequate or unsafe due to issues like incomplete plumbing or kitchen facilities.

Tenure - Whether a housing unit is owner-occupied or renter-occupied.

Townhome - A single-family attached home as part of a larger structure, sharing walls with other units.

Vacancy rate - The percentage of available housing units that are vacant or unoccupied. A vacancy rate of 5-6% is considered healthy.

Zillow - Real estate database providing up-to-date for-sale and rental housing figures.