

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.

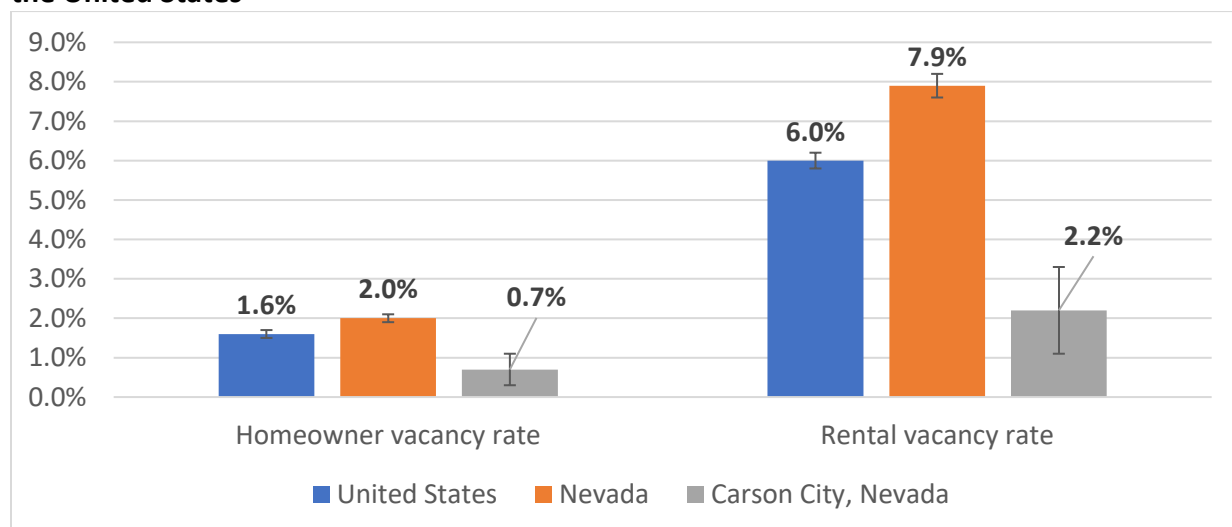
The American Community Survey (ACS) is carried out on an ongoing basis by the U.S. Census Bureau and is considered the best detailed information available for many topics. It is especially useful for housing in that it combines data on house characteristics with data on the households occupying it. For 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.ⁱ 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.

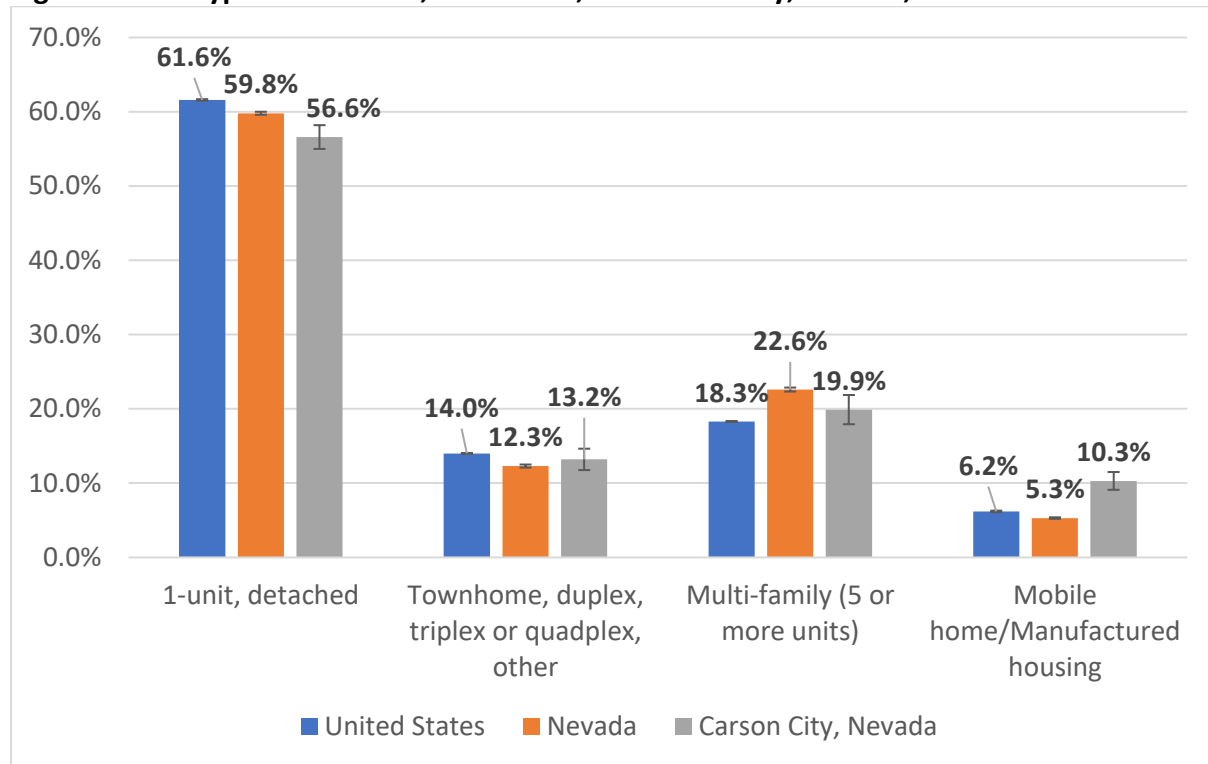
Figure 1. ACS Homeowner and rental vacancy rate, 2015-2019, for Carson City, Nevada, and the United States



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



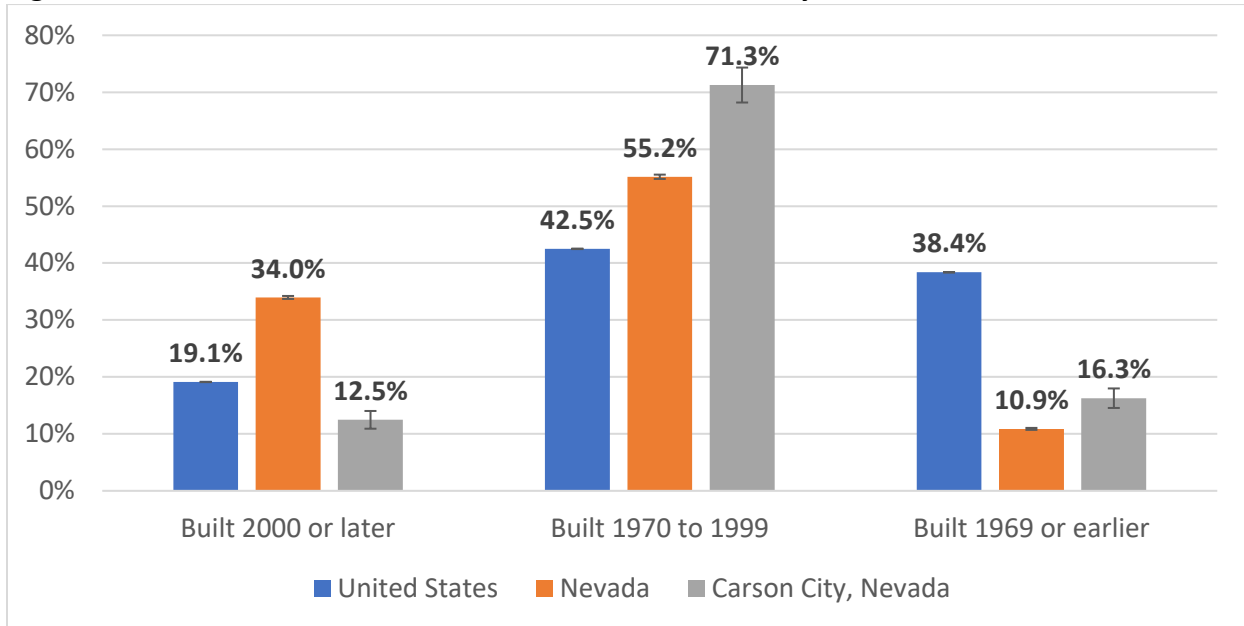
Less Housing Stock Built Year 2000 or Later

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.ⁱⁱ

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.

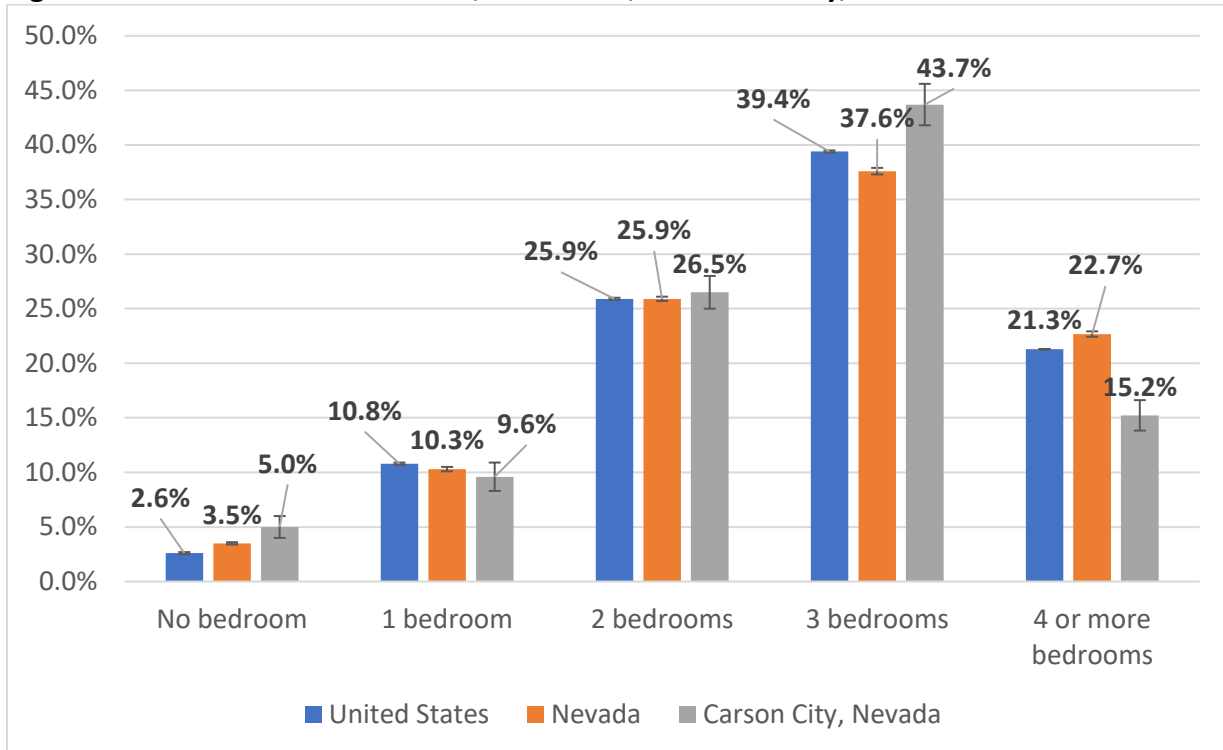
Figure 3. ACS Year Structure Built, 2015-2019, for Carson City, Nevada, and the United States



[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.

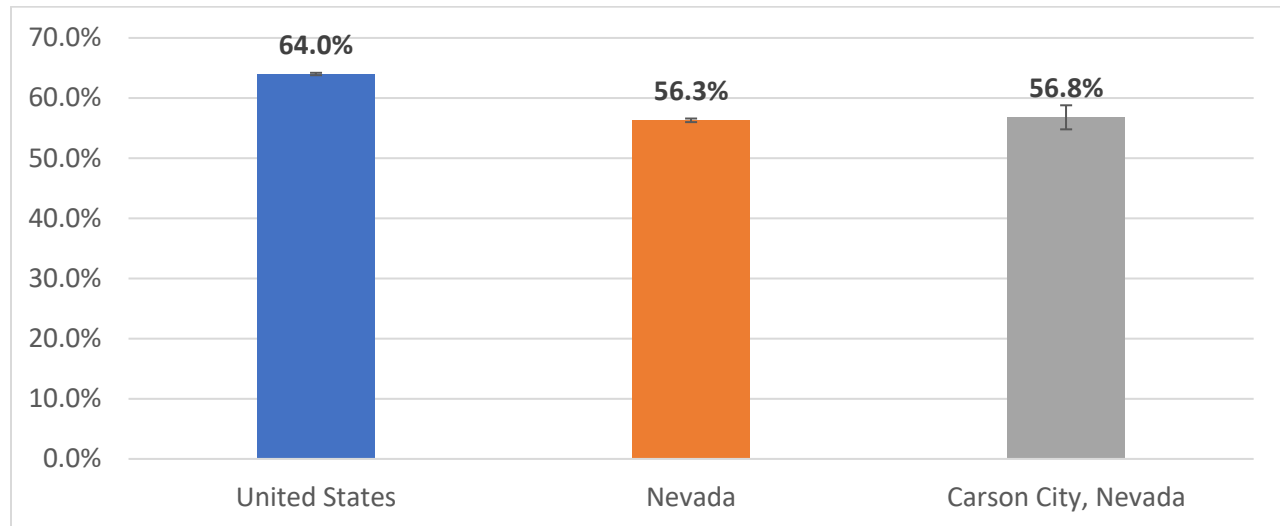
Figure 4. ACS Number of Bedrooms, 2015-2019, for Carson City, Nevada and the United States



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.

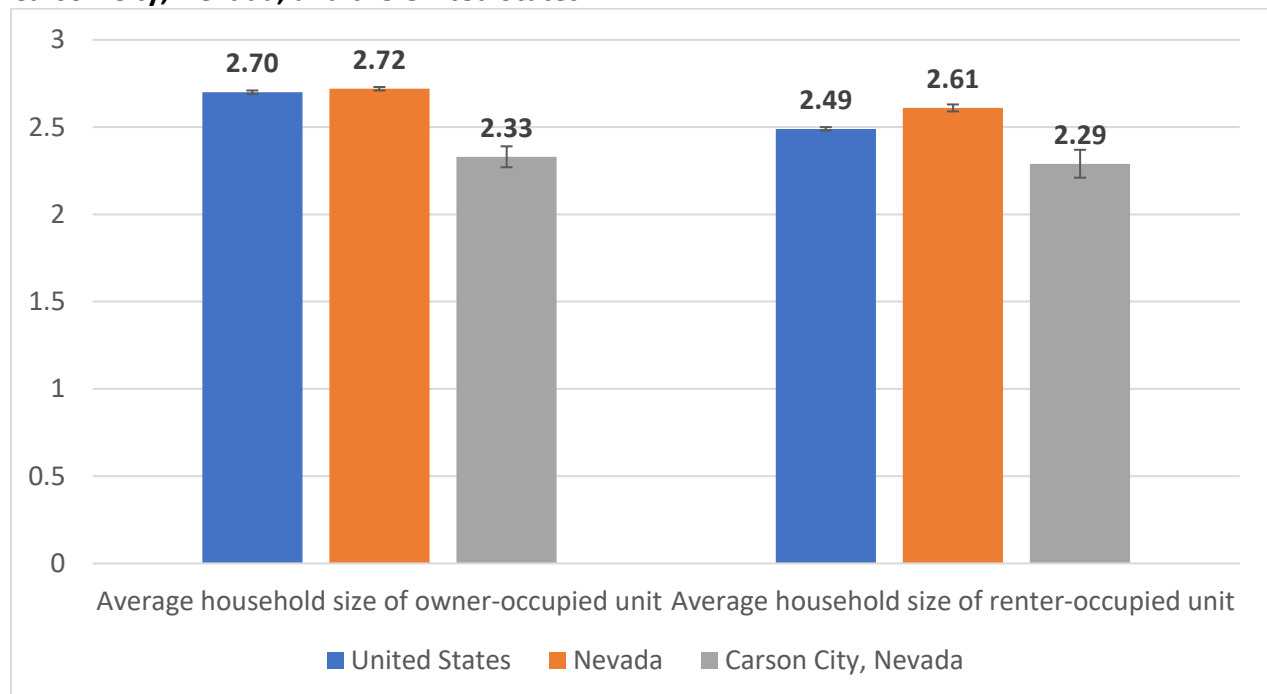
Figure 5. ACS Percent Owner-occupied, 2015-2019, Carson City, Nevada, and the United States



Smaller Household Size

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

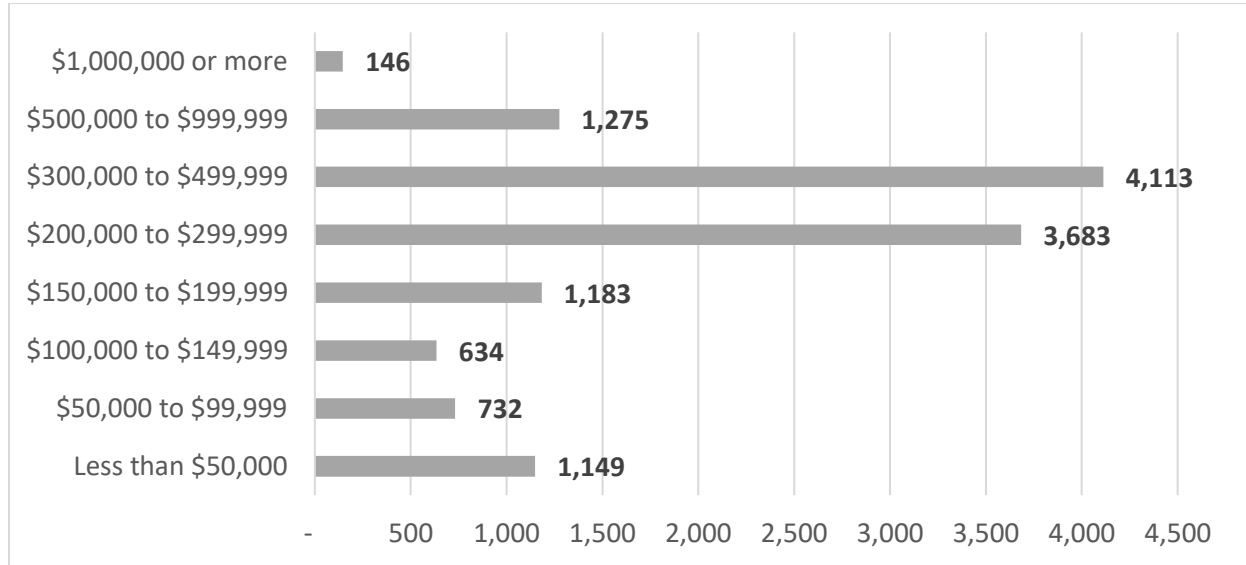
Figure 6. ACS Average Household Size for Renter and Owner-occupied Units, 2015-2019, Carson City, Nevada, and the United States.



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.

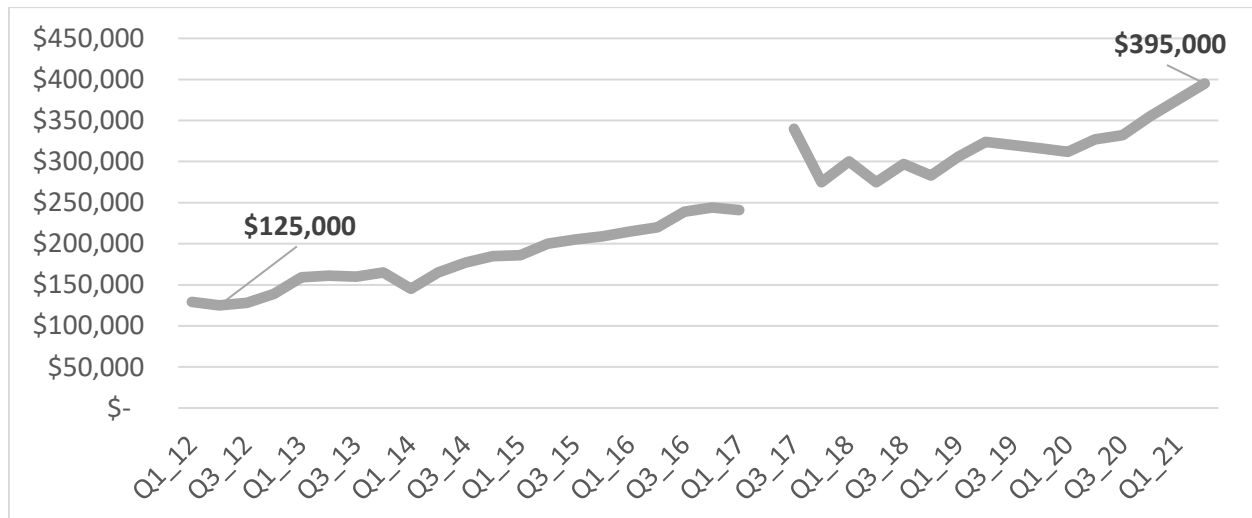
Figure 7. ACS Home-owner Estimated Value of Carson City Owner-occupied Units, 2015-2019.



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 1st quarter 2012 to \$395,000 in the 2nd quarter of 2021, according to the National Association of Home Builders/Wells Fargo series.ⁱⁱⁱ Since 2nd 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.^{iv}

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

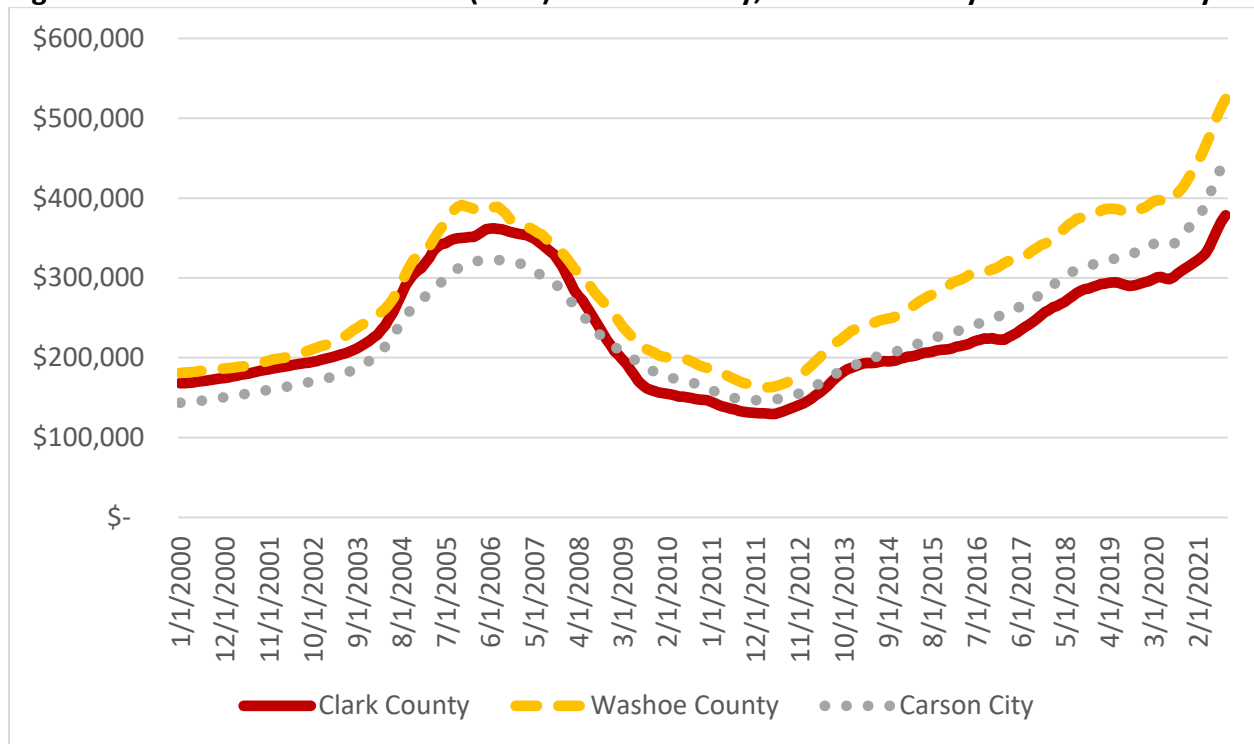


Zillow Home Value Index (ZHVI)

Zillow publishes a Home Value Index for Carson City and other counties that it keeps updated to the previous month.^v According to the Zillow methodology, it reflects a typical value for homes in the 35th to 65th percentile range.^{vi} 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.

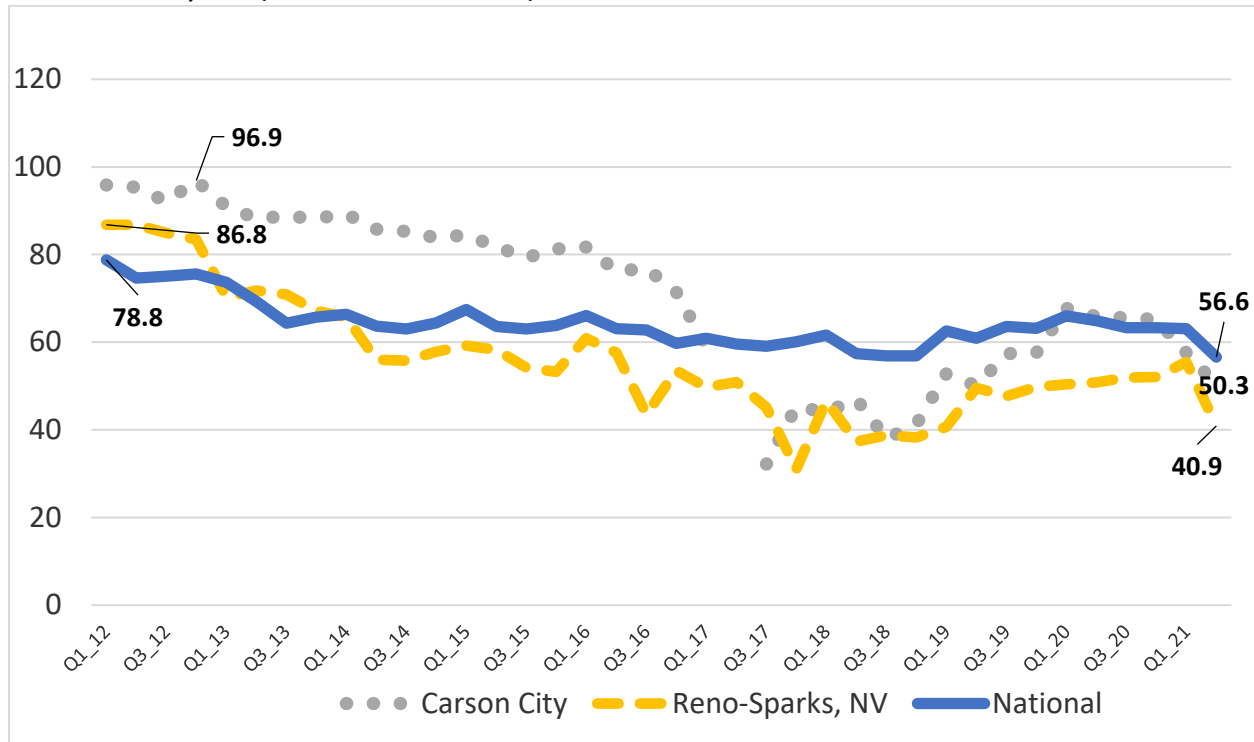
Figure 9. Zillow Home Value Index (ZHVI) for Carson City, Washoe County and Clark County



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.^{vii}

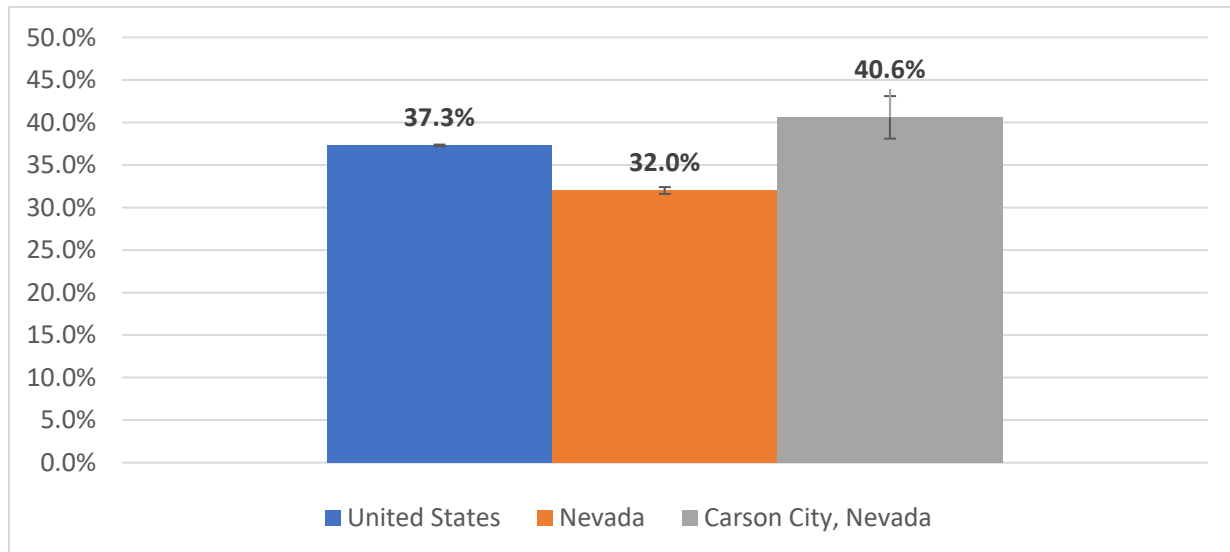
Figure 10. NAHB - Wells Fargo Housing Opportunity Index, Carson City, Reno-Sparks and United States, 1st Quarter 2012 to 2nd Quarter 2021



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.

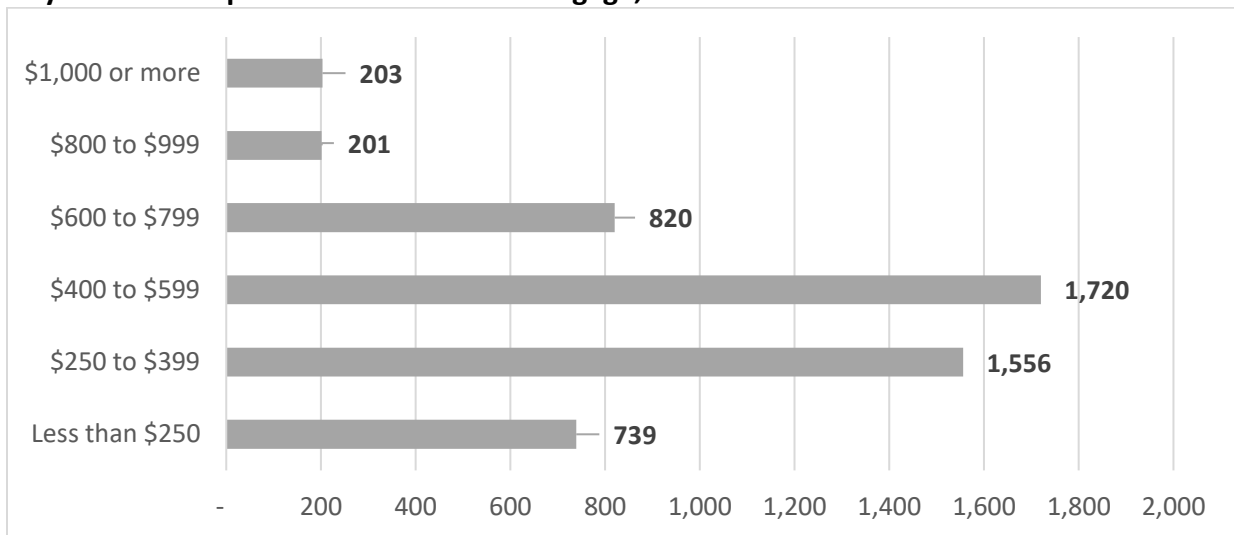
Figure 11. ACS Percent Households without a Mortgage, 2015-2019, Carson City, Nevada, and the United States.



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.

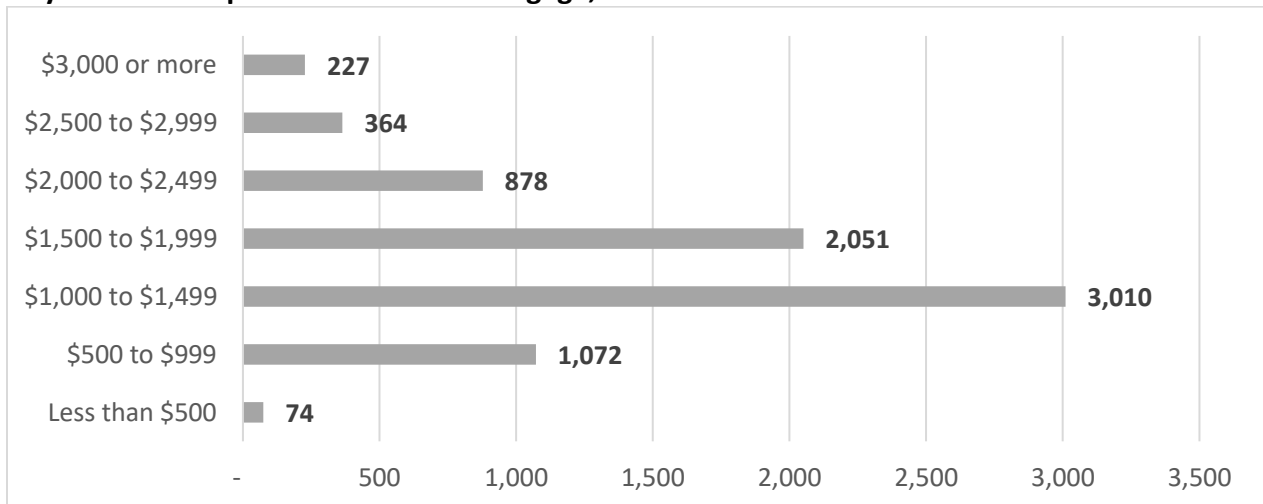
Figure 12. Number of Owner Households by ACS Selected Monthly Owner Costs for Carson City Owner-occupied Units without a Mortgage, 2015-2019



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.

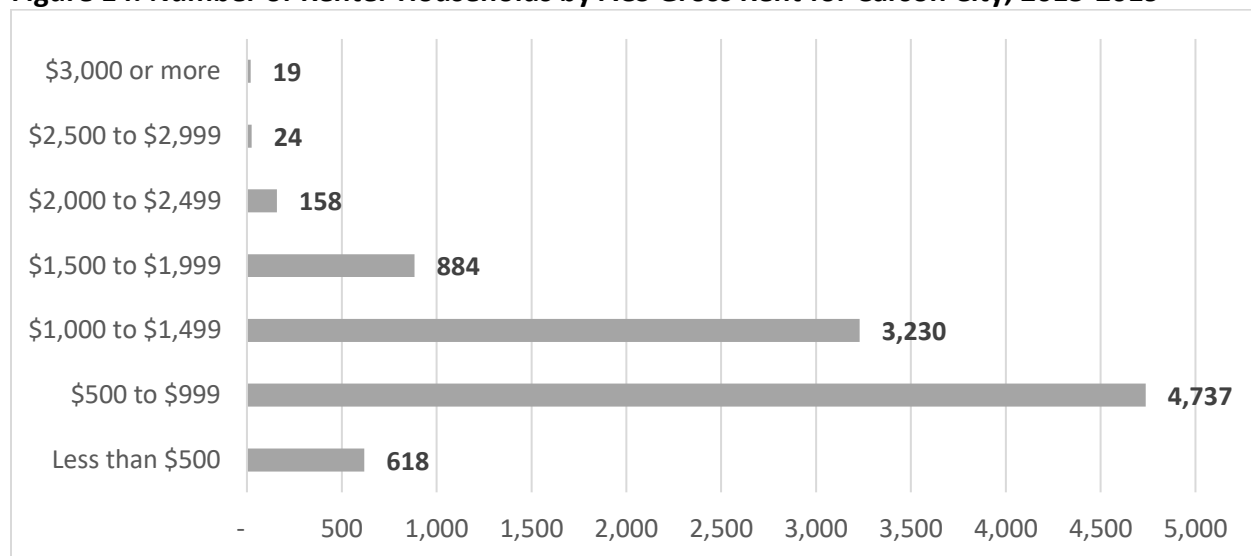
Figure 13. Number of Owner Households by ACS Selected Monthly Owner Costs for Carson City Owner-occupied Units with a Mortgage, 2015-2019



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](#).^{viii} 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

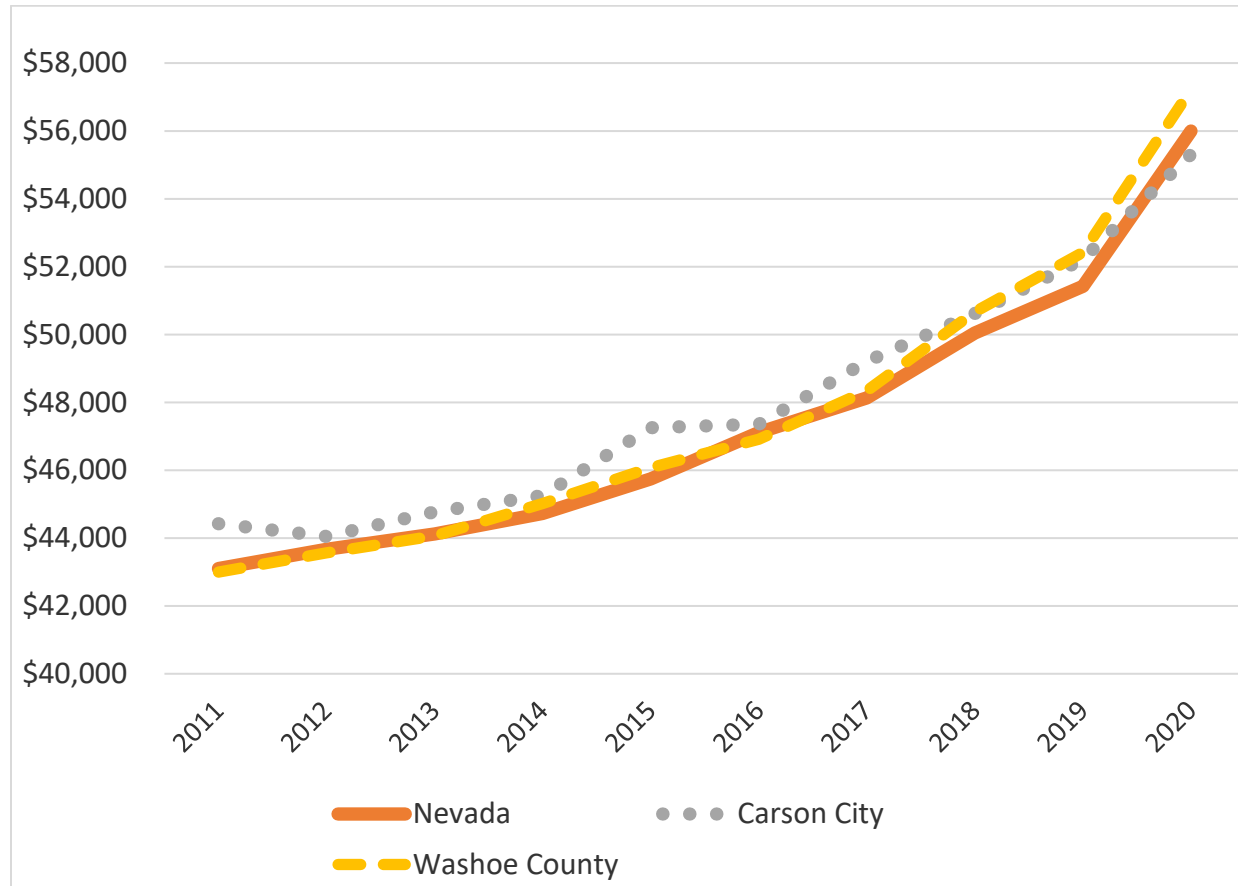
	September 2019	August 2020	August 2021	October 2021	% Change Sept 2019 to October 2021
Carson City	\$1,190	\$1,164	\$1,340	\$1,320	11%
Reno	\$1,304	\$1,327	\$1,530	\$1,536	18%

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 2nd or 3rd 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.^{ix} 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

Estimates of the Housing Affordability Gap in Carson City

A special tabulation of U.S. Census Bureau data called the CHAS (Comprehensive Housing Affordability Strategy) is prepared for HUD each year using the American Community Survey. The tabulation measures housing need by estimating the numbers of households at various income levels who pay 30% or more for their housing costs, amongst other housing related statistics. A renter household that pays more than 30% of its income for gross rent, which includes utility costs, is considered “rent burdened.” The greatest concern is for the lowest income households with rent burden. HUD categorizes households as extremely low income (ELI), very low income (VLI), or low income (LI) as follows:

- ELI households have incomes less than 30% of HUD area median income.
- VLI households have incomes between 30% and 50% HUD area median income.
- LI households have incomes between 50% and 80% HUD area median income.

HUD median income is adjusted for family size and region. As an example, 2021 Section 8 income limits for Carson City are in Table 1 below.

Table 2. HUD Section 8 Income Limits for 2021 for Carson City^x

Income Category	1 person	2 person	3 person	4 person
Extremely Low Income	\$16,600	\$18,950	\$21,960	\$26,500
Very Low Income	\$27,650	\$31,600	\$35,550	\$39,450
Low Income	\$44,200	\$50,500	\$56,800	\$63,100

For the statistics presented below, both homeowners and renters are grouped together. Given the small sample size for some Carson City CHAS data, combining the two produces more reliable estimates. Only units with full plumbing or kitchen facilities are included. Carson City has somewhere between 500 and 900 units without full plumbing or kitchen facilities according to the 2014-2018 CHAS data, the most recent CHAS data available.^{xi} For Nevada, the period from 2014 to 2018 was a time of recovery from the Great Recession and the beginning of a high growth period.

Subsidized Housing Stock

According to Nevada Housing Division records, there were 962 units of subsidized housing in Carson City in 2021.^{xii} Of that total, 528 units were affordable to households under 50% of HUD median family income and 434 were affordable to higher income families, mostly households with 60% of HUD area median family income. These subsidized units were included in the ACS statistics above. For example, some of the units in Figure 13 that were \$500 a month or less rent likely represent subsidized units, while some of it may have been naturally occurring affordable housing (NOAH).

Estimates of “NOAH”

Using more detailed data from the 2014-2018 CHAS, it is possible to subtract out the subsidized housing stock numbers and estimate the amount of NOAH in Carson City. These NOAH estimates represent such options as some of the units owned outright by homeowners as well as affordable rental units, smaller units, mobile homes, or manufactured housing, etc. About 4,000 NOAH were affordable to VLI households while an additional 7,000 units were affordable to LI households.

Table3. Estimated “NOAH” (naturally occurring affordable housing) in Carson City, including both renter and owner occupied housing^{xiii}

	Total Units Affordable	Subsidized Units	Remaining NOAH	NOAH 90% CI Margin of Error
Lacks full kitchen and plumbing			725	+/- 170
Affordable to households with incomes under 50% of HUD area family median income, full plumbing, and kitchen	4,355	528	3,827	+/-424
Affordable to households with incomes between 50% and 80% of HUD area median family income, full plumbing, and kitchen	7,754	434	7,320	+/-550

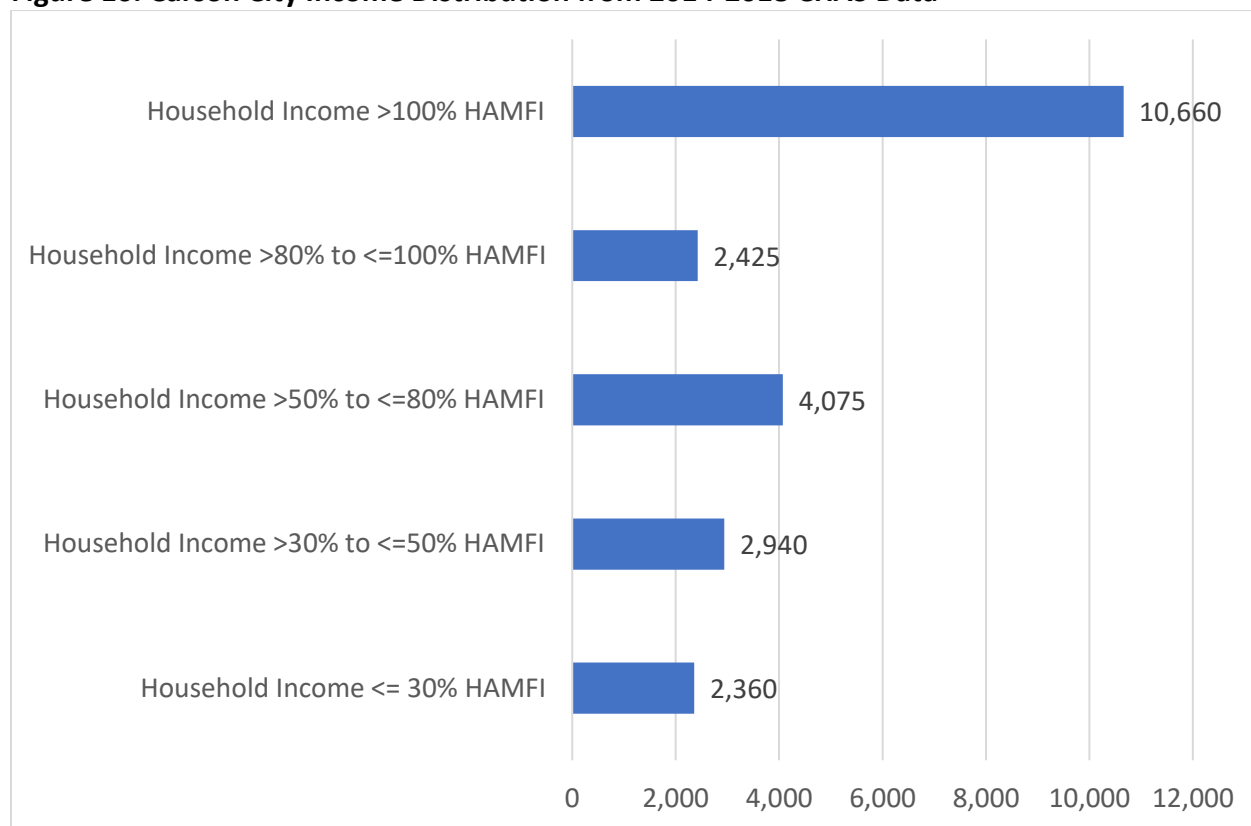
Estimate of Low Income Households

About 2,400 (11%) of Carson City households were estimated to fall into the Extremely Low Income (ELI) category, roughly similar to households under poverty level income. An additional 2,900 (13%) had incomes from 30% to 50% of HUD Area Median Family Income (HAMFI). Four-thousand one hundred (18%) of households fell into the category of Low Income (LI).

Remembering that these are rough estimates, and comparing with the numbers of affordable units above, there is a shortage of roughly 1,000 units of housing affordable to very low income households and an oversupply of housing affordable to the low income households (with incomes from 50% to 80% of HAMFI). However, it is not the end of the story, because, at least for the portion of the housing that is “NOAH,” lower income households compete for the housing with all the higher income households. To account for this, the “affordable and available” units are calculated in the next section.

It is also important to note that although the extremely low income (ELI) households and affordable NOAH are not broken out separately in this analysis, it is quite likely that for this sub-group there is an even greater lack of affordable housing available in the inventory, even before considering competition with higher income groups.

Figure 16. Carson City Income Distribution from 2014-2018 CHAS Data^{xiv}



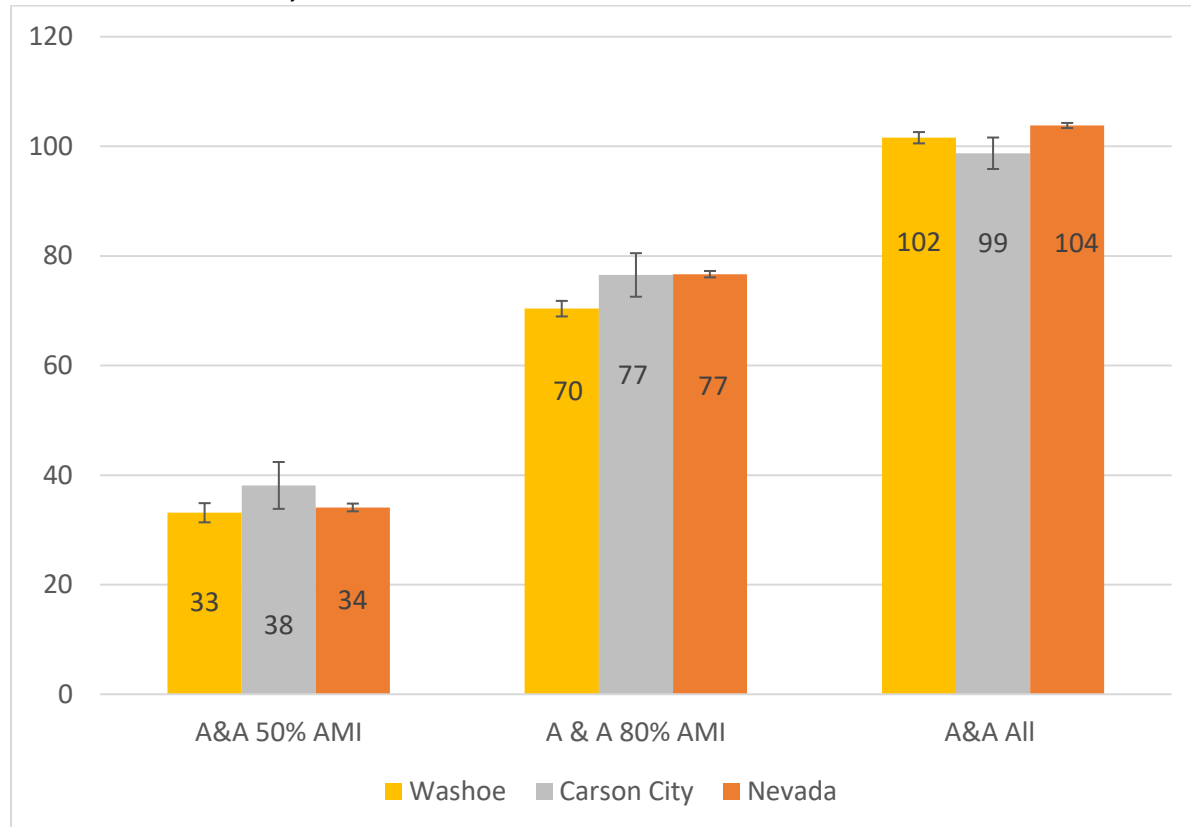
How Many Units Were Affordable and Available to Low Income Households

Figure 17 gives the number of affordable and available units per hundred by income group. An affordable unit is considered affordable if gross rent or, in the case of homeowners, mortgage, insurance, property taxes and utilities, are less than 30% of household income. For example, a three person very low income family in Carson City with an income of \$35,550 a year would be in an affordable apartment if they paid \$890 a month or less for rent and utilities. A unit is counted as available if it is vacant and affordable, or if it is affordable and is occupied by a household at or below the specified income level. Many affordable units are occupied by households from wealthier income groups and therefore considered to be unavailable. Only units with full kitchen and bathroom facilities are included.

For example, in Carson City, there were an estimated 38 affordable and available units for each 100 very low income (VLI) households, giving a “gap” of 62 affordable units per hundred VLI households. In this case, all households with incomes less than 50% of area median income are included, so for the 2014 to 2018 data, about 5,300 households, which would indicate a gap of about 3,300 units for VLI households. The “gap” is not necessarily a gap in physical units; rather the “gap” represents the number of households who may not be stably housed, or may be struggling to cover rent, medical care, and food, for example. Carson City compared favorably to either Washoe County or the Nevada average, which had 33 and 34 affordable and available units for VLI households. Low income households with incomes under 80% of AMI had 77 units of affordable and available housing for each 100 households. Washoe County appears to have the least housing for low income 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 Washoe County and 104 units per 100 is the Nevada average. However, Carson City, with its very low vacancy rate, does not necessarily show a surplus.

Figure 17. Carson City, Washoe County and Nevada Affordable and Available Units per Hundred Households, 2014-2018^{xv}



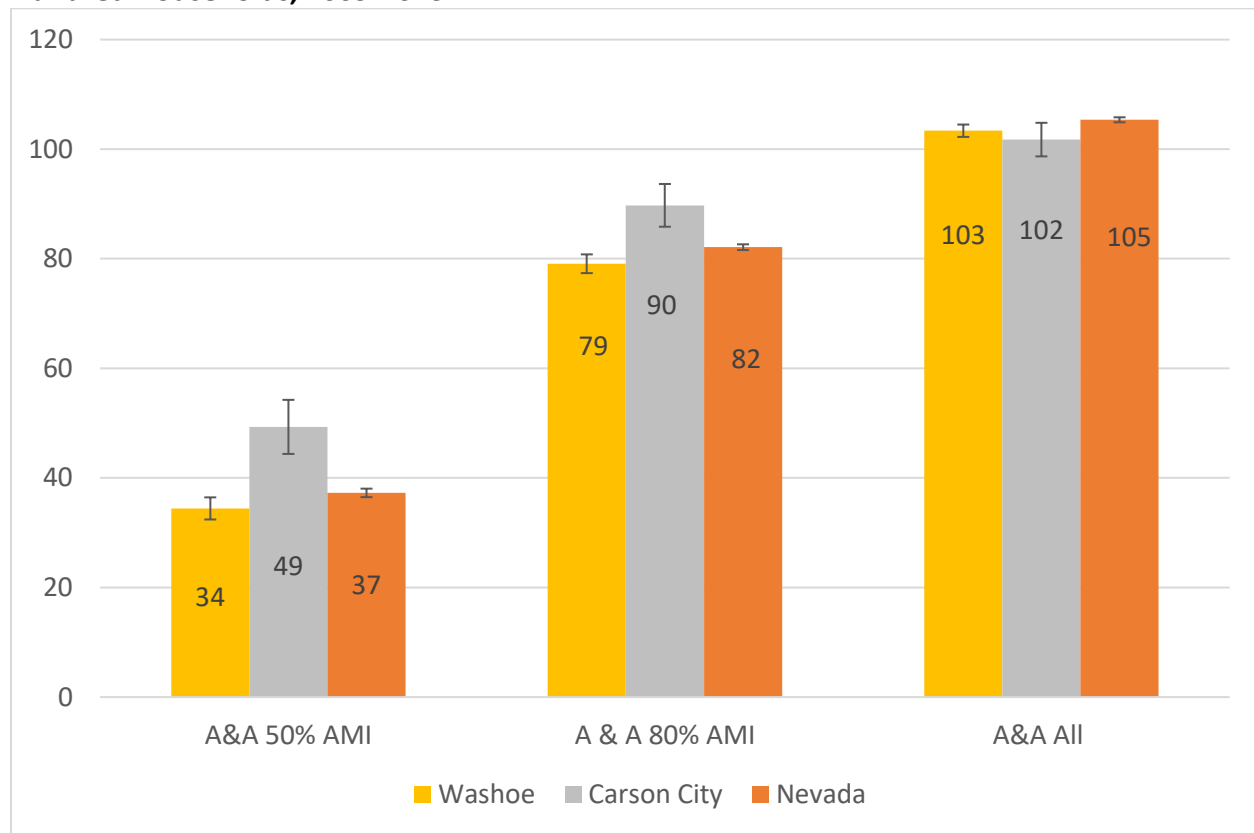
The affordable and available measure is most typically used for renters only. Adding owners gives a more complete picture in some ways and boosts the reliability of the measure for small areas. However, it adds complication since owners have an unknown amount of asset value in their home and are willing to pay more for this asset value. In addition, retirees may have built considerable asset value but have low income, being “house poor.” Including owners decreased the number of affordable and available units for low income families. For example, for renters in Carson City, there were 37 affordable and available rental units for VLI renters and 89 affordable and available rental units for LI renters.

Affordable and Available Units During the Great Recession

Figure 18 gives the number of affordable and available units per hundred by income group during the Great Recession and coming out of that recession (2009-2013). During that time Carson City had an estimated 49 affordable and available units for each 100 very low income (VLI) households, giving a “gap” of 51 affordable units. Carson City compared favorably to either Washoe County or the Nevada average, which had 34 and 37 affordable and available units for VLI households. Low income households with incomes under 80% of AMI had 90 units of affordable and available housing for each 100 households. Washoe County appears to have the lowest number of affordable and available homes for low income

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^{xvi}



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^{xvii}

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

Current Housing Affordability

The data for most of the tables and charts above is from time periods from 2014 to 2019. In the experience of this analyst, some of the housing data presented here has remarkable stability from year to year. The housing market normally has a surprising amount of stability and continuity. However, given the powerful forces at work, from the Great Recession to the hot economy in 2018 and 2019, to the pandemic, and government responses to the pandemic, we can expect the housing situation has changed significantly over these past years. Although the many forces at work on the housing market are powerful, they are sometimes countervailing, and as such it is not easy to forecast the outcome of them. For example, lower interest rates increased affordability for homebuyers, while eviction moratoria and increased unemployment insurance may have lowered vacancy rates in the apartment market, helping to raise rents and decrease affordability for renters.

Where possible, more up-to-date data was examined. Given the higher home prices and higher rents, it is quite likely that affordability has suffered. Owner-occupied housing in Carson City may provide a refuge of affordability and asset growth for those who purchased a house several years ago.

ⁱ The pandemic caused serious disruptions to ACS data collection to the extent that the Census Bureau is calling the 2020 ACS “experimental” because it did not meet the Bureau’s strict quality standards. See Release Notes at <https://www.census.gov/programs-surveys/acs/news/data-releases/2020/release.html>

ⁱⁱ Population estimates are from U.S. Census Bureau Population Estimates 2020 vintage: [Population and Housing Unit Estimates \(census.gov\)](https://www.census.gov/population/housing-unit/estimates.html) and Certified Population Estimates of Nevada’s Counties, Cities and Towns 2000 to 2020, NV State Demographer, NV Department of Taxation. https://tax.nv.gov/Publications/Population_Statistics_and_Reports/

ⁱⁱⁱ National Association of Home Builders. NAHB-Wells Fargo Housing Opportunity Index. <http://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx> accessed 8-21-2021.

^{iv} *ibid.*

^v Zillow Housing Data. <https://www.zillow.com/research/data/> accessed 11-4-2021

^{vi} Hryniw, Natalia, Dec. 18, 2019. Zillow Home Value Index Methodology, 2019 Revision. <https://www.zillow.com/research/zhvi-methodology-2019-deep-26226/>

^{vii} *Ibid.*

^{viii} ALN Apartment Data, Reno, NV, Monthly Market Reviews for Sept 2019, August 2020, August 2021, and October 2021. <https://alndata.com/>

^{ix} U. S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, <https://www.bls.gov/cew/> accessed 11-14-2021.

^x U.S. Housing and Urban Development, Income Limits <https://www.huduser.gov/portal/datasets/il.html>

^{xi} U.S. Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy (CHAS) data downloaded from <https://www.huduser.gov/portal/datasets/cp.html> and tabulation by the author.

^{xii} An additional project, Sierra Flats, is under construction with phase I providing 64 additional restricted income units.

^{xiii} HUD CHAS 2014-2018 data as tabulated by author, and Nevada Housing Division in-house data on subsidized housing units

^{xiv} HUD CHAS 2014-2018 data as tabulated by author

^{xv} *Ibid.* with tabulation and analysis by author.

^{xvi} HUD CHAS 2009-2013 data as tabulated by author

^{xvii} Rural Nevada 2021 Point-in-time Count Report. <https://socialent.com/2021/06/rural-nevada-2021-point-in-time-count/> accessed 8-27-2021.