

## Carson City Affordable Housing Brief

Notable housing characteristics from the 2015 to 2019 American Community Survey were explored for Carson City. The 2014 to 2018 Comprehensive Housing Affordability Strategy (CHAS) data from the U.S. Housing and Urban Development Department was also explored with additional data added as needed.

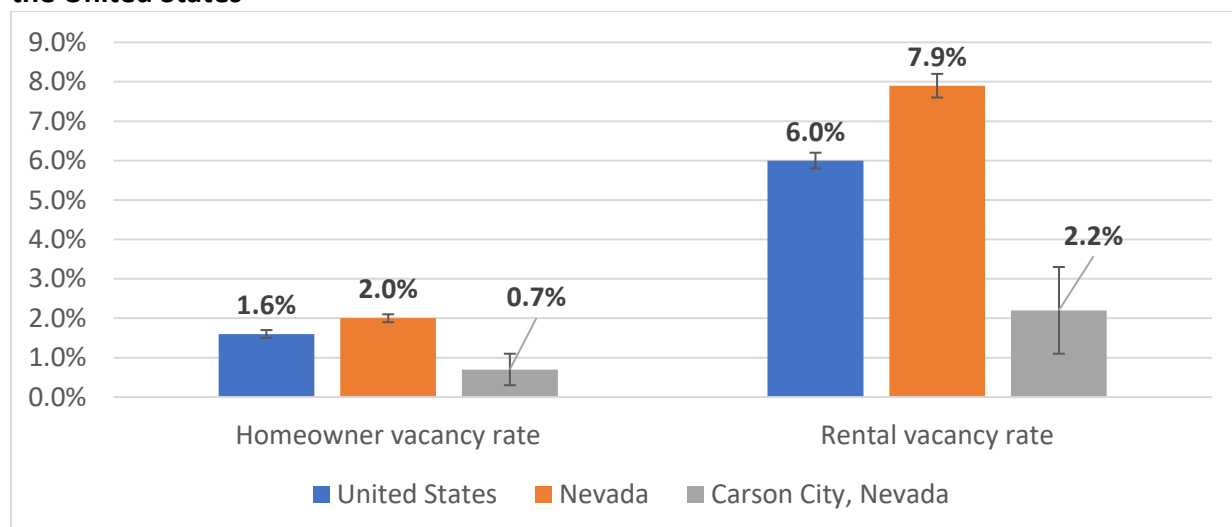
The American Community Survey (ACS) is carried out on an ongoing basis by the U.S. Census Bureau and is considered the best detailed information available for many topics. It is especially useful for housing in that it combines data on house characteristics with data on the households occupying it. For localities with populations under 65,000, the combined five-year ACS sample gives the most reliable estimates. The most current period available at this writing was the 2015 to 2019 ACS data. Limited 2020 data may be available this month.<sup>i</sup> Except where noted all data is from Table DP04, Selected Housing Characteristics from the American Community Survey with tabulation by the author. The most recent CHAS data, itself a special tabulation of ACS data, was from 2014-2018.

### Low Vacancy Rates

Carson City averaged an 0.7% vacancy rate for owner occupied units and a 2.2% vacancy rate for rental units, giving Carson City an extremely low vacancy rate as compared to the state and national average. Low vacancy rates would tend to drive rents and home prices higher.

These estimates are not exact and can best be interpreted as a range of values. The Census Bureau publishes a margin of error which can be used to find the 90% confidence interval for each estimate. The error bars are included in the chart. Generally, places with fewer people will have smaller samples, and smaller samples will have larger error bars, that is, a greater range of possible values that could be the correct estimate. In Figure 1, the U.S. vacancy rates have small error bars, Nevada has bigger bars and Carson City has the biggest error bars. In words, the estimate for rental vacancy in the United States is 6.0 plus or minus 0.1%, with a confidence level of 90%, and similarly, Nevada’s is 7.9% plus or minus 0.3%, and Carson City’s is 2.2% plus or minus 1.1%. The error bars help give the reader a feel for the reliability of the estimates.

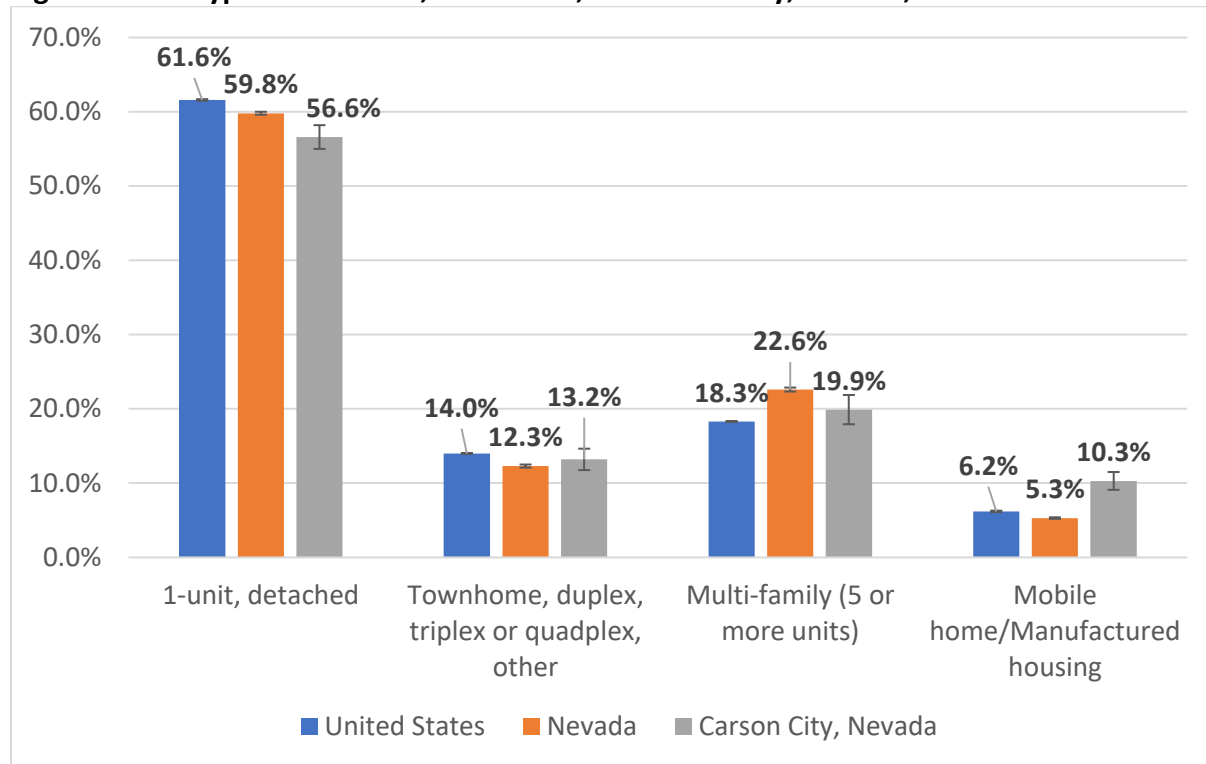
**Figure 1. ACS Homeowner and rental vacancy rate, 2015-2019, for Carson City, Nevada, and the United States**



### High Proportion of Manufactured Housing

Of about 24,000 total housing units estimated for Carson City, nearly 2,500 were estimated to be manufactured housing or mobile homes (10.3%). This was a higher proportion than Nevada’s (5.3%) or the U.S. (6.2%). This additional option may help provide some Carson City households with a more affordable housing option. Carson City had a smaller proportion of single family detached homes than Nevada or the United States.

**Figure 2. ACS Type of Structure, 2015-2019, for Carson City, Nevada, and the United States**



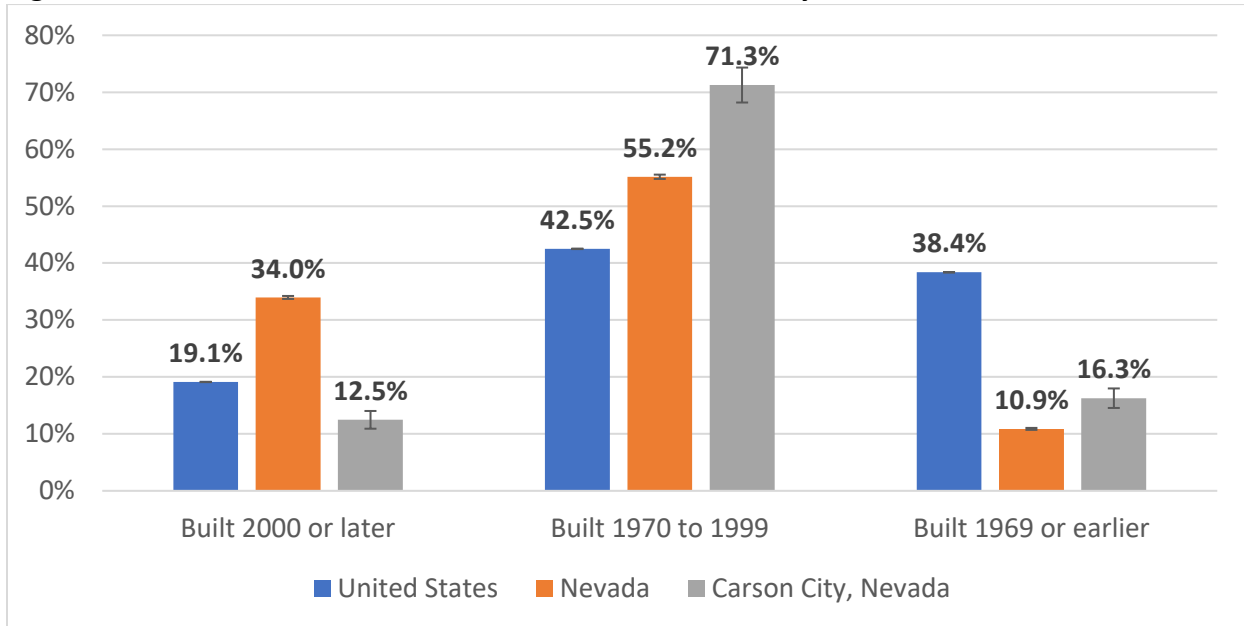
### Less Housing Stock Built Year 2000 or Later

The bulk of Carson City’s housing stock, 71% its housing units, was built from 1970 to 1999. Although Carson City did not have as much housing stock as the national average that was built in 1969 or earlier, it had the smallest percentage of housing built since the year 2000 (12.5%) as compared to either the nation (19.1%) or Nevada (34.0%).

According to Census Bureau population estimates, Carson City population grew 1.9% from 2010 to 2020, while Nevada population grew 16.1% and the United States grew 6.5%. The Nevada State demographer estimated an even lower population growth for Carson City at 1.0% over the period from 2010 to 2020. The Nevada demographer estimated Carson City grew 7.6% from year 2000 to 2020, from 52,457 to 56,434 people. Census 2000 counts for counties were not available at the time of this writing.<sup>ii</sup>

Older properties typically are more affordable. However, the relative lack of new inventory while population is growing could be part of the explanation for the low vacancy rates. This would tend to drive up rents and home prices.

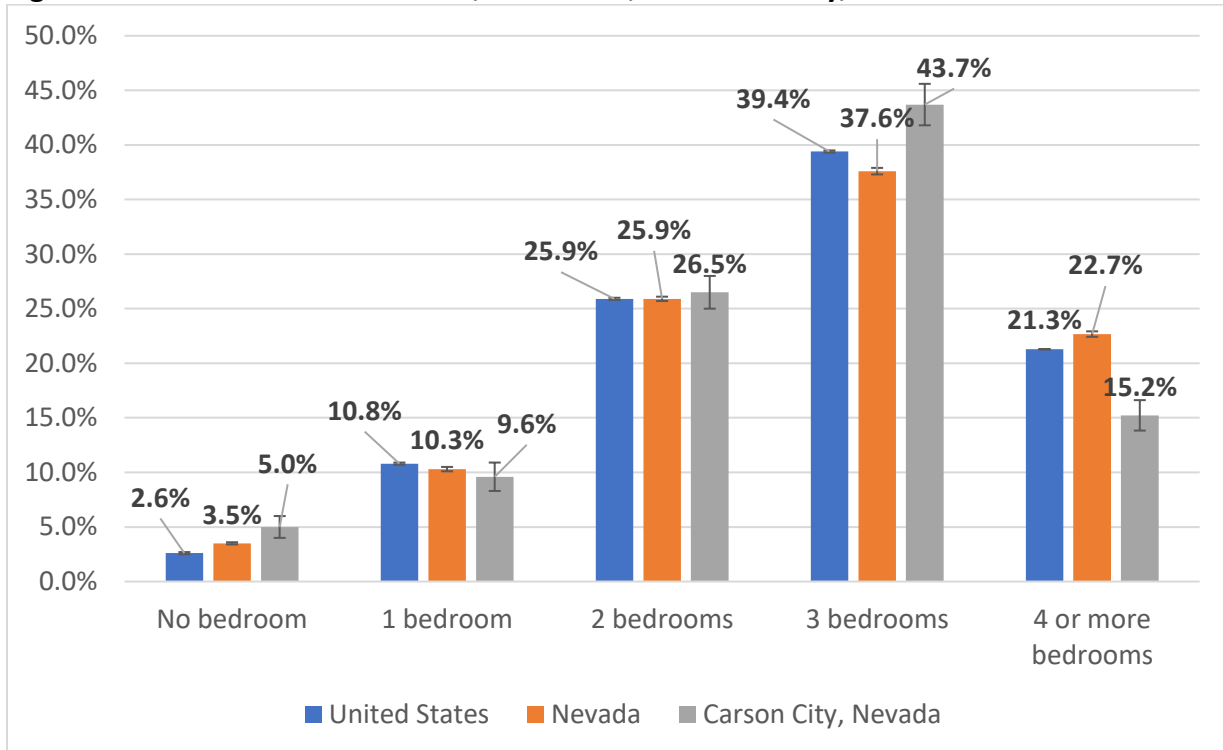
**Figure 3. ACS Year Structure Built, 2015-2019, for Carson City, Nevada, and the United States**



[More Studios](#)

Carson City had more studios and fewer housing units with four or more bedrooms. This potentially means more affordable units are in the inventory of housing units in Carson City.

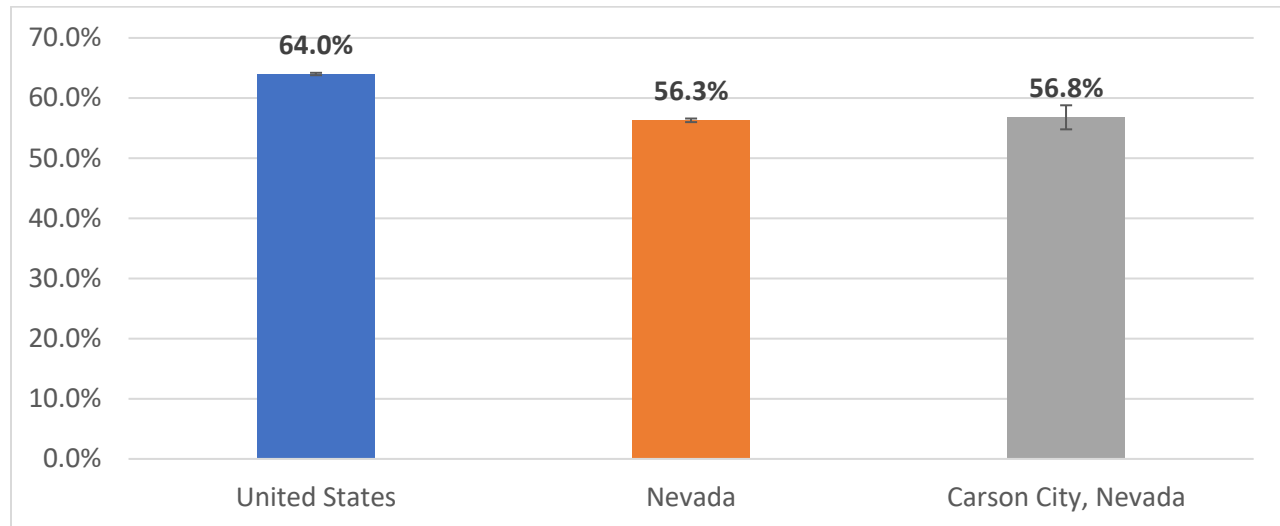
**Figure 4. ACS Number of Bedrooms, 2015-2019, for Carson City, Nevada and the United States**



### Homeownership Lower than National Average

Homeownership in Carson City was 56.8%, similar to the Nevada average (56.3%), and lower than the U.S. rate (64.0%). Long-time homeowners with fixed rate mortgages are sheltered from rising home prices. To the extent that there is a larger proportion of renters in Carson City, more households may be exposed to rapid increases in rent.

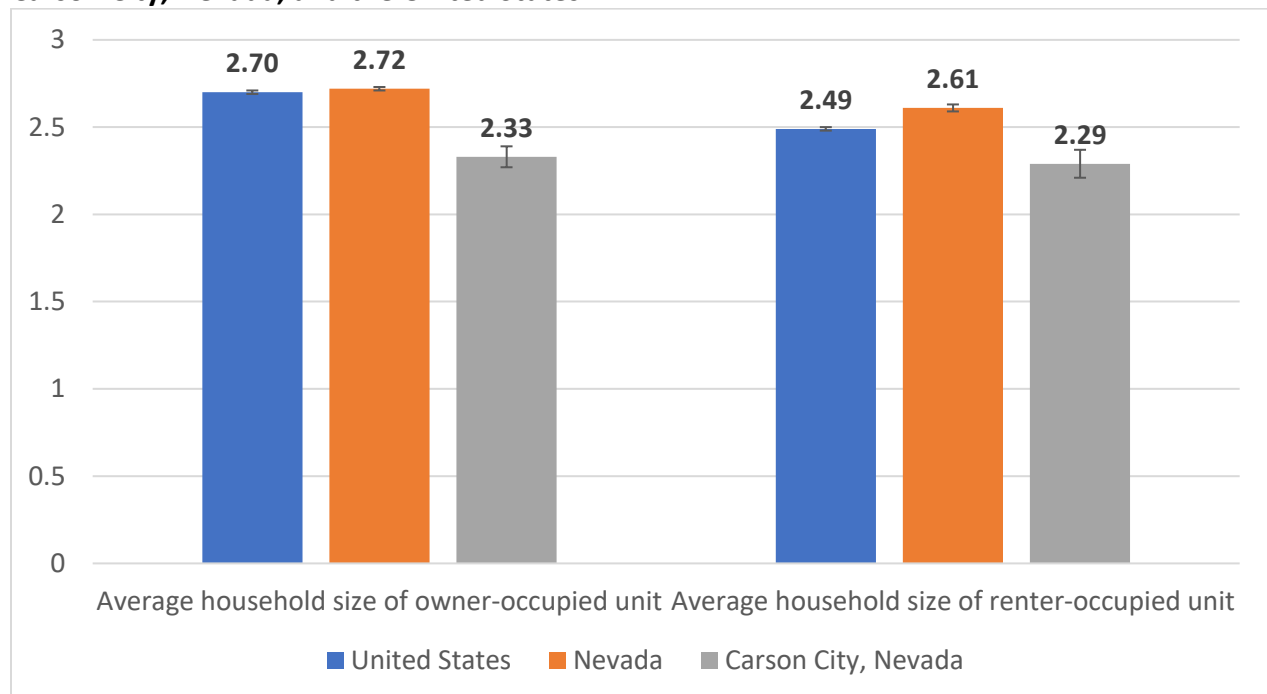
**Figure 5. ACS Percent Owner-occupied, 2015-2019, Carson City, Nevada, and the United States**



### Smaller Household Size

Carson City had a smaller estimated average household size in both renter and owner-occupied units.

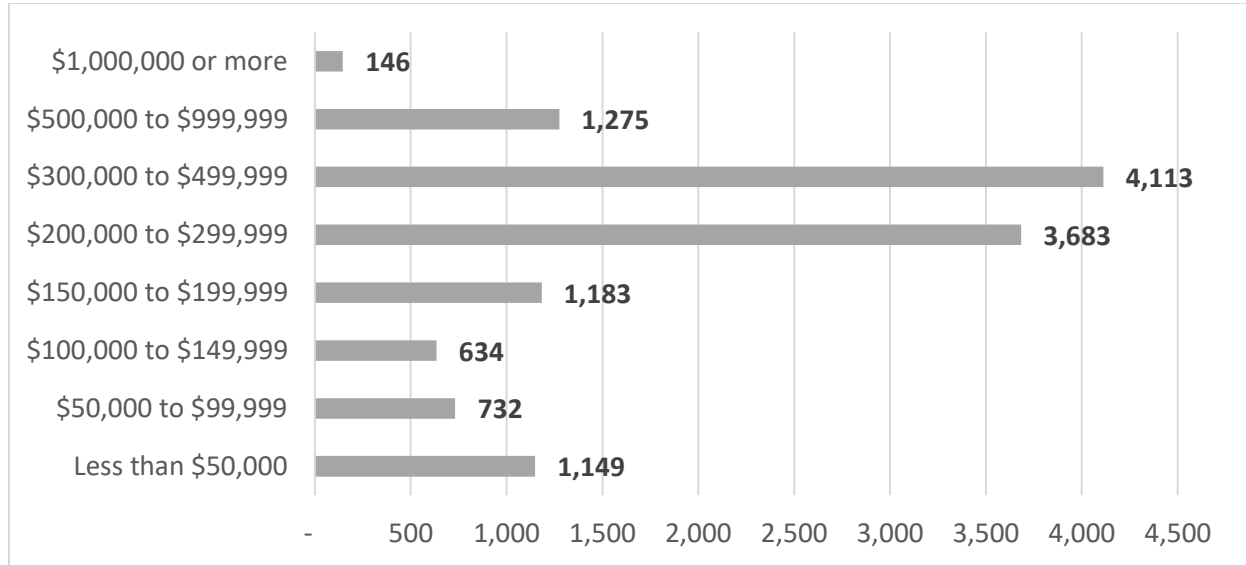
**Figure 6. ACS Average Household Size for Renter and Owner-occupied Units, 2015-2019, Carson City, Nevada, and the United States.**



### Most Homes Valued between \$200,000 and \$500,000 over Years 2015-2019

Median home value for Carson City owner occupied homes was estimated at \$273,800 in the ACS 2015 to 2019 dataset. Since then, prices have risen steeply, as seen in the data series below from the National Association of Home Builders.

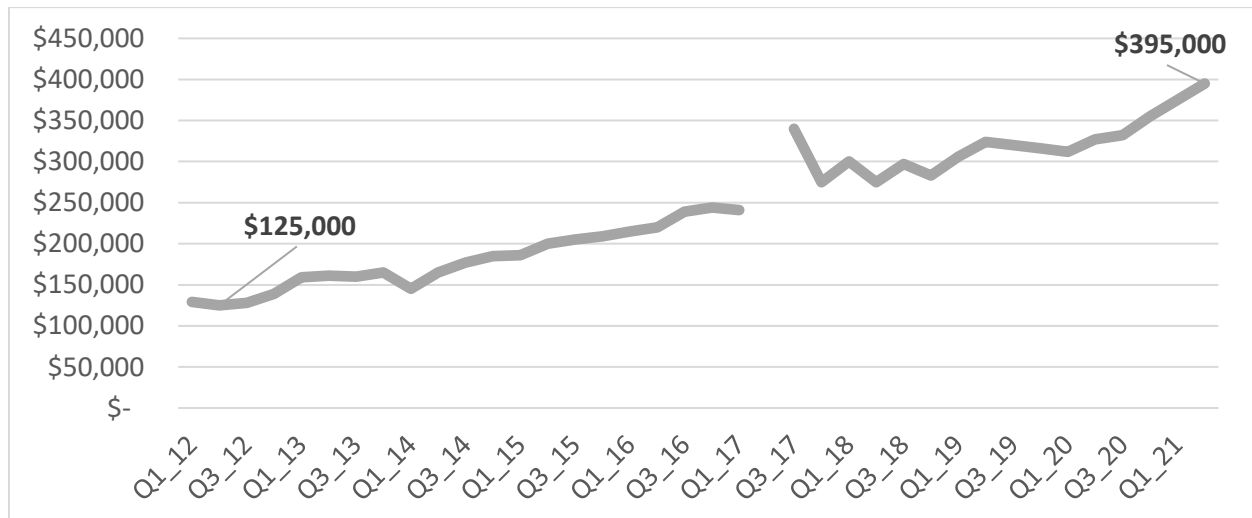
**Figure 7. ACS Home-owner Estimated Value of Carson City Owner-occupied Units, 2015-2019.**



### Median Sales Price for Carson City Homes \$395,000 in 2nd Quarter 2021

Nominal median sale price of homes in Carson City has increased from \$125,000 in the 1<sup>st</sup> quarter 2012 to \$395,000 in the 2<sup>nd</sup> quarter of 2021, according to the National Association of Home Builders/Wells Fargo series.<sup>iii</sup> Since 2<sup>nd</sup> quarter 2018 when median sales price was \$275,000, median sale price increased 44%. Note that in the ACS series above, the \$273,800 median is an estimate for all owner occupied housing in Carson City whereas NAHB/Wells Fargo is the actual median of homes sold in Carson City during a given quarter.<sup>iv</sup>

**Figure 8. NAHB /Wells Fargo Carson City Median Sale Price, 1<sup>st</sup> Quarter 2012 to 2<sup>nd</sup> Quarter 2021**

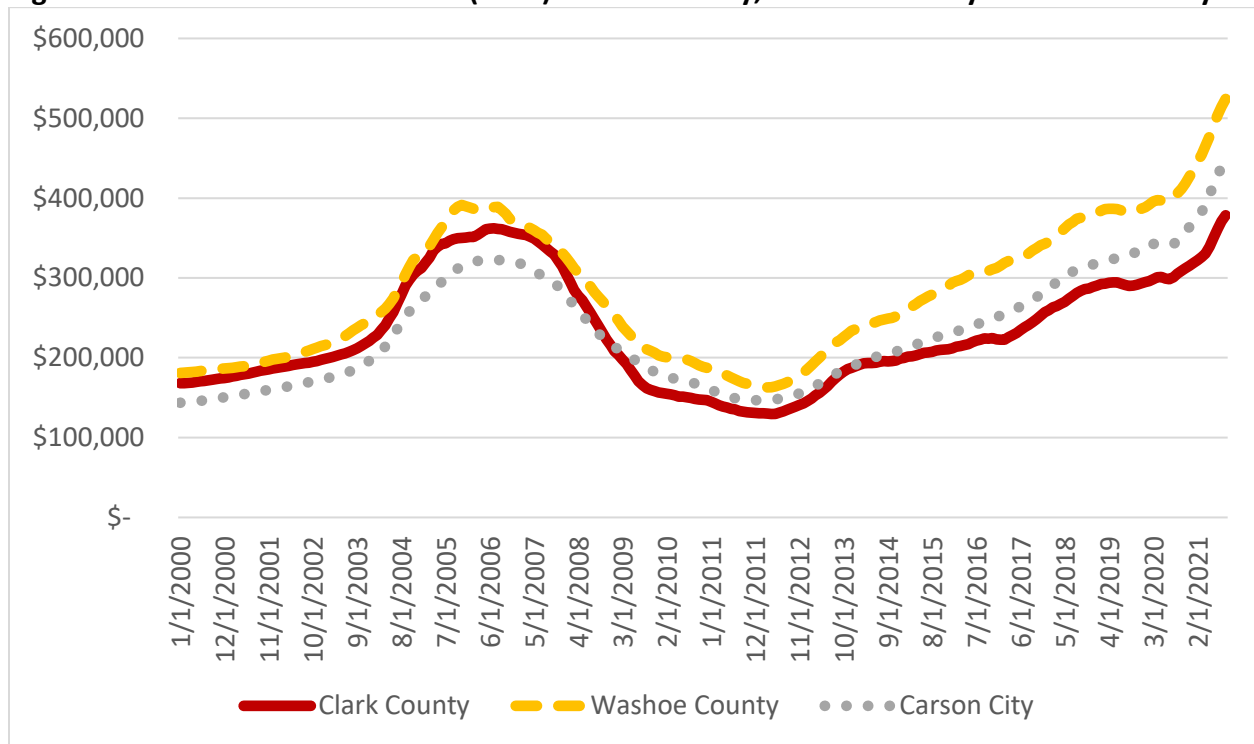


### Zillow Home Value Index (ZHVI)

Zillow publishes a Home Value Index for Carson City and other counties that it keeps updated to the previous month.<sup>v</sup> According to the Zillow methodology, it reflects a typical value for homes in the 35<sup>th</sup> to 65<sup>th</sup> percentile range.<sup>vi</sup> The series graphed below in Figure 9 includes condos and co-ops as well as single family homes. It has been smoothed and seasonally adjusted.

According to the Zillow series, from December 2018, when the typical value for a Carson City home was \$317,000 to September of 2021 when the typical value was \$449,000, there was an increase of 42% in the ZHVI value. The typical home value in Washoe and Clark County increased in a similar fashion with Carson City values lower than Washoe County but higher than Clark County. Before the Great Recession Carson City typical home values were lower than Clark County, according to Zillow.

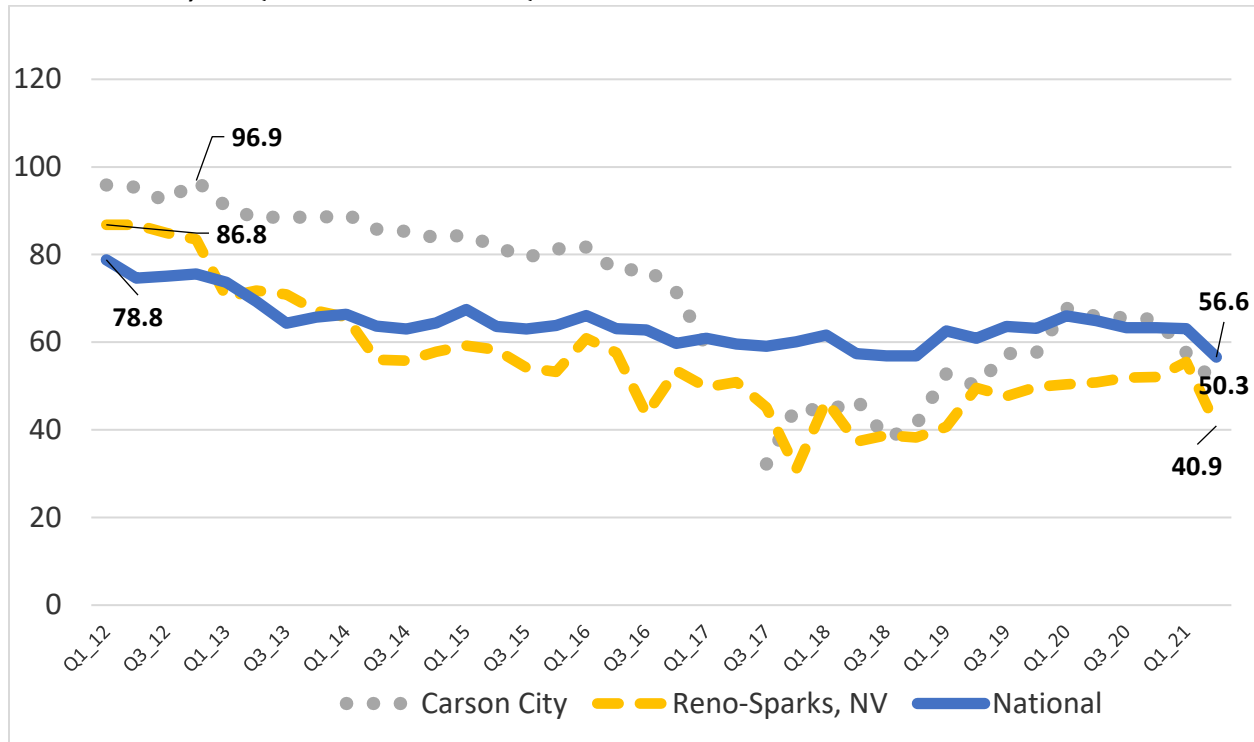
**Figure 9. Zillow Home Value Index (ZHVI) for Carson City, Washoe County and Clark County**



### Affordability is Decreasing for Homebuyers

Figure 9 gives the housing opportunity index from the National Association of Home Builders (NAHB)-and Wells Fargo. The index gives the share of homes sold which were affordable to the median income family, and considers the interest rate, median area income, as well as estimated insurance and property taxes. Coming out of the previous recession, the affordability share rose to 86.8% in Reno and 78.8% in the United States. Since 2012, Carson City was most affordable in the 4th quarter of 2012 at a 96.9% share of homes affordable to the median income family. Affordability has trended downward since then for all three regions. For the second quarter of 2021, the affordability index stood at 56.6% for the United States, 40.9% in Reno-Sparks and 50.3% in Carson City. Both Reno and Carson City homes are currently less affordable than the national average. Carson City was ranked 176 in affordability out of 236 metro regions tracked by NAHB-Wells Fargo, while Reno was ranked 195th. Las Vegas was more affordable with a rank of 166.<sup>vii</sup>

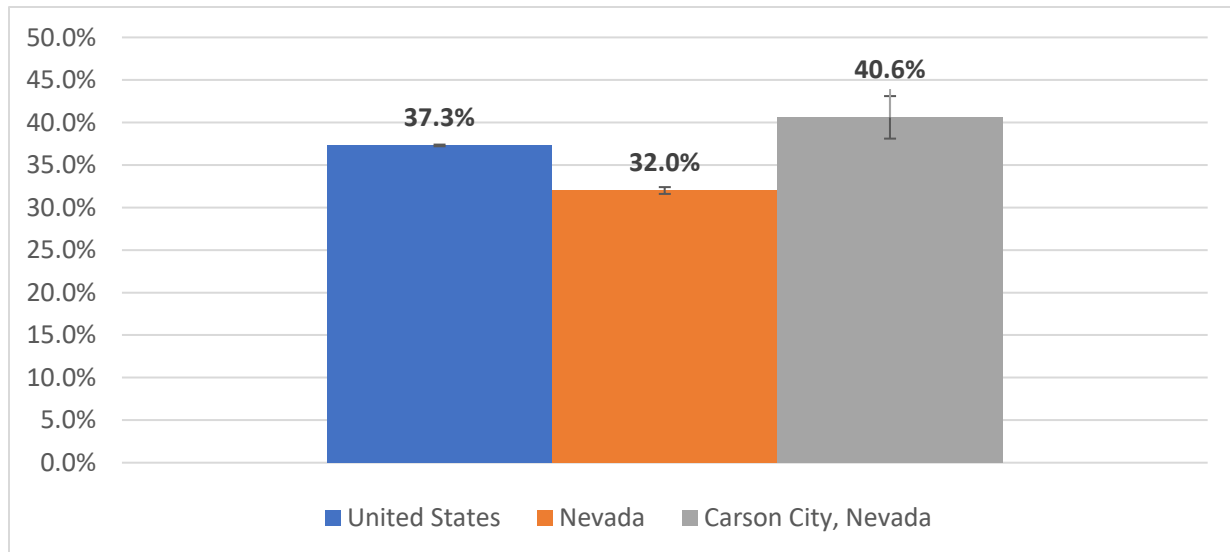
**Figure 10. NAHB - Wells Fargo Housing Opportunity Index, Carson City, Reno-Sparks and United States, 1<sup>st</sup> Quarter 2012 to 2<sup>nd</sup> Quarter 2021**



**More Carson City Households without a Mortgage.**

ACS data gives another perspective on affordability. For the 2015 to 2019 period, 40.6% of owner-occupied households in Carson City did not have a mortgage, as compared to 32.0% of Nevada owner occupied households and 37.3% of U.S. households.

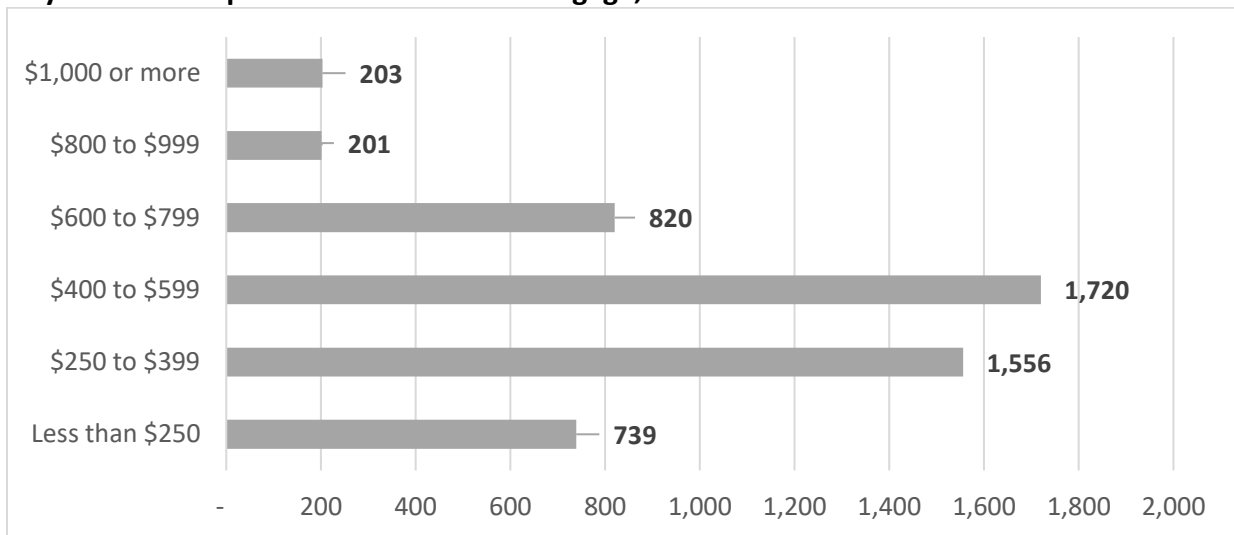
**Figure 11. ACS Percent Households without a Mortgage, 2015-2019, Carson City, Nevada, and the United States.**



### Homeowners without a Mortgage Most Likely to Pay \$400 to \$599 per Month over Years 2015-2019

For the approximately 5,000 owner-occupied units without a mortgage the median monthly cost of property taxes, insurance and utilities was \$434 over the years 2015 to 2019. Homeowners without a mortgage were most likely to pay somewhere between \$400 to \$599 dollars a month.

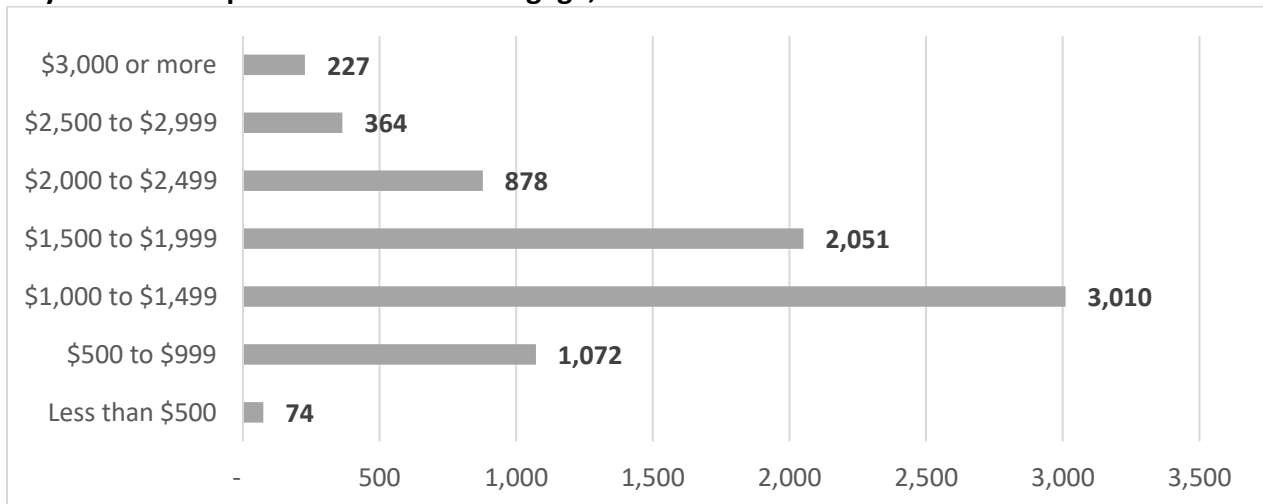
**Figure 12. Number of Owner Households by ACS Selected Monthly Owner Costs for Carson City Owner-occupied Units without a Mortgage, 2015-2019**



### Homeowners with a Mortgage Most Likely to Pay \$1,000 to \$1,499 per Month over Years 2015-2019

For the approximately 8,000 owner-occupied units with a mortgage the median monthly cost of mortgage, property taxes, insurance and utilities was \$1,449 over the years 2015 to 2019. Homeowners with a mortgage were most likely to pay somewhere between \$1,000 to \$1,499 dollars a month.

**Figure 13. Number of Owner Households by ACS Selected Monthly Owner Costs for Carson City Owner-occupied Units with a Mortgage, 2015-2019**

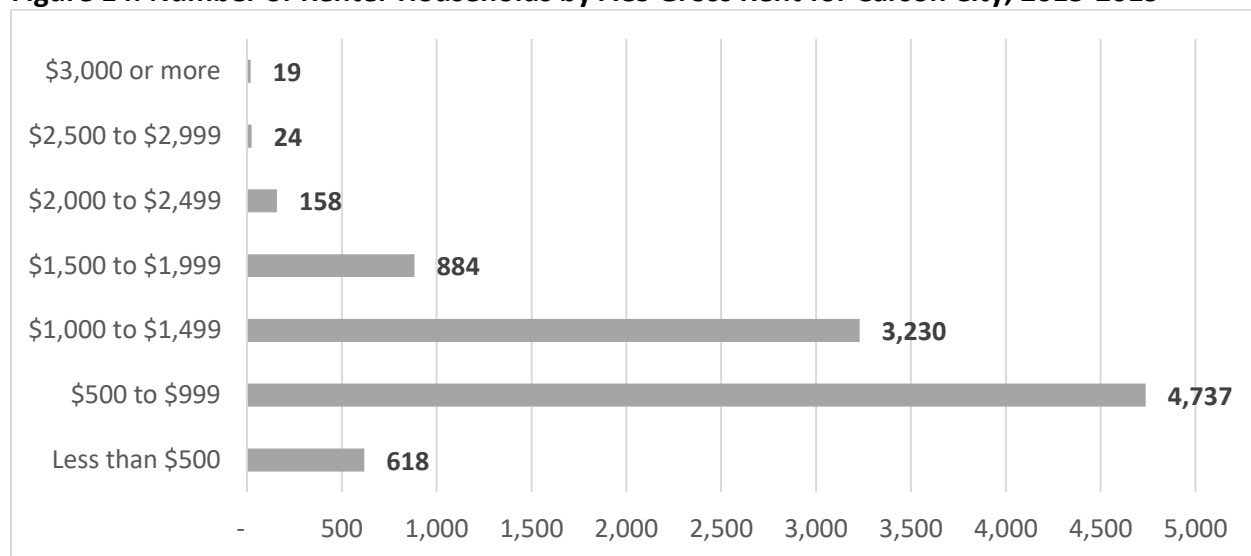




### Renters Most Likely to Pay \$500 to \$999 per Month Gross Rent over Years 2015-2019

For the approximately 10,000 renter households the median monthly cost of rent and utilities was \$1,449 over the years 2015 to 2019. Renters were most likely to pay somewhere between \$500 to \$999 dollars a month in gross rent. Rents in Figure 13 include any type of housing including single family homes.

**Figure 14. Number of Renter Households by ACS Gross Rent for Carson City, 2015-2019**



### Rents are Up

Since the 2015 to 2019 period, rents have increased substantially. Table 1 gives evidence from the [ALN Apartment data series](#).<sup>viii</sup> This includes only the subset of rentals that are multi-family apartments, that is, single family or other types of rentals are not included. The rent in Table 1 is average effective asking rent, considering any concessions. It does not include utilities. Rents increased substantially in the last two years, especially in 2021.

**Table 1. [ALN Apartment Data](#), Average Effective Rent for Selected Time Periods, Reno, and Carson City, 2019 to 2021**

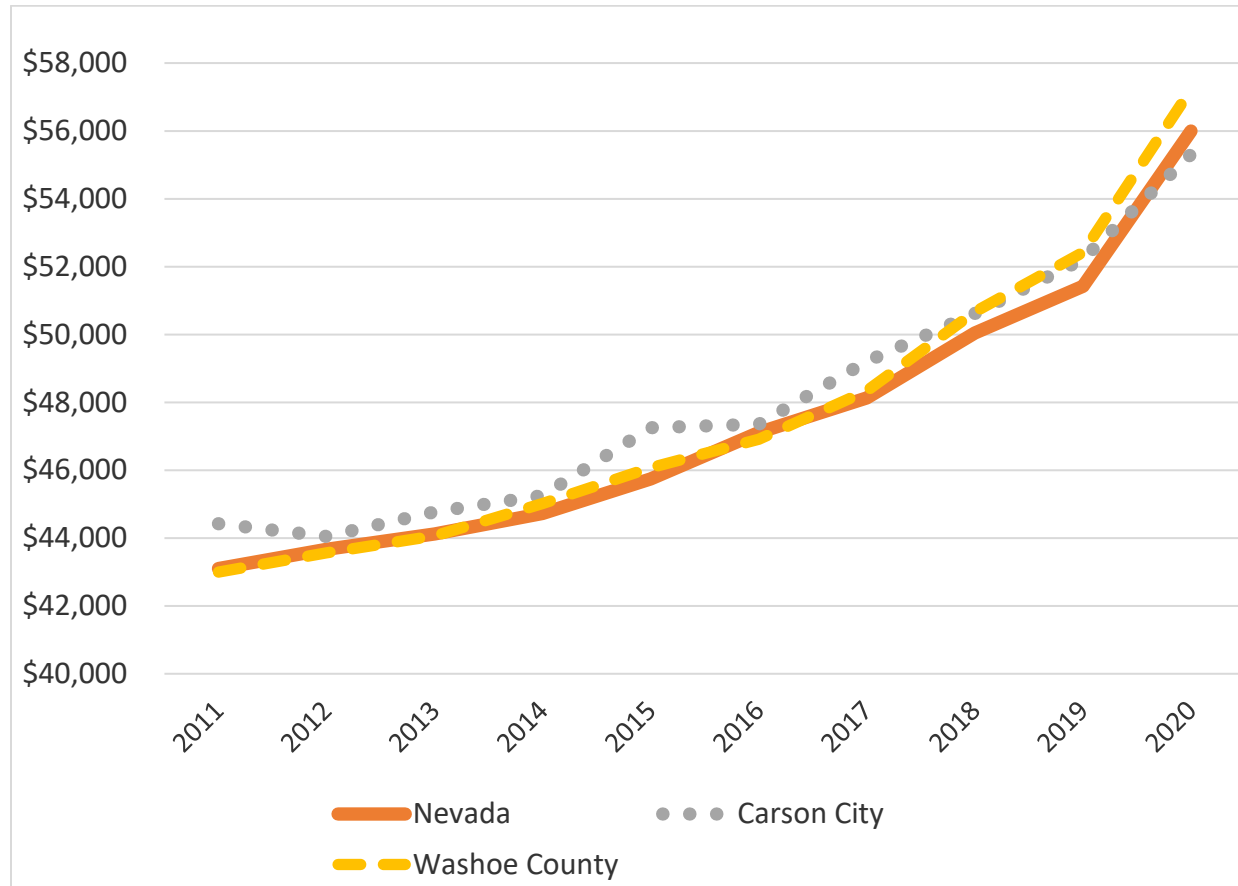
	September 2019	August 2020	August 2021	October 2021	% Change Sept 2019 to October 2021
Carson City	\$1,190	\$1,164	\$1,340	\$1,320	11%
Reno	\$1,304	\$1,327	\$1,530	\$1,536	18%

### Wages Up but Not as Much as Rent

Wages have also been going up over this period. Data from the Quarterly Census of Employment and Wages is not yet available for the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2021 for Carson City, so it isn't yet clear whether average wages have been able to keep up with rent and home price increases.<sup>ix</sup> Also, for affordability, other factors are also important such as the distribution of wage increases, changes in household size, labor participation rates and changes in government assistance. Carson City average annual QCEW

wages increased by 8% from 2018 to 2020, less than the 12% increase statewide and the 13% increase in Washoe County.

**Figure 15. QCEW Annual Average Wage for Carson City, Washoe County, and Nevada, 2011 to 2020**



### Tug of War: Affordability Factors Outweighed by Tight Market

Carson City has several advantages when it comes to providing affordable housing:

- Diverse housing stock including manufactured housing
- Relatively high number of studio units
- High proportion of smaller homes
- High proportion of homeowners who own their home outright
- A large selection of older housing stock

However, juxtaposed against these positives are several negatives for housing affordability:

- Very little new housing stock
- An extremely low vacancy rate
- Increasing rents
- Increasing home prices
- Decreasing affordability for homebuyers



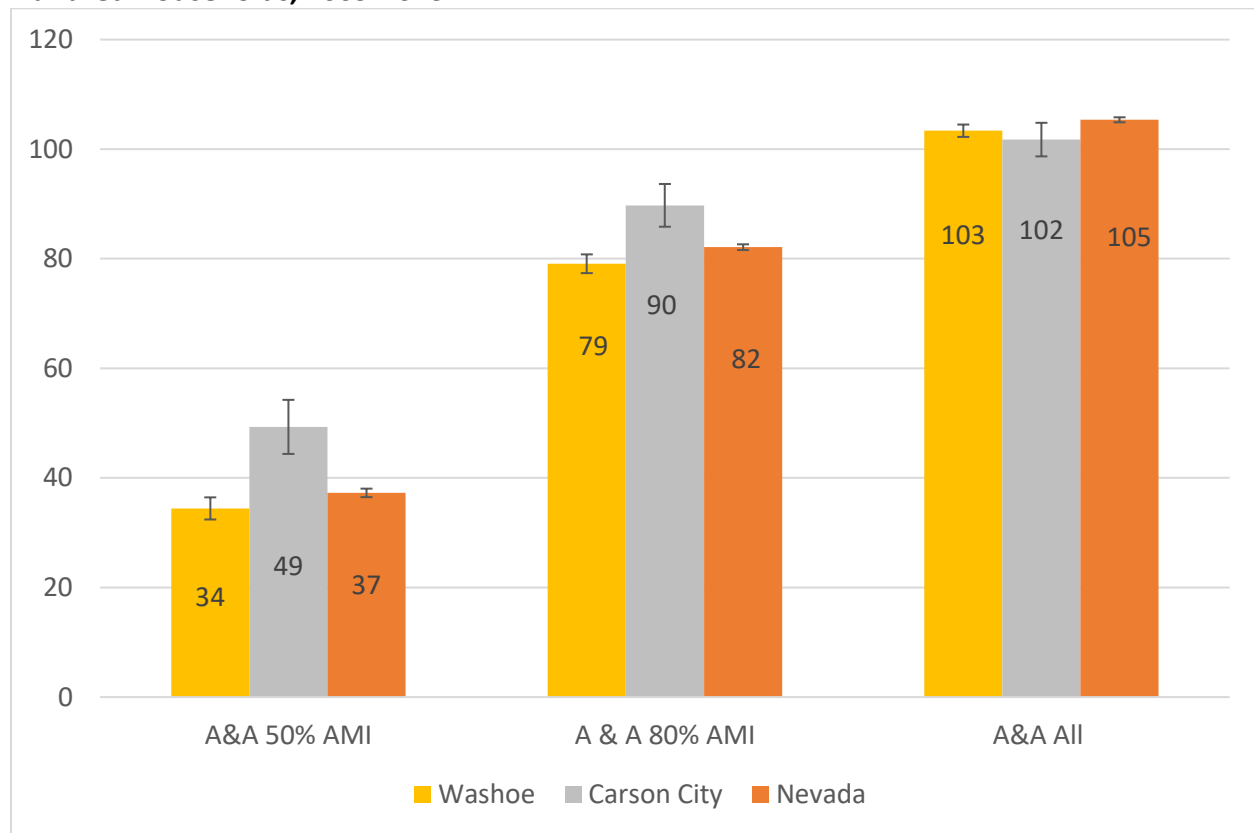






households as compared to Carson City and Nevada. The final set of bars shows availability for the market in general, that is, the ratio of total housing units to households. Because some units are vacant there is a surplus of 102 units per each hundred households in Carson City, 103 units per each hundred households in Washoe County and 105 units per 100 is the Nevada average. Significant changes in affordability have occurred as the regions recovered from the Great Recession.

**Figure 18. Carson City, Washoe County and Nevada Affordable and Available Units per Hundred Households, 2009-2013<sup>xvi</sup>**



### Homeless Count for Carson City

Estimates of the homeless are not included in CHAS estimates. Table 4 gives the most recent point-in-time count of the homeless in Carson City. This year’s count was influenced by Covid-19 concerns and may not be as comprehensive as some past years. The point-in-time count is less than the number of family or individuals that experience an episode of homelessness at any time over the past year.

**Table 4. Homeless Point-in-Time Count 2021<sup>xvii</sup>**

Continuum of Care	Unsheltered Individuals	Individuals in emergency shelters or transitional housing	Individuals staying in weekly motels	Children with housing instability
Carson City	82	52	79	267

