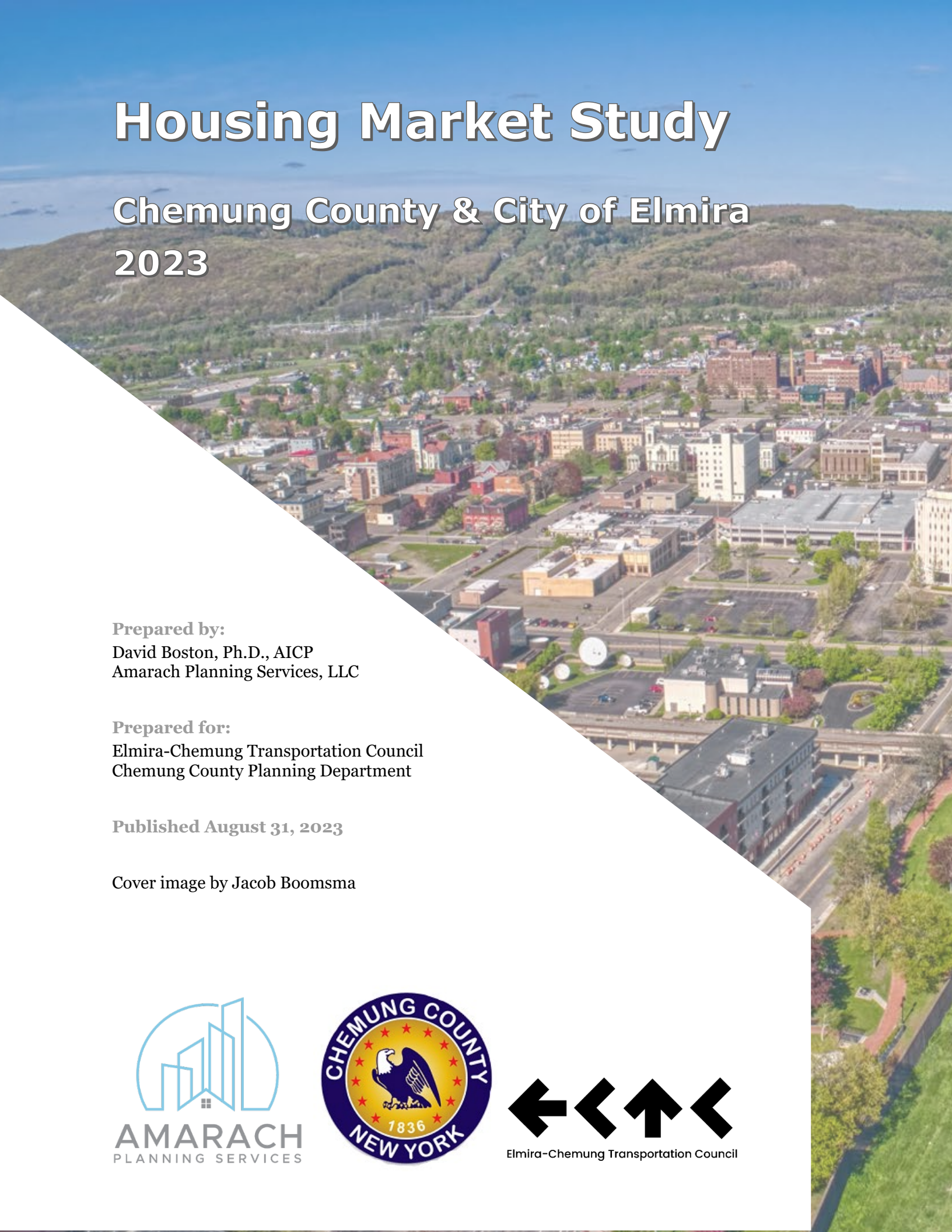
Housing Market Study

Chemung County & City of Elmira

2023



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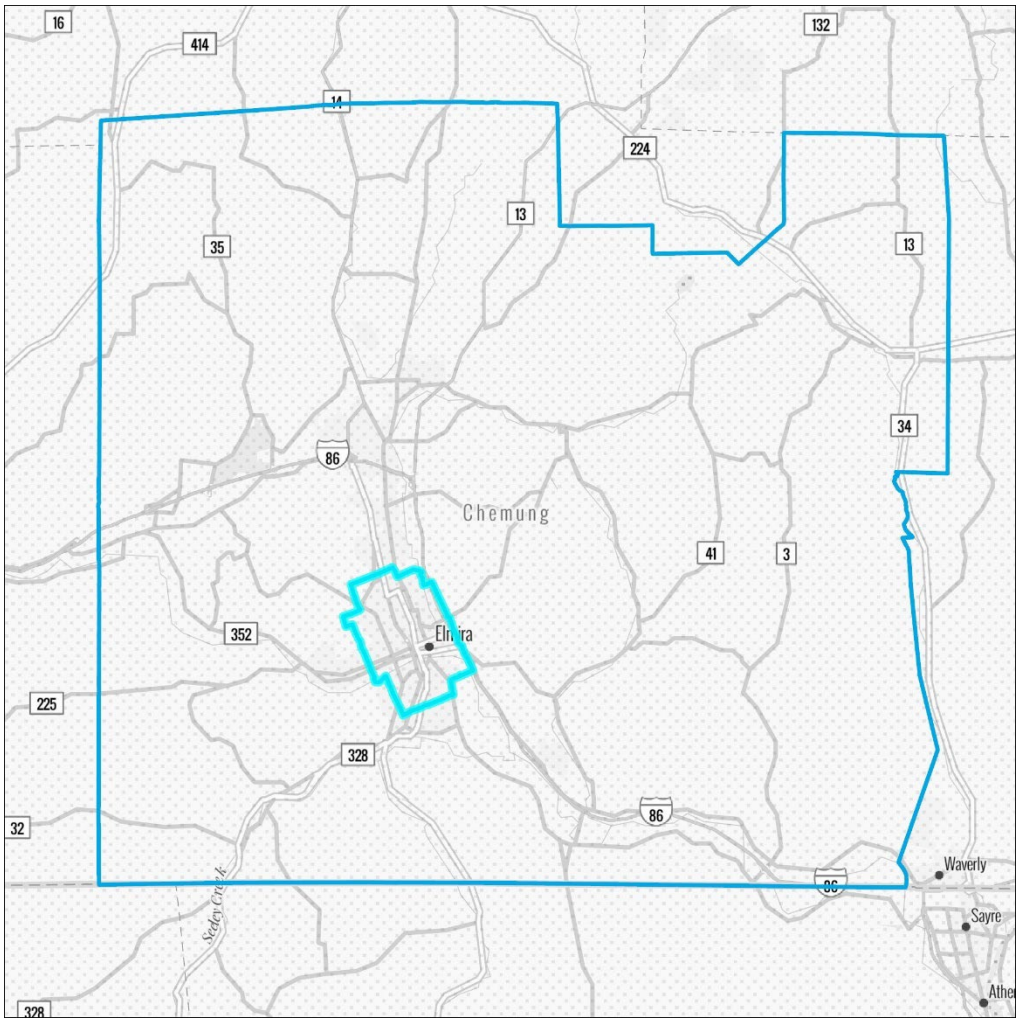
This Housing Market Study analyzes the existing conditions of the local housing market, addresses affordability and other challenges, and identifies the underlying potential for new housing development in Chemung County and the City of Elmira.

Figure 1: Study area map



The most critical issue dampening the supply of housing in both the City of Elmira and Chemung County is the consistently decreasing population. The current population in the County is 82,702, and the population is expected to decrease to 80,989 five years from now. That is a compound annual rate of decline of 0.42% each year over the next five years.[1]

[1] With a declining population and less property tax revenue each year, community leaders must think about how to maintain existing communities and infrastructure. It will be critically important that decisions about where to invest resources are not discriminatory in impact. Fiscal regionalism strategies that direct tax revenue where it is most needed can be an effective strategy to ensure that communities with shrinking populations are not left with failing infrastructure. Redirecting greenfield development to shrinking urban areas through comprehensive plan mandates or incentives may also help turn the tide.

Table 1: Population change in Chemung County

	2000	2010	2023	2028
Total population	91,070	88,830	82,702	80,989
Household population	85,557	83,914	78,837	77,124
Family population	69,225	65,830	60,986	59,508
Average household size	2.44	2.37	2.25	2.20
Compound annual growth rate	-	-0.25%	-0.55%	-0.42%

Source: U.S. Census Bureau; Esri; Amarach Planning Services[2]

In the face of this population decline, both Chemung County and the City of Elmira have seen slight increases in their housing stock. However, they have also both seen increases in their vacancy rate. This is highly indicative of an ongoing mismatch in market demand and market supply. In other words, there is growing pent up demand for homes that are not being built.

There are currently a total of 39,169 housing units in Chemung County and 12,514 in the City of Elmira. The most common housing units in both jurisdictions are single-family detached homes with an estimated 26,249 units in Chemung County and 6,107 in the City of Elmira. However, the tenure ratio is considerably different. In Chemung County, an estimated 61.33% of homes are owner-occupied, 28.21% are renter-occupied, and 10.46% are vacant. In the City of Elmira, a much greater portion of homes are rented, with 40.43% of homes being owner-occupied, 44.85% are renter-occupied, and 14.72% are vacant. In both urban and rural areas of the County, the vacancy rate has been increasing at an alarming rate. The number of vacant units in Chemung County has increased by 40.94% since 2010, with a similar rate of 39.33% in Elmira.

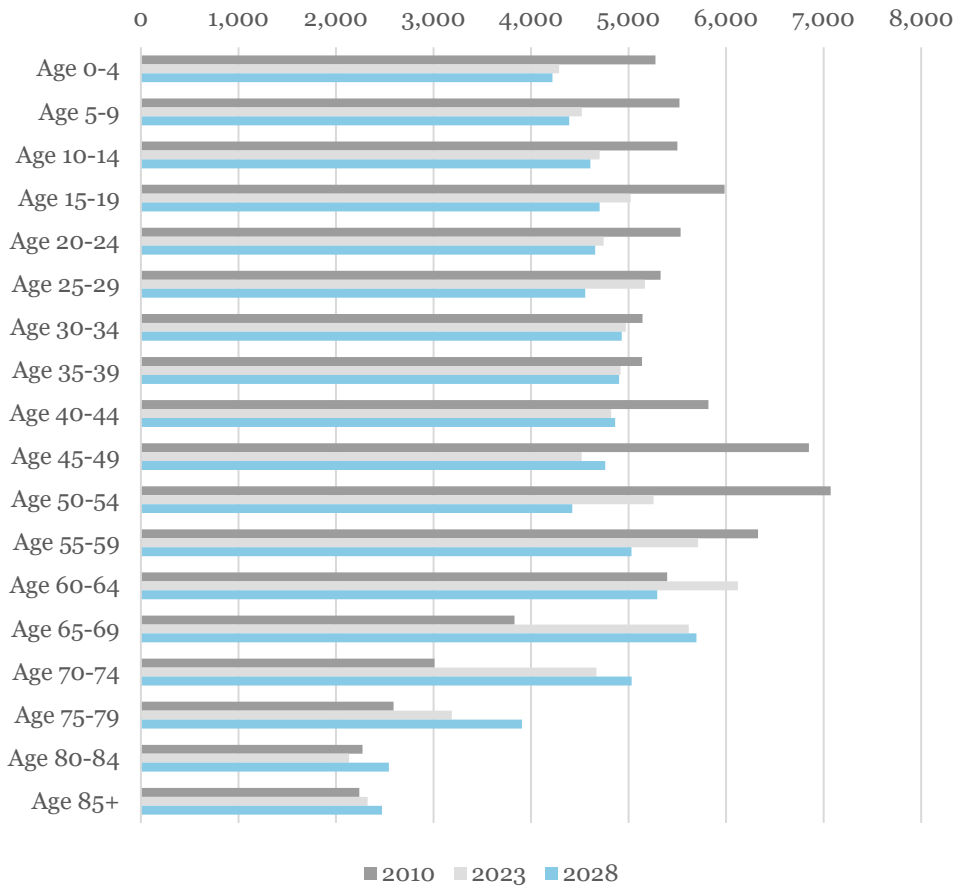
The median home value in Chemung County is an estimated $154,553 and it is projected to change to $169,700 in five years. In the City of Elmira, the current value is much lower and the expected growth in value is much slower. The median home value in the City is an estimated $80,980 and it is projected to change to $84,996 in five years The median gross rent in Chemung County is $954 per month versus $785 per month in the City. There is a shortage of affordable housing available for extremely low-income and very low-income households in the City of Elmira, where poverty is more concentrated, but there is no such shortage when looking at the County as a whole, likely due to the age of much of the housing stock.

Approximately 51.73% of renters and 20.15% of homeowners in Chemung County are cost-burdened, spending more than 30% of their income on housing (53.43% of renters and 23.57% of homeowners in the City). An estimated 27.30% of renters and 7.73% of homeowners are severely cost-burdened, spending over 50% of their income on housing (31.23% of renters and

[2] Household population excludes people living in group quarters, such as college dormitories, military quarters, assisted living facilities, and prisons. Family population includes a householder and people related to the householder by birth, marriage, or adoption. Nonrelatives in the household are excluded. The compound annual growth rate is calculating the annual rate of total population growth from the previous year.

10.21% of homeowners in the City), making it nearly impossible to afford the rest of life's necessities.

Figure 2: Age distribution over time in Chemung County



Source: U.S. Census Bureau; Esri; Amarach Planning Services

The population in Chemung County has been increasing in age. As shown in the age distribution chart above, the number of people over 60 has increased despite the overall population decline, and the number of residents under 60 has decreased dramatically. The aging population in Chemung County means more demand for apartments that are easier to maintain, but the housing market has not kept up with changing demand.

As a result of this pent-up demand, multifamily homes for rent are likely to be absorbed into the market the fastest in both the City of Elmira and Chemung County as a whole, at an estimated 283 to 296 apartments per year in the County with around half of that demand being generated in the City and the other half in the more rural areas of the County. There is also demand for about 40 single-family homes for sale, 68 townhomes (15 for sale and 53 for rent), and 43 multifamily homes for sale (condos) to be absorbed by the market each year, with roughly half of that demand being generated in the City for each housing type (less so for condos). The new units with the highest potential average price per square foot are multifamily.

Given the demand for multifamily and townhomes, the lack of a significant infrastructure network in rural areas of the County, and the declining population, development of undeveloped parcels should be avoided to the greatest degree possible. The level of demand for new single-family homes is low enough to be manageable without building new subdivisions and should instead be addressed by building new homes on existing lots in existing neighborhoods where older homes have been condemned or demolished, or by rehabilitating existing older homes.

The lack of local contractors currently working in the area who are able to rehabilitate low-quality older homes presents a challenge. Economic development efforts in the county should include training more residents to be contractors. The Chemung County Land Bank has done a good job of acquiring dilapidated houses in the City of Elmira, fixing them up, and selling them to low-income families to maintain an affordable housing stock.

Where feasible, comprehensive plan and zoning code updates should be put in place to prevent sprawl development, and incentives should be implemented to encourage infill development in the City of Elmira and other existing population centers with infrastructure that could support higher density with little or no upgrades. Less sprawl means fewer cars going shorter distances, which is more environmentally friendly, puts less strain on the transportation network, and improves residents' quality of life. The City of Elmira's zoning update as part of the Downtown Revitalization Initiative (DRI) was a very positive step towards facilitating infill development. Inclusionary zoning requirements could further improve the City's zoning by ensuring that when new development does take place, a portion of the new units address the affordability gap that is currently concentrated in the City. This type of work is very necessary in the City, where a recent Health Impact Assessment[3] found that the prevalence of lead, radon, and mold in a majority of the City's affordable housing stock is contributing to respiratory health problems.

Other towns should review their zoning codes to identify similar opportunities for encouraging infill and affordable housing by focusing on minimum lot sizes, accessory dwelling unit requirements, inclusionary zoning provisions, and similar zoning requirements to ensure that they are not contributing to the housing shortage. Accessory dwelling units should also be permitted in any zones that allow single-family homes to help address the demand for single-family homes in existing neighborhoods.

The pent-up demand for multifamily can be leveraged by community leaders in Chemung County and the City of Elmira to reverse the trend of population decline. Multifamily is a popular housing option for both younger people and seniors. Transit-oriented development (TOD) that puts new multifamily near transit stops should be a priority.

The results of this study give community leaders in Chemung County and the City of Elmira an opportunity to address longstanding community needs and reverse a harmful trend of decline. By looking at the unmet housing needs as a critical component of a comprehensive economic and community development plan, building partnerships, and focusing on long-term goals, we can build a better tomorrow for all of our families.

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[3] https://www.commongroundhealth.org/news/articles/elmira-study-connects-housing-to-poor-health

Chemung County Housing Profile

This section covers the existing housing stock, occupancy, value, and rent trends in the local housing market.

Housing stock

There are currently a total of 39,169 housing units in Chemung County. This is an estimated 2.09% increase compared to the 38,369 housing units that existed in 2010, despite the consistently decreasing population. Compare that to the United States as a whole, which saw an estimated 9.38% change in the number of housing units since 2010.

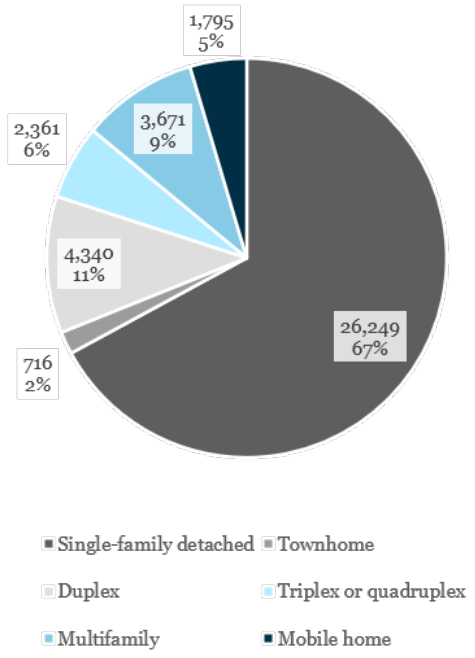
This study separates the housing stock into six housing type categories: single-family detached, townhome/single-family attached, duplex, triplex and quadplex, multifamily[4], and mobile home[5].

The existing housing stock is not necessarily an indication of the housing types that are currently in demand, but it does provide a good understanding of the character of the built environment in Chemung County.

The most common housing units in Chemung County are single-family detached homes with an estimated 26,249 units, and the least common are townhomes with an estimated 716 units.

The time period in which the largest number of housing units were built in Chemung County was before 1940 with an estimated 13,162 units, and the fewest housing units were built in 2010 or later with an estimated 904 units.

Figure 3: Units by housing type in Chemung County



Source: U.S. Census Bureau; Amarach

[4] For the purposes of this study, a multifamily building is defined as including five units or more and includes both rental apartments and condominiums.

[5] This study uses the U.S. Census Bureau definition of a mobile home, which is a housing unit that was originally constructed to be towed on its own chassis subject to HUD code regulations instead of building code regulations.

Table 2: Housing stock by year built in Chemung County

Year built	Number	Percentage	U.S. average
1939 or earlier	13,162	33.60%	12.25%
1940-1949	2,958	7.55%	4.72%
1950-1959	6,157	15.72%	10.03%
1960-1969	4,637	11.84%	10.34%
1970-1979	5,159	13.17%	14.83%
1980-1989	2,578	6.58%	13.24%
1990-1999	1,834	4.68%	13.56%
2000-2009	1,780	4.54%	13.58%
2010 or later	904	2.31%	7.47%

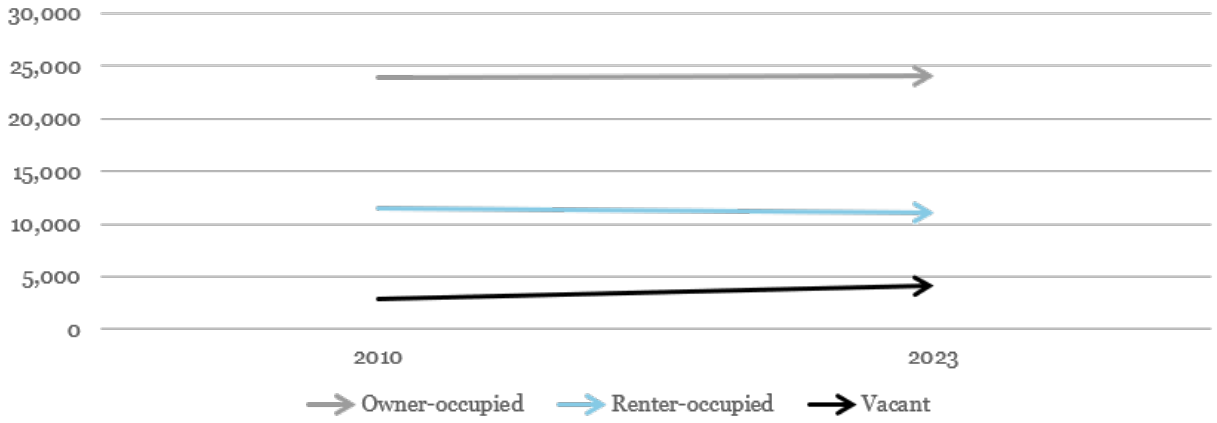
Source: U.S. Census Bureau; Amarach Planning Services

Table 1 shows the total number of housing units built in Chemung County by year and compares that to the United States average. Most places in the United States experienced a housing boom from the 1970s until the housing market crashed in 2008. Conversely, there was a shortage of new homes being built in the 1940s because of the resources and people dedicated to World War II, and after the housing market crash of 2008 in the midst of the Great Recession, which was particularly detrimental to the construction industry.

Occupancy

Looking at housing tenure, vacancy rates, and average household size gives a better understanding of the character of the housing market in Chemung County.

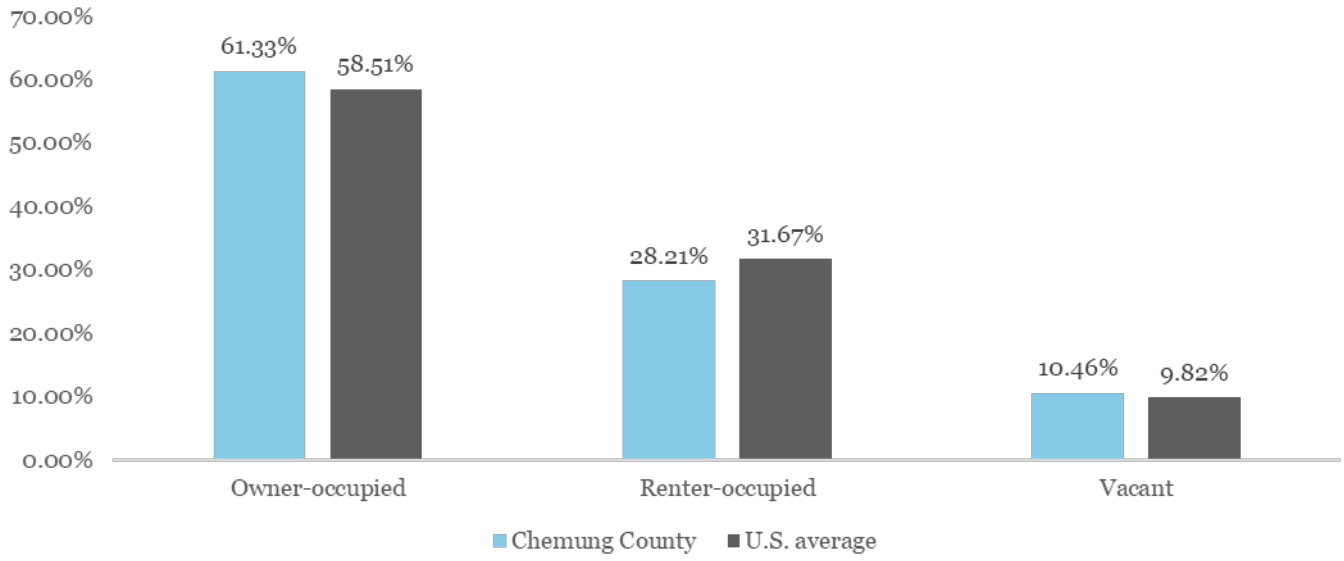
Figure 4: Housing tenure and occupancy over time in Chemung County



Source: U.S. Census Bureau; Amarach Planning Services

Chemung County has seen a 0.05% increase in the number of owner-occupied units since 2010, a 3.50% decrease in the number of renter-occupied units, and a 40.94% increase in the number of vacant units.

Figure 5: Occupancy and tenure compared to U.S. average in Chemung County

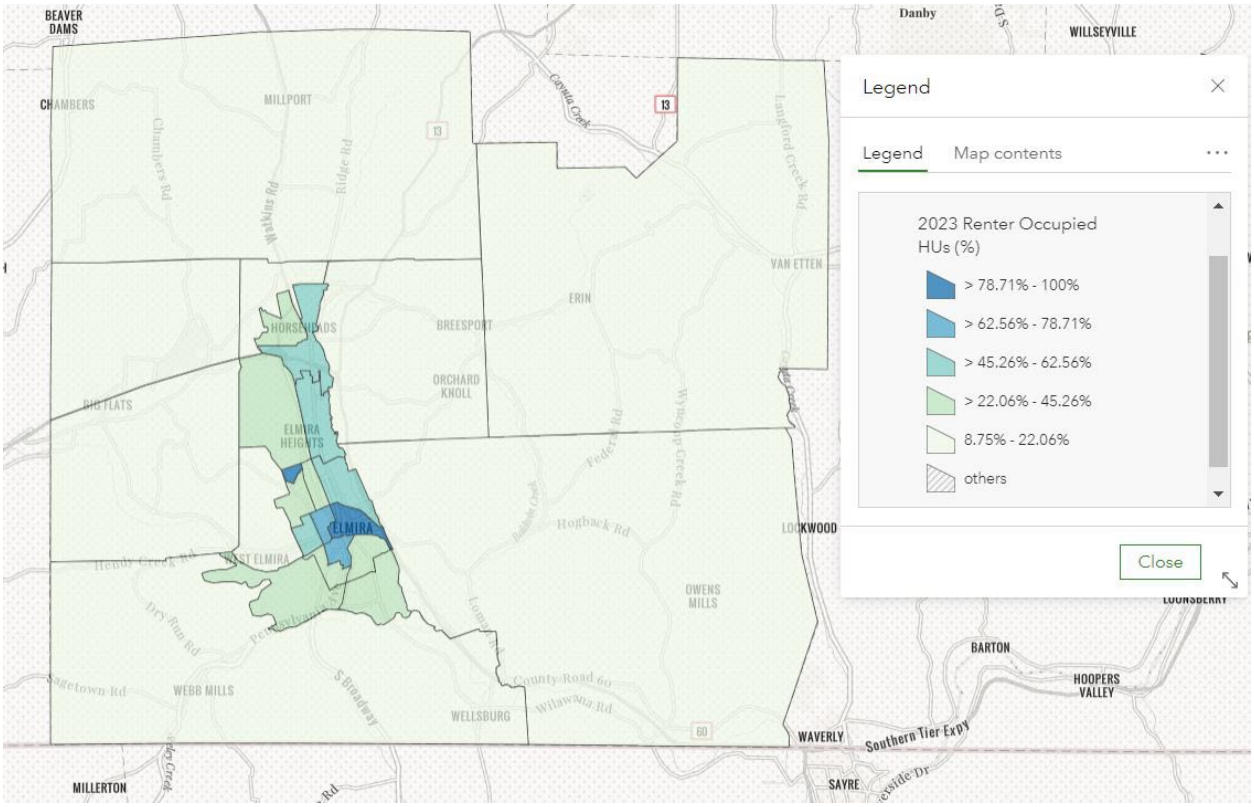


Source: U.S. Census Bureau; Amarach Planning Services

In the United States as a whole, the majority of homes are owner-occupied at 58.51% compared to 31.67% of homes that are renter-occupied. Compare that to Chemung County, where the majority of homes are owner-occupied at 61.33% compared to 28.21% of homes that are renter-occupied.

The average household size in Chemung County is smaller than the national average, with approximately 2.25 people per household, compared to an average household size of 2.53 in the United States.

Figure 6: Percent renter-occupied households in Chemung County by census tract



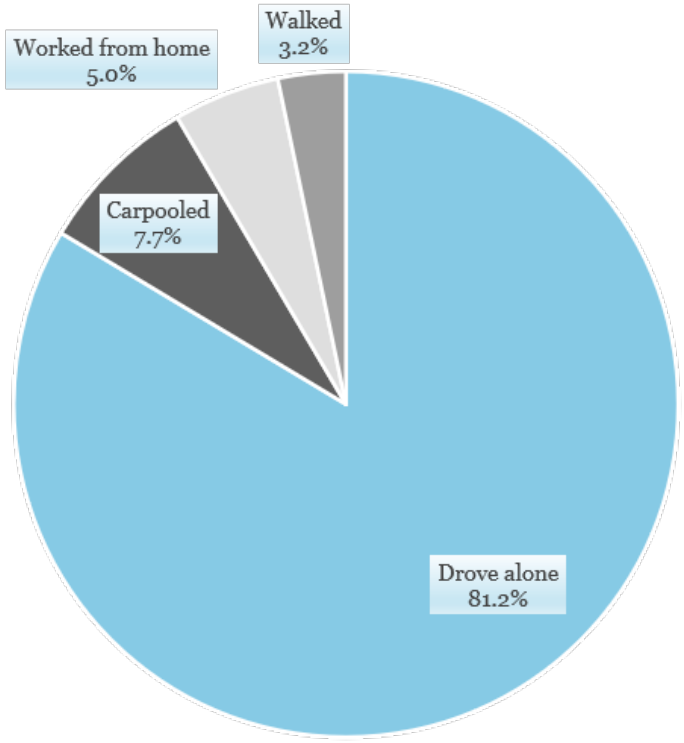
Source: Esri; Amarach Planning Services

The map above shows the percentage of renter-occupied households in each census tract in Chemung County according to Esri 2023 estimates. As seen above, the renter-occupied percentage is highest in the City of Elmira and is relatively high in the rest of the urbanized area south to Southport and north to Horseheads. The larger, more rural census tracts in the remainder of Chemung County all have very high percentages of owner-occupied households.

Commuting

This section explores the commuting patterns of working people living in Chemung County, including the mode of transportation and the length of time it takes to get from home to work.

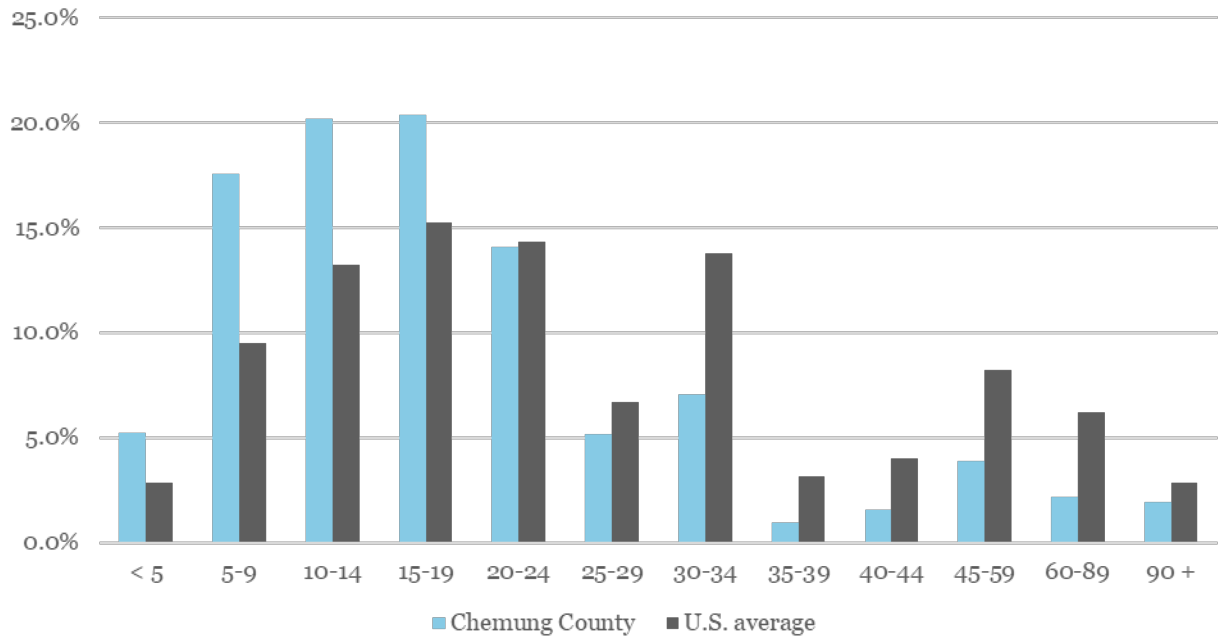
Figure 7: Commuting mode of transportation in Chemung County



Source: U.S. Census Bureau; Amarach Planning Services

Among workers living in Chemung County, the largest group of them drove alone to work, followed by people who carpooled and worked from home. A high proportion of workers who drive alone to work is indicative of a sprawling development pattern that makes public transportation and carpooling impractical. Improvements to local land development planning may give workers more commuting options.

Figure 8: Commute time in minutes in Chemung County and U.S. average



Source: U.S. Census Bureau; Amarach Planning Services

Figure 7 provides the percentage of workers who spend different amounts of time commuting from home to work. Commuting times of workers living in Chemung County are compared to commuting time averages in the United States for context.

Commuting in Chemung County takes less time than the national average. The average commuting time in Chemung County is 19 minutes, compared to the U.S. average of about 27 minutes.

Value

The median home value in Chemung County is an estimated $154,553 and it is projected to change to $169,700 in five years. That works out to be an increase of 9.80% over the next five years. If this increase in value is demand-driven, due to growth in higher-wage jobs or an influx of wealthy residents, then the increases in home values are likely here to stay for the long-term and community leaders should work to preserve affordable housing and prevent gentrification. If the increase in home values is supply-driven, due to shortages in labor and material as a result of accelerated growth, then these increases are likely short-lived. By comparison, the median home value of the United States is approximately $308,943 and is projected to change to $350,006 in five years, which results in a 13.29% change.

Table 3: Distribution of owner-occupied units by value in Chemung County

Home value	Owner-occupied units	Percentage	U.S. average
Less than $50,000	2,750	11.45%	5.45%
$50,000-$99,999	5,577	23.22%	6.69%
$100,000-$149,999	3,219	13.40%	7.36%
$150,000-$199,999	5,106	21.26%	9.88%
$200,000-$249,999	2,182	9.08%	9.81%
$250,000-$299,999	1,321	5.50%	9.38%
$300,000-$399,999	2,065	8.60%	15.98%
$400,000-$499,999	451	1.88%	10.70%
$500,000-$749,999	868	3.61%	13.76%
$750,000-$999,999	418	1.74%	5.65%
$1,000,000-$1,499,999	0	0.00%	2.91%
$1,500,000-$1,999,999	65	0.27%	1.10%
$2,000,000 or greater	0	0.00%	1.33%

Source: U.S. Census Bureau; Amarach Planning Services

Table 2 provides the total number of owner-occupied housing units broken down by housing value brackets. For the purposes of this analysis, the values in the percentage column represent the percentage of owner-occupied units; not the percentage of total units. The table also provides a comparison of Chemung County to the United States average.

The median housing value is a useful metric to understand whether values are trending up or down, and to make broad comparisons between places. By then separating housing values into brackets, we start to gain a much clearer understanding of the area's housing market.

As shown in the previous table, the largest group of homes in Chemung County are worth between $50,000 and $99,999 and the smallest group of homes are worth between $1,000,000 and $1,499,999. Looking across the country, the largest group of homes are worth between $300,000 and $399,999 and the smallest group of homes are worth between $1,500,000 and $1,999,999.

Rent

Table 4: Distribution of renter-occupied units by gross rent in Chemung County

Gross rent	Renter-occupied units	Percentage	U.S. average
Under $200	39	0.35%	0.88%
$200-$399	682	6.17%	4.70%
$400-$599	1,206	10.92%	6.06%
$600-$799	2,343	21.21%	11.73%
$800-$999	2,170	19.64%	15.17%
$1,000-$1,249	3,007	27.21%	17.60%
$1,250-$1,499	854	7.73%	13.20%
$1,500-$1,999	525	4.75%	16.77%
$2,000-$2,499	158	1.43%	7.34%
$2,500-$2,999	36	0.32%	3.09%
$3,000-$3,499	0	0.00%	1.65%
Over $3,500	29	0.27%	1.82%

Source: U.S. Census Bureau; Amarach Planning Services

The previous table provides the total estimated number of renter-occupied housing units in Chemung County by gross rent brackets.[6] This table provides a detailed view of how much renters are paying for housing and provides a comparison between rent brackets in Chemung County and rent brackets in the United States as a whole.

The median gross rent in Chemung County is approximately $954 per month, which is lower than the median rent of the United States of $1,225.

As demonstrated in the table above, the largest group of renter-occupied homes in Chemung County are rented for between $1,000 and $1,249 per month, and the smallest group of homes are rented for between $3,000 and $3,499. Looking nationwide, the largest group of renters pay between $1,000 and $1,249 per month and the smallest group of renters across the United States pay under $200.

[6] This study uses the Census Bureau definition of gross rent, which is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). By contrast, contract rent is the monthly rent agreed upon regardless of any furnishings, utilities, or services that may be included. Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

Affordability in Chemung County

This section analyzes the affordability of housing, the cost of typical household expenditures, and homelessness in Chemung County.

HUD income limits

The United States Department of Housing and Urban Development (HUD) sets income limits in Fair Market Rent (FMR) areas, otherwise known as HUD Metro FMR Areas (HMFA). Often, these HMFAs match metropolitan statistical area (MSA) boundaries. HUD also provides income limits at the state level. These income limits are used to determine the affordability of housing for HUD programs, such as the low-income housing tax credit (LIHTC) program.

To calculate the income limits, HUD uses median family income (MFI)[7] and then adjusts the income limit based on family size.

Table 5: HUD income limits for Chemung County

	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Extremely low-income (30% MFI)	$17,350	$19,800	$24,860	$30,000	$35,140	$40,280	$45,420	$50,560
Very low-income (50% MFI)	$28,900	$33,000	$37,150	$41,250	$44,550	$47,850	$51,150	$54,450
Low-income (80% MFI)	$46,200	$52,800	$59,400	$65,950	$71,250	$76,550	$81,800	$87,100

Source: U.S. Department of Housing and Urban Development

For the purposes of determining affordability of the housing stock for low-income, very low-income, and extremely low-income households, this study will use the income limits for 4-person households as a base.

[7] Median family income estimates tend to be higher than median household income estimates. This is because HUD uses the U.S. Census Bureau's median family income estimates for their income limits, and therefore use the Census Bureau's definition of a family for the purpose of these calculations, which is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together. Therefore, all families are included in the median household income estimates, but not all households are included in the median family income estimates. Unrelated people living together and single-person households are excluded. The primary reason that median family income estimates tend to be higher is the exclusion of single-person households. For the purpose of the income tables, a multiplier is applied to the MFI to adjust income limits for different sized households, including single-person households.

Affordability analysis

The following analysis compares the supply and demand of housing for extremely low-income households, very low-income households, and low-income households using the HUD income limits discussed in the previous section.[8]

The number of existing affordable housing units is calculated from the number of units in Chemung County, both owned and rented, that are affordable for the corresponding income group. Owner-occupied unit costs are incorporated using home value data. Affordability is determined by dividing gross annual household income by 12, and then multiplying that by 0.3. This represents 30% of the household's gross monthly income. The affordable housing gap is how many affordable housing units are needed to satisfy locally generated demand. The affordability factor is a measure of the relationship between supply and demand that ranges from -100 to 100. A negative value represents demand for affordable housing development. A positive value represents excess affordable housing for that income category.

Table 6: Affordable housing supply and demand by HUD income limits

	Number of households	Existing affordable housing	Affordable housing gap	Affordability factor
Extremely low-income (0 to 30% MFI)	8,755	9,236	-480	2.67
Very low-income (30 to 50% MFI)	3,141	6,121	-2,980	32.17
Low-income (50 to 80% MFI)	6,623	8,167	-1,544	10.44

Source: U.S. Census Bureau; U.S. Department of Housing and Urban Development; Amarach Planning Services

This analysis shows us that there is a surplus of affordable housing available for all low-income groups based on HUD's income limits for Chemung County.

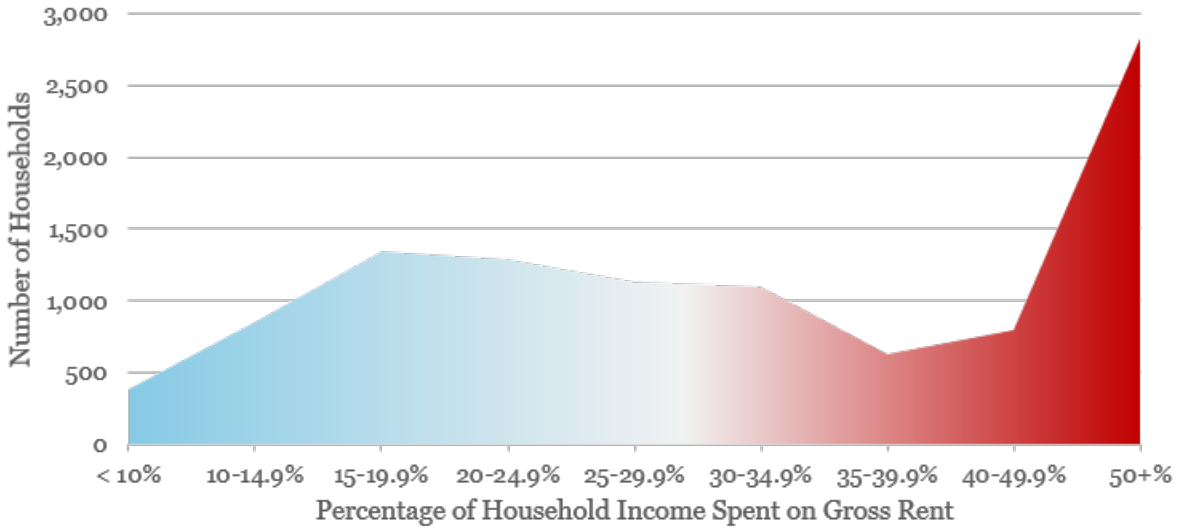
Affordable housing should be seamlessly integrated into the existing community in terms of design and location. New developments should include a minimum percentage of affordable housing. If a development includes a high percentage of affordable housing, that development should not be segregated from the rest of the community. A passer-by should not be able to tell the difference between an affordable unit and a market rate unit. This way, low-income

[8] Note that the income categories are mutually exclusive for the purpose of this analysis, i.e. very low-income households is not all households earning 50% MFI or lower; instead, they are all households earning between 30% and 50% MFI. To instead consider all households earning below 50% MFI, including extremely low-income households, simply add the extremely low-income households and very low-income households together.

households have access to the same services and amenities as the rest of the community without having to endure the stigma sometimes attached to affordable housing.

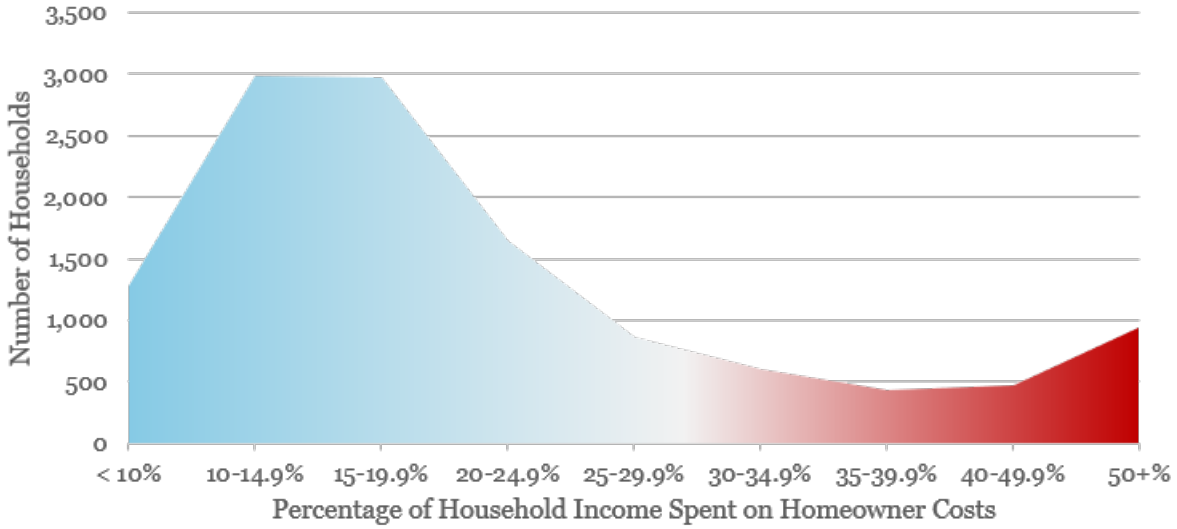
A household should generally not spend more than 30 percent of their income on housing costs. Analyzing the cost burden of housing provides an understanding of how many residents are living in a home that is affordable at their level of income.

Figure 9: Cost burden of housing for renters in Chemung County



Source: U.S. Census Bureau; Amarach Planning Services

Figure 10: Cost burden of housing for homeowners in Chemung County



Source: U.S. Census Bureau; Amarach Planning Services

Table 7: Cost burden analysis results in Chemung County

Household income spent on housing	Renters	Percent	Homeowners	Percent	All residents	Percent
< 10%	387	3.74%	1,285	10.54%	1,672	7.42%
10-14.9%	850	8.22%	2,981	24.45%	3,831	17.00%
15-19.9%	1,345	13.01%	2,966	24.33%	4,311	19.13%
20-24.9%	1,282	12.40%	1,647	13.51%	2,929	13.00%
25-29.9%	1,127	10.90%	857	7.03%	1,984	8.80%
30-34.9%	1,095	10.59%	601	4.93%	1,696	7.53%
35-39.9%	632	6.11%	435	3.57%	1,067	4.74%
40-49.9%	799	7.73%	478	3.92%	1,277	5.67%
50+%	2,823	27.30%	943	7.73%	3,766	16.71%

Source: U.S. Census Bureau; Amarach Planning Services

Among renters in Chemung County, approximately 51.73% of them are cost-burdened by their housing, spending more than 30% of their income on gross rent. Furthermore, approximately 27.30% of renters are severely cost-burdened, spending over 50% of their income on gross rent, making it nearly impossible to afford the rest of life's necessities or to ever save enough money to own a home.

Homeowners are typically less cost-burdened than renters. Among homeowners in Chemung County, approximately 20.15% of them are cost-burdened by their housing, spending more than 30% of their income on homeowner costs, which include mortgage payments, property taxes, homeowner's insurance, utilities, and HOA or condo association fees, when applicable. Approximately 7.73% of homeowners in Chemung County are severely cost-burdened.

In the United States as a whole, approximately 49.42% of renters and 27.21% of homeowners are cost-burdened and approximately 24.62% of renters and 10.73% of homeowners are severely cost-burdened. Compared to the United States averages, renters in Chemung County are more likely to be cost-burdened and homeowners are less likely to be cost-burdened.

A high number of cost-burdened households has negative impacts on the entire community. The quality of life for people in those cost-burdened households is negatively impacted in an obvious way because they may have difficulty affording other necessities for themselves and their children, such as food, clothing, transportation, and medical expenses. Further, people in this highly vulnerable group are at higher risk of experiencing homelessness if they can no longer afford housing. All of this has negative impacts on the health and wellbeing of residents and can put undue strain on community resources and finances. Those cost-burdened households also have less disposable income to spend in the local economy to support small businesses, the arts, and local charitable organizations, leading to a decrease in the quality of life for everyone in the community.

Housing expenditures

This section examines the annual housing expenditures of renter and owner-occupied households in more detail to give a better understanding of the existing conditions for residents living in Chemung County.

Table 8: Average annual homeowner expenditures in Chemung County

	Chemung County annual average	New York annual average	U.S. annual average
Owned dwellings total	$19,071	$33,419	$27,258
Mortgage interest	$3,869	$7,071	$5,940
Mortgage principal	$3,052	$5,327	$4,466
Property taxes	$3,695	$7,056	$5,094
Homeowner's insurance	$895	$1,305	$1,141
Ground rent (when applicable)	$79	$136	$113
Maintenance and remodeling services	$4,098	$6,999	$5,856
Maintenance and remodeling materials	$941	$1,314	$1,210
Property management and security	$173	$412	$274

Source: U.S. Census Bureau; Amarach Planning Services

Table 9: Average annual renter expenditures in Chemung County

	Chemung County annual average	NY annual average	U.S. annual average
Rented dwellings total	$13,889	$20,393	$17,870
Rent	$13,480	$20,009	$17,424
Renters' insurance	$103	$107	$115
Maintenance and repair services	$197	$181	$217
Maintenance and repair materials	$109	$96	$114

Source: U.S. Census Bureau; Amarach Planning Services

Compared to the United States and New York averages, renters and homeowners in Chemung County generally spend less money on housing. While this is informative, this comparison to the national average should not be interpreted as an indicator of affordability of housing in the region, because this analysis does not consider incomes in the area. When these tables are considered in tandem with the previous two sections, they provide insight into how individual types of housing costs vary within Chemung County and in comparison to the New York and United States averages.

Table 10: Average annual household operations expenses in Chemung County

	Chemung County annual average	NY annual average	U.S. annual average
Child care	$362	$570	$517
Home security systems	$37	$46	$49
Housekeeping services	$135	$208	$199
Lawn and garden	$532	$669	$670
Moving & storage	$64	$96	$90
Pest control	$39	$48	$55

Source: U.S. Census Bureau; Amarach Planning Services

Table 10 looks at the types of household operations expenses that are shared between both renters and homeowners. Annual averages for each type of household operations expenditure are provided for Chemung County, New York, and the United States as a whole.

Residential development in Chemung County

This section analyzes the market potential for various types of housing units at different sizes and price points, identifies the optimum market position for each major housing type, and estimates capture and absorption rates of new residential development.

To understand the market potential for residential development in Chemung County, Amarach looks beyond present-day supply and demand. By analyzing who is moving to an area, the rate at which they are moving, the housing preferences, life stage, incomes, wealth, family composition, household sizes, and a multitude of other socio-economic characteristics of existing and future residents, this study pinpoints the types of residential development that will be both successful and beneficial for the community.

Amarach Planning Services' proprietary market analysis methodology differs from other housing studies in a few key ways: it incorporates, but does not rely on, the existence of comparable housing stock to identify the residential market potential of an area; it does not filter out any future residents to create unrealistic results that appeal to developers; and it does not strive to encourage real estate profits at the expense of the existing community. Our methodology focuses on strengthening communities through real estate development by thoughtfully analyzing the population and the local economy and identifying the type of well-designed housing that's both needed and supported by the market for a prosperous and economically resilient future for the entire Chemung County community.[9]

Market potential

The first step of the analysis is to identify the market potential for different types of housing products based on the housing preferences of people moving to Chemung County. This includes both existing residents moving from one home to another within Chemung County and future residents relocating to Chemung County from somewhere else.

[9] The results of this study should not be interpreted as advice on any specific real estate development project. While the author strives for accuracy, these findings are not a substitute for due diligence research. There are many factors that can affect the success of a development project and Amarach Planning Services does not claim or accept responsibility for the success of any particular development project.

Table 11: Average annual market potential in Chemung County

	Potential households per year	Percentage
Single-family detached for sale	597	22.8%
Single-family detached for rent	1,094	41.7%
Townhome for sale	30	1.2%
Townhome for rent	84	3.2%
Duplex unit for sale	27	1.0%
Duplex unit for rent	100	3.8%
Triplex or quad unit for sale	26	1.0%
Triplex or quad unit for rent	103	3.9%
Multifamily unit for sale	121	4.6%
Multifamily unit for rent	441	16.8%

Source: Amarach Planning Services

Table 11 shows that a total of 2,624 households could potentially move to a new unit in Chemung County each year over the next five years.

In Chemung County, the greatest number of potential households are estimated to prefer renting a single-family detached home at a total of 1,094 potential households per year. The lowest number of potential households are estimated to prefer purchasing a triplex or quadruplex unit at a total of 26 potential households per year.

The next step is to establish capture rates and forecast project absorption rates for different types of housing products based on the composition of the existing housing market and the estimated likelihood of potential households to move to an existing unit in or near Chemung County.

Table 12: Annual absorption forecast in Chemung County

	Potential households per year	Capture rates	Annual unit absorption
Single-family detached for sale	597	6.7% - 9.7%	40 - 58
Single-family detached for rent	1,094	0% - 2.8%	0 - 31
Townhome for sale	30	49.9% - 52.9%	15 - 16
Townhome for rent	84	63.1% - 66.1%	53 - 56
Duplex unit for sale	27	0.3% - 2.7%	0 - 1
Duplex unit for rent	100	0.3% - 2.7%	0 - 3
Triplex or quad unit for sale	26	0.2% - 2.8%	0 - 1
Triplex or quad unit for rent	103	0.9% - 3.9%	1 - 4
Multifamily unit for sale	121	35.9% - 38.9%	43 - 47
Multifamily unit for rent	441	64.2% - 67.2%	283 - 296

Source: Amarach Planning Services

By looking at the composition of the existing housing market and analyzing expected capture rates, we can estimate how many units of each housing type would be absorbed by the market. In other words, the number of units that would be immediately occupied after they were built.

In Chemung County, multifamily homes for rent are likely to be absorbed into the market the fastest, at an estimated maximum of 296 units per year.

Resilient growth strategy

This market analysis creates the baseline for a resilient growth strategy by understanding the housing preferences of established and future residents; analyzing the market feasibility of a wide spectrum of housing options, including "missing middle" housing; and incorporating real-life financial limitations of residents without filtering out a target market, so as to support the long-term resilience of the housing market and the community.

The results of this study should be used in concert with good local planning, true community engagement, and well-designed housing developments to create communities that stand the test of time where residents have strong pride of place, the resources to maintain their homes over time, and enough disposable income to invest in a thriving local economy.

Table 13: Optimum market position in Chemung County

	Unit rent/price range	Unit size range	Rent/price per square foot
Single-family detached for sale	$142,000 - $270,000	1,070 - 2,680	$101 - $133
Single-family detached for rent	$1,180 - $2,240	870 - 2,170	$1.03 - $1.36
Townhome for sale	$144,000 - $243,000	870 - 2,180	$111 - $166
Townhome for rent	$1,090 - $1,880	640 - 1,600	$1.18 - $1.72
Duplex unit for sale	$109,000 - $218,000	720 - 1,810	$120 - $151
Duplex unit for rent	$1,030 - $1,770	580 - 1,450	$1.22 - $1.83
Triplex or quad unit for sale	$113,000 - $221,000	730 - 1,820	$121 - $155
Triplex or quad unit for rent	$1,070 - $1,760	560 - 1,410	$1.25 - $1.91
Multifamily unit for sale	$111,000 - $229,000	500 - 1,800	$127 - $222
Multifamily unit for rent	$1,060 - $1,750	350 - 1,240	$1.41 - $3.03

Source: Amarach Planning Services

Table 13 provides the optimum price, rent, and size ranges for new units of each potential housing type.

Ideal unit sizes are based on the household characteristics of residents likely to live in Chemung County over the next five years, including family size, income, and preferences. Price points are based on the preferences and financial capacity of residents over the next five years, and are set both to ensure the market feasibility of new developments and to contribute to the long-term resilience of Chemung County community.

Table 14: Weighted averages of optimum market position in Chemung County

	Weighted average unit rent/price	Weighted average unit size	Weighted average rent/price per square foot
Single-family detached for sale	$204,000	1,670	$122
Single-family detached for rent	$1,650	1,280	$1.29
Townhome for sale	$199,000	1,340	$149
Townhome for rent	$1,480	910	$1.63
Duplex unit for sale	$155,000	1,060	$146
Duplex unit for rent	$1,370	810	$1.69
Triplex or quad unit for sale	$156,000	1,060	$147
Triplex or quad unit for rent	$1,290	760	$1.70
Multifamily unit for sale	$178,000	1,030	$173
Multifamily unit for rent	$1,310	620	$2.11

Source: Amarach Planning Services

Table 14 provides weighted averages of the optimum market position to give a clearer idea of the market preferences for each housing type.

As seen above, the new units with the highest average potential sale price in Chemung County are single-family detached homes, and the units with the highest potential average price per square foot are multifamily homes.

Table 15: Overall optimum market position summary in Chemung County

	Potential households per year	Capture rates	Annual unit absorption	Estimated absorption over next five years	Unit rent/price range	Unit size range	Rent/price per square foot
Single-family detached for sale	597	6.7% - 9.7%	40 - 58	199 - 288	$142,000 - $270,000	1,070 - 2,680	$101 - $133
Single-family detached for rent	1,094	0% - 2.8%	0 - 31	0 - 153	$1,180 - $2,240	870 - 2,170	$1.03 - $1.36
Townhome for sale	30	49.9% - 52.9%	15 - 16	76 - 80	$144,000 - $243,000	870 - 2,180	$111 - $166
Townhome for rent	84	63.1% - 66.1%	53 - 56	265 - 278	$1,090 - $1,880	640 - 1,600	$1.18 - $1.72
Duplex unit for sale	27	0% - 2.7%	0 - 1	0 - 4	$109,000 - $218,000	720 - 1,810	$120 - $151
Duplex unit for rent	100	0% - 2.7%	0 - 3	0 - 14	$1,030 - $1,770	580 - 1,450	$1.22 - $1.83
Triplex or quad unit for sale	26	0% - 2.8%	0 - 1	0 - 4	$113,000 - $221,000	730 - 1,820	$121 - $155
Triplex or quad unit for rent	103	0.9% - 3.9%	1 - 4	5 - 20	$1,070 - $1,760	560 - 1,410	$1.25 - $1.91
Multifamily unit for sale	121	35.9% - 38.9%	43 - 47	217 - 235	$111,000 - $229,000	500 - 1,800	$127 - $222
Multifamily unit for rent	441	64.2% - 67.2%	283 - 296	1,414 - 1,480	$1,060 - $1,750	350 - 1,240	$1.41 - $3.03

Source: Amarach Planning Services

Table 15 provides a complete summary of the optimum market position for each housing type in Chemung County, for both rental and for sale units. These results represent a strategy to most effectively satisfy the housing preferences of the population likely to move into Chemung County over the next five years using Amarach Planning Services' proprietary market analysis methodology. It is impossible to predict all future events that will impact these trends. These numbers and recommendations are a guideline, rooted in research, assuming good faith implementation, and based on interpretation of the data and circumstances available today.

Detailed housing type analysis

This section includes a more detailed analysis of the mix of new units by housing type that is estimated to satisfy the housing preferences of Chemung County residents most effectively over the next five years. Due to the low estimated demand for duplexes, triplexes, and quads, they have been excluded from this section.

Single-family detached

There are between 188 and 442 single-family detached homes with the market potential to be built and occupied over the next five years in Chemung County under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix for single-family detached homes can be found in Table 16 (for sale) and Table 17 (for rent) below.

Table 16: Unit mix of single-family detached homes for sale in Chemung County

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
1 bedroom	11.2%	$142,000	1,070	$133	4 - 6
2 bedrooms	54.5%	$190,000	1,500	$127	22 - 31
3 bedrooms	29.3%	$241,000	2,030	$119	12 - 17
4+ bedrooms	5.0%	$270,000	2,680	$101	2 - 3

Source: Amarach Planning Services

Table 17: Unit mix of single-family detached homes for rent in Chemung County

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
1 bedroom	16.1%	$1,180	870	$1.36	0 - 5
2 bedrooms	61.1%	$1,630	1,210	$1.35	0 - 19
3 bedrooms	17.8%	$1,950	1,650	$1.18	0 - 5
4+ bedrooms	5.0%	$2,240	2,170	$1.03	0 - 2

Source: Amarach Planning Services

Single-family homes make up a small number of the estimated market for new homes in Chemung County over the next five years. The unit size estimated to be the most popular in both the for-sale and the rental market is a 2-bedroom home.

Households interested in single-family detached homes oftentimes value privacy and appreciate the benefit of having a private backyard. Homes should be built close to the sidewalk to encourage socializing with neighbors and passers-by, while also maximizing the size of the backyard. Garages should be rear-loaded, side-loaded, or recessed at least 20 feet behind the front plane of the house. To ensure long-term market viability, homes must be well insulated and energy efficient.

To provide the most benefit to the community, while also reducing economic, infrastructure, and environmental strain, new single-family homes should be built in existing neighborhoods as infill, or in compact, traditional neighborhood developments (TND) mixed with other housing types and uses. To maximize connectivity and improve the community culture that people who want these types of houses are seeking, there should be sidewalks on both sides of the street with parks, stores, places of worship, schools, and other amenities within walking distance. Parks and other amenities should be open to the public and not only for neighborhood residents to encourage more activity. New developments should not be gated. Gated developments encourage more crime and reduce valuable connectivity with the surrounding community.

Townhomes

There are between 341 and 358 townhomes with the market potential to be built and occupied over the next five years in Chemung County under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix for townhomes can be found in Table 18 (for sale) and Table 19 (for rent) below.

Table 18: Unit mix of townhomes for sale in Chemung County

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
1 bedroom	15.4%	$144,000	870	$166	2 - 2
2 bedrooms	49.8%	$188,000	1,220	$154	8 - 8
3 bedrooms	29.7%	$238,000	1,650	$144	4 - 5
4+ bedrooms	5.0%	$243,000	2,180	$111	1 - 1

Source: Amarach Planning Services

Table 19: Unit mix of townhomes for rent in Chemung County

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
1 bedroom	29.3%	$1,090	640	$1.70	16 - 16
2 bedrooms	49.2%	$1,550	900	$1.72	26 - 27
3 bedrooms	16.5%	$1,840	1,220	$1.51	9 - 9
4+ bedrooms	5.0%	$1,880	1,600	$1.18	3 - 3

Source: Amarach Planning Services

Townhomes make up a small number of the estimated market for new homes in Chemung County over the next five years. The unit size estimated to be the most popular in both the for-sale and the rental market is a 2-bedroom home.

Households interested in a townhome are often drawn by both the appeal of high-density living and the privacy and space provided by a home with a private yard. New townhomes should be built on public streets in a grid pattern to maximize yard space, encourage street life, and have more opportunities for mixing uses on corners and busier thoroughfares. Deep stoops or porches with room for seats help capitalize on the social benefits of an active street life, and eyes on the street help prevent crime. Roof decks are an excellent amenity. Homes must be well insulated and energy efficient.

There is a mutually beneficial relationship between townhomes and parks or other amenities when they are located across the street from one another. Townhome residents benefit by being able to walk across the street to an amenity, and the amenity benefits by having residents watching from across the street. New townhome development must not be isolated from other uses. Walkability and connectivity to activity centers, the existing street grid, and other neighborhoods is critically important for a successful townhome development. The unique characteristics of townhomes, as well as the unique needs and desires of people looking to move into a townhome, makes them a good choice for infill development.

Multifamily

There are between 1,631 and 1,716 multifamily homes with the market potential to be built and occupied over the next five years in Chemung County under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix can be found in Table 20 and Table 21 below.

Table 20: Unit mix of multifamily homes for sale in Chemung County

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
Studio	12.4%	$111,000	500	$222	5 - 6
1 bedroom	7.5%	$142,000	720	$197	3 - 4
2 bedrooms	56.0%	$185,000	1,010	$183	24 - 26
3 bedrooms	19.1%	$200,000	1,370	$146	8 - 9
4+ bedrooms	5.0%	$229,000	1,800	$127	2 - 2

Source: Amarach Planning Services

Table 21: Unit mix of multifamily homes for rent in Chemung County

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
Studio	35.9%	$1,060	350	$3.03	101 - 106
1 bedroom	7.5%	$1,110	500	$2.22	21 - 22
2 bedrooms	39.4%	$1,460	700	$2.09	111 - 117
3 bedrooms	12.3%	$1,530	940	$1.63	35 - 36
4+ bedrooms	5.0%	$1,750	1,240	$1.41	14 - 15

Source: Amarach Planning Services

Multifamily units make up a majority of the estimated market for new homes in Chemung County over the next five years. The unit size estimated to be the most popular in both the for-sale and the rental market is a 2-bedroom home.

Households interested in multifamily units want to live in a great location with access to amenities. Many people who choose to live in multifamily housing value walkability and accessibility; being able to walk or take public transit to work, restaurants, parks, or shops is more important to them than having a big house on private land. A variety of amenities that improve residents' quality of life should be provided inside and outside of the building, such as pet-friendly units, in-unit laundry and dishwashers, a rooftop deck, playground, gym, dog park, storage units, smart locks, package room, co-working space, free wi-fi, free coffee, reserved parking, bike storage, and easy access to transit. New multifamily buildings should include a mixture of affordable and market rate units with the same access to amenities.

To ensure resilience and lasting value in our constantly evolving market, multifamily developers must get away from the concept of apartment complexes and embrace the concept of apartment buildings built on the existing street grid, or an extension of the street grid that maximizes connectivity to the existing community. Multifamily buildings on existing street grids are an excellent opportunity for mixed-used development. Many residents, as well as other people in the community, enjoy having a restaurant or coffee shop on the first floor, with housing units on the upper levels. New multifamily development should never be gated and should be built close to the downtown or other activity centers. Walkability to services, amenities, and access to transit is critical. New developments should be mixed-use and mixed-income.

City of Elmira Housing Profile

This section covers the existing housing stock, occupancy, value, and rent trends in the local housing market.

Housing stock

There are currently a total of 12,514 housing units in the City of Elmira. This is an estimated 1.63% increase compared to the 12,313 housing units that existed in 2010 despite the consistently decreasing population. Compare that to the United States as a whole, which saw an estimated 9.38% change in the number of housing units since 2010.

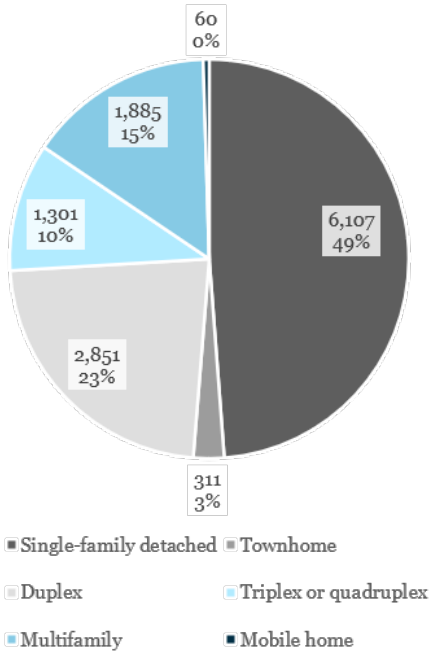
This study separates the housing stock into six housing type categories: single-family detached, townhome/single-family attached, duplex, triplex and quadplex, multifamily[10], and mobile home[11].

The existing housing stock is not necessarily an indication of the housing types that are currently in demand, but it does provide a good understanding of the character of the built environment in the City of Elmira.

The most common housing units in the City of Elmira are single-family detached homes with an estimated 6,107 units, and the least common are mobile homes with an estimated 60 units.

The time period in which the largest number of housing units were built in the City of Elmira was before 1940 with an estimated 7,032 units, and the fewest housing units were built between 2000 and 2009 with an estimated 107 units.

Figure 11: Units by housing type



Source: U.S. Census Bureau; Amarach

[10] For the purposes of this study, a multifamily building is defined as including five units or more and includes both rental apartments and condominiums.

[11] This study uses the U.S. Census Bureau definition of a mobile home, which is a housing unit that was originally constructed to be towed on its own chassis subject to HUD code regulations instead of building code regulations.

Table 22: Housing stock by year built in the City of Elmira

Year built	Number	Percentage	U.S. average
1939 or earlier	7,032	56.19%	12.25%
1940-1949	1,313	10.49%	4.72%
1950-1959	1,510	12.07%	10.03%
1960-1969	1,087	8.68%	10.34%
1970-1979	911	7.28%	14.83%
1980-1989	323	2.58%	13.24%
1990-1999	117	0.93%	13.56%
2000-2009	107	0.86%	13.58%
2010 or later	115	0.92%	7.47%

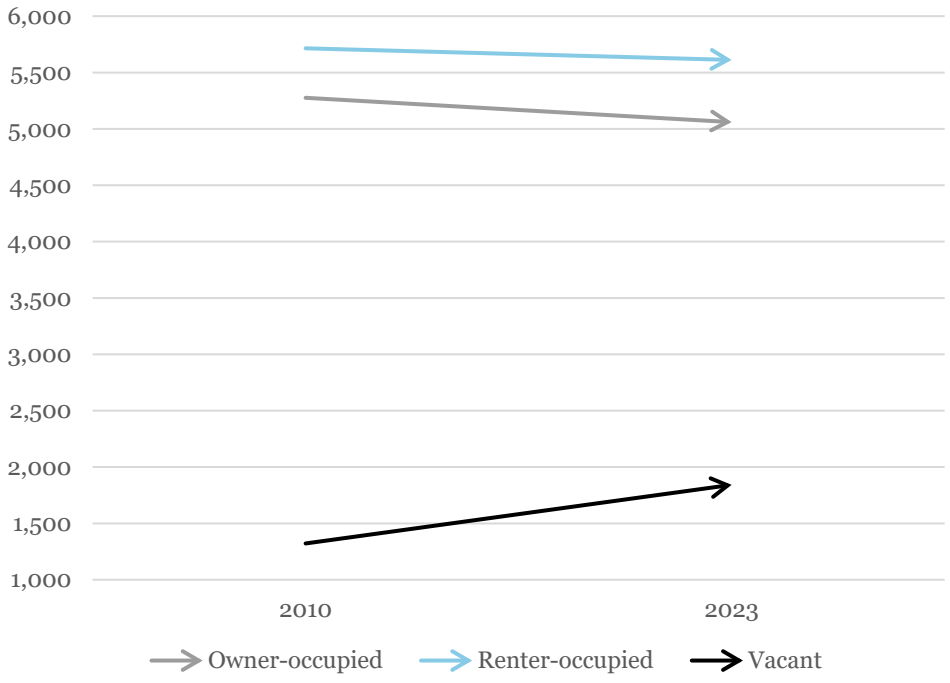
Source: U.S. Census Bureau; Amarach Planning Services

Table 22 shows the total number of housing units built in the City of Elmira by year and compares that to the United States average. Most places in the United States experienced a housing boom from the 1970s until the housing market crashed in 2008. Conversely, there was a shortage of new homes being built in the 1940s because of the resources and people dedicated to World War II, and after the housing market crash of 2008 in the midst of the Great Recession, which was particularly detrimental to the construction industry.

Occupancy

Looking at housing tenure, vacancy rates, and average household size gives a better understanding of the character of the housing market in the City of Elmira.

Figure 12: Housing tenure and occupancy in the City of Elmira over time



Source: U.S. Census Bureau; Amarach Planning Services

The City of Elmira has seen a 4.09% decrease in the number of owner-occupied units since 2010, a 1.80% decrease in the number of renter-occupied units, and a 39.33% increase in the number of vacant units.

Figure 13: Occupancy and tenure in the City of Elmira compared to U.S. average

Source: U.S. Census Bureau; Amarach Planning Services

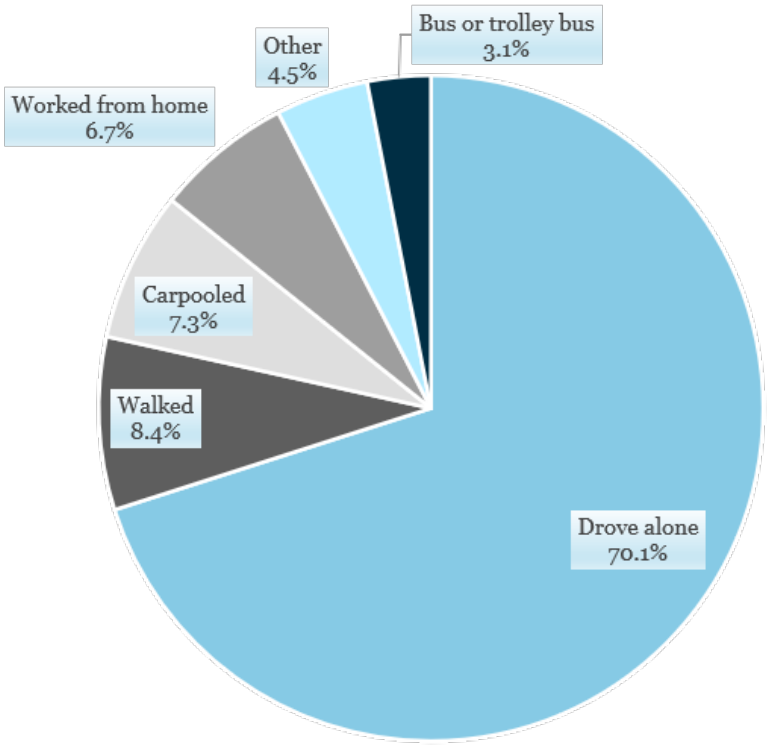
In the United States as a whole, the majority of homes are owner-occupied at 58.51% compared to 31.67% of homes that are renter-occupied. Compare that to the City of Elmira, where the majority of homes are renter-occupied at 44.85% compared to 40.43% of homes that are owner-occupied.

The average household size in the City of Elmira is smaller than the national average, with approximately 2.20 people per household, compared to an average household size of 2.53 in the United States.

Commuting

This section explores the commuting patterns of working people living in the City of Elmira, including the mode of transportation and the length of time it takes to get from home to work.

Figure 14: Commuting mode of transportation in the City of Elmira

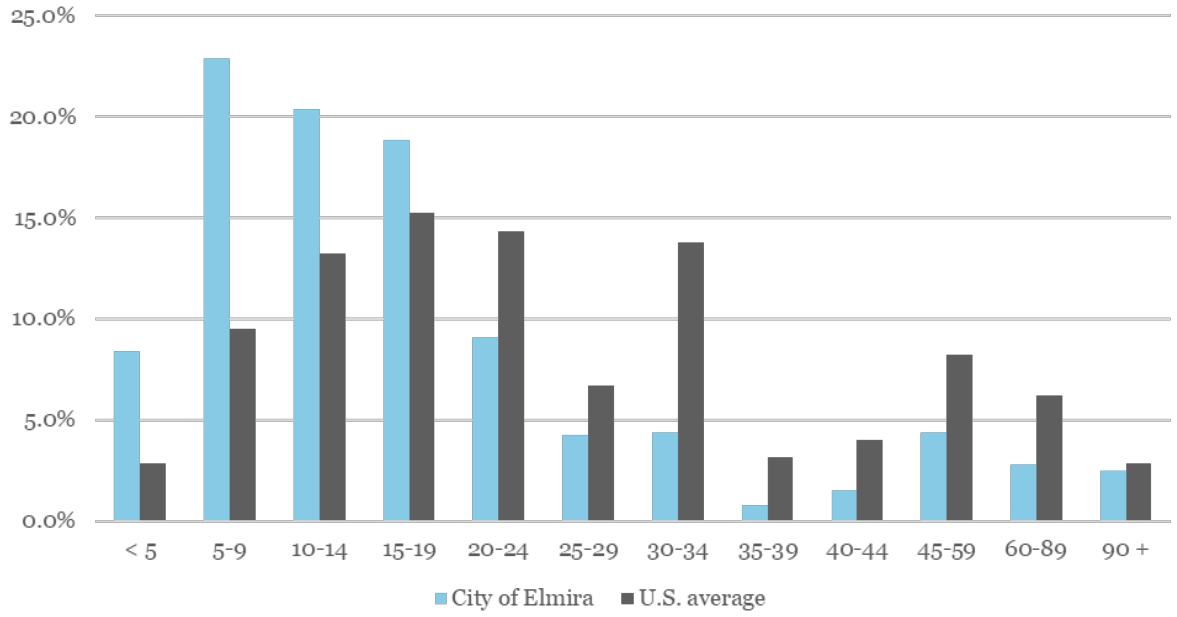


Source: U.S. Census Bureau; Amarach Planning Services

Among workers living in the City of Elmira, the largest group of them drove alone to work, followed by people who walked and carpooled. A high proportion of workers who drive alone to work is indicative of a sprawling development pattern that makes public transportation and

carpooling impractical. Improvements to local land development planning may give workers more commuting options.

Figure 15: Commute time in minutes in the City of Elmira and U.S. average



Source: U.S. Census Bureau; Amarach Planning Services

Figure 14 provides the percentage of workers who spend different amounts of time commuting from home to work. Commuting times of workers living in the City of Elmira are compared to commuting time averages in the United States for context.

Commuting in the City of Elmira takes less time than the national average. The average commuting time in the City of Elmira is 20 minutes, compared to the U.S. average of about 27 minutes.

Value

The median home value in the City of Elmira is an estimated $80,980 and it is projected to change to $84,996 in five years. That works out to be an increase of 4.96% over the next five years. If this increase in value is demand-driven, due to growth in higher-wage jobs or an influx of wealthy residents, then the increases in home values are likely here to stay for the long-term and community leaders should work to preserve affordable housing and prevent gentrification. If the increase in home values is supply-driven, due to shortages in labor and material as a result of accelerated growth, then these increases are likely short-lived. By comparison, the median home value of the United States is approximately $308,943 and is projected to change to $350,006 in five years, which results in a 13.29% change.

Table 23: Distribution of owner-occupied units by value in the City of Elmira

Home value	Owner-occupied units	Percentage	U.S. average
Less than $50,000	849	16.78%	5.45%
$50,000-$99,999	2,713	53.62%	6.69%
$100,000-$149,999	500	9.88%	7.36%
$150,000-$199,999	322	6.36%	9.88%
$200,000-$249,999	118	2.33%	9.81%
$250,000-$299,999	51	1.01%	9.38%
$300,000-$399,999	267	5.28%	15.98%
$400,000-$499,999	25	0.49%	10.70%
$500,000-$749,999	165	3.26%	13.76%
$750,000-$999,999	42	0.83%	5.65%
$1,000,000-$1,499,999	0	0.00%	2.91%
$1,500,000-$1,999,999	8	0.16%	1.10%
$2,000,000 or greater	0	0.00%	1.33%

Source: U.S. Census Bureau; Amarach Planning Services

Table 23 provides the total number of owner-occupied housing units broken down by housing value brackets. For the purposes of this analysis, the values in the percentage column represent the percentage of owner-occupied units; not the percentage of total units. The table also provides a comparison of the City of Elmira to the United States average.

The median housing value is a useful metric to understand whether values are trending up or down, and to make broad comparisons between places. By then separating housing values into brackets, we start to gain a much clearer understanding of the area's housing market.

As shown in the previous table, the largest group of homes in the City of Elmira are worth between $50,000 and $99,999 and the smallest group of homes are worth between $1,000,000 and $1,499,999. Looking across the country, the largest group of homes are worth between $300,000 and $399,999 and the smallest group of homes are worth between $1,500,000 and $1,999,999.

Rent

Table 24: Distribution of renter-occupied units by gross rent in the City of Elmira

Gross rent	Renter-occupied units	Percentage	U.S. average
Under $200	39	0.70%	0.88%
$200-$399	574	10.24%	4.70%
$400-$599	881	15.69%	6.06%
$600-$799	1,543	27.50%	11.73%
$800-$999	1,010	17.99%	15.17%
$1,000-$1,249	1,056	18.82%	17.60%
$1,250-$1,499	256	4.57%	13.20%
$1,500-$1,999	167	2.98%	16.77%
$2,000-$2,499	85	1.51%	7.34%
$2,500-$2,999	0	0.00%	3.09%
$3,000-$3,499	0	0.00%	1.65%
Over $3,500	0	0.00%	1.82%

Source: U.S. Census Bureau; Amarach Planning Services

The previous table provides the total estimated number of renter-occupied housing units in the City of Elmira by gross rent brackets.[12] This table provides a detailed view of how much renters are paying for housing and provides a comparison between rent brackets in the City of Elmira and rent brackets in the United States as a whole.

The median gross rent in the City of Elmira is approximately $785 per month, which is lower than the median rent of the United States of $1,225.

As demonstrated in the table above, the largest group of renter-occupied homes in the City of Elmira are rented for between $600 and $799 per month, and the smallest group of homes are rented for between $2,500 and $2,999. Looking nationwide, the largest group of renters pay between $1,000 and $1,249 per month and the smallest group of renters across the United States pay under $200.

[12] This study uses the Census Bureau definition of gross rent, which is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). By contrast, contract rent is the monthly rent agreed upon regardless of any furnishings, utilities, or services that may be included. Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

Affordability in the City of Elmira

This section analyzes the affordability of housing, the cost of typical household expenditures, and homelessness in the City of Elmira.

HUD income limits

The United States Department of Housing and Urban Development (HUD) sets income limits in Fair Market Rent (FMR) areas, otherwise known as HUD Metro FMR Areas (HMFA). Often, these HMFAs match metropolitan statistical area (MSA) boundaries. HUD also provides income limits at the state level. These income limits are used to determine the affordability of housing for HUD programs, such as the low-income housing tax credit (LIHTC) program.

To calculate the income limits, HUD uses median family income (MFI)[13] and then adjusts the income limit based on family size.

Table 25: HUD income limits for the City of Elmira

	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Extremely low-income (30% MFI)	$5,475	$6,248	$7,844	$9,466	$11,088	$12,710	$14,332	$15,954
Very low-income (50% MFI)	$9,119	$10,413	$11,722	$13,016	$14,057	$15,099	$16,140	$17,181
Low-income (80% MFI)	$14,578	$16,661	$18,743	$20,810	$22,482	$24,155	$25,811	$27,484

Source: U.S. Department of Housing and Urban Development

For the purposes of determining affordability of the housing stock for low-income, very low-income, and extremely low-income households, this study will use the income limits for 4-person households as a base.

[13] Median family income estimates tend to be higher than median household income estimates. This is because HUD uses the U.S. Census Bureau's median family income estimates for their income limits, and therefore use the Census Bureau's definition of a family for the purpose of these calculations, which is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together. Therefore, all families are included in the median household income estimates, but not all households are included in the median family income estimates. Unrelated people living together and single-person households are excluded. The primary reason that median family income estimates tend to be higher is the exclusion of single-person households. For the purpose of the income tables, a multiplier is applied to the MFI to adjust income limits for different sized households, including single-person households.

Affordability analysis

The following analysis compares the supply and demand of housing for extremely low-income households, very low-income households, and low-income households using the HUD income limits discussed in the previous section.[14]

The number of existing affordable housing units is calculated from the number of units in the City of Elmira, both owned and rented, that are affordable for the corresponding income group. Owner-occupied unit costs are incorporated using home value data. Affordability is determined by dividing gross annual household income by 12, and then multiplying that by 0.3. This represents 30% of the household's gross monthly income. The affordable housing gap is how many affordable housing units are needed to satisfy locally generated demand. The affordability factor is a measure of the relationship between supply and demand that ranges from -100 to 100. A negative value represents demand for affordable housing development. A positive value represents excess affordable housing for that income category.

Table 26: Affordable housing supply and demand by HUD income limits

	Number of households	Existing affordable housing	Affordable housing gap	Affordability factor
Extremely low-income (0 to 30% MFI)	1,473	549	924	-62.70
Very low-income (30 to 50% MFI)	552	406	147	-26.58
Low-income (50 to 80% MFI)	1,059	1,230	-170	7.45

Source: U.S. Census Bureau; U.S. Department of Housing and Urban Development; Amarach Planning Services

This analysis shows us that there is a shortage of affordable housing available for extremely low-income and very low-income households in the City of Elmira. Additional affordable housing should be provided to meet the needs of the extremely low-income and very low-income population.

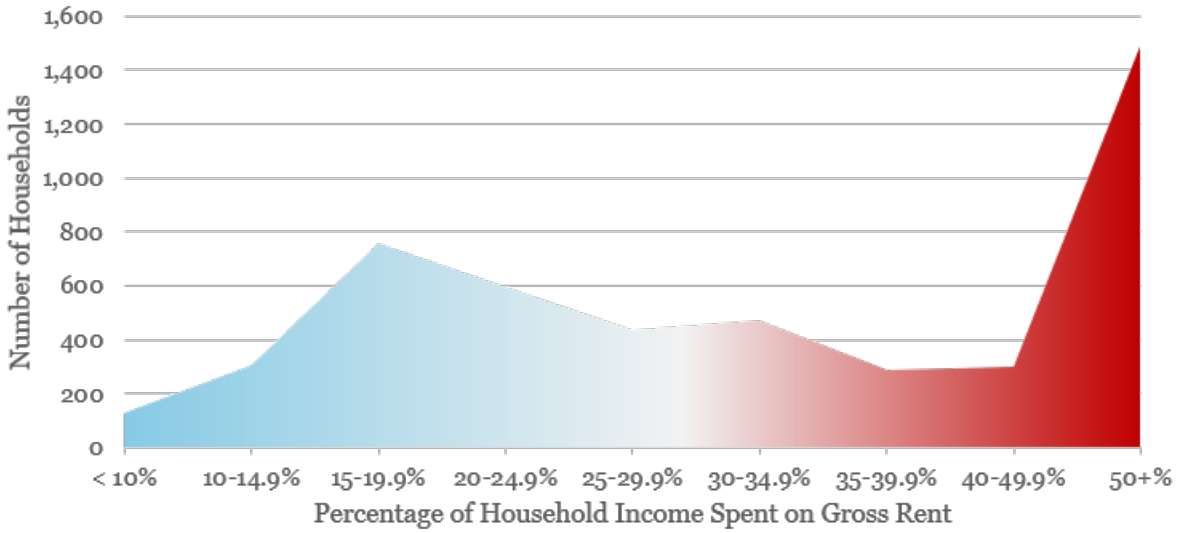
Affordable housing should be seamlessly integrated into the existing community in terms of design and location. New developments should include a minimum percentage of affordable housing. If a development includes a high percentage of affordable housing, that development should not be segregated from the rest of the community. A passer-by should not be able to tell

[14] Note that the income categories are mutually exclusive for the purpose of this analysis, i.e. very low-income households is not all households earning 50% MFI or lower; instead, they are all households earning between 30% and 50% MFI. To instead consider all households earning below 50% MFI, including extremely low-income households, simply add the extremely low-income households and very low-income households together.

the difference between an affordable unit and a market rate unit. This way, low-income households have access to the same services and amenities as the rest of the community without having to endure the stigma sometimes attached to affordable housing.

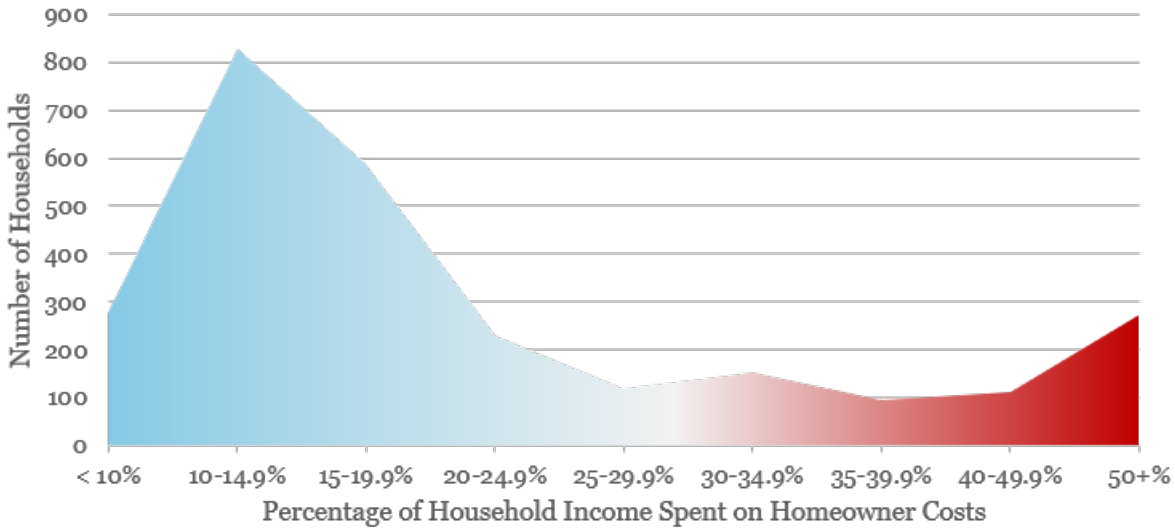
A household should generally not spend more than 30 percent of their income on housing costs. Analyzing the cost burden of housing provides an understanding of how many residents are living in a home that is affordable at their level of income.

Figure 16: Cost burden of housing for renters in the City of Elmira



Source: U.S. Census Bureau; Amarach Planning Services

Figure 17: Cost burden of housing for homeowners in the City of Elmira



Source: U.S. Census Bureau; Amarach Planning Services

Table 27: Cost burden analysis results in the City of Elmira

Household income spent on housing	Renters	Percent	Homeowners	Percent	All residents	Percent
< 10%	124	2.60%	274	10.29%	398	5.35%
10-14.9%	305	6.39%	828	31.08%	1,133	15.24%
15-19.9%	756	15.85%	587	22.03%	1,343	18.06%
20-24.9%	598	12.53%	229	8.60%	827	11.12%
25-29.9%	439	9.20%	118	4.43%	557	7.49%
30-34.9%	472	9.89%	151	5.67%	623	8.38%
35-39.9%	290	6.08%	95	3.57%	385	5.18%
40-49.9%	297	6.23%	110	4.13%	407	5.47%
50+%	1,490	31.23%	272	10.21%	1,762	23.70%
Totals	4,771	100%	2,664	100%	7,435	100%

Source: U.S. Census Bureau; Amarach Planning Services

Among renters in the City of Elmira, approximately 53.43% of them are cost-burdened by their housing, spending more than 30% of their income on gross rent. Furthermore, approximately 31.23% of renters are severely cost-burdened, spending over 50% of their income on gross rent, making it nearly impossible to afford the rest of life's necessities or to ever save enough money to own a home.

Homeowners are typically less cost-burdened than renters. Among homeowners in the City of Elmira, approximately 23.57% of them are cost-burdened by their housing, spending more than 30% of their income on homeowner costs, which include mortgage payments, property taxes, homeowner's insurance, utilities, and HOA or condo association fees, when applicable. Approximately 10.21% of homeowners in the City of Elmira are severely cost-burdened.

In the United States as a whole, approximately 49.42% of renters and 27.21% of homeowners are cost-burdened and approximately 24.62% of renters and 10.73% of homeowners are severely cost-burdened. Compared to the United States averages, renters in the City of Elmira are more likely to be cost-burdened and homeowners are less likely to be cost-burdened.

A high number of cost-burdened households has negative impacts on the entire community. The quality of life for people in those cost-burdened households is negatively impacted in an obvious way because they may have difficulty affording other necessities for themselves and their children, such as food, clothing, transportation, and medical expenses. Further, people in this highly vulnerable group are at higher risk of experiencing homelessness if they can no longer afford housing. All of this has negative impacts on the health and wellbeing of residents and can put undue strain on community resources and finances. Those cost-burdened households also have less disposable income to spend in the local economy to support small businesses, the arts, and local charitable organizations, leading to a decrease in the quality of life for everyone in the community.

Housing expenditures

This section examines the annual housing expenditures of renter and owner-occupied households in more detail to give a better understanding of the existing conditions for residents living in the City of Elmira.

Table 28: Average annual homeowner expenditures in the City of Elmira

	City of Elmira annual average	NY annual average	U.S. annual average
Owned dwellings total	$17,695	$33,419	$27,258
Mortgage interest	$3,616	$7,071	$5,940
Mortgage principal	$2,816	$5,327	$4,466
Property taxes	$3,489	$7,056	$5,094
Homeowner's insurance	$831	$1,305	$1,141
Ground rent (when applicable)	$79	$136	$113
Maintenance and remodeling services	$3,688	$6,999	$5,856
Maintenance and remodeling materials	$841	$1,314	$1,210
Property management and security	$177	$412	$274

Source: U.S. Census Bureau; Amarach Planning Services

Table 29: Average annual renter expenditures in the City of Elmira

	City of Elmira annual average	NY annual average	U.S. annual average
Rented dwellings total	$9,034	$20,393	$17,870
Rent	$8,824	$20,009	$17,424
Renters' insurance	$62	$107	$115
Maintenance and repair services	$94	$181	$217
Maintenance and repair materials	$53	$96	$114

Source: U.S. Census Bureau; Amarach Planning Services

Compared to the United States averages, renters and homeowners in the City of Elmira generally spend less money on housing. While this is informative, this comparison to the national average should not be interpreted as an indicator of affordability of housing in the region, because this analysis does not consider incomes in the area. When these tables are considered in tandem with the previous two sections, they provide insight into how individual types of housing costs vary within the City of Elmira and in comparison to the United States average.

Table 30: Average annual household operations expenses in the City of Elmira

	City of Elmira annual average	NY annual average	U.S. annual average
Child care	$264	$570	$517
Home security systems	$24	$46	$49
Housekeeping services	$86	$208	$199
Lawn and garden	$333	$669	$670
Moving & storage	$50	$96	$90
Pest control	$24	$48	$55

Source: U.S. Census Bureau; Amarach Planning Services

Table 30 looks at the types of household operations expenses that are shared between both renters and homeowners. Annual averages for each type of household operations expenditure are provided for the City of Elmira and the United States as a whole.

Residential development in Elmira

This section analyzes the market potential for various types of housing units at different sizes and price points, identifies the optimum market position for each major housing type, and estimates capture and absorption rates of new residential development.

To understand the market potential for residential development in the City of Elmira, Amarach looks beyond present-day supply and demand. By analyzing who is moving to an area, the rate at which they are moving, the housing preferences, life stage, incomes, wealth, family composition, household sizes, and a multitude of other socio-economic characteristics of existing and future residents, this study pinpoints the types of residential development that will be both successful and beneficial for the community.

Amarach Planning Services' proprietary market analysis methodology differs from other housing studies in a few key ways: it incorporates, but does not rely on, the existence of comparable housing stock to identify the residential market potential of an area; it does not filter out any future residents to create unrealistic results that appeal to developers; and it does not strive to encourage real estate profits at the expense of the existing community. Our methodology focuses on strengthening communities through real estate development by thoughtfully analyzing the population and the local economy and identifying the type of well-designed housing that's both needed and supported by the market for a prosperous and economically resilient future for the entire City of Elmira community.[15]

Market potential

The first step of the analysis is to identify the market potential for different types of housing products based on the housing preferences of people moving to the City of Elmira. This includes both existing residents moving from one home to another within the City of Elmira and future residents relocating to the City of Elmira from somewhere else.

[15] The results of this study should not be interpreted as advice on any specific real estate development project. While the author strives for accuracy, these findings are not a substitute for due diligence research. There are many factors that can affect the success of a development project and Amarach Planning Services does not claim or accept responsibility for the success of any particular development project.

Table 31: Average annual market potential in the City of Elmira

	Potential households per year	Percentage
Single-family detached for sale	131	12.7%
Single-family detached for rent	403	39.0%
Townhome for sale	9	0.9%
Townhome for rent	42	4.1%
Duplex unit for sale	14	1.4%
Duplex unit for rent	63	6.1%
Triplex or quad unit for sale	12	1.2%
Triplex or quad unit for rent	64	6.2%
Multifamily unit for sale	39	3.8%
Multifamily unit for rent	255	24.8%

Source: Amarach Planning Services

Table 31 shows that a total of 1,032 households could potentially move to a new unit in the City of Elmira each year over the next five years.

In the City of Elmira, the greatest number of potential households are estimated to prefer renting a single-family detached home at a total of 403 potential households per year. The lowest number of potential households are estimated to prefer purchasing a townhome at a total of 9 potential households per year.

The next step is to establish capture rates and forecast project absorption rates for different types of housing products based on the composition of the existing housing market and the estimated likelihood of potential households to move to an existing unit in or near the City of Elmira.

Table 32: Annual absorption forecast in the City of Elmira

	Potential households per year	Capture rates	Annual unit absorption
Single-family detached for sale	131	20.5% - 23.5%	27 - 31
Single-family detached for rent	403	2.3% - 5.3%	9 - 22
Townhome for sale	9	43.5% - 46.5%	4 - 4
Townhome for rent	42	52.8% - 55.8%	22 - 24
Duplex unit for sale	14	0% - 2.4%	0 - 0
Duplex unit for rent	63	0% - 2.8%	0 - 2
Triplex or quad unit for sale	12	0% - 2.6%	0 - 0
Triplex or quad unit for rent	64	0.0% - 3.0%	0 - 2
Multifamily unit for sale	39	17.8% - 20.8%	7 - 8
Multifamily unit for rent	255	53.2% - 56.2%	136 - 143

Source: Amarach Planning Services

By looking at the composition of the existing housing market and analyzing expected capture rates, we can estimate how many units of each housing type would be absorbed by the market. In other words, the number of units that would be immediately occupied after they were built.

In the City of Elmira, multifamily homes for rent are likely to be absorbed into the market the fastest, at an estimated maximum of 143 units per year.

Resilient growth strategy

This market analysis creates the baseline for a resilient growth strategy by understanding the housing preferences of established and future residents; analyzing the market feasibility of a wide spectrum of housing options, including "missing middle" housing; and incorporating real-life financial limitations of residents without filtering out a target market, so as to support the long-term resilience of the housing market and the community.

The results of this study should be used in concert with good local planning, true community engagement, and well-designed housing developments to create communities that stand the test of time where residents have strong pride of place, the resources to maintain their homes over time, and enough disposable income to invest in a thriving local economy.

Table 33: Optimum market position in the City of Elmira

	Unit rent/price range	Unit size range	Rent/price per square foot
Single-family detached for sale	$102,000 - $180,000	740 - 1,850	$97 - $138
Single-family detached for rent	$870 - $1,560	650 - 1,630	$0.96 - $1.57
Townhome for sale	$105,000 - $176,000	590 - 1,480	$119 - $178
Townhome for rent	$900 - $1,460	480 - 1,200	$1.22 - $1.88
Duplex unit for sale	$101,000 - $144,000	560 - 1,400	$103 - $180
Duplex unit for rent	$880 - $1,460	490 - 1,210	$1.21 - $1.84
Triplex or quad unit for sale	$106,000 - $147,000	550 - 1,380	$107 - $193
Triplex or quad unit for rent	$920 - $1,450	460 - 1,160	$1.25 - $2.00
Multifamily unit for sale	$98,000 - $147,000	360 - 1,280	$115 - $272
Multifamily unit for rent	$730 - $1,380	270 - 970	$1.42 - $2.70

Source: Amarach Planning Services

Table 33 provides the optimum price, rent, and size ranges for new units of each potential housing type.

Ideal unit sizes are based on the household characteristics of residents likely to live in the City of Elmira over the next five years, including family size, income, and preferences. Price points are based on the preferences and financial capacity of residents over the next five years, and are set both to ensure the market feasibility of new developments and to contribute to the long-term resilience of the City of Elmira community.

Table 34: Weighted averages of optimum market position in the City of Elmira

	Weighted average unit rent/price	Weighted average unit size	Weighted average rent/price per square foot
Single-family detached for sale	$138,000	1,130	$122
Single-family detached for rent	$1,330	940	$1.41
Townhome for sale	$133,000	870	$153
Townhome for rent	$1,150	660	$1.74
Duplex unit for sale	$128,000	810	$158
Duplex unit for rent	$1,160	670	$1.73
Triplex or quad unit for sale	$129,000	780	$165
Triplex or quad unit for rent	$1,120	610	$1.84
Multifamily unit for sale	$126,000	710	$177
Multifamily unit for rent	$1,000	460	$2.17

Source: Amarach Planning Services

Table 34 provides weighted averages of the optimum market position to give a clearer idea of the market preferences for each housing type.

As seen above, the new units with the highest average potential sale price in the City of Elmira are single-family detached homes, and the units with the highest potential average price per square foot are multifamily homes.

Table 35: Overall optimum market position summary in the City of Elmira

	Potential households per year	Capture rates	Annual unit absorption	Estimated absorption over next five years	Unit rent/price range	Unit size range	Rent/price per square foot
Single-family detached for sale	131	20.5% - 23.5%	27 - 31	134 - 154	$102,000 - $180,000	740 - 1,850	$97 - $138
Single-family detached for rent	403	2.3% - 5.3%	9 - 22	47 - 108	$870 - $1,560	650 - 1,630	$0.96 - $1.57
Townhome for sale	9	43.5% - 46.5%	4 - 4	20 - 22	$105,000 - $176,000	590 - 1,480	$119 - $178
Townhome for rent	42	52.8% - 55.8%	22 - 24	112 - 118	$900 - $1,460	480 - 1,200	$1.22 - $1.88
Duplex unit for sale	14	0% - 2.4%	0 - 0	0 - 2	$101,000 - $144,000	560 - 1,400	$103 - $180
Duplex unit for rent	63	0% - 2.8%	0 - 2	0 - 9	$880 - $1,460	490 - 1,210	$1.21 - $1.84
Triplex or quad unit for sale	12	0% - 2.6%	0 - 0	0 - 2	$106,000 - $147,000	550 - 1,380	$107 - $193
Triplex or quad unit for rent	64	0.0% - 3.0%	0 - 2	0 - 10	$920 - $1,450	460 - 1,160	$1.25 - $2.00
Multifamily unit for sale	39	17.8% - 20.8%	7 - 8	34 - 40	$98,000 - $147,000	360 - 1,280	$115 - $272
Multifamily unit for rent	255	53.2% - 56.2%	136 - 143	679 - 717	$730 - $1,380	270 - 970	$1.42 - $2.70

Source: Amarach Planning Services

Table 35 provides a complete summary of the optimum market position for each housing type in the City of Elmira, for both rental and for sale units. These results represent a strategy to most effectively satisfy the housing preferences of the population likely to move into the City of Elmira over the next five years using Amarach Planning Services' proprietary market analysis methodology. It is impossible to predict all future events that will impact these trends. These numbers and recommendations are a guideline, rooted in research, assuming good faith implementation, and based on interpretation of the data and circumstances available today.

Detailed housing type analysis

This section includes a more detailed analysis of the mix of new units by housing type that is estimated to satisfy the housing preferences of City of Elmira residents most effectively over the next five years. Due to low estimated demand for duplexes, triplexes, and quads, those unit types have been excluded from this section.

Single-family detached

There are between 181 and 261 single-family detached homes with the market potential to be built and occupied over the next five years in the City of Elmira under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix for single-family detached homes can be found in Table 36 (for sale) and Table 37 (for rent) below.

Table 36: Unit mix of single-family detached homes for sale in the City of Elmira

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
1 bedroom	13.9%	$102,000	740	$138	4 - 4
2 bedrooms	55.6%	$137,000	1,040	$132	15 - 17
3 bedrooms	25.5%	$152,000	1,410	$108	7 - 8
4+ bedrooms	5.0%	$180,000	1,850	$97	1 - 2

Source: Amarach Planning Services

Table 37: Unit mix of single-family detached homes for rent in the City of Elmira

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
1 bedroom	21.7%	$870	650	$1.34	2 - 5
2 bedrooms	56.7%	$1,430	910	$1.57	5 - 12
3 bedrooms	16.6%	$1,530	1,240	$1.23	2 - 4
4+ bedrooms	5.0%	$1,560	1,630	$0.96	0 - 1

Source: Amarach Planning Services

Single-family homes make up a significant amount of the estimated market for new homes in the City of Elmira over the next five years. The unit size estimated to be the most popular in both the for-sale and the rental market is a 2-bedroom home.

Households interested in single-family detached homes oftentimes value privacy and appreciate the benefit of having a private backyard. Homes should be built close to the sidewalk to encourage socializing with neighbors and passers-by, while also maximizing the size of the backyard. Garages should be rear-loaded, side-loaded, or recessed at least 20 feet behind the front plane of the house. To ensure long-term market viability, homes must be well insulated and energy efficient.

To provide the most benefit to the community, while also reducing economic, infrastructure, and environmental strain, new single-family homes should be built in existing neighborhoods as infill, or in compact, traditional neighborhood developments (TND) mixed with other housing types and uses. To maximize connectivity and improve the community culture that people who want these types of houses are seeking, there should be sidewalks on both sides of the street with parks, stores, places of worship, schools, and other amenities within walking distance. Parks and other amenities should be open to the public and not only for neighborhood residents to encourage more activity. New developments should not be gated. Gated developments encourage more crime and reduce valuable connectivity with the surrounding community.

Townhomes

There are between 132 and 140 townhomes with the market potential to be built and occupied over the next five years in the City of Elmira under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix for townhomes can be found in Table 38 (for sale) and Table 39 (for rent) below.

Table 38: Unit mix of townhomes for sale in the City of Elmira

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
1 bedroom	22.1%	$105,000	590	$178	1 - 1
2 bedrooms	50.3%	$135,000	830	$163	2 - 2
3 bedrooms	22.6%	$148,000	1,120	$132	1 - 1
4+ bedrooms	5.0%	$176,000	1,480	$119	0 - 0

Source: Amarach Planning Services

Table 39: Unit mix of townhomes for rent in the City of Elmira

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
1 bedroom	37.1%	$900	480	$1.88	8 - 9
2 bedrooms	44.2%	$1,240	670	$1.85	10 - 10
3 bedrooms	13.7%	$1,430	910	$1.57	3 - 3
4+ bedrooms	5.0%	$1,460	1,200	$1.22	1 - 1

Source: Amarach Planning Services

Townhomes make up a small number of the estimated market for new homes in the City of Elmira over the next five years. The unit size estimated to be the most popular in both the for-sale and the rental market is a 2-bedroom home.

Households interested in a townhome are often drawn by both the appeal of high-density living and the privacy and space provided by a home with a private yard. New townhomes should be built on public streets in a grid pattern to maximize yard space, encourage street life, and have more opportunities for mixing uses on corners and busier thoroughfares. Deep stoops or porches with room for seats help capitalize on the social benefits of an active street life, and eyes on the street help prevent crime. Roof decks are an excellent amenity. Homes must be well insulated and energy efficient.

There is a mutually beneficial relationship between townhomes and parks or other amenities when they are located across the street from one another. Townhome residents benefit by being able to walk across the street to an amenity, and the amenity benefits by having residents watching from across the street. New townhome development must not be isolated from other uses. Walkability and connectivity to activity centers, the existing street grid, and other neighborhoods is critically important for a successful townhome development. The unique characteristics of townhomes, as well as the unique needs and desires of people looking to move into a townhome, makes them a good choice for infill development.

Multifamily

There are between 714 and 758 multifamily homes with the market potential to be built and occupied over the next five years in the City of Elmira under the correct conditions. One of those conditions is that the correct mix of units must be built in terms of size and price points. The best estimated mix can be found in Table 40 and Table 41 below.

Table 40: Unit mix of multifamily homes for sale in the City of Elmira

	Estimated mix preference	Average optimum price	Average optimum size	Average optimum price per sq. ft.	Annual units absorbed
Studio	13.2%	$98,000	360	$272	1 - 1
1 bedroom	21.6%	$110,000	510	$216	1 - 2
2 bedrooms	41.0%	$133,000	720	$185	3 - 3
3 bedrooms	19.2%	$144,000	980	$147	1 - 2
4+ bedrooms	5.0%	$147,000	1,280	$115	0 - 0

Source: Amarach Planning Services

Table 41: Unit mix of multifamily homes for rent in the City of Elmira

	Estimated mix preference	Average optimum rent	Average optimum size	Average optimum rent per sq. ft.	Annual units absorbed
Studio	31.4%	$730	270	$2.70	43 - 45
1 bedroom	23.8%	$940	390	$2.41	32 - 34
2 bedrooms	27.9%	$1,180	540	$2.19	38 - 40
3 bedrooms	11.8%	$1,230	740	$1.66	16 - 17
4+ bedrooms	5.0%	$1,380	970	$1.42	7 - 7

Source: Amarach Planning Services

Multifamily units make up a majority of the estimated market for new homes in the City of Elmira over the next five years. The unit size estimated to be the most popular is a 2-bedroom home in the for-sale market and a studio home in the rental market.

Households interested in multifamily units want to live in a great location with access to amenities. Many people who choose to live in multifamily housing value walkability and accessibility; being able to walk or take public transit to work, restaurants, parks, or shops is more important to them than having a big house on private land. A variety of amenities that improve residents' quality of life should be provided inside and outside of the building, such as pet-friendly units, in-unit laundry and dishwashers, a rooftop deck, playground, gym, dog park, storage units, smart locks, package room, co-working space, free wi-fi, free coffee, reserved parking, bike storage, and easy access to transit. New multifamily buildings should include a mixture of affordable and market rate units with the same access to amenities.

To ensure resilience and lasting value in our constantly evolving market, multifamily developers must get away from the concept of apartment complexes and embrace the concept of apartment buildings built on the existing street grid, or an extension of the street grid that maximizes connectivity to the existing community. Multifamily buildings on existing street grids are an excellent opportunity for mixed-used development. Many residents, as well as other people in the community, enjoy having a restaurant or coffee shop on the first floor, with housing units on the upper levels. New multifamily development should never be gated and should be built close to the downtown or other activity centers. Walkability to services, amenities, and access to transit is critical. New developments should be mixed-use and mixed-income.

Appendix A: Homelessness

A Continuum of Care (CoC) is the primary organization responsible for coordinating the full range of homelessness services in a geographic area, including the distribution of HUD funds. For purposes of distributing federal aid and conducting regional counts, most of the nation is split into CoC areas. In almost all cases, a CoC area comprises a county or group of counties and CoC boundaries are usually drawn along county lines.

Continuums of Care

Since 1994, HUD has provided support under the Super Notice of Fund Availability (NOFA) program to assist people experiencing homelessness achieve self-sufficiency and permanent housing. Eligible counties seeking funding were required to submit a "continuum of care" plan to HUD. These plans justified community requests for funding under a variety of federal programs, such as the Supportive Housing Program (SHP) and the Shelter Plus Care Program (S+C).

Beginning in 2005, HUD mandated that jurisdictions conduct a point-in-time (PIT) count at least once every two years in the last week of January to receive federal aid for homelessness programs. Before CoC plans began incorporating PIT counts into the requirements for federal aid, people experiencing homelessness were not counted in the decennial Census, the American Community Survey, the Current Population Survey, the American Housing Survey, or any other national quantitative dataset of the population or households.

Division B of the Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability, called the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), amended the McKinney-Vento Homeless Assistance Act and established the Continuum of Care (CoC) Program by consolidating and amending the SHP, S+C, & Section 8/SRO programs. Consolidating these programs into the CoC Program improved efficiency and enhanced the response coordination of these programs to better meet the needs of homeless individuals and families. President Obama signed the HEARTH Act into law in 2009, and HUD published the CoC Program Interim Rule in 2012 to formally implement the CoC Program.

The CoC Program is designed to promote community-wide commitment to the goal of ending homelessness, quickly re-house individuals and families experiencing homelessness, provide those individuals and families with access to supportive services and programs to keep them in housing, and to optimize self-sufficiency among program participants.

One of the primary responsibilities of the CoC Board[16] is to understand the extent and nature of homelessness in the geographic area that the CoC services, partly by conducting annual or biennial PIT counts and annual housing inventory counts (HIC) of the sheltered population

[16] The CoC Board is the entity established by the CoC to act on its behalf. The CoC's Board must be representative of the CoC and must include at least one homeless or previously homeless individual. The responsibilities of the Board depend on how much authority is delegated to the Board by the CoC, in accordance with the CoC's governance charter.

through use of the CoC's homelessness management information system (HMIS). Each CoC develops a methodology that best fits their geographic area in accordance with HUD's minimum standards for conducting the PIT count. CoCs may either conduct a complete census or one or more sampling and extrapolation methods. HUD evaluates the nature and basis for estimation and extrapolation of CoCs sheltered and/or unsheltered counts in the annual CoC Program Competition.

Housing First

This section provides some background information about the origins of the Housing First approach and the research related to the efficacy of Housing First as a strategy to reducing homelessness.

Origin of Housing First

Psychologist Sam Tsemberis and others developed the Housing First approach and founded Pathways to Housing, Inc. in 1992 based on the idea that attempts to treat poor mental health are much more effective when a person has a safe and private place to call home. Shortly after the founding of Pathways, a study was conducted through a collaboration between Pathways to Housing, New York City's Human Resources Administration, and New York State's Nathan Kline Institute. Researchers compiled data for several thousand people experiencing homelessness who were participating in traditional continuum of care programs or the Pathways to Housing program over a five-year period. They analyzed rates at which people remained sheltered or housed, controlling for differences in client characteristics before program entry. In a comparison between traditional programs and the Housing First approach, the results showed that 88 percent of Housing First participants remained housed compared to 47 percent of traditional program participants.

In 1996, the federal Substance Abuse and Mental Health Services Administration (SAMHSA) issued a request for proposals for grant funding to study mental illness and homelessness. SAMHSA awarded six grants and required that all recipients of funding use a common set of outcome measures so that results could be compared across the various study areas. Pathways to Housing was awarded one of the grants and was the only program testing Housing First.

The project began in 1997 was called the New York Housing Study (NYHS). The longitudinal study followed participants for two years and lasted for about four years total. Participants were recruited between 1997 and 1999 and were required to have spent 15 of the last 30 days unsheltered, have a history of homelessness over the past six months, and have a psychiatric diagnosis of severe mental illness. About 90 percent of the 225 people enrolled in the study also struggled with substance abuse. Of the 225 people enrolled, 99 of them were randomly assigned to the Housing First group and 126 of them were randomly assigned to the control group, which was a Treatment First program that provided "treatment as usual." People in the Housing First group were immediately placed in a small studio or one-bedroom apartment in an affordable area. Participants were required to pay 30 percent of their income, which many times was Social Security Income (SSI) benefits, toward their rent. They were also required to allow the support services team to visit their apartment on a weekly basis. In the control group, participants were

placed in a group home, shelter, or single-room occupancy (SRO) building with shared sleeping, cooking, and bathing facilities. Participants were expected to remain drug and alcohol free, stick to curfews, and follow other rules typical of a Treatment First program in the hopes that they may ultimately be rewarded with a home.

The results of the NYHS showed that participants in the Housing First group spent approximately 80 percent of their time in stable housing compared to 30 percent of the Treatment First group participants after two years. The study also had a high participant retention rate of 94 percent after 12 months and 87 percent by the conclusion of the study, giving researchers a relatively large sample size to analyze for a longitudinal study of this length and detail. The NYHS also found that Housing First group participants spent less time hospitalized for psychiatric problems, and that housing people struggling with drug or alcohol abuse problems in a private apartment may be more effective at reducing rates of substance abuse than an abstinence program in a group setting, where disruptive behaviors are more likely to impinge on others.

Efficacy of Housing First

After the NYHS, other research efforts attempted to gauge the efficacy of the Housing First approach by conducting longitudinal studies on people experiencing homelessness and comparing the housing retention rate of people in Housing First programs versus the housing retention rate of people in traditional or treatment-first programs. The results of these studies have generally provided overwhelming support for the Housing First approach. In 2004, the United States Interagency Council on Homelessness (USICH) provided grant funding for projects intended to address chronic homelessness in eleven cities. Seven of those eleven cities used the Housing First model. After 12 months, the housing retention rate among the Housing First project participants in those seven cities was 85 percent. A similar three-city, 12-month study by HUD published in 2009 achieved an 84 percent housing retention rate. Studies in Washington, DC (2012); the State of Vermont (2013); and Seattle, Washington (2013) all found similar results with housing retention rates of 84 percent, 85 percent, and 77 percent, respectively. A study in four Canadian cities (Vancouver, Winnipeg, Toronto, and Montreal) published in 2015 supported American results as well. Among 1,198 participants, the study found that people housed using a Housing First program were housed 63 to 77 percent of the time in the two-year study period, while those in the control group were housed only 24 to 39 percent of the time.

Dennis Culhane, Stephen Metraux, and Trevor Hadley published a study in 2002, in which they found that using a Housing First approach is cost-effective compared to other homelessness alleviation strategies as well. The researchers analyzed administrative data for several thousand people experiencing homelessness with severe mental illness in New York City who were placed in housing between 1989 and 1997 and a control group of people with severe mental illness experiencing homelessness who were not placed in housing tracked over the same time period. Their findings indicated that the average annual cost of shelter use, hospitalization, and

incarceration for a person experiencing homelessness with severe mental illness was $40,451.[17] This number was reduced by an average of $16,281 per year when the person was placed in a home, and the average cost of a home was $17,277. This did not result in a comprehensive cost-savings, but putting people in housing did result in a reduction in homelessness for only an overall $996 per unit per year in New York City.

Now that the Housing First approach has been validated through extensive research and adopted by HUD, CoCs see a funding incentive to labeling more programs in their jurisdiction as following a "Housing First" approach or providing "permanent housing." In some cases, these "permanent housing" units may still come with strings attached, or cycle between recipients after a fixed period of time, which is really more similar to a transitional housing program. This drives home the point that CoC data should be interpreted with caution, though they are the best data available. CoCs should continue to strive to improve the quality of their data over time.

Homelessness in Chemung County

HUD encourages coordination and cooperation among political jurisdictions to create comprehensive packages of services and solutions to homelessness. CoC applications that demonstrate good coordination are therefore more competitive. Participating in a CoC is voluntary, and jurisdictions that are not interested in applying for federal funds are not required to participate in a CoC or conduct point-in-time (PIT) counts of people experiencing homelessness.

The jurisdictions that do participate in the CoC program provide the data necessary to study homelessness trends in the United States by maintaining a homelessness management information system (HMIS), conducting an annual housing inventory count (HIC) of shelter beds and housing for people experiencing homelessness, and an annual or biennial PIT count for people experiencing unsheltered homelessness.

Both Chemung County and the City of Elmira are served by the NY-501 CoC, which covers Allegany, Livingston, Chemung, Schuyler, and Steuben Counties. Data from the CoC were used to conduct the analysis in this section. According to the latest PIT and HIC data from HUD for the NY-501 CoC, the number of people experiencing homelessness in the CoC is summarized in the following table.

[17] Their findings also indicated that approximately 10 percent of people experiencing homelessness were responsible for 50 percent of service costs (in shelters, hospitals, and jails). This subgroup was labeled the "chronically homeless."

Table 42: People experiencing homelessness by shelter and household type

	Unsheltered	Emergency shelter	Transitional housing program	Permanent housing program	Total
In a household of only adults	10	291	6	405	712
In a household of adults and children	0	37	12	166	215
In a household of only children	0	0	0	0	0
Total	10	328	18	571	927

Source: U.S. Department of Housing and Urban Development; CoC reporting; Amarach Planning Services

The table above divides the population of people experiencing homelessness into household groups based on the presence of children, and by whether they are unsheltered, in emergency shelter, transitional housing, or permanent housing of some variety.[18] In the NY-501 CoC, all permanent housing beds were reported to be occupied on the night of the PIT count with the exception of two beds in the CCST LaFrance Housing Project (adults only).[19]

CoC data are unfortunately inconsistent in quality. This is because CoC data are largely collected by volunteers. The PIT count is conducted annually or once every two years, so oftentimes new volunteers need to be retrained for each count. It is common for people experiencing homelessness in an area to be undercounted and miscategorized. A volunteer error can easily skew the data.

Therefore, it is important to use caution when interpreting the results of homelessness data. If a CoC suspects that they may have data quality issues, the CoC board should request technical assistance from HUD and local partners.

Recently, HUD has adopted a Housing First approach to ending homelessness, which is a homelessness alleviation philosophy rooted in giving people experiencing homelessness immediate access to housing and support services. Research and implementation in other communities show that a Housing First strategy is significantly more successful at reducing rates of homelessness than other approaches, and the benefits of a Housing First approach are longer lasting, more comprehensive, and less costly over time.

[18] Similar to most HUD reporting, this study considers people in a Safe Haven program to be in a type of transitional housing. This study categorizes permanent supportive housing, rapid rehousing programs, and other types of permanent housing as "permanent housing."

[19] Per the 2022 HIC (raw file) available at https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/.

Understanding the importance of the Housing First approach in ending homelessness, Amarach Planning Services has developed a Housing First index that can be used to quickly analyze a CoC's adherence to the Housing First approach.

Figure 18: Housing First index formula

$$hf = \frac{\left(\frac{\tau}{2}\right) + \rho + \varphi + \phi}{\beta}$$

Source: Amarach Planning Services

This formula results in an index score between 0 and 1 where a higher value indicates more reliance on permanent housing strategies and a stronger alignment with the Housing First approach.[20]

According to the CoC data available for the study area, the Housing First index score is approximately 0.626. This is an above average index score compared to the national average. CoC resources should continue to be directed towards providing permanent supportive housing, rapid rehousing, and other permanent housing units to reduce homelessness most effectively in the community.

To ensure the fidelity of the permanent housing program components of a Housing First approach, check that permanent housing programs meet these two criteria:

1. People are rapidly placed and stabilized in permanent housing without any preconditions regarding income, work effort, sobriety, or any other factor.
2. Once in housing, individuals never face requirements to participate in services as a condition of retaining their housing.

Research has also found that there is a statistically significant relationship between the Housing First index and the percentage of renter-occupied households that seems to affect the prevalence of homelessness in a community. This suggests that homelessness may also be reduced in the long term by reducing barriers to homeownership among extremely low-income households. High rates of rental housing in the community, especially among extremely low-income households, puts more people at-risk of experiencing homelessness if they are faced with an unexpected financial crisis.

[20] The Housing First index is equal to the sum of the number of people in transitional housing (including Safe Haven beds) (τ) divided by two, the number of people in rapid re-housing units (ρ), the number of people in permanent supportive housing (φ), and the number of people in other permanent housing (ϕ) divided by the total number of people experiencing homelessness (β) in the CoC, which also includes people in emergency shelter beds and those who are unsheltered.

Appendix B: Methodology

The methodology used by Amarach Planning Services to write this study is grounded in geographic information systems (GIS). Data to produce the Housing Market Study were pulled from the United States Census Bureau, the United States Department of Housing and Urban Development (HUD), private data sources like Esri, and Continuum of Care (CoC) reports.

To retrieve data for a custom study area boundary, Amarach Planning Services uses Esri's data apportionment methodology. For standard geographies, like states, counties, or postal codes, the data are simply retrieved for the standard geography without any further manipulation. If the study area is something other than a standard geography, like a local election district, city quadrant, special planning area, or a business trade area, then the data are apportioned using Esri's weighted centroid geographic retrieval methodology to aggregate Census block data that fall within the custom boundary.

Information in this study regarding housing stock, occupancy, tenure, value, cost burden, and housing expenditures were analyzed by Amarach Planning Services using data from the United States Census Bureau. Census block data were pulled from published decennial census databases, the American Community Survey five-year estimates, the Current Population Survey, and the Housing Vacancy Survey. To conduct projections, Esri's current-year and forecast-year projection methodology was used. This methodology utilizes building permit data, additional construction data from multiple governmental and nongovernmental sources, United States Postal Service residential lists, and compares those data to past trends from the Census Bureau to determine the current-year and five-year projection. For home value projections, the Home Price Expectations Survey from Pulsenomics and the House Price Index (HPI) from the Federal Housing Finance Agency (FHFA) are also used and compared to value trend data from the Census Bureau.

Information in this study regarding income limits, affordability, and homelessness were analyzed by Amarach Planning Services using data from the United States Department of Housing and Urban Development (HUD). Income limits are published by HUD for counties, states, and HUD Metropolitan Fair Market Rent/Income Limits Areas (HMFA). If the study is for a county or state, then county or state income limits are used. Otherwise, if the study boundary falls within an HMFA, then the HMFA income limits are used, and if the study boundary falls outside of an HMFA, then the county income limits are used for the purposes of this study. Homelessness data are pulled from Continuum of Care (CoC) reports for the point-in-time (PIT) counts and the housing inventory counts (HIC) published by HUD. These homelessness data are collected by CoC organizations for each of their respective CoC areas. If the study area falls within a CoC, data from that CoC are used. If the study area falls within multiple CoCs, the CoC data are aggregated. If the study area falls outside of a CoC, then homelessness cannot be analyzed, as CoC data are the only viable data source for homelessness at this time.

The residential development section of this study utilizes a detailed proprietary methodology based on population projections using construction data, migration data from the Internal

Revenue Service, household data from the United States Census Bureau, and a cluster analysis using a combination of demographic and consumer data to form tapestry segmentation data from Esri. By analyzing housing preferences of households living in and moving to the area, Amarach Planning Services is able to analyze the market potential for a variety of housing types and pinpoint optimum sizing and price points without being limited to an analysis of what is selling in the study area today.

More detail regarding the definitions and methodologies used for specific sections can be found in the text and in footnotes throughout the study.