



CHAPTER 4 SNAPSHOT

HOUSING AFFORDABILITY

Purpose:

- Assesses the extent of affordability problems in Oakland County.

Content:

- Overview of why housing affordability is something to be concerned about.
- For both renters and owners, it details:
 - How many households face affordability problems (countywide and by CVT).
 - Affordability concerns by age group, race, and household income.
 - The extent to which housing problems are driven by housing cost vs. household income (includes an analysis of the price of homes sold from 1995-2004).
 - Compares affordability numbers for Oakland County with other counties in the region, state, and nation.

Major Findings:

- ***Serious levels of affordability problems exist*** in both absolute and relative terms. Almost 103,000 households (22% of all households) face affordability problems. Nine percent (almost 40,600 households) face severe affordability problems.
- ***Affordability problems have increased since 1990*** in terms of both number of households and percentage of all households.
- It is becoming ***increasingly difficult for people moving into the county to find affordable housing***. Affordability is more problematic for people moving into the county recently than for those who have been in the county for some time.
- Oakland County's ***elderly households face affordability problems much more frequently than younger households***. 29% of all elderly households face cost burden (2nd highest rate in the state). 14% face severe cost burden (highest rate in the state). 51% of all elderly renters face cost burden; 22% of elderly owners face cost burden. Some communities in the county have especially high levels of affordability problems for elderly residents.
- Affordability problems are ***far more prevalent among Black households and Hispanic households***. 32% of Black households (10 percent more than White households) face cost burden. 29% of Hispanic households face cost burden.
- Affordability problems ***impact all income groups*** in the county. Affordability problems are especially prevalent among households at or below low-income, but a considerable number of middle-income families also face affordability problems.
- ***For almost every income group, affordability problems are more common in Oakland County than almost every other county in the region.***

- **Housing cost is an increasingly important determinant of housing affordability** for all households. Housing has become considerably more expensive in the county over the past decade.
- **Affordable housing is concentrated in a small number of communities.** Five communities accounted for 61 percent of all home sales affordable to extremely low-income households from 1995 through 2004. These same communities accounted for 53 percent of all sales affordable to very low-income families, 42 percent of sales affordable to low-income families, and more than one-third of sales affordable to families earning the median income. Affordable rental housing is also highly concentrated.
- **Affordability problems are more common among renters** (31% face cost burden) than owners (19% face cost burden).
- **Affordability problems vary considerably by community.** Some communities within the county have far greater problems than others; however, there is no clear spatial pattern of problems within the county.

Conclusions:

- It is very difficult for people earning low-incomes to access housing in the county. The housing that is affordable to lower-income households is highly concentrated in a small number of communities. This makes it very difficult for low-income households to take advantage of opportunities in the county, especially in high growth communities.
- Affordability problems for the elderly may significantly affect their ability to live out the rest of their lives in Oakland County. Concerns over both equity and the reality that the elderly will account for a growing share of the county's population over the next couple of decades, make it critical to ensure an ample affordable housing options for the elderly.
- Housing affordability problems are likely having their biggest economic impact on low-skilled, service-sector jobs for which the pay is insufficient to support renting or purchasing a house in the county. Yet, the relatively high level of affordability problems among middle-income households suggests the impact might extend further.
- Worsening affordability may cause the positive economic trends for middle-income workers to change. The data presented in this chapter of the report suggest that affordability is a growing factor behind middle-income families moving out of the county.
- Affordability problems may further impact economic growth and community sustainability by contributing to increased commuting into the county, decreasing the disposable income of Oakland County households, and creating areas of concentrated poverty.
- The higher prevalence of affordability problems among Black and Hispanic households threaten the gains that the county has achieved in terms of racial diversity.
- Oakland County has a unique opportunity to address affordability before it significantly impacts its status as a destination of choice. Actions by government, nonprofit, and private sector stakeholders to reduce affordability problems are warranted. Actions to increase the supply of affordable housing by providing new affordable units or make the existing housing cost less would seem to be the priority for those actions.