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ADVISORY SERVICES

## Housing Analysis and Housing Needs Assessment

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# East Lyme: Housing Analysis and Housing Needs Assessment

## Presentation Overview

The aim of this presentation is to explore the physical and financial characteristics of East Lyme's housing stock and the need for affordable. This presentation will include:

- Housing Stock Characteristics
- Housing Stock Cost Characteristics
- Housing Need Assessment
- Housing Need Versus Demand



Dr. Poland is an urban geographer, planner, and community strategist whose work focuses on assisting communities to compete for wealth and investment (socio-economic prosperity) through strategic interventions that build community confidence, foster pride in place, create predictability in market, and grow demand.

[dpoland@gomanyork.com](mailto:dpoland@gomanyork.com)

[www.gomanyork.com](http://www.gomanyork.com)

860.655.6897



## Housing Stock Characteristics

# East Lyme: Housing Analysis and Housing Needs Assessment

## East Lyme's Housing Stock

### Vacancy rates:

- less than 8% typically indicate strong demand and may signal demand for additional supply.
- less than 5% indicate a very strong market and vacancies are likely the result of naturally occurring turnover.

### Household Size by Tenure:

- Single-unit detached (77.9%) and single-unit attached (3.1%) combine total 8,610 (81.0%) housing units—the housing most favorable to homeownership.
- Percentage of single-unit detached housing (77.9%) is slightly higher than owner-occupied (72.8%) housing.
- Average household size of owner-occupied units is 2.48 persons per unit compared to 1.83 persons per rental unit—lower than county and state household size.
- The remaining 19.0% of the housing stock is in various forms of missing middle and multi-family housing.
- East Lyme's housing stock lacks diversity and could benefit from more diversity.
- Seasonal housing is likely impacting some of the numbers.

	East Lyme	New London County	Connecticut
Total housing units	8,610	123,849	1,521,199
Occupied housing units	7,361 (85.5%)	109,616	1,385,437
Vacant housing units	1,249 (14.5%)	14,233	135,762
Owner vacancy rate (%)	0.4	1.9	1.5
Renter vacancy rate (%)	1.0	3.8	5.6

	East Lyme	New London County	Connecticut
Occupied housing units	7,361	109,616	1,385,437
Owner-occupied	5,360 (72.8%)	73,565 (67.1%)	915,408
Renter-occupied	2,001 (27.2%)	36,051 (32.9%)	470,029
Average household size of owner-occupied unit	2.48	2.44	2.63
Average household size of renter-occupied unit	1.83	2.09	2.24

	East Lyme	New London County	Connecticut
Total housing units	8,610	123,849	1,521,199
1-unit detached	6,707 (77.9%)	79,926	897,094
1-unit attached	270 (3.1%)	5,477	85,585
2 units	248	10,235	125,289
3 or 4 units	324	8,044	128,352
5 to 9 units	234	6,455	80,405
10 to 19 units	331	3,893	54,136
20 or more units	453	6,399	137,923
Mobile home	43	3,390	11,943
Boat, RV, van, etc.	0	30	472

# East Lyme: Housing Analysis and Housing Needs Assessment

## East Lyme's Housing Stock

### Bedrooms:

- 66.0% of the housing stock has three or more bedrooms.
  - Deserves consideration in the context of the changing demographic structure of households.
  - Household size has been declining for decades, as have the number of households with children.
- Single-family detached housing stock with 3- or more-bedroom units *may* point to a housing stock designed more for past generations—may not serve today's households as well.

### Housing Age:

- East Lyme's housing stock is relatively younger than many communities, including the county and state housing stocks, with 50.0% built between 1970 and 2020.

	East Lyme	New London County	Connecticut
Total housing units	8,610	123,849	1,521,199
No bedroom	68 (0.8%)	1,882	34,396
1 bedroom	719 (8.4%)	13,514	193,049
2 bedrooms	2,144 (24.9%)	32,720	408,203
3 bedrooms	3,357 (39.0%)	50,040	554,425
4 bedrooms	1,900 (22.1%)	21,359	261,319
5 or more bedrooms	422 (4.9%)	4,334	69,807

	East Lyme	New London County	Connecticut
Total housing units	8,610	123,849	1,521,199
Built 2014 or later	416 (4.8%)	1,893	23,860
Built 2010 to 2013	338 (3.9%)	1,711	22,107
Built 2000 to 2009	1,010 (11.7%)	11,306	102,986
Built 1990 to 1999	682 (7.9%)	11,253	118,768
Built 1980 to 1989	738 (8.6%)	15,273	188,346
Built 1970 to 1979	1,119 (13.0%)	16,456	204,902
Built 1960 to 1969	1,514 (17.6%)	16,526	206,458
Built 1950 to 1959	1,138 (13.2%)	15,125	223,513
Built 1940 to 1949	366 (4.3%)	5,649	102,488
Built 1939 or earlier	1,289 (15.0%)	28,657	327,771

# East Lyme: Housing Analysis and Housing Needs Assessment

The **2021 Home Buyers and Sellers Generational Trends Report**, by the National Association of REALTORS. Summary of findings:

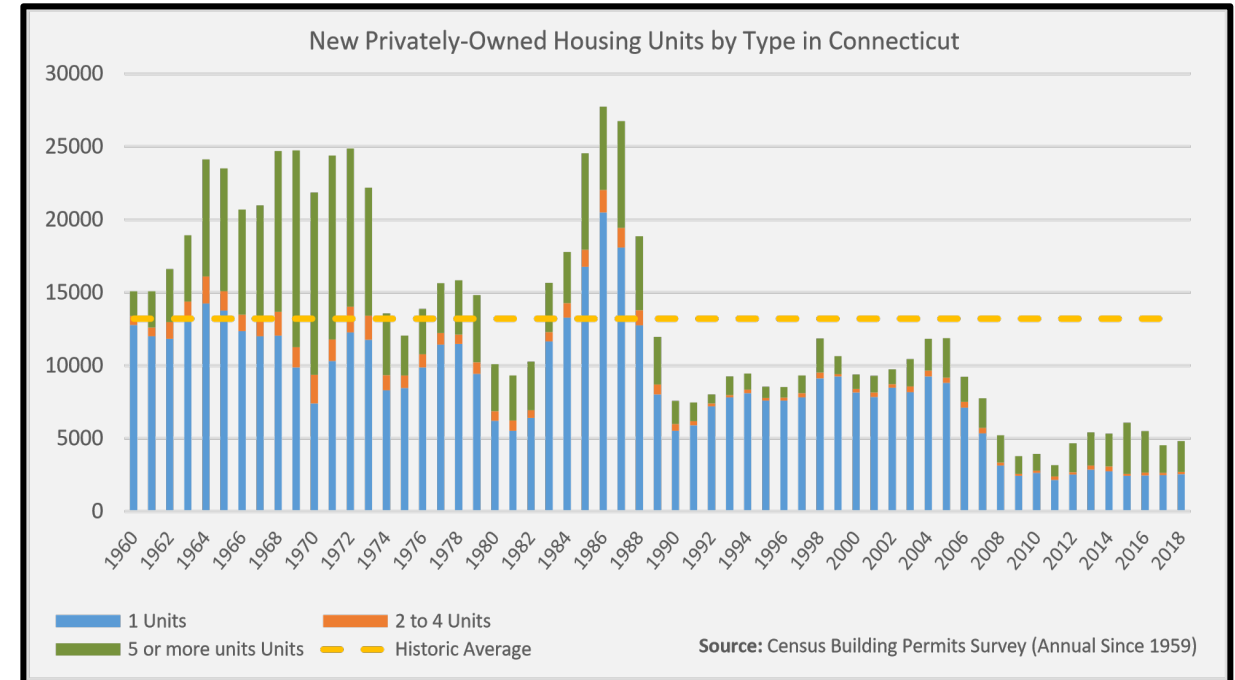
- most common type of home purchase (all generation) continued to be the *detached single-family* home...81 percent of all homes bought.
  - *Buyers 22 to 30 purchased townhomes at higher shares than other age groups.*
- *Millennials...more likely than other buyers to purchase in urban areas.* Convenience to job and commuting costs were both more important to this group.
- There was only a median of 15 miles from the homes that recent buyers previously resided in and the homes that they purchased. The median distance moved was highest among buyers 66 to 95 at 35 miles, *while the lowest was among those 22 to 55 at 10 miles.*
- The typical home recently purchased was *1,900 square feet*, had three bedrooms and two bathrooms, and was built in 1993.
  - The size of homes for buyers 41 to 55 years = 2,100 square feet, *buyers 22 to 30 = 1,650*, and buyers 75 years and older at a median of 1,850. *Buyers 66 to 74 typically purchased the newest homes, with the median home being built in 2000.*
- *For buyers 22 to 29 years, commuting costs were very important at 44 percent.* Compared to buyers 65 to 73, windows, doors, and siding were also very important at 33 percent.

While single-family detached housing is still, and will remain, the most popular housing product, its appeal to younger generations is waning. In addition, Millennials are opting more for urban locations, and the distance buyers are moving to a new home is short—these trends are working against the competitiveness of East Lyme’s housing stock. However, East Lyme’s coastal location will remain competitive.

# East Lyme: Housing Analysis and Housing Needs Assessment

## State – New Housing Construction

- Prior to 1990, Connecticut was a moderate to high growth state with substantial new housing construction.
- Since the early 1990s, Connecticut's become a stagnant to slow-growth state with anemic new housing construction—reflects stagnant job growth and anemic population growth (weak demand drivers).
- The chart (right) not only shows the contraction in new housing construction, but it also shows the changes in new multi-family housing construction. For example:
  - prior to 1990, a meaningful portion of Connecticut's new housing was multi-family housing.
  - after 1990 less than 20% of new housing was multi-family.
  - since 2013 multi-family housing has grown to approximately 47% of total new housing construction.
  - reflects the changes in demographics and demographic structure and demonstrates the influence of those changes on the housing market.





## Housing Stock Cost Characteristics



# East Lyme: Housing Analysis and Housing Needs Assessment

## Value – Owner-Occupied Housing

- To afford the median owner-occupied home at \$317,100 in East Lyme, a household would need an estimated income of \$105,700.
- This income is \$9,677 higher than East Lyme’s median household income of \$96,023.
  - This indicates East Lyme’s homeowner housing stock leans toward being less affordable.
- Of the 5,360 owner-occupied housing units in East Lyme, 3,280 or 61.2% have a mortgage and 2,080 or 38.8% do not have a mortgage.
- The median monthly housing costs with a mortgage are \$2,215 and without a mortgage are \$865—the primary difference is the mortgage an interest payments.
- For housing units without a mortgage, the largest monthly housing cost is likely real property taxes.

	East Lyme	New London County	Connecticut
Owner-occupied units	5,360	73,565	915,408
Less than \$50,000	68	3,031	17,908
\$50,000 to \$99,999	7	1,954	26,616
\$100,000 to \$149,999	116	6,892	76,280
\$150,000 to \$199,999	349	12,954	135,429
\$200,000 to \$299,999	1,885	23,362	249,697
\$300,000 to \$499,999	2,201	19,004	255,697
\$500,000 to \$999,999	640	5,299	110,850
\$1,000,000 or more	94	1,069	42,931
Median	<b>\$317,100</b>	\$246,800	\$279,700

	East Lyme	New London County	Connecticut
Housing units with a mortgage	3,280 (61.2%)	48,262 (65.6%)	616,667 (67.4%)
Less than \$500	0 0.0%	103 0.2%	1,225 0.2%
\$500 to \$999	127 3.9%	2,059 4.3%	20,219 3.3%
\$1,000 to \$1,499	318 9.7%	10,039 20.8%	97,767 15.9%
\$1,500 to \$1,999	906 27.6%	15,409 31.9%	156,943 25.5%
\$2,000 to \$2,499	673 20.5%	9,735 20.2%	126,736 20.6%
\$2,500 to \$2,999	543 16.6%	5,443 11.3%	79,801 12.9%
\$3,000 or more	713 21.7%	5,474 11.3%	133,976 21.7%
Median	<b>\$2,215</b>	\$1,853	\$2,127

	East Lyme	New London County	Connecticut
Housing units without a mortgage	2,080 38.8%	25,303 34.4%	298,741 32.6%
Less than \$250	13 0.9%	242 1.0%	2,889 1.0%
\$250 to \$399	8 0.4%	725 2.9%	6,687 2.2%
\$400 to \$599	366 8.6%	4,530 17.9%	31,056 10.4%
\$600 to \$799	521 12.5%	8,283 32.7%	71,754 24.0%
\$800 to \$999	387 18.5%	5,438 21.5%	67,257 22.5%
\$1,000 or more	785 59.1%	6,085 24.0%	119,098 39.9%
Median	<b>\$865</b>	\$774	\$900

# East Lyme: Housing Analysis and Housing Needs Assessment

## SMOCAPI:

- Is “used to measure housing affordability and excessive shelter costs—excessive costs that exceed 30% of household income.”
- 23.0% of East Lyme’s households with a mortgage and 20.1% of households without a mortgage are paying 30% or more of their household income on housing costs.
- Approximately 21.7% (1,166 households) of owner-occupied housing is unaffordable.
- This does not inform us whether the cost of housing are the result of need (a burden on income) or want (a personal choice).

	East Lyme	New London County	Connecticut
<b>Housing units with a mortgage</b>	3,250	48,183	614,614
Less than 20.0 percent	1,567	21,053	257,454
20.0 to 24.9 percent	475	8,647	102,291
25.0 to 29.9 percent	460	5,820	67,198
30.0 to 34.9 percent	193 (5.9%)	3,043 (6.3%)	44,353
35.0 percent or more	555 (17.1%)	9,620 (20.0%)	143,318
Not computed	35	79	2,053
<b>Housing unit without a mortgage</b>	2,079	25,155	295,939
Less than 10.0 percent	730	8,560	93,098
10.0 to 14.9 percent	392	5,200	61,984
15.0 to 19.9 percent	318	3,212	38,665
20.0 to 24.9 percent	113	1,838	24,801
25.0 to 29.9 percent	108	1,395	16,820
30.0 to 34.9 percent	160 (7.7%)	1,043 (4.1%)	12,396
35.0 percent or more	258 (12.4%)	3,907 (15.5%)	48,175
Not computed	1	148	2,802

# East Lyme: Housing Analysis and Housing Needs Assessment

## Gross Rent:

- Median gross rent is \$1,320 and 36.5% of renter households pay \$1,500 or more per month for rent.
- In addition, 929 (48.0%) of the rental households are spending 30% or more of their household income on rent.
- Approximately 28.5% (2,095) of East Lyme's households, both owner- and renter-occupied are paying above the affordability threshold for housing.
- This should raise concerns about housing affordability in East Lyme.

	East Lyme	New London County	Connecticut
Occupied units paying rent	1,945	34,749	451,178
Less than \$500	114	2,985	43,229
\$500 to \$999	334	9,285	103,220
\$1,000 to \$1,499	788	14,346	173,291
\$1,500 to \$1,999	454	6,100	80,751
\$2,000 to \$2,499	210	1,426	28,467
\$2,500 to \$2,999	45	465	10,801
\$3,000 or more	0	142	11,419
Median (dollars)	<b>\$1,320</b>	\$1,144	1,201
No rent paid	56	1,302	18,851

	East Lyme	New London County	Connecticut
Occupied units paying rent (excluding units GRAP I can't be computed)	1,935	34,749	442,042
Less than 15.0 percent	262	2,985	53,790
15.0 to 19.9 percent	236	9,285	53,929
20.0 to 24.9 percent	267	14,346	54,512
25.0 to 29.9 percent	241	6,100	52,658
30.0 to 34.9 percent	252 (13.0%)	1,426 (10.3%)	40,487
35.0 percent or more	677 (35.0%)	465 (35.7%)	186,666
Not computed	66	142	27,987

# East Lyme: Housing Analysis and Housing Needs Assessment

## Income by Household:

- While the median household income in East Lyme for all households is \$96,023, median family income is \$125,000, married-couple family median income is \$139,771, and non-family median income is **\$52,722**.
- Family households account for 65.3% of all households and non-family households account for 34.7% of all households.
- Of the family households, 71.6% earn \$75,000 (the minimum income cohort nearest the area median household income) or more per year.
- Conversely, 64.9% of nonfamily households earn less than \$75,000 per year. This indicates that non-family households are more likely to experience housing affordability challenges than family households.
- This difference in family and non-family income is dramatic, but not surprising based on the number of one-person households (26.7% of occupied housing, 20.1% of owner-occupied housing, and 44.4% of renter-occupied housing) and the characteristics of East Lyme's housing stock.

	All Households	Families	Married-Couple Families	Nonfamily
Total	7,361	4,810	4,001	2,551
Less than \$10,000	3.4%	1.6%	0.0%	6.9%
\$10,000 to \$14,999	2.0%	0.5%	0.3%	4.9%
\$15,000 to \$24,999	6.2%	4.7%	4.2%	9.0%
\$25,000 to \$34,999	5.0%	2.4%	0.6%	10.3%
\$35,000 to \$49,999	9.8%	6.5%	5.8%	16.6%
\$50,000 to \$74,999	14.0%	12.6%	10.3%	17.2%
\$75,000 to \$99,999	11.4%	10.2%	10.8%	14.2%
\$100,000 to \$149,999	20.7%	23.8%	24.2%	12.9%
\$150,000 to \$199,999	13.0%	18.0%	20.9%	4.0%
\$200,000 or more	14.5%	19.6%	22.9%	4.0%
Median income	<b>\$96,023</b>	\$125,000	\$139,771	<b>\$52,722</b>

## Income by Household:

- All Household [Total]: all people who occupy a housing unit.
- Family Household: contains at least one person related to the householder by birth, marriage, or adoption.
- Married-Couple Family: a husband and wife enumerated as members of the same household. The married couple may or may not have children living with them. The expression "married-couple" before the term "family" indicates that the household or family is maintained by a husband and wife.
- Nonfamily Household: a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.



# Housing Need Assessment

# East Lyme: Housing Analysis and Housing Needs Assessment

## Owner-Occupied Housing Need:

- Greatest need is at household incomes below \$75,000 (approximately 80% AMI and 78% of East Lyme MHI).
- Greatest need for affordable ownership-housing is at and below approximately 80% AMI or ownership-housing valued at or below \$225,000.
- This may, in part, help to explain why 23.0% of East Lyme’s households with a mortgage and 20.1% of households without a mortgage are paying 30% or more of their household income on housing costs.

Household Income	<\$15,000 0	\$15,000- \$24,999	\$25,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000- \$149,999	\$150,000+
Households @ Income	205	252	155	323	809	489	1,264	1,863
Est. affordable home Value (HH Income x 2.8) (rounded)	\$42,000	\$70,000	\$98,000	\$140,000	\$210,000	\$280,000	\$420,000	\$560,000
Existing Housing Units	68	7	58	58	349	1,885	2,201	734
Households w/Adequate Income Units Available Vs Adequate Income	205	252	155	323	809	489	1,264	1,863
	-137	-245	-97	-265	-460	1,396	937	-1,129

# East Lyme: Housing Analysis and Housing Needs Assessment

## Renter-Occupied Housing Need:

- Greatest need for affordable rental housing is at incomes at or below \$15,000 (19% AMI and below).
- 176 fewer rental housing units available than number of households with incomes below \$15,000. These are the highest at-risk populations with the greatest need.
- At incomes above \$15,000 and below \$35,000 (20% to 33% AMI), there are 73 fewer rental housing units available than the number of households (market is undersupplied, and there is a need for affordable rental housing).
- At incomes of \$35,000 to \$74,999, there are 1,242 more housing units than households.
- Together, the \$35,000 to \$74,999 show that the 33% to 80% AIM segment of the market is being served by the existing rental product.

Household Income	Less than \$15,000	\$15,000-\$24,999	\$25,000-\$34,999	\$35,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$149,999	\$150,000 or more
Households @ Income	198	129	216	395	218	347	260	165
Est. affordable monthly rent Value (HH Income x 0.30)	\$375	\$625	\$875	\$1,250	\$1,875	\$2,500	\$3,750	\$3,750+
Existing Housing (Household) Units	22	129	289	788	454	210	45	0
Households w/Adequate Income	198	202	216	395	218	347	260	165
Units Available Vs Adequate Income	-176	-73	73	393	236	-137	-215	-165

# East Lyme: Housing Analysis and Housing Needs Assessment

## Household Type by Size, Tenure, and Age:

- Understanding household type by size, tenure, and age helps to better inform us as to the type of households that are most likely being impacted by the lack of affordable housing. For example:
  - the data *may* explain the earlier discussion on the SMOCAPI data and 23.0% of East Lyme's households with a mortgage and 20.1% of households without a mortgage are paying 30% or more of their household income on housing costs.
  - The large number (1,654 or 30.9%) of 65+ year old owner-occupied householders may be retirees and/or widows(ers) on fixed incomes with or without mortgages.
  - The 44.4% one-person renter households or the 36.4% two-person renter households.

Household Type	Occupied Units	Occupied Per cent	Owner Units	Owner Per cent	Rental Units	Rental Per cent
Occupied Housing Units	7,361	100%	5,360	100%	2,001	100%
1 – Person Household	1,969	<b>26.7%</b>	1,080	<b>20.1%</b>	889	<b>44.4%</b>
2 – Person Household	3,068	<b>41.7%</b>	2,340	<b>43.7%</b>	728	<b>36.4%</b>
3 – Person Household	935	12.7%	718	13.4%	217	10.8%
4-or-more– Person Household	1,389	18.9%	1,222	22.8%	167	8.3%
Family Households	4,810	65.3%	4,051	75.6%	759	37.9%
Married-Couple Family	4,001	54.4%	3,451	64.4%	550	27.5%
Householder 65+	1,231	16.7%	1,072	20.0%	159	7.9%
Other Family	809	11.0%	600	11.2%	209	10.4%
Non-Family Households	2,551	34.7%	1,309	24.4%	1,242	62.1%
Householder Living Alone	1,969	26.7%	1,080	20.1%	889	44.4%
Householder 65+	973	13.2%	582	10.9%	391	19.5%
Householder Not Living Alone	582	7.9%	229	4.3%	353	17.6%
Householder 65+	160	2.2%	160	3.0%	0	0.0%

	All Households	Families	Married-Couple Families	Nonfamily
Total	7,361	4,810	4,001	2,551
Less than \$10,000	3.4%	1.6%	0.0%	6.9%
\$10,000 to \$14,999	2.0%	0.5%	0.3%	4.9%
\$15,000 to \$24,999	6.2%	4.7%	4.2%	9.0%
\$25,000 to \$34,999	5.0%	2.4%	0.6%	10.3%
\$35,000 to \$49,999	9.8%	6.5%	5.8%	16.6%
\$50,000 to \$74,999	14.0%	12.6%	10.3%	17.2%
\$75,000 to \$99,999	11.4%	10.2%	10.8%	14.2%
\$100,000 to \$149,999	20.7%	23.8%	24.2%	12.9%
\$150,000 to \$199,999	13.0%	18.0%	20.9%	4.0%
\$200,000 or more	14.5%	19.6%	22.9%	4.0%
Median income	\$96,023	\$125,000	\$139,771	\$52,722





## Housing Need Versus Housing Demand

# East Lyme: Housing Analysis and Housing Needs Assessment

## Housing Need, Demand, and Affordable Housing Production:

- To reach 10%, based on the existing 8,610 total housing units, East Lyme would need to add 341 qualified affordable housing units—keep in mind the numerator and denominator are moving targets.
- If East Lyme were to require 10% of all new housing construction be affordable, East Lyme would have to add 3,410 total units (if 20% affordable new construction were required, 1,705 new housing units would need to be added) to add 341 affordable units.
- To achieve the 607 units in 10 years, East Lyme would have to build 34 qualified affordable housing units each year—the historic 25-year *absorption rate for all housing is 73 units per year*.
- To achieve the 341 qualified affordable units in 20 years, East Lyme would have to add 68 units per year or 93% of the historic absorption.
- At the 25-year historic absorption rate, it would take 100 years to add 3,410 housing units in East Lyme—*soft- to weak-market demand for housing is the greatest barrier to affordable housing in Connecticut and East Lyme*.
- It is unreasonable to expect that East Lyme can achieve the 8-30g imposed 10% fair share affordable in a realistic amount of time.

Year	Total Units	1-Unit	2-Unit	3-4-Unit	5+ Unit	Demo	Net Gain
2021	50	44	0	0	6	22	28
2020	84	64	0	0	20	7	77
2019	82	36	0	4	42	14	68
2018	30	18	0	0	12	9	21
2017	31	16	0	0	15	7	24
2016	28	24	0	4	0	22	6
2015	106	37	0	4	65	15	91
2014	363	38	0	4	321	14	349
2013	37	37	0	0	0	10	27
2012	39	21	10	8	0	9	30
2011	28	22	2	4	0	0	28
2010	32	32	0	0	0	11	21
2009	20	20	0	0	0	0	20
2008	27	27	0	0	0	7	20
2007	116	39	2	4	71	5	111
2006	180	83	0	0	97	0	180
2005	127	127	0	0	0	11	116
2004	90	88	2	0	0	10	80
2003	76	76	0	0	0	11	65
2002	72	72	0	0	0	7	65
2001	72	70	2	0	0	12	60
2000	74	74	0	0	0	10	64
1999	71	71	0	0	0	7	64
1998	140	80	0	0	60	4	136
1997	83	83	0	0	0	1	82
Total	2,058	1,299	18	32	709	225	1,833
Percent	100%	63.1%	1.0%	1.5%	34.5%	10.9%	89.1%



THANK YOU!

# Professional Experience: Dr. Donald Poland, AICP

Dr. Poland is a geographer, planner, and community strategist whose work focuses on assisting communities to compete for wealth and investment through strategic market, land use, and planning interventions that build community confidence, foster pride in place, create governance capacity, and grow market demand. With twenty-four years experience the public, private, non-profit, and academic sectors, Dr. Poland offers a unique perspective and approach to addressing the social, economic, and governance challenges of creating and maintaining resilient, vibrant, and prosperous communities.

## Education

- Doctor of Philosophy (PhD), Geography. *Cities and Urbanization*. UCL (University College London). 2016
- Master of Science (MS), Geography/Planning. CCSU 2000
- Bachelor of Arts (BA), Psychology & Geography. CCSU 1995

## Selected Achievements

- Consultancy work spans 19 states and 100+ communities.
- Extensive work on post-Katrina planning, land use, and redevelopment strategies in St. Bernard Parish, Louisiana.
- Accepted as an expert witness in *land use planning, neighborhood redevelopment, and community development* in the US District Court, Eastern District of Louisiana.
- Prepped an economic investment strategy for the City of Oswego, NY that was instrumental the City receiving a \$10 million Downtown Revitalization Grant.

