


BROOME COUNTY HOUSING STUDY

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Commissioned by The Agency






Broome County Housing Study: An analysis of the supply and demand for single-family housing, market rate rental housing and off-campus student housing in Broome County, New York

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INTRODUCTION AND EXECUTIVE SUMMARY

Introduction and Executive Summary

"In order f*or communities to function, there must be an adequate supply of housing in proximity to employment, public transportation, and community facilities, such as public schools."* *- American Planning Association Policy Guide on Housing*

Broome County offers a great deal as a place to live, work and play; however, the lack of housing for families, young professionals and first-time home buyers has become a community and economic development barrier. The Agency recognized the importance of this piece of the community and economic development puzzle, and commissioned a housing study to be conducted.

This report includes an analysis of the single-family housing market, together with market rate rental and off-campus college student housing.

Broome County: A Place to Live, Work and Play

Broome County is attractive with its quaint towns and hamlets, picturesque rolling hills, the confluence of the Susquehanna and Chenango Rivers, several lakes ideal for fishing and kayaking, and year-around recreational activities. With Interstates 81 and 88, as well as Route 17, the county is conveniently located in close proximity to several major metropolitan areas including New York City, Philadelphia and Albany. Broome County is home to Binghamton University, ranked one of the nation's premier public universities among multiple rankings, including Forbes, US News & World Report and Business Insider. Broome is also home to SUNY Broome Community College and Davis College, giving residents access to exceptional and affordable higher education.

In addition, a variety of cultural opportunities are available, including the Roberson Science and Museum Center, Tri-Cities Opera, Cider Mill Playhouse, Binghamton Philharmonic, and the Broadway Theater League. For sports enthusiasts, Broome hosts the Binghamton Devils, the AHL affiliate of the New Jersey Devils, the Binghamton Rumble Ponies, the Double-AA affiliate of the New York Mets, and hosts the Dick's Open, part of the PGA's Champions Tour. The region is family friendly and well-known as the "Carousel Capital," housing several original working carousels. Numerous other recreational opportunities abound, such as cross-country skiing, golf, and fishing. Several parks throughout the county such as Otsiningo Park, home of the Speidie Fest and Balloon Rally, offer places to canoe, kayak, walk and bike.

Broome County is home to many charming neighborhoods and affordable housing, with high quality schools. It also is home to several major employers with jobs that range from high-tech to professional, production and skilled trades.

Despite these assets, Broome County's population has continued to decline. With the exception of the Town of Vestal, which remained flat, there has been an average population decrease of 3% among the remaining 22 municipalities since 2010. The Broome County Talent Task Force has recommended an aggressive promotion and recruitment effort be undertaken to bolster the workforce, but also has pointed to the need to improve the housing stock to make the area attractive for retention as well as those relocating to the area.

National Trends in Single-family House Sales and Market Rate Rentals

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Short Supply and High Demand Driving Prices

This spring (2017) may be one of the hottest sellers' markets in history, but even off-the-chart-demand can't put all potential buyers in a home of their own. If the house is too expensive for the region's demand, it won't sell. That is becoming the case in more and more neighborhoods this spring — and is likely behind the first sign that big price gains are starting to shrink.

Nationally, home prices are reacting to the severe lack of homes for sale, especially on the low end of the market. Demand is heavy, but there is a limit that is slowly being reached in certain markets and even certain neighborhoods. It's the same story of short supply and strong demand. If mortgage rates finally do move higher, as some have been predicting, affordability will weaken further. Demand will simply come up against math.

"If we ask young people what are the biggest barriers to home ownership, we're not getting answers about, 'Well I've run the math and I think that the financial return is greater by putting the money in my IRA or in my 401(k).' What we get are the economic factors," Jon Spader, senior research associate with Harvard's Joint Center for Housing, said at a recent panel discussion at the Department of Housing and Urban Development. "We get responses about building credit history, about saving for a down payment and closing costs, about having sufficient income."

The affordability pinch will slowly take the heat out of home prices, but even if gains slowed to 5 percent annually, that is still higher than historical norms and still higher than income growth. Home builders are not adding tremendous supply right now, especially not affordable supply, so that is unlikely to help in the short term. It could be several years before builders are back up to historically normal levels of production.

Cnbc.com Fast-rising Home Prices Finally Hit a Wall June 6, 2017

Single-family Sales

The pace of single-family home sales was robust in 2016, and the level of activity has continued into 2017. The increasing volume of sales among all consumer groups during the past four years has resulted in a low inventory. Existing housing inventory slipped nearly 9% to 1.43 million, and days on the market (DOM) number dropped from 60 to 49. The current supply of new construction is 5.4 months and among existing houses is 3.8 months, which is beneath the six-month supply considered healthy.

The housing demand also is evident in building permit activity, showing a nation-wide increase of 13% in Q1 of 2017 as compared to Q1 of 2016. Across the country, new residential construction is a mix of style, typically including 30% condos, 50% townhouses and 20% single-family homes.

This situation has created a seller's market; driving up existing home prices by 4.8% in 2016. The Home Price Expectations Survey shows values increasing by 3.6% to 4% in 2017. The slightly slower pace in 2017 is attributed to the lack of inventory. The low inventory also is being driven by the acquisition of older homes that require renovations. Home buyers are being forced to invest in upgrades to houses being purchased, particularly those 30+ years. Sales are occurring at all price points, with the highest concentration in the $200,000 - $299,000 and $300,000 - $399,999 price ranges. Buyers in the 52 to 61 years age group are active; buying multi-generational houses. Seniors at the upper end of the Boomer age spectrum are showing a preference to trade down for a smaller home, preferring condos or villa-style town homes with less maintenance. Among this group, at least 50% will opt for rental housing (either independent or assisted living) as opposed to purchasing. In addition to the desired amenities, listed above, seniors will need age-related home features such as wider hallways to accommodate wheel chairs or walkers, open showers and no stairs.

First-time home buyers represent the largest consumer group at 34%. Most are 36 years or younger. Forty-five percent of buyers 36 years or younger have student loan debt with a median balance of $25,000. While only 27% of buyers ages 37 to 51 years have student loan debt, they have the highest median balance of debt at $30,000. Their preference is for new construction with low maintenance, or older houses with architectural character that have been renovated; however, there is a limited inventory that satisfied this criterion. As of 2016, 43% of Millennials have bought their homes, while 75% of non-homeowners say they could be motivated to buy a house. National surveys indicate that Millennials envision themselves moving to a new city, state or country fewer than two more times in their lives. Sixty-eight percent prefer to build a life in one community, rather than live and work in multiple geographies.

Market Rate Rental

A 2017 report commissioned by the National Multi-family Housing Council (NMHC) and the National Apartment Association (NAA) states that the U.S. will need 325,000 new apartments, especially in the West, every year between now and 2030 to meet the growing demand. The study, prepared by Hoyt Advisory Services, states that the growing demand for new apartments is due to the delayed marriages, the aging population and international immigration. The highest level of demand is in Raleigh, Orlando, Austin, Dallas-Ft. Worth and Houston.

Why?

- ✓ Millennials moving out of parents' homes
- ✓ Aging population moving out of single-family houses into rentals
- ✓ International immigration
- ✓ Lack of single-family inventory for sale

The current household composition is made up of 64% homeowners, 26% renters, and 11% who live with someone else. Of the non-owners, 59% are 34 years or under, 64% make an income of under $50,000, and 43% live in suburban areas. Non-homeowners cited the main reason for not owning as affordability. The perception reached a high of 57% in 2016.

According to the U.S. Census Bureau's report issued April 27, 2017, the national rental vacancy rate was 7% in Q1 of 2017. This compares to the high point of 10.6% set in 2010. This high rate was during the housing bubble in 2007 – 2010, when a large percentage of renters entered the homeownership market and then were forced back into rental housing in 2010 due to a high level of foreclosures. The vacancy rate has remained somewhat level since 2013.

Monthly rental rates have continued to increase over the past ten years. The median asking rent was $864 in 1Q 2017; up from $430 in 1995. Several cities are experiencing significant rate hikes. For example, Philadelphia leads with an 11.7% increase over the same time in 2016. In fact, more than half of the top ten most expensive markets are in the West, including San Francisco, San Jose, Los Angeles, Oakland, Seattle, Santa Ana, San Diego, Long Beach, Portland, Denver Sacramento and Scottsdale. Overall, the national average monthly rental rate for a one-bedroom apartment reached a high of $1,016.[1]

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[1] Rental Housing Journal. Philadelphia Apartment Rent Hikes Lead the Nation in June. June 1, 2017.

The average U.S. apartment asking rent grew 0.4% in the first quarter of 2017, up to $1,315, and by 3.3% on a year-over-year basis since the first quarter of 2016, according to Reis' *1Q 2017 Apartment Sector Preliminary Trends Release*. The research firm's findings mark a significant deceleration in rent growth from the pace seen one year ago, when the annual rent growth exceeded 5%. The author, Reis' Barbara Denham, attributes the growing divide between asking and effective rents to the increasing use of concessions to attract and secure occupants. On the local level, effective rents have declined since the last quarter in 23 of the 79 major metro markets.

Broome County: Situation Analysis and Forecast for Unmet Demand

Factors Driving Demand

- ✓ Older housing stock and no new construction in the past several decades
- ✓ Low inventory of single-family houses that meets the needs of buyers at all levels
- ✓ Stagnant domino effect; that is, housing not turning over at a typical rate resulting from non-movement among seniors and households moving up
- ✓ Lack of new construction or contemporary market rate rental housing
- ✓ New job creation and need to replace several thousand workers retiring in the next five years
- ✓ Resurgence in economy with stable business base and investments such as the new Dick's Distribution Center
- ✓ Planned talent retention and recruitment initiative

Overall Demand Analysis

In the next five years there is expected to be a need to fill at least 500 vacant positions with workers from outside the area; as well, as the need to fill an estimated 800 new jobs being created in the next 12 – 24 months. Taking into consideration at least 500 of these jobs will be filled by unemployed persons in Broome County and the surrounding area, this translates into a potential for 700 new workers, or an estimated 450 households moving into the area the next five years. Of this number, approximately 65% (290) will opt for purchase of a single-family house and 35% will select market rate rentals (160). These projections do not include demand from the existing population, which increases the projections to 400 single-family houses and 250 - 275 market rate rentals.

There are challenges that come with addressing this demand such as basic infrastructure, acquisition of vacant properties in target neighborhoods, lack of parking in the urban and downtown areas, and securing funding to support a significant volume of rehabilitation of the aged housing stock. However, the largest challenge is the need to create an economic landscape where people are motivated to invest in rehabilitation of single-family houses, mixed-use developments and infill development projects involving new construction of both single-family and multi-family units.

Single-family Housing

There is a low inventory of single-family houses on the market that meets the needs of select target market groups. The shortage is being driven by a "stagnant domino effect" and a combination of the following factors.

- ✓ An increase of first-time homebuyers who are current renters or relocating to the area and seeking houses in the $90,000 - $120,000 and $125,000 – 150,000 price point
- ✓ Persons/families seeking to move up from starter houses to one with a preferred price point of $140,000 - $175,000
- ✓ Persons 65+ remaining in their homes valued at the $90,000 - $150,000 price point; preventing this inventory to be on the market to first-time home buyers
- ✓ Out-of-the-county hiring by area employers, primarily young professionals, engineer, middle management and health care professionals.
- ✓ Persons who currently own houses at the $125,000 - $175,000 price point who are seeking to "move up" to the $200,000 - $300,000 price point; however, this is being stunted by a limited inventory, concern about increasing property tax liability with a more expensive house, and the need to invest $50,000 – 75,000 in renovations and upgrades. Due to these factors, this group is opting to remain in their existing homes, and not allowing for the natural flow of sales to new buyers.
- ✓ Lack of inventory in the $350,000+ price point. Demand is increasing among healthcare professionals and senior management being recruited to the area, as well as existing homeowners wanting to "move up."
- ✓ No new subdivision development, or even individual spec houses, being constructed below $500,000. Despite the large open spaces in Broome County, the topography, small acreage of available parcels and lack of basic water and sewer infrastructure limit the area where developers could build. This forces buyers to look for houses in the resale market.

The primary target market groups include the following.

- **First-time Home Buyer:** The Broome County first-time home buyer group includes both young professionals who are predominantly Millennials/Gen Yer's), as well as those who have been living in rentals and now have the savings to purchase a house. This later group includes production workers, customer service representatives and administrative support team members. The typical annual income is $50,000 – $75,000.

- **Established Young Professionals and Families Moving Up:** This target market group includes persons/families moving up from starter houses to a house with preferred price point of $125,000 – $200,000. The typical household size is from three to five persons; with an annual household income of $50,000 to $100,000.

- **Established Professionals and Upper Management:** This group includes lawyers, accountants, financial advisors and other professionals ages 40 – 55 with an annual household income of $150,000 - $250,000. It includes both those already living in Broome County, as well as those relocating to the area. This group's single-family housing demand is at the $250,000 – $350,000 range; as well as the $350,000+ priced houses being purchased by the buyer who is moving up in size and/or quality due to an increased income allowing for a larger mortgage, attraction to low interest rates, growing multi-generation families requiring a larger house, or opportunities to make an investment in a house of greater value. They are being deterred by an older housing stock that requires significant investment and higher property taxes. If they currently reside in Broome County, many decide to remain in place and invest in remodeling their existing house. The prices are attractive for the individual considering relocation to Broome County from outside the area; however, they are often discouraged by the need to invest in renovations, high taxes and low inventory.

- **Knowledge Workers*:*** This group includes engineers, IT, and other in technical professionals; most of whom are being recruited to the area. This group would have an annual household income of $100,000 – $150,000. It is likely that 30-40% of this group will have children living at home. The forecasted price points are $175,000 - $225,000 for those in the early stages of their career; and $225,000 – $350,000 for the experienced professional.

- **Professionals and Middle-management**: Housing demand at the $150,000 - $175,000 price point for the first-time home buyer whose annual household income is $90,000 – $125,000; and $175,000 – $250,000 price point for a repeat buyer looking to move up and has an annual income of $100,000 – $125,000.

Gap in Supply-Demand Analysis: Single-family Housing

The widening gap between supply and demand is expected to escalate with increasing pent-up demand among first-time buyers, together with hiring to fill new jobs being created by area employers, and current residents seeking to "move up" one or more price categories. The forecasted demand for single-family housing cannot be fulfilled by the existing housing stocks combined with the low volume of new construction spec houses and new subdivision development in the pipeline based on the current rate of buying together with historic trends in listings and sales. Revitalization of vacant or undesirable housing stock in the cities of Corning and Elmira, together with turn-over resulting from the aging population, have the potential to address the gap at the $90,000 – $120,000 and $125,000 - $225,000 price ranges; however, the balance of the existing housing stock is inadequate to meet demand.

Conservative Forecast of Gap in Single-family Housing by Consumer Group and Price Point Over the Next 3-5 Years

Consumer Group	$80,000 - $120,000	$125,000 - $175,000	$175,000 - $225,000	$225,000 – $275,000	$275,000 – $350,000	$350,000 – $500,000
Executives, Senior Management and Healthcare Professionals				25	35	15
Established Professionals including lawyers, accountants, engineers, scientist, etc.				20	10	10
Professionals and Middle Management			40	15	10	
Young Professionals relocating, and current residents moving up in the market or transitioning from rental situations	60	55	30	20		
Other first-time home buyers	60	50				
TOTAL	120	105	70	80	55	25

Recommended Next Steps: Single-family Housing

This report supports and advocates for the recommendations outlined in Governor Cuomo's *Strategies for Upstate NY* issued in early 2017, which identifies "Placemaking" as an important economic development strategy. An investment in housing also advances the vibrant communities strategy named as a priority initiative for 2017-2019 by the I86 Innovation Corridor Steering Committee because of its importance to business development and workforce recruitment.

It is recommended that "Placemaking" be adopted as a priority and an investment made in creating substantial and meaningful financial, planning and regulatory tools to revitalize the vacant, undesirable and aged housing stock throughout the county. This is of particular importance to meeting demand at the $90,000 – $225,000 price point, while also stimulating investment, reducing risk and increasing the rate of property appreciation.

Filling the forecasted gap will require an aggressive and dual approach involving both revitalization of the existing housing stock and new single-family housing construction. Because of the limited acreage and lack of basic infrastructure available to support new construction, it is recommended that the initial focus be on revitalization and promotion of the existing housing stock.

Revitalization and Promotion of Existing Housing Stock

The following programs and initiatives are recommended as important tools to attract and stimulate investment in the severely outdated housing stock by all consumer groups from the recent college graduates and young professionals, to skilled trades and production workers who are entering the market for the first time. The target price point is properties currently valued at $75,000 - $150,000. The objectives should be to promote homeownership, stimulate investment in upgrades, and create momentum for a total neighborhood revitalization.

Initial target geographic areas include the City of Binghamton, Town of Union (primarily Endicott and Johnson City, Town of Vestal, Town of Chenango, Town of Windsor, Village of Windsor, Town of Kirkwood and Town of Port Dickinson.

1. It is assumed the Greater Binghamton Fund will be financing tool for revitalization of the housing stock in targeted neighborhoods in the City of Binghamton, Village of Johnson City and Village of Endicott.

2. Develop a county-wide housing rehabilitation model that offers current or potential property owners a financial incentive package to participate in a housing redevelopment program. Such a redevelopment program would include a combination of low-interest loans and grants to assist new property owners undertake renovations that make the purchase of an older home a viable business investment. Such as model should focus on targeted neighborhoods and be developed in collaboration with the local municipalities and the Broome County Land Bank. During years one to three, select targeted neighborhoods in the City of Binghamton, Town of Union, Town of Chenango, Town of Port Dickinson, Village of Windsor and Village of Deposit. Work closely with the respective municipality to conduct a block-by-block assessment of the conditions of houses, including those appropriate for demolition. Focus the redevelopment program on those blocks that would have the most significant impact on increasing the property value of an entire neighborhood.

Development of this model will require development and maintenance of an inventory system, creation of a low-interest rehabilitation fund to provide gap financing for the homeowner, strict code enforcement on the part of the local municipalities, and promotion program under the Broome County … It's a Good Life program. Consider models that have been created in communities in the Southern Tier such as the Corning Housing Partnership that was formed in 2016 and is undertaking a neighborhood redevelopment program that involves renovation of single-family houses in targeted areas.

3. Offer property tax incentives to stimulate investment in significant rehabilitation of single-family houses in target neighborhoods or price points.

4. Consider a gap financing program together with tax incentives to leverage private investment for property acquisition to convert multi-family properties back to original use as a single-family structure, real property tax exemption for single-family houses.

5. The success of such a program such as this depends on the participation of municipalities, entities such as the Broome County Land Bank, and the infusion of financial resources. In particular, stimulating single-family property redevelopment will require actions to update zoning and enforce ordinances.

6. Utilize tools such as the New York State "Graduate to Homeownership Program" that will play a role in attracting recent college graduates to become first-time homeowners. Work closely with Binghamton University to target graduating students.

New Construction

A three-pronged approach to stimulate new construction is recommended to bridge the gap in single-family housing, with a focus on the $225,000 – $275,000 price point that cannot be met through upgrades to the aged housing stock.

1. Strengthen the capacity of the building sector to undertake construction on the buildable lots
    a. Property tax incentives to spur development of new housing construction
    b. Financing packages that provide small builders with the financial capacity to undertake the construction of more than 1-2 spec houses
    c. Undertake a promotion program to attract buyers in the $275,000 to $400,000 price point that also serves as a mechanism to attract builders

2. Work closely with Broome County and the BC Land Bank to target properties appropriate for demolition and redevelopment in targeted neighborhoods to attract private investment and pursue gap financing sources to take advantage of opportunities for revitalization and infill development.

3. Increase the number of buildable lots in communities such as the Towns of Binghamton, Vestal and Kirkwood through identification of suitable land parcels, rezoning as necessary, and significant public and private investment in basic infrastructure, road extensions, streetscape and neighborhood amenities such as neighborhood parks.

Market Rate Rental Housing

There are four primary target market groups for which there is a forecasted unmet need in market rate rental housing

- **Physicians, Executives and Senior Management Level Professionals:** This target market group represents 150 potential market rate renters in the next three years who are facing a void in market rate housing options that meet their needs and expectations. Many are being forced into purchasing rather than renting an upscale apartment; a less than desirable option for those who want to become acquainted with the community before committing to a purchase. This is particularly an issue for singles and couples with no children. This group requires two and three bedrooms, typically with 1,200 – 1,700 square feet. They are seeking a sophisticated urban atmosphere, with modern conveniences and creative upgrades including designer countertops, high-end appliances and fixtures, in-unit washer and dryer, plus quality tile and carpeting. Depending on size and amenities, the rent range for this target group is forecast to be $1,100 – $1,300 for a one-bedroom and $1,400 – $1,700 for a two-bedroom unit; and $1,200 – $1,475 for a luxury one-bedroom, and $1,700 – $2,000 for a spacious luxury two-bedroom unit. It is expected that a portion of this demand will be met with the 50 Front Street project underway (125 units of luxury apartment) and select units in the new market rate loft apartments in downtown Binghamton; however, there will be a portion of this target market group who either will elect not to live in the City of Binghamton urban area or will seek a smaller apartment development. A conservative unmet demand of 50 units is forecasted.

- **Established Professionals, Engineers and IT Professionals:** Several employers are actively recruiting to fill engineering, IT, and other technical and design positions. This group also includes established professionals who currently are in the local rental market and seek a higher quality or larger unit. Many of these persons will have previously lived in a large urban area where loft style apartments in an urban setting are popular, as well as apartment complexes with high end amenities. The average annual earnings for this group is in the $100,000 – $150,000 range. It is likely their preference will be for apartments with high quality amenities, including a one-bedroom unit in the $1,200 – $1,400 range and a two-bedroom unit in the $1,500 – $1,800 range. It is expected that the largest portion of demand among this group will be satisfied by the 50 Front Street, the downtown Binghamton loft style apartments currently being developed and the existing market rate rental stock. An unmet demand of 40 units is forecasted.

- **Young Professionals, Middle Management, Educators, Nurses and Healthcare Technicians:** National statistics indicate that while the U.S. homeownership rate has climbed slightly since reaching a 50-year low in 2016, it remains near a generational low at just 63.7%. Simply put, more people are choosing to rent than buy their homes in recent years than at any point since the 1960s. This is attributed to several factors including 1) feeling overwhelmed by the mortgage and overall buying process, 2) many people are into their late thirties or early forties before they have saved enough for a down payment, 3) some Millennials continue to prefer life experience over home ownership, and 4) people changing jobs don't want to be tied down to a house and a mortgage. In fact, one issue Broome County faces in recruiting a young workforce is the lack of multiple jobs in the same career field. This target market group includes persons such as attorneys, accountants, financial advisors, engineers, scientists, IT professionals, healthcare administration staff and nurses predominantly under the age of 45 with salaries of $65,000 - $100,000. The affordable rent range for this group is $725 - $850 for a small one-bedroom, $950 – $1,200 for a one to two-bedroom unit of 725 – 850 square feet, and up to $1,400 for a large two-bedroom with modern amenities and quality finishes. This target group is expected to create an annual demand of 70 - 80 units by 2020 and potentially require an additional 60 - 70 units by 2022. Demand is being driven by new hiring, combined with the inability of first-time homebuyers to purchase a house.

- **Upper Income Empty nesters:** Those 55+ seeking to sell their houses and move to market rate rental. Since 2010, the 55+ population has increased by 1,762, or 5.2%, and households have increased by 974, or 4.5%. This group is expected to increase by 6% between 2014 and 2019. Empty nesters typically are defined as those who are retired or no longer have children at home, and are 60 – 75 years of age. The vast majority (92%) of these older adults want to continue living in their own apartments and single-family houses. Elevators and innovative construction, design, and technologies can enable older adults to live independently. The upper income empty nester group includes retired engineers, senior management and other professionals who want to reside in the area on a permanent basis, as well as those who want a rental situation that allows them the opportunity to spend the winter months in a warm climate. Local real estate professionals report there are typically 25 - 40 upper income empty nester households per year that have the desire to sell their single-family home and downsize to a market rate rental. Typically, this group is seeking an upscale apartment in an urban setting and are not finding any options throughout the entire county. It will be necessary to provide market rate apartments that are high quality, and have ADA compatible features and convenient parking. A portion of this need will be met by the new 50 Front Street development and some existing facilities such as The River House. The unmet demand by this target market group is forecasted at 30 units.

Unmet Demand

The overall unmet demand is forecasted at 255 to 275 units of market rate rental housing. This demand is being generated by an increase in the number of upper income empty nesters, physicians, senior management being recruited to replace retiring persons, and nurses and similar level healthcare providers, educators, young professionals and middle management persons entering the local job market. The largest portion of this demand is for one and two-bedroom apartments at the $725 – $850, $950 - $1,200 and $1,100 - $1,400 price points.

Conservative Projection of Unmet Demand After Planned New Construction: 2017 - 2020

Target Market Group	Small 1 bdrm 600-700 sf $725-$850	1 - 2 bdrm 725-850 sf $950-$1,200	1 bdrm large luxury 900-1,000 sf $1,100-$1,300	2 bdrm 1,000-1,200 sf $1,100-$1,400	2-3 bdrm 1,200 – 1,400 sf $1,700 - $2,000	Total
Physicians, Executives and Senior Management		10	15	10	15	50
Established Professionals, Engineers and IT Professionals			10	15	15	40
Young professionals, middle management and educators	25 - 30	45 - 50	15 - 20	40 -45	5	130 - 150
Upper income empty nesters	5	10	10	5		30
Total	**30 - 40**	**65 - 70**	**50 - 55**	**70 - 75**	**35**	**250 - 275**

New Product Development Considerations

1. New Construction: The cost of new construction remains high with a minimum cost of $100,000 per unit. The high cost associated with renovation and repurposing of historic buildings will be a challenge to prospective developers, and it will require assistance from the municipal and economic development agencies to help assemble financing strategies. Getting the price points right and assembling financing package both will attract tenants and allow developers to be able to achieve a reasonable return on their investments.

2. Adaptive Reuse of Existing Buildings: The strategy for adaptive reuse of properties for upper story housing needs to foster sufficient critical mass in terms of both number of units and tenants to build confidence in and momentum in the various potential housing markets such as Johnson City and Endicott so that positive outcomes eventually overwhelm negatives. It will be important to introduce new housing products at key price points so that communities such as Johnson City and Endicott can tap into these market segments/niches not being served; that is, those who have difficulty finding appropriate housing together with those who have been priced out of the market in projects underway in Binghamton. Recent plans announced by developers and property owners in the City of Binghamton are signaling a move to capture this market and revitalize large buildings in the downtown core, but the number of units is small. The 50 Front Street project being undertaken by Newman Development will include 125 units; however, this project will cater to the luxury apartment niche and not meet the needs of the young professional so important to the workforce recruitment effort. It also is recommended that mixed-use development be pursued through “Main Street” programs in select rural communities such as the Village of Windsor and Village of Deposit where there is an opportunity to meet the needs of the market seeking a more rural atmosphere.

   A focus on the urban and “Main Streets” of the various downtowns have an additional challenge that must be addressed; that is, parking for residents. Such parking must be safe, adjacent or within close walking distance, equipped with electric charging stations and be ADA compliant with elevators. Where possible with new multi-family construction, it is recommended that parking be available in front of or near the apartment units. This amenity has surfaced as a prime criteria for apartment residents, particularly women and the empty nesters.

3. Lifestyle: Developers and local municipalities should consider lifestyle factors important to residents as they select locations for adaptive reuse of existing buildings, infill development or new construction. Key factors include pedestrian safety, particularly for those residents electing to walk or bike to work and entertainment, storage for bikes and outdoor equipment, attached or close parking, zoning to accommodate the proposed density, and easy access to a vibrant urban lifestyle in the surrounding area such as retail, restaurants, entertainment.

4. Paced Development: Timing development carefully so that it builds momentum, rather than cannibalizing existing market rate housing in the primary market area. If too much new market rate rental housing comes on the market too quickly, it can create downward price pressures that could make other projects economically unsustainable. It is therefore critical that this strategy have a means for gauging the timing of the creation of new market rate housing units so that when they come onto market, they are readily absorbed without causing other projects to lose their market viability.

Off-campus Student Housing Market

Students who elect to live off-campus have three primary criteria when evaluating options: ***Price, Location and Opportunity to Live with Friends.***

Currently there are 7,400 beds on Binghamton University's main campus, with no plans to build additional on-campus housing units. The university's plans for the Johnson City campus, involving a new School of Pharmacy and relocation of the Nursing School, are not expected to generate any significant demand for additional off-campus student housing.

Since 2012, a total of 2,781 off-campus student beds have been added to the inventory. As of the fall semester 2017, the total on and off-campus student housing stands at 10,180; however, the demand for off-campus student housing is calculated to be closer to 9,000 – 9,500 because freshman are required to live on campus. Over supply and high rental rates, as compared to on-campus rates, are resulting in a volatile market. An indication of the over-supply was the open competition and aggressive promotions offered by several properties between May – August 2017 in anticipation of the fall semester. Several properties offered discounted rental rates, as well as incentives such as dining certificates, raffles and prizes.

Off-campus Student Housing	Beds	Year Opened
20 Hawley	290	2012
Chenango Place	176	2014
The Printing House	273	2016
Hayes Student Living	222	1970
Twin River Commons	371	2012
U Club (P1)	704	2005
U Club (P2)	558	2017
University Lofts	187	2014

[redacted]

Student Housing at Saturation Point

"At this point, we probably have overbuilt," said Ron Kutas, a co-developer of the Chenango Place student housing development. "Not probably – we have."

The analysis indicates that the total of on-campus housing provided by Binghamton University, combined with the existing stock of off-campus student housing, has reached a maximum level of supply. Any new beds added to this inventory will exceed demand, and there continues to be the pending issue of whether this existing inventory can be sustained. It is important to note that nearly all of this housing has been constructed in the "group style" with four bedrooms in each apartment unit. This does not allow for this housing segment to be easily converted into traditional apartment units.

NATIONAL AND NEW YORK STATE TRENDS

National Trends in the Single-family Housing Market

National trends in the economy, together with sales of existing homes and new construction provide a context to consider the dynamics of the Broome County housing market.

National Economy

Demand for single-family housing, including townhouses, is attributed to consumer confidence in the economy, job stability, employment growth and low mortgage interest rates.

The Conference Board ***Consumer Confidence Index***® for the U.S. stood at 121.1 (1985=100) in July 2017.[2] The Present Situation Index increased from 143.9 to 147.8, while the Expectations Index rose to 103.3. This is slightly down from the Conference Board report in June announcing the **Leading Economic Index®** (LEI) at 127.8 (2010 = 100), following a 0.2 percent increase in May, and a 0.2 percent increase in April 2017.[3]

"The U.S. LEI rose sharply in June, pointing to continued growth in the U.S. economy and perhaps even a moderate improvement in GDP growth in the second half of the year," said Ataman Ozyildirim, Director of Business Cycles and Growth Research at The Conference Board. "The broad-based gain in the U.S. LEI was led by a large contribution from housing permits, which improved after several months of weakness."

Single-family Real Estate Market

The pace of single-family home sales was robust in 2016, and the level of activity has continued into 2017. The National Association of Realtors reported that existing home sales increased 1.1% to a seasonally adjusted rate of 5.62 million units in May 2017. Economists polled by Reuters had forecast sales declining 0.5%; however, sales were up 2.7% from May 2016.

Home resales continued to rise in June 2017 to the third-highest monthly level in a decade; however, the trend in new listings continued downward. This activity is reflected in the Housing Market Index (HMI), which showed an overall increase from 60 in May 2016 to 67 in June 2017, with the largest increases in present and projected single-family sales component.

Top Markets for First Time Home Buyers: 2017

"As Millennials reach the typical home buying age, they are coming into a tough housing market with low inventory and lots of competition," Zillow's Chief Economist Svenja Gudell said in the report. "These markets have more favorable conditions for first-time buyers to become homeowners. More challenging metros aren't out of reach for new buyers, but they should be prepared to face a more competitive buying environment."

The top 10 markets for first-time homebuyers:

1. Orlando, FL
2. Tampa, FL
3. Indianapolis, IN
4. Las Vegas, NV
5. San Antonio, TX
6. Pittsburgh, PA
7. Atlanta, GA
8. Detroit, MI
9. Dallas, TX
10. Cleveland, OH

Zillow. June 30, 2017

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[2] July 2017 Consumer Confidence Survey®. The Conference Board and Neilsen. July 25, 2017.
[3] June 2017 Leading Economic Index. The Conference Board. June 20, 2017.

	August 2016	August 2017
Overall Housing Market Index (HMI)	59	68
Housing Market Index Components		
Single Family Sales: Present	65	74
Single Family Sales: Next 6 Months	66	78
Traffic of Prospective Buyers	44	49

Source: NAHB/Wells Fargo National and Regional Housing Market Index. August 2017

Grappling with Shortage

"The real estate market is grappling with the consequences of a persistent shortage of homes for sale despite strong demand by would-be buyers. The decline in listings has driven up prices and made many homes unaffordable. Prices are rising faster than the wages of potential home buyers despite a solid market."

National Association of Realtors. August 24, 2017

According to the National Association Report issued on August 22, 2017, sales slowed down in July 2017 resulting in an overall drop of 1.3% for the first half of 2017. However, it is important to note that 2017 year-to-date sales continue to be 2.1% over the same time in 2016.

The reason for the slowdown … fewer properties on the market and homeowners increasing "staying put" rather than moving. They are investing in upgrades and remodeling of their existing properties. In addition, persons 65+ are deciding to age in place and not releasing stock to first-time home buyers.

The growing volume of sales among all consumer groups during the past four years has resulted in a low inventory. Existing housing inventory slipped nearly 9% to 1.43 million, and days on the market (DOM) number dropped from 60 to 49.

In addition to the number of home sales, there are other indicators of a strong real estate market; that is inventory, days on the market (DOM), mortgage activity, building permits and buyer opinions regarding affordability. Days on the market dropped from 36 in July 2016 to 30 in July 2017. As of July 2017, the inventory of existing houses on the market is down 9% over the previous twelve months. This activity is not uniform across the country. In July 2017, sales dropped by 14.5% in the Northeast and 5.3% in the Midwest, while sales picked-up 2.2% in the South and 5% in the West.

At the same time, the median sales prices have risen 6.2% from 2016 to $258,300, more than double the pace of growth in hourly wage earnings. Fortunately, home mortgage rates remain low, with a 30-year fixed mortgage at 3.8% in August 2017.

According to the Q2 2017 U.S. Home Sales Report issued by ATTOM Data Solutions in August 2017, homeowners who sold in the second quarter realized an average price gain of $51,000 since purchase — the highest average price gain for home sellers since Q2 2007, when it was $57,000. The average home seller price gain of $51,000 in Q2 2017 represented an average return of 26% on the previous purchase price of the home, the highest average home seller return since Q3 2007, when it was 27%.

Attractive Markets

"Markets with a healthy mix of access to good jobs and relatively affordable housing attracted the most interest from pre-movers in the second quarter, a harbinger of strong home sales activity in the third quarter," said Daren Blomquist, senior vice president at ATTOM Data Solutions. "Meanwhile in some of the nation's hottest housing markets, there was more pre-mover interest in outlying counties further away from jobs but with more affordable homes to purchase. We see this pattern playing out in places like Denver, New York, Seattle, and Southern California."

ATTOM Data Solutions. August 24, 2017

Many cities with 50,000-100,000 in population and growing quickly are those situated in the orbit of larger metropolitan areas. This is occurring because the greater availability of residential land for building, lower real estate costs and lower property taxes. Although the larger cities are considered exciting and dynamic, being close to the urban core can mean higher costs of living in the form of rent and property taxes. Moving to the suburbs allows people to buy more space for less money.

According to the 2017 Q2 Pre-Mover Housing Index, the markets with the highest pre-mover indices are Colorado Springs, Chicago, Washington, D.C., Reno and Lexington, Kentucky. Other markets in the top 10 are Tampa-St. Petersburg, FL; Kingsport-Bristol, TN; Lancaster, PA; Jacksonville, FL; and Charleston, SC. Those with the lowest pre-mover indices are San Francisco; Rochester, NY; Honolulu; Providence, RI; and Grand Rapids, MI.[4]

The number of homes on the market rose 2.1%, but supply was down 8.4% from a year ago. Housing inventory has dropped for 24 straight months year over year. The median house price increased to an all-time high of $252,800, a 5.8% jump from one year ago, reflecting this lack of inventory. At the current sales rate, it would take 4.2 months to clear inventory, down from 4.7 months one year ago. The median number of days homes were on the market in May was 27, the shortest time frame since NAR began tracking data in 2011.

[4] ATTOM Data Solutions. August 24, 2017

National Trend in Existing Home Sales by Price Point – Percent Distribution

Sales are occurring at all price points, with the highest concentration in the $200,000 – $299,000 and $300,000-$399,999 price points, which can be seen in Table 1 above. Cash sales also are increasing, particularly among investors growing their rental market portfolios. This dynamic is seen in communities with older housing stock at low prices. Sales of second or vacation homes is not increasing at the same rate a primary residential housing.

Table 2 below depicts the national trend during the period 2015 to 2017, as well as, median and average sales prices as of March 2017. The pace of sales nationally in 2016 surpassed 2015 statistics by 610,000. Although the Northeast represented the lowest level of activity at 32,000 sales in 2016, it showed the greatest percent change over 2015 at 17%. In the first quarter of 2017 the Northeast experienced a volume of 3,000 sales, which is consistent with the same period in 2016. The I86 Innovation Corridor activity reflects these national trends in all price points, except for the $150,000 - $199,000 price point where there is greater demand.

Period	Under $150,000	$150,000 to $199,999	$200,000 to $299,999	$300,000 to $399,999	$400,000 to $499,999	$500,00 to $749,000	$750,000 and over
2015 Annual	5	14	32	20	13	11	5
2016 Annual (r) . . .	4	13	28	23	14	12	5
SE (%)	*1*	*2*	*1*	*2*	*1*	*1*	*1*
2016							
March	4	10	34	23	13	12	4
April	3	14	26	26	12	13	5
May	4	17	30	24	11	9	5
June	2	12	30	23	18	11	3
July	3	15	31	24	14	8	5
August	5	11	32	24	12	11	5
September	3	13	28	25	13	13	4
October	3	16	30	24	15	9	3
November	3	10	32	23	15	13	4
December (r)	2	10	26	28	15	13	6
2017							
January (r)	5	10	32	27	10	13	4
February (r)	3	13	36	16	16	10	5
March (p)	6	10	28	24	13	14	5

National Trends in Sales and Inventory

	NEW CONSTRUCTION				EXISTING HOMES									
					SALES				INVENTORY			MONTHS' SUPPLY		
	SOLD	SOLD	FOR SALE	MONTHS SUPPLY	TOTAL	TOTAL	SINGLE FAMILY	CONDO	TOTAL	SINGLE-FAMILY	CONDOS	TOTAL	SINGLE-FAMILY	CONDOS
2012	368	369	148	4.5	4,657	4,656	4,128	528	1,830	1,610	224	5.9	5.8	6.3
2013	430	429	186	5.1	5,078	5,087	4,484	603	1,860	1,640	222	4.9	4.9	4.7
2014	440	439	212	5.1	4,923	4,935	4,344	591	1,860	1,640	216	5.2	5.2	5.1
2015	502	501	235	5.2	5,233	5,254	4,646	608	1,760	1,550	213	4.8	4.8	4.8
2016	559	560	257	5.8	5,440	5,452	4,838	614	1,650	1,450	195	4.4	4.3	4.5
2016 - Feb	525	45	242	5.5	5,200	314	4,620	580	1,870	1,640	225	4.3	4.3	4.7
Mar	537	50	244	5.5	5,390	421	4,790	600	1,960	1,720	238	4.4	4.3	4.8
Apr	570	55	241	5.1	5,480	470	4,870	610	2,120	1,870	247	4.6	4.6	4.9
May	566	53	240	5.1	5,470	525	4,850	620	2,140	1,890	248	4.7	4.7	4.8
Jun	558	50	242	5.2	5,480	582	4,850	630	2,110	1,880	234	4.6	4.7	4.5
Jul	622	54	236	4.6	5,330	513	4,760	570	2,110	1,860	253	4.8	4.7	5.3
Aug	559	46	240	5.2	5,340	539	4,720	620	2,010	1,780	233	4.5	4.5	4.5
Sep	568	44	242	5.1	5,470	486	4,850	620	2,030	1,790	240	4.5	4.4	4.6
Oct	568	46	247	5.2	5,530	445	4,920	610	2,010	1,780	230	4.4	4.3	4.5
Nov	573	40	249	5.2	5,600	418	4,930	670	1,850	1,630	216	4.0	4.0	3.9
Dec	530	38	255	5.8	5,510	437	4,910	600	1,650	1,450	195	3.6	3.5	3.9
2017 - Jan	558	41	262	5.6	5,690	319	5,040	650	1,680	1,510	172	3.5	3.6	3.2
Feb	592	49	266	5.4	5,480	315	4,890	590	1,750	1,540	208	3.8	3.8	4.2

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, New Residential Sales, April 25, 2017.

Buyer Preferences
Across the country, new residential construction is a mix of style that typically includes 30% condo style developments, 50% townhouse developments and 20% single-family developments; however, this does not necessarily represent the consumer market in this study's target market area.

We also know that across the board, consumers are seeking to purchase housing that will result in a return on investment; with 70% preferring purchase of a single-family house or townhouse. Townhouses and condos are attractive to a variety of buyers because they require less maintenance, while others are drawn to them because they can be more affordable. The townhouse is being considered the middle ground between the single-family house and the apartment style condo because it offers a garage, storage area, patio and limited yard and privacy. Townhouses also straddle the gap between condominiums and single-family houses, providing a more house-like environment but without the property. This has proved a desirable combination for many buyers, particularly singles, young or small families, and empty-nesters.

Consumers under the age of 45 are indicating they prefer new construction and low maintenance with the following amenities:

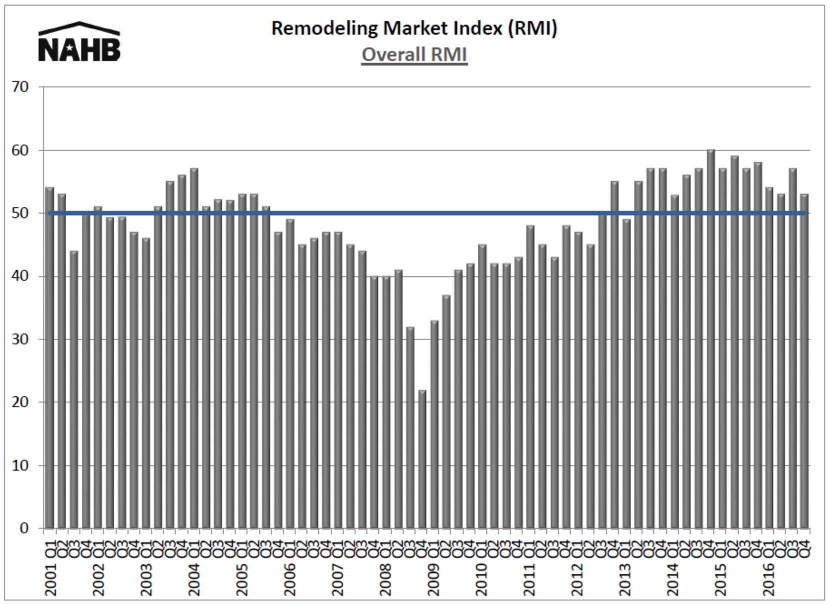
- no construction, renovation or major changes after move-in
- modern kitchen
- bike rack and storage for other sporting activities available outside their front door rather than using stairs or elevators
- sense of privacy
- area to garden, or at least a patio area for plants
- garage and storage area
- private entrance
- influence over landscaping, or at least the front entrance
- some distance from neighbors
- private mail delivery
- energy efficiency

Seniors at the upper end of the Boomer age spectrum would like to trade down for a smaller home, preferring condos or villa-style townhomes with less maintenance and upkeep requirements. Among this group, at least 50% will opt for rental housing (either independent or assisted living) as opposed to purchasing. In addition to the desired amenities listed above, seniors will need age-related home features such as wider hallways to accommodate wheel chairs or walkers, open showers and no stairs.

Remodeling and New Construction

The housing stock is old with an average age of 30 years on a nation-wide basis. Much of the inventory remaining on the market either calls for significant investment in upgrades, or is not deemed worth the asking price.

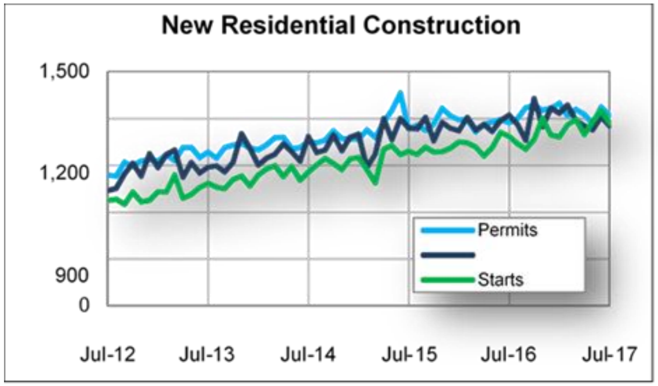
Due to the shortage of inventory, many are opting to remain in their current houses and invest in remodeling. The National Home Remodeling Association announced in July 2017 that an estimated $316 billion will be spent on home remodeling in 2017. Details regarding the remodeling activity are presented in Appendix A.



As can be seen in the Remodeling Market Index (RMI) published by the National Association of Home Builders, buyers are investing in upgrades; particularly in houses that are 30+ years old.

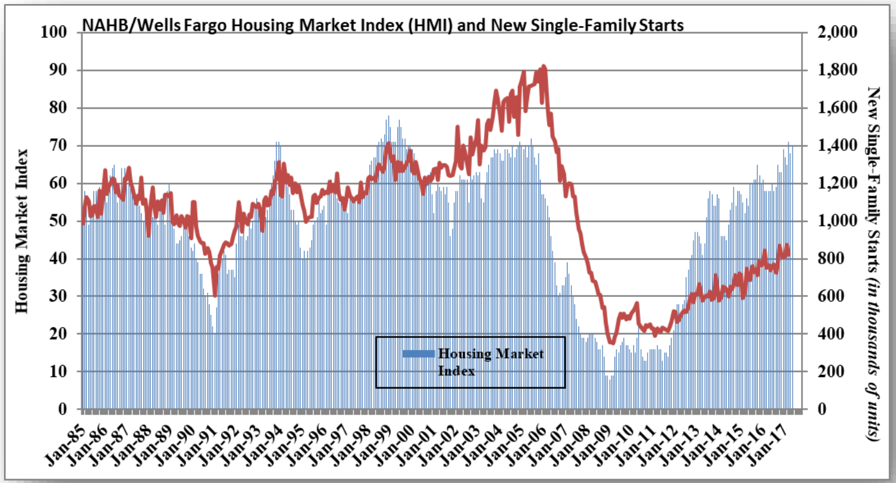
This is becoming common among Millennials and those upgrading who want state-of-the-art kitchens and bathrooms.

Building permits for new construction activity also is showing a growth trend, with a nation-wide increase of 13% in Q1 of 2017 as compared to Q1 of 2016. According to the U.S. Department of Commerce, building permits for privately-owned housing units issued in July 2017 were at a seasonally adjusted annual rate of 1,223,000. This is 4.1% below the revised June rate of 1,275,000, but is 4.1% above the July 2016 rate of 1,175,000.[5]



Source: U.S. Department of Commerce. August 2017

New construction has not kept up with the expanding population and demand for maintenance free housing. Home builders are cautious following the housing bubble in 2008. The current supply of new construction is 5.4 months and among existing houses is 3.8 months, which is beneath the six-month supply considered healthy. Although new residential housing construction has been brisk, it remains below the peak of activity in 2004-2006.



Source: NAHB/Wells Fargo Housing Market Index. U.S. Census Bureau.

[5] U.S. Department of Commerce. Monthly New Residential Construction, July 2017. Issued August 16, 2017.

Housing Styles and Price Points

Across the country, new residential construction is a mix of style, typically including 30% condo style developments, 50% townhouse developments and 20% single family home developments.

Although single-family homes are selling at all price points, the largest volume is in the $200,000 – $299,000 and $300,000 - $399,999 price ranges.

First-time home buyers represent the largest consumer group at 34%. Most are 36 years or younger (Millennials/Gen Y'ers). Forty-five percent of buyers 36 years and younger have student loan debt with a median balance of $25,000. While only 27% of buyers ages 37 to 51 have student loan debt, they have the highest median balance of debt at $30,000. Their preference is for new construction with low maintenance, or older houses with architectural character that have been renovated; however, there is limited inventory that satisfies this criterion. National surveys indicate that Millennials envision themselves moving to a new city, state or country fewer than two more times in their lives. Sixty-eight percent prefer to build a life in one community, rather than live and work in multiple geographies.[6] As of 2016, 43% of Millennials have bought their homes, while 75% of non-homeowners say they could be motivated to buy a house.

Buyers in the 52 to 61 years of age group are active; buying multi-generational houses. Seniors at the upper end of the Boomer age spectrum would like to trade down for a smaller home, preferring condos or villa-style townhomes with less maintenance and upkeep requirements. Among this group, at least 50% will opt for rental housing (either independent or assisted living) as opposed to purchasing. In addition to the desired amenities listed above, seniors will need age-related home features such as wider hallways to accommodate wheel chairs or walkers, open showers and no stairs.

Challenges in the Market

Although these are positive trends, there also are challenges in the market. For example, a seller's market has been driving up existing home prices for the past four years. Realtor.com Data Review reports that home prices increased 4.8 % in 2016. The Home Price Expectations Survey shows values increasing by 3.6% in 2017 – continued growth at a slower rate than 2016. We also know that it takes 2.6 years of average household income to buy an average house (not in a metro area), assuming a 20% down payment. This is up from 2.03 years in 2000. Most of the young first-time home buyers are 36 years or younger (Millennials/Gen Y'ers), and 45% of these buyers have student loan debt with a median balance of $25,000. While only 27% of buyers ages 37 to 51 have student loan debt, they have the highest median balance of debt at $30,000.

Despite robust demand for housing, the sector has shown some recent signs of strain. U.S. homebuilding fell for a third straight month in May 2017 to its lowest level in eight months, as reported by the U.S. Commerce Department.

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[6] *Millennials have redefined the American Dream.* Wall Street Journal TS. Jason Notte May 6, 2017

National Trends in the Market Rate Rental Market

A 2017 report commissioned by the National Multi-family Housing Council (NMHC) and the National Apartment Association (NAA) states that the U.S. will need 325,000 new apartments, especially in the West, every year between now and 2030 to meet the growing demand. The study, prepared by Hoyt Advisory Services, states that the growing demand for new apartments is due to the delayed marriages, the aging population and international immigration.

Highest level of demand: Raleigh, Orlando, Austin, Dallas-Ft. Worth, Houston

Why?

- Millennials moving out of parents' homes
- Aging population moving out of single-family housing
- International immigration
- Lack of single-family inventory for sale

State of the U.S. Market Rate Housing Market

- 64% homeowners, 26% renters, and 11% who live with someone else
- Of the non-owners, 59% are 34 years or under, 64% make an income of under $50,000, and 43% live in suburban areas
- Non-homeowners cited the main reason for not owning as affordability. The perception reached a high of 57% in 2016
- Rental vacancy rate was 7% in Q1 of 2017. This compares to the high point of 10.6% set in 2010.
- Highest level of vacancy rates occurred during the housing bubble in 2007 – 2010, when a large percentage of renters entered the home ownership market and then were forced back into rental housing in 2010 due to a high level of foreclosures. The vacancy rate has remained somewhat level since 2013.
- Monthly rental rates have continued to increase over the past ten years. The median asking rent was $864 in 1Q 2017; up from $430 in 1995.
- Average U.S. apartment asking rent grew 0.4% in the first quarter of 2017, up to $1,315; and by 3.3% on a year-over-year basis since the first quarter of 2016. Highest vacancy rate currently is among Class A apartments, which is at its highest point over the five-year period with an increase from 29 to 47.
- New construction ramped up in 2012 and 2013; however, the NAHB Multi-family Production Indices Q1 2017 reports that actual production of "Market Rate Rental Starts" has been on a slight downward trend since 2012.

Renter Population

The current household composition is made up of 64% homeowners, 26% renters, and 11% who live with someone else. Of the non-owners, 59% are 34 years or under, 64% make an income of under $50,000, and 43% live in suburban areas. Non-homeowners cited the main reason for not owning as affordability. The perception reached a high of 57% in 2016.

Trends in Vacancy Rates

Vacancy Trends at the National Level

According to the U.S. Census Bureau's report issued April 27, 2017, the national rental vacancy rate was 7% in Q1 of 2017. This compares to the high point of 10.6% set in 2010.

Table 38. Rental Vacancy Rates for the United States: 2010 to 2017

Year	Rental Vacancy Rate (percent)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2017……	7.0			
2016…….	7.0	6.7	6.8	6.9
2015……	7.1	6.8	7.3	7.0
2014……	8.3	7.5	7.4	7.0
2013……	8.6	8.2	8.3	8.2
2012……	8.8	8.6	8.6	8.7
2011……	9.7	9.2	9.8	9.4
2010……	10.6	10.6	10.3	9.4

Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, April 27, 2017.

Multi-family Housing Likely to Slow This Year

The U.S. multi-family housing market is likely to slow this year, according to a group of panelists at the recent National Association of Home Builders International Builders' Show in Orlando, Florida

NAHB Senior Economist Robert Denk said multi-family starts data shows the sector "slowing down from recent historical highs in response to a more sustainable demand.

"Vacancy rates and inflation in rents still show high production, but Denk expects multi-family production to slow modestly from its 2015 peak of 395,000 units.

"The demand for affordable rentals already outstrips supply, and that imbalance will only get worse for a couple of reasons: First, demand will increase as the millennial generation fully enters the housing market, and second, those aging baby boomers with minimal savings will be looking for housing they can afford on a budget that depends primarily on Social Security," said Steven E. Lawson, president of The Lawson Companies in Virginia Beach, Va.

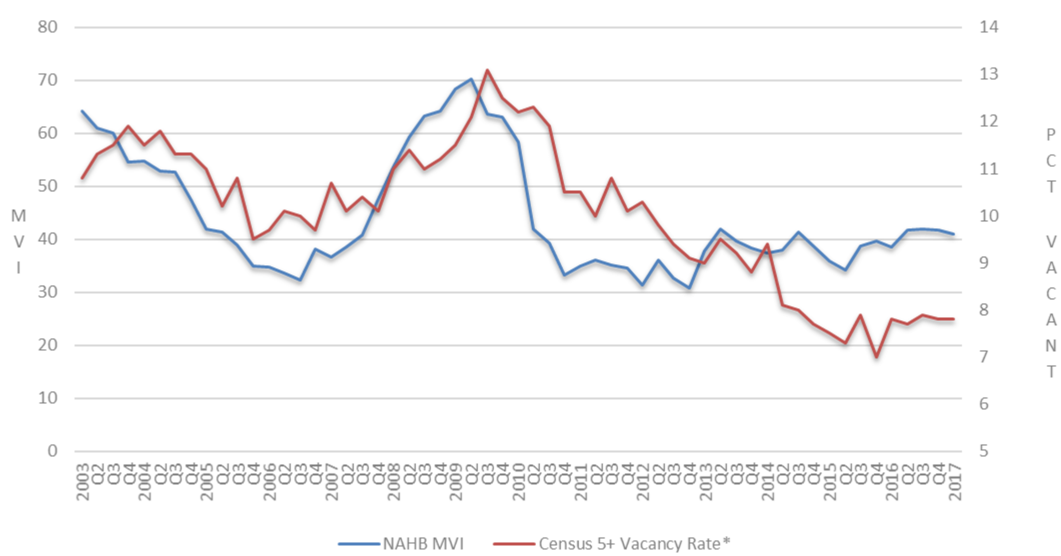
Floor Daily. June 17, 2017.

The first quarter 2017 rental vacancy rate was highest in the South at 8.8%, followed by 7.8% in the Midwest, 5.7% in the Northeast and 4.7% in the West. The rental vacancy rates in the Northeast, Midwest, South and West were not statistically different from the first quarter 2016 rates.

According to the National Association of Home Builders (NAHB) Multi-family Vacancy Index issued in June 2017, the vacancy rate in all types of multi-family housing was at 35.96 in the first quarter of 2017, down from 38.64 in the last quarter of 2016 and down from 37.38 one year ago. This represents a change of -6.93% from last quarter of 2016 and -3.80% from one year ago.

The figure below demonstrates the trends in multi-family vacancies during the period 2013 – 2017. It reflects the housing bubble in 2007 – 2010, when a large percentage of renters entered the homeownership market and then were forced back into rental housing in 2010 due to a high level of foreclosures. The vacancy rate has remained somewhat level since 2013.

NAHB Multi-family Vacancy Index (MVI) and 5+ Rental Vacancy Rate



*Source: U.S. Census Bureau, Housing Vacancies and Homeownership 2016 (http://www.census.gov/hhes/www/housing/hvs/hvs.html)

Note: The rental vacancy rate is the number of vacant rental units divided by the number of vacant rental units, plus the number of rental units occupied plus the number of rental units rented but not yet occupied.

The NAHB data also indicates that rental vacancies in the Class B apartment classification has remained fairly constant since 2013. The highest vacancy rate currently is among Class A apartments, which is at its highest point over the five-year period with an increase from 29 to 47. The vacancy rate among Class C apartments has constantly fluctuated between 42 and 38 during this same period.

Table 39. Rental Vacancy in Current Vs. Prior Quarter

	2012				2013				2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Multi-family Vacancy Index	**31**	**36**	**33**	**31**	**38**	**42**	**40**	**38**	**37**	**38**	**41**	**39**	**36**	**34**	**39**	**40**	**39**	**42**	**42**	**42**	**41**
Class A apartments	29	35	33	30	38	42	36	36	38	39	40	39	35	34	41	40	39	44	44	44	47
Class B apartments	30	38	31	30	37	41	42	39	35	36	41	37	36	33	36	38	38	40	40	39	37
Class C apartments	42	33	35	37	40	43	41	43	41	40	46	41	38	37	42	42	39	41	41	45	38

Source: Multi-family Market Survey, NAHB Economics and Housing Policy Group

Notes:
Class A: Generally built within the last 10 years; but high-rise product in select Central Business District may be over 20 years old. Commands rents within the range of Class "A" rents in the submarket. Well merchandised with landscaping, attractive rental office and/or club building. High-end exterior and interior amenities as dictated by other Class "A" products in the market. High quality construction with highest quality materials.

Class B: Generally, product built within the last 20 years. Exterior and interior amenity package is dated and less than what is offered by properties in the high end of the market. Good quality construction with little deferred maintenance. Commands rents within the range of Class "B" rents in the submarket.

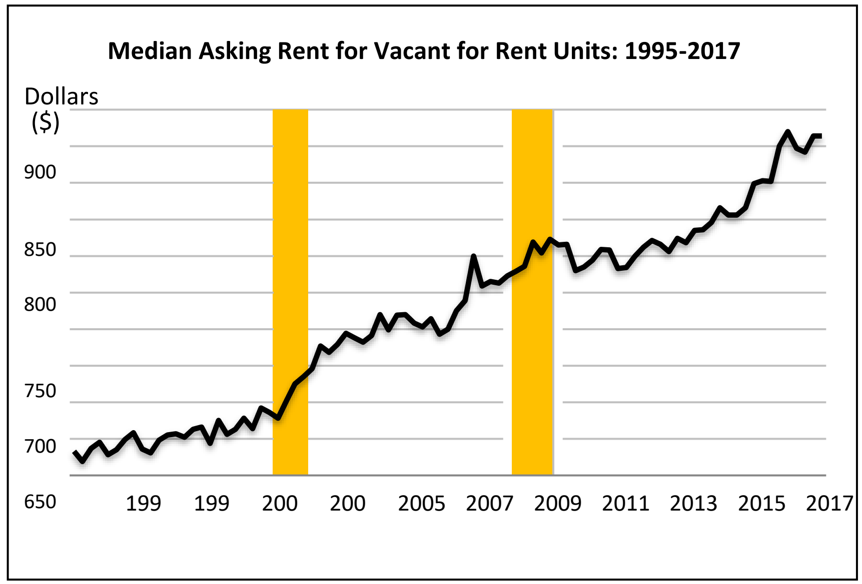
Class C: Generally, product built within the last 30 years. Limited, dated exterior and interior amenity package. Improvements show some age and deferred maintenance. Commands rents below Class "B" rents in submarket. Majority of appliances are "original".

Trends in Rental Rates

Monthly rental rates have continued to increase over the past ten years. The median asking rent was $864 in 1Q 2017; up from $430 in 1995. Several cities are experiencing significant rate hikes. For example, Philadelphia leads with an 11.7% increase over the same time in 2016. In fact, more than half of the top ten most expensive markets are in the West, including San Francisco, San Jose, Los Angeles, Oakland, Seattle, Santa Ana, San Diego, Long Beach, Portland, Denver Sacramento and Scottsdale. Overall, the national average monthly rental rate for a one-bedroom apartment reached a high of $1,016.[7]

The average U.S. apartment asking rent grew 0.4% in the first quarter of 2017, up to $1,315, and by 3.3% on a year-over-year basis since the first quarter of 2016, according to Reis' *1Q 2017 Apartment Sector Preliminary Trends Release*. The research firm's findings mark a significant deceleration in rent growth from the pace seen one year ago, when the annual rent growth exceeded 5%. The author, Reis' Barbara Denham, attributes the growing divide between asking and effective rents to the increasing use of concessions to attract and secure occupants. On the local level, effective rents have declined since the last quarter in 23 of the 79 major metro markets.

Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, April 27, 2017
Recession data: National Bureau of Economic Research,



[7] Rental Housing Journal. Philadelphia Apartment Rent Hikes Lead the Nation in June. June 1, 2017.

New York State and the Southern Tier

Population Trends

Upstate New York's population has continued a downward slide, with some communities in the Southern Tier losing as much as ten percent population between 2010 and 2016.

"Some [upstate] cities did increase in population but not by much," said Joseph Bowman, a demographer with the U.S. Census Bureau. "New York City had the fourth-largest population growth and is the largest city in the country. Overall in the Northeast, population is growing but much [more slowly] than in the south and west."

The picture is different outside of the New York City area. The U.S. Census Bureau data regarding in-migration and out-migration indicates that more people moved out of New York State during the last ten years and were not replaced, particularly in smaller municipalities, leaving a net deficit.

Key factors:

- Monthly rental rates have increased over the past five years, with the greatest increases occurring in Albany, Buffalo, Canandaigua, Corning, New York City and Saratoga Springs.

- Although rents have increased in many metropolitan areas across the country, Buffalo stands out, along with St. Paul and Fresno, as experiencing the biggest decrease in rent price from May to June 2017. The average rent fell 4%. However, Rochester saw a 4% increase during the same period.

- Investors have been attracted to mid-sized metropolitan areas such as Albany and Buffalo because of the average capitalization rate (cap rate), fair market price, reasonable maintenance costs and potential return on investment (ROI) because of the positive economic development dynamics occurring in these communities. For multi-family properties, it can be as high as 7.1% in areas like Buffalo, N.Y. and around 4.9% in cities such as New York.

Buyer Demand Drives Price Growth as Fewer Homes Available for Sale in New York State

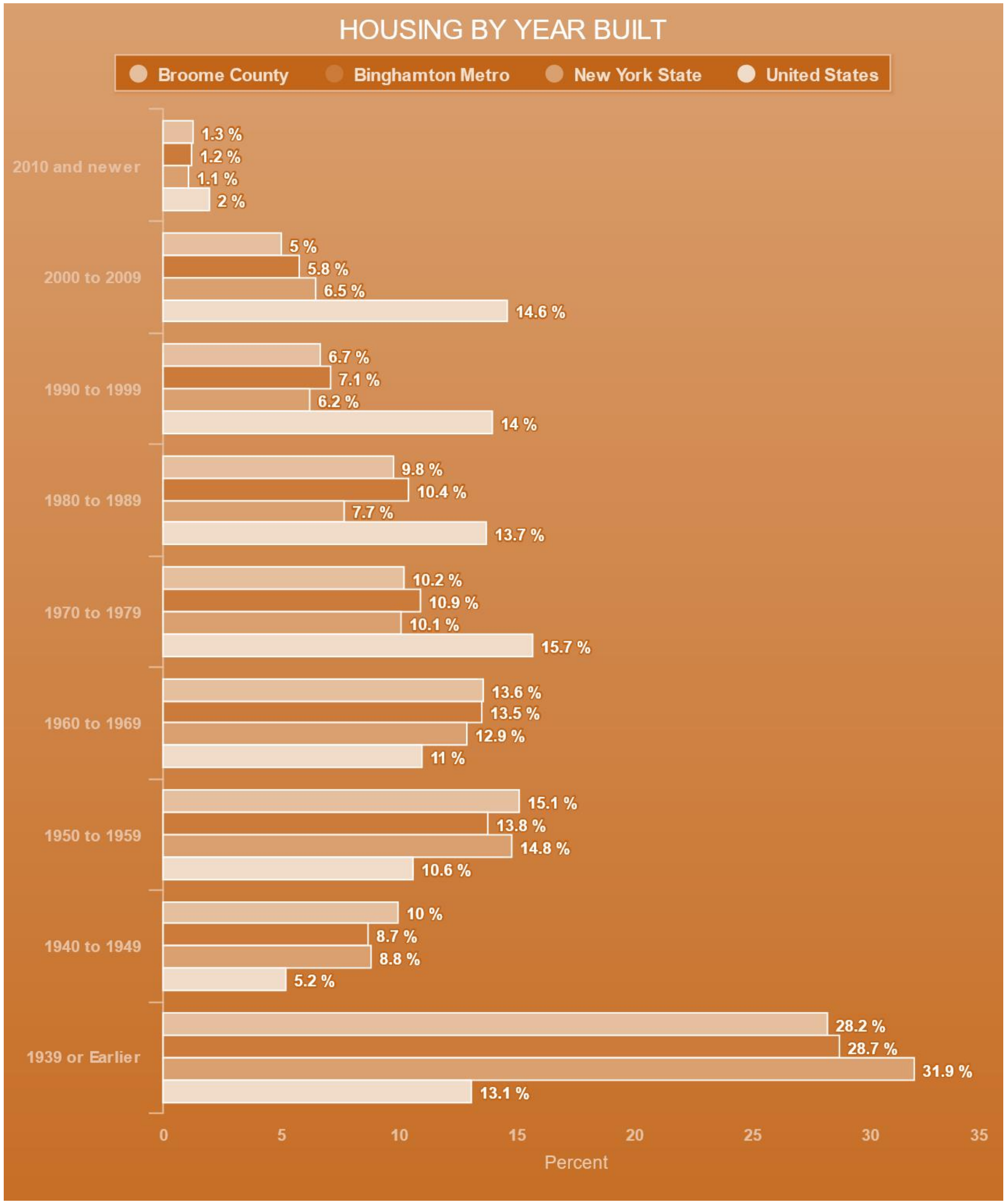
Strong buyer demand, couples with the ongoing decline in the number of homes for sale, fueled a 7.8 percent increase in the April (2017) statewide median sales price, according to the housing market report released by the New York State Association of REALTORS. Inventory constraints also led to a 5 percent decline in home sales for the month compared to April 2016.

"As anticipated, the continued decline in the number of homes currently on the market has slowed the sales pace as many buyers are challenged to find an available home that meets their needs," said Duncan R. MacKenzie, CEO of the New York State Association of Realtors. "Realtors are reporting that buyer demand remains strong and newly listed homes are selling quickly. Basic economics are at play with high demand and low inventory driving selling prices higher."

New York State Association of REALTORS, Inc. May 25, 2017

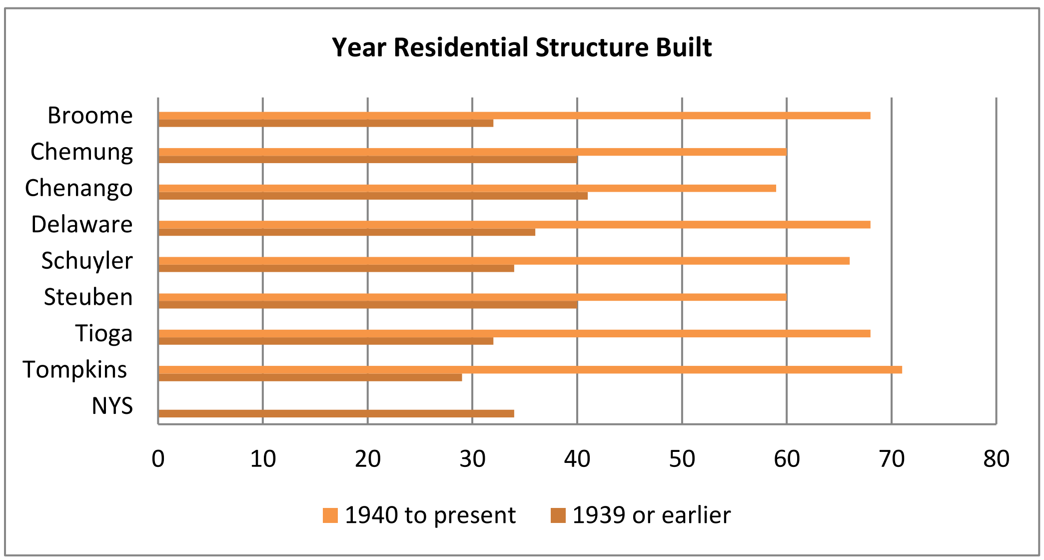
Age of Housing Stock

The entire housing stock throughout the Southern Tier is dated, leading to an assumption that a portion of the stock is suffering from deferred maintenance and outdated construction materials such as inadequate wiring, use of lead based paint, asbestos, roofing materials, poor insulation and weatherization. Much of the housing stock also is lacking in upgrades that meet the expectations of today's consumers, as well as, amenities important to changing lifestyles such as handicapped accessibility.



Total Housing Units from 1970 to 2010: State, Region and Counties						
Area	**1970**	**1980**	**1990**	**2000**	**2010**	**Percent Increase 1970 - 2010**
NY State	6,299,684	6,867,674	7,227,059	7,679,307	8,108,103	28.7%
Region	218,620	257,371	281,867	294,752	307,071	40.5%
Broome	73,371	81,982	87,969	88,817	90,563	23.4%
Chemung	33,051	36,706	37,290	37,745	38,369	16.1%
Chenango	15,427	18,864	22,164	23,890	24,710	60.2%
Delaware	17,734	22,746	27,361	28,952	31,222	76.1%
Schuyler	6,270	7,560	8,472	9,181	9,455	50.8%
Steuben	34,502	40,520	43,019	46,132	48,875	41.7%
Tioga	14,161	17,987	20,254	21,410	22,203	56.8%
Tompkins	24,104	31,006	35,338	38,625	41,674	72.9%

Source: 1970 through 1990 prepared by New York State, Department of Economic Development State Data Center; U.S. Census Bureau: DP-1 Profile of General Demographic Characteristics: 2000, Census 2000 Summary File 1 (SF 1) 100-Percent Data; DP-1 Profile of General Population and Housing Characteristics: 2010, 2010 Demographic Profile Data. Southern Tier East Region Counties and Towns 1940 to 1980. Percentages rounded to the 10th decimal place.



Single-family Sales

Homebuyer demand was strong in New York State during the first half of 2017. According to data released by the New York State Association of REALTORS, the May 2017 sales total of 10,704 houses throughout New York State represented an increase of 4.6% from the May 2016 total of 10,235. The May 2017 statewide median sales price was $239,000, an increase of 7.1% from the May 2016 median of $223,200; and May 2017 pending sales increased by 8.2% from a year ago to reach 14,710.

The July 2017 sales total of 11,556 represents a decrease of 7.4% from the July 2016 total of 12,475. The year-to-date (Jan. 1 – July 31) sales total of 70,928 was 2.3% above the same period last year. The July 2017 statewide median sales price was $270,000, an increase of 8.4% from the July 2016 median of $249,000. The year-to-date (Jan. 1 – July 31) statewide median sales price was $248,000, an increase of 6.4% from the same period in 2016. July 2017 pending sales increased by 3% from a year ago to reach 12,568.

The months supply of homes for sale dropped 15.8% at the end of July to 6.4 month supply. It was at 7.6 months at the end of July 2016. A 6 month to 6.5 month supply is considered to be a balanced market. The number of homes for sale stood at 72,316, a decrease of 12.9% compared to July 2016.

This activity should be considered in the context of other regions throughout the country, which shows the Northeast lagging behind. According to the NAHB/Wells Fargo Housing Market Index (HMI), the current situation indicates that new housing construction (starts) significantly lags demand.

NAHB HMI: Single-family Housing Activity

	HMI August 2016	HMI August 2017
Northeast	42	**51**
Midwest	53	**65**
South	64	**70**
West	68	**79**

Home Sales Strong in New York State

"July home sales were typically strong and likely would have been higher except for the ongoing decline in the number of homes for sale," said Duncan R. MacKenzie, CEO of the New York State Association of REALTORS. "Newly listed homes are moving quickly and multiple purchase offers are becoming more common. These conditions have driven growth in the statewide median sales price to near record levels."

"With employment levels and consumer confidence steady, and mortgage rates still low, the housing market should remain active through the balance of the year," said MacKenzie. "We project that sales will be near the 2016 record, but will continue to be constrained by the low number of homes listed for sale."

New York State Association of REALTORS
August 2017

Aspiring Home Buyer Profile: 2016

- ✓ For non-owners, 63% felt that now was a good time to buy in Q1 compared to 55% by Q4.
- ✓ For owners, 82% felt that now was a good time to buy in Q1 compared to 78% by Q4.
- ✓ For non-owners, the perception that now is a good time to buy a house was roughly the same across age, income, and city size, with the exception of the west region, which was lower than all other regions.
- ✓ For both homeowners and non-homeowners alike, homeownership is strongly considered a part of the American Dream.
- ✓ Non-homeowners cited the main reason why they do not currently own is that they cannot afford to buy a home.
- ✓ 87% of non-owners expressed a desire to be a homeowner.
- ✓ The main reasons that non-owners would buy a house in the future are a change in lifestyle such as getting married, starting a family, or retiring (32% to 38%); followed by an improvement in financial situation (23% to 28%); the desire to settle down in one location (14% to 17% each quarter percent); and a better or more stable employment situation (10% to 13%).
- ✓ 61% of non-owners do not have student loan debt, whereas 39% do have student loan debt. Of the non-owners that reported having student loan debt, 38% were not comfortable taking on a mortgage compared to 18% that are comfortable taking on a mortgage.
- ✓ 39% of non-owners believe they need more than 20% for a down payment, 26% believe they need 15% to 20%, and 22% believe they need 10% to 14%. 30% of owners believe they need more than 20% for a down payment, 35% believe they need 15% to 20%, and 22% believe they need 10% to 14%.

The National Association of Realtors Research Department issued its Aspiring Home Buyer Profile report in February 2017. It is an examination of the consumer preferences of non-homeowners, defined as those who rent and those who live with someone else without paying rent.

The *Aspiring Home Buyer Profile* compares the perceptions of homeownership and housing affordability from the perspective of non-homeowners. The profile is based on data collected on a monthly basis as part of NAR's Housing Opportunities and Market Experience (HOME) report, which monitors consumer sentiment about the housing market. Topics include whether now is a good time to buy a house, the perception of homeownership as part of their American Dream, why non-owners do not own now, and what would cause them to purchase in the future.

Of the U.S. consumer households that were surveyed each month in 2016, 64% of respondents were homeowners, 26% were renters, and 11% lived with someone else. Of the non-owners, 59% are 34 years or under, 64% have an income of under $50,000, and 43% live in suburban areas. Non-homeowners cited the main reason for not owning as affordability. The perception reached a high of 57% in 2016.

While all-cash sales were 23% of existing-home transactions in March 2017, individual investors paying cash accounted for less than 15% of homes purchased. As a result, "first-time homebuyers aren't buying homes to flip them, but to stick around a while."

The needs of the senior population ages 65+ cannot be ignored in terms of aspiring homeowner profile. Current housing supply is inadequate to meet the needs of an aging population. By 2035, more than one in five people in the U.S. will be aged 65 and older. Homes will need more age-friendly elements such as zero-step entrances, single-floor living and wide halls and doorways that can accommodate walkers and wheelchairs.

Source: NAHB/Wells Fargo National and Regional Housing Market Index. August 2017

Average Monthly Rents in Cities Throughout New York State

City	Average Monthly Rent		Average Monthly Rent: 1 Bedroom		Average Monthly Rent: 2 Bedrooms	
	May 2017	May 2012	May 2017	May 2012	May 2017	May 2012
Albany	$1,149	$939	$1,009	$848	$1,302	$991
Buffalo	$1,176	$763	$1,149	$685	$1,272	$897
Canandaigua	$1,333	$807	$1,264	$658	$1,302	$802
Corning	$1,233	$903	$971	$820	$1,478	$985
Elmira	$868	$629	$553	$588	$1,044	$638
New York City	$3,109	$2,818	$2,765	$2,450	$3,516	$3,077
Rochester	$897	$895	$800	$716	$966	$995
Saratoga Springs	$1,946	$1,219	$1,548	$1,039	$2,111	$1,150
Syracuse	$868	$808	$670	$713	$839	$898

Source: Rent Jungle. May 2017.

Note: Data includes all rental housing types: apartments, townhouses, duplexes, multi-family houses and single-family houses. Data includes all rental categories, including subsidized.

Although rents have increased in many metropolitan areas across the country, Buffalo stands out, along with St. Paul and Fresno, as experiencing the biggest decrease in rent price from May to June 2017. The average rent fell 4%. However, Rochester saw a 4% increase during the same period.

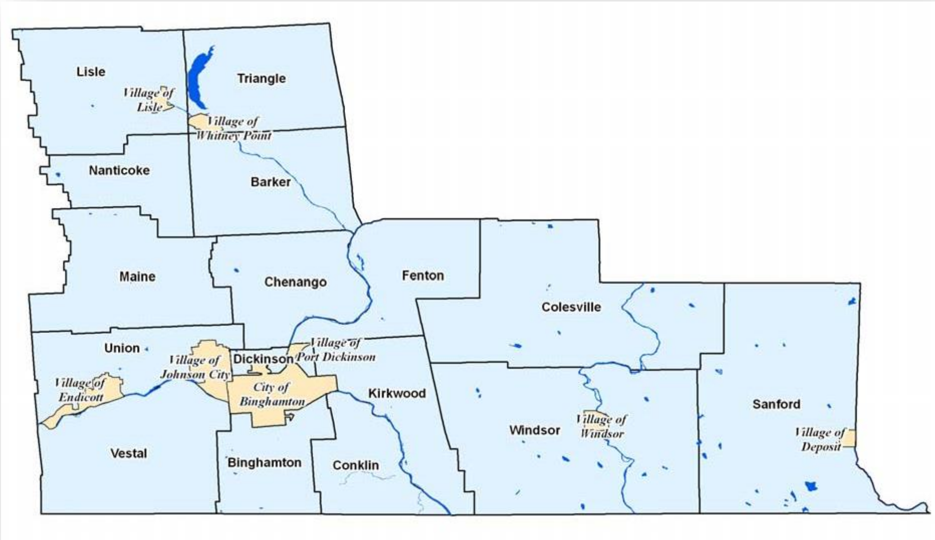
Investments in the Market Rate Market

Investors have been attracted to mid-sized metropolitan areas such as Albany and Buffalo because of the average capitalization rate (cap rate), fair market price, reasonable maintenance costs and potential return on investment (ROI) because of the positive economic development dynamics occurring in these communities. For multi-family properties, it can be as high as 7.1% in areas like Buffalo, N.Y. and around 4.9% in cities such as New York.[8]

[8] Rental Housing Journal. Property Managers Buy Smarter and Smaller. 2015.

BROOME COUNTY DEMOGRAPHIC PROFILE

BROOME COUNTY PROFILE



Municipalities

There are eleven rural municipalities in Broome County including Lisle, Triangle, Nanticoke/Glen Aubry, Barker (Chenango Forks), Maine, Town of Binghamton, Fenton (Port Crane), Kirkwood, Colesville, Windsor, Deposit and Sanford. The five suburban municipalities include Vestal, Conklin, Union (Endicott), Dickinson (Port Dickinson) and Chenango. The City of Binghamton is the only municipality in Broome County with a recognized urban core.

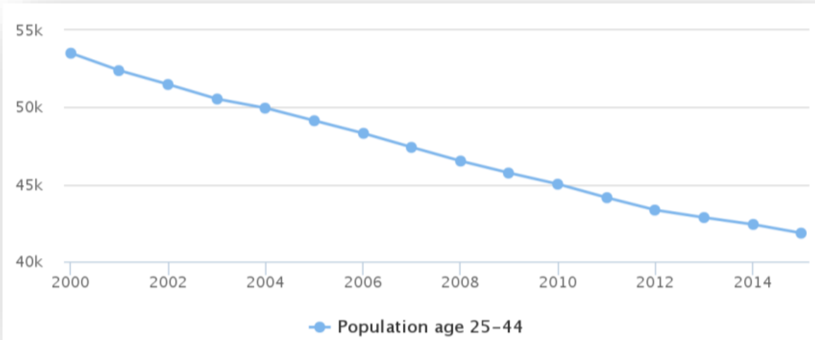
County-Wide Population Projections

Broome County's population declined from 212,160 in 1990 to 200,600 in 2010 and 196,567 in 2015.[9] The population decline is projected to continue, with a total of 192,835 by 2040.

	1990	2000	2010	2015	2020	2025	2030	2035	2040
Total	212,160	200,536	200,600	200,018	199,743	199,053	197,582	195,375	192,835
0-4	14,516	11,271	10,480	11,278	11,607	11,426	11,091	10,895	10,827
5-14	26,593	26,957	22,468	22,115	23,035	23,834	23,779	23,280	22,862
15-24	32,718	30,022	33,676	31,853	29,836	29,972	30,624	31,067	30,892
25-44	65,172	53,789	45,195	47,436	50,557	51,259	50,643	49,218	48,309
45-64	41,336	45,666	55,937	52,604	47,511	42,600	40,176	40,806	42,113
65plus	31,825	32,831	32,844	34,732	37,197	39,962	41,269	40,109	37,832
85plus	3,445	4,576	5,637	5,926	5,722	5,629	5,848	6,698	7,460
Males	102,292	96,733	98,373	98,649	99,004	99,092	98,768	98,110	97,338
Females	109,868	103,803	102,227	101,369	100,739	99,961	98,814	97,265	95,497

Source: Cornell University Program on Applied

[9] US Census. American Fact Finder. Quick Facts. 2015

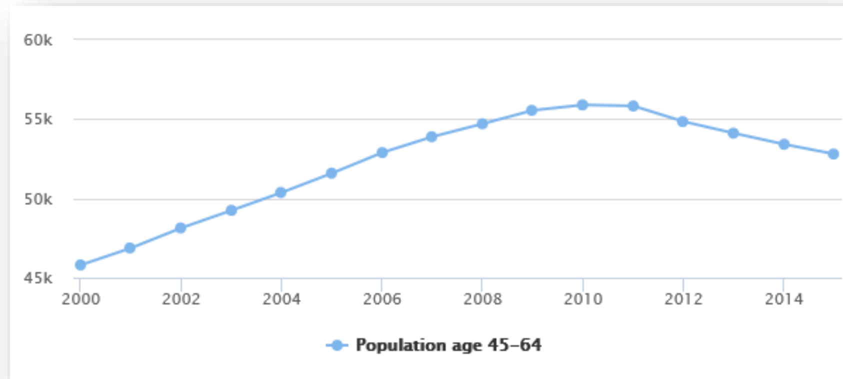


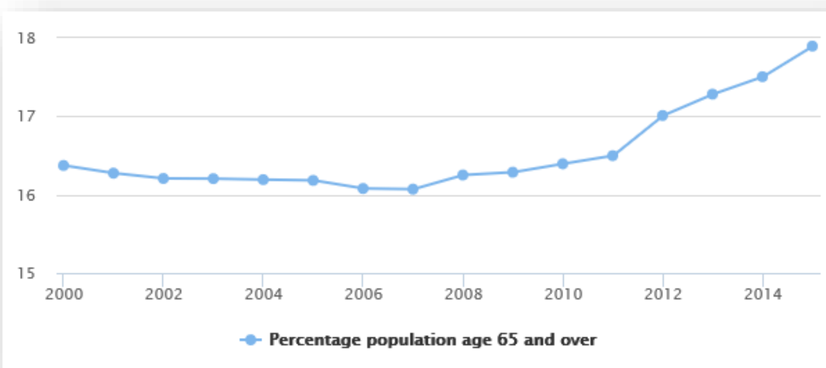
Broome County Population Trend: Ages 25-44

Source: U.S. Census Bureau.
Made through Cornell Program on Applied Demographics

Broome County Population Trend: Ages 45-64

Source: U.S. Census Bureau.
Made through Cornell Program on Applied Demographics





Broome County's Aging Population: 65 +

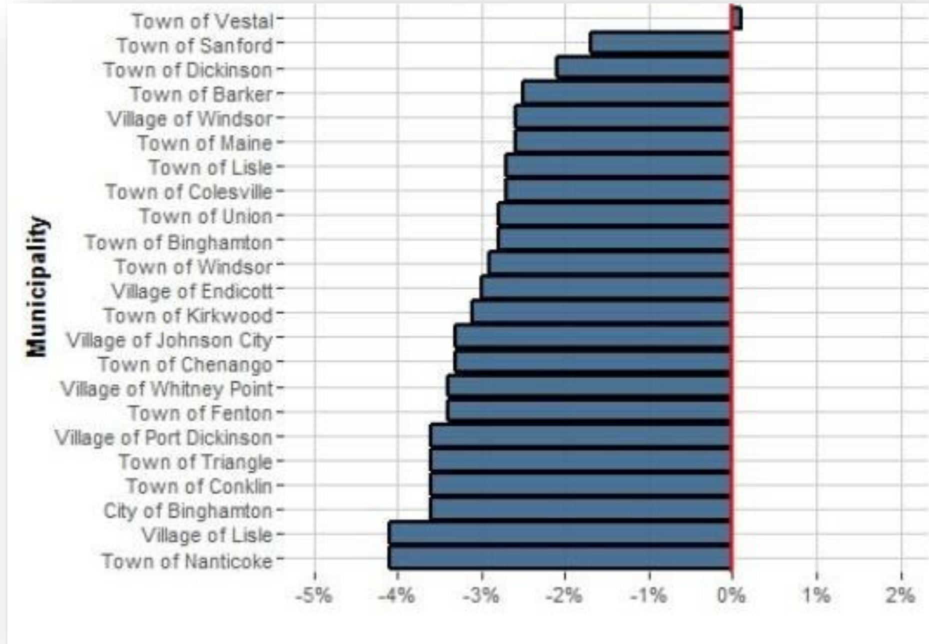
Source: U.S. Census Bureau.

Population Change by Community

Broome County Population Change:
2010 – 2016

With the exception of the Town of Vestal, which remained flat, there has been an average population decrease of 3% among the remaining 22 municipalities within Broome County since 2010.

Source: Broome County Comprehensive Plan



	2010	2016	Change
City of Binghamton	43,376	45,672	-3.6%
Village of Endicott	13,392	12,992	-3.0%
Village of Johnson City	15,174	14,673	-3.3%
Village of Lisle	320	307	-4.1%
Village of Port Dickinson	1,641	1,582	-3.6%
Village of Whitney Point	964	931	-3.4%

	2010	2016	Change
City of Binghamton	47,376	45,672	-3.6%
Town of Barker	2,732	2,665	-2.5%
Town of Binghamton	4,942	4,806	-2.8%
Town of Chenango	11,252	10,876	-3.3%
Town of Colesville	5,232	5,092	-2.7%
Town of Conklin	5,441	5,246	-3.6%
Town of Dickinson	5,278	5,167	-2.1%
Town of Fenton	6,674	6,446	-3.4%
Town of Kirkwood	5,857	5,674	-3.1%
Town of Lisle	2,751	2,677	-2.7%
Town of Maine	5,377	5,238	-2.6%
Town of Nanticoke	1,672	1,604	-4.1%
Town of Sanford	2,407	2,367	-1.7%
Town of Triangle	2,946	2,841	-3.6%
Town of Union	56,346	54,790	-2.8%
Town of Vestal	28,043	28,082	0.1%
Town of Windsor	6,274	6,091	-2.9%

Migration Trends

Between July 2014 and July 2015, all but nine states added population via migration. Illinois and New York lost the most residents, while Florida and Texas recorded the largest gains.

New York's population shrank between 2015 and 2016 by about 2,000 people, largely due to out-migration. In every year since 1999, residents have migrated out of the Southern Tier. In 2015, the region lost 5.7% of its residents, with the highest outward migration in Tioga, Delaware, and Chenango counties (10.4%, 9.3% and 9.0%, respectively).[10]

Year	Net Migration
2011 - 2012	**-1,670**
2012 - 2013	**-889**
2013 - 2014	**-1,215**

Broome County also saw out-migration during the period 2011- 2014.[11]

More than three people on average have moved from the Binghamton metropolitan area to other states every day for the past six years.

Year	Out-Migration to Another State	Out-Migration Within NYS
2013 - 2014	**-3,323**	**3,001**

For the period 2013 – 2014, Broome County's total out-migration was 6,362.

Year	In-Migration from Another State	In-Migration Within NYS
2013 - 2014	**2,207**	**2,840**

For the period 2013 – 2014, Broome County's total in-migration was 5,111.

For this same period, the value of the adjusted gross income of in-migration was $110,722,000 while the value of the out-migration was $156,964,000.

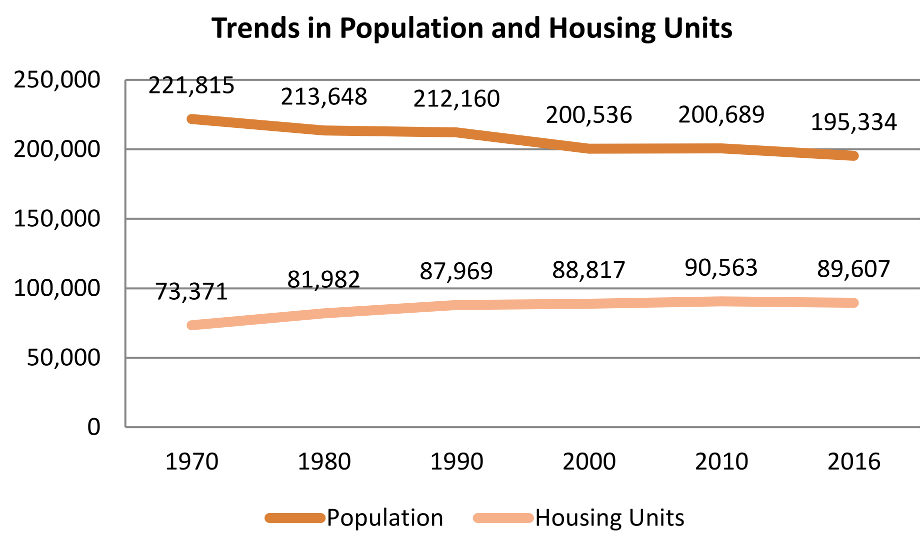
[10] Cornell Program on Applied Demographics

[11] U.S. Census Bureau; migration estimates current as of July 2014 of the corresponding years.

Trends in Population, Households and Housing Units

Although the population increased during the period 1970 to 2010, the number of housing units dropped from 221,815 to 200,600. The inverse relationship between population and housing units is due to the increase in the number of "households." The population has declined by 26,481 between 1970 and 2016; however, the number of households has increased by nearly 14,000. Today's typical household size is 2.3 as compared to 3.1 in 1970. This primarily is a reflection of the aging population.

Source: U.S. Census Quick Facts. 2016



BROOME COUNTY HOUSING PROFILE

Broome County Housing Profile

Total Housing Units by Municipality

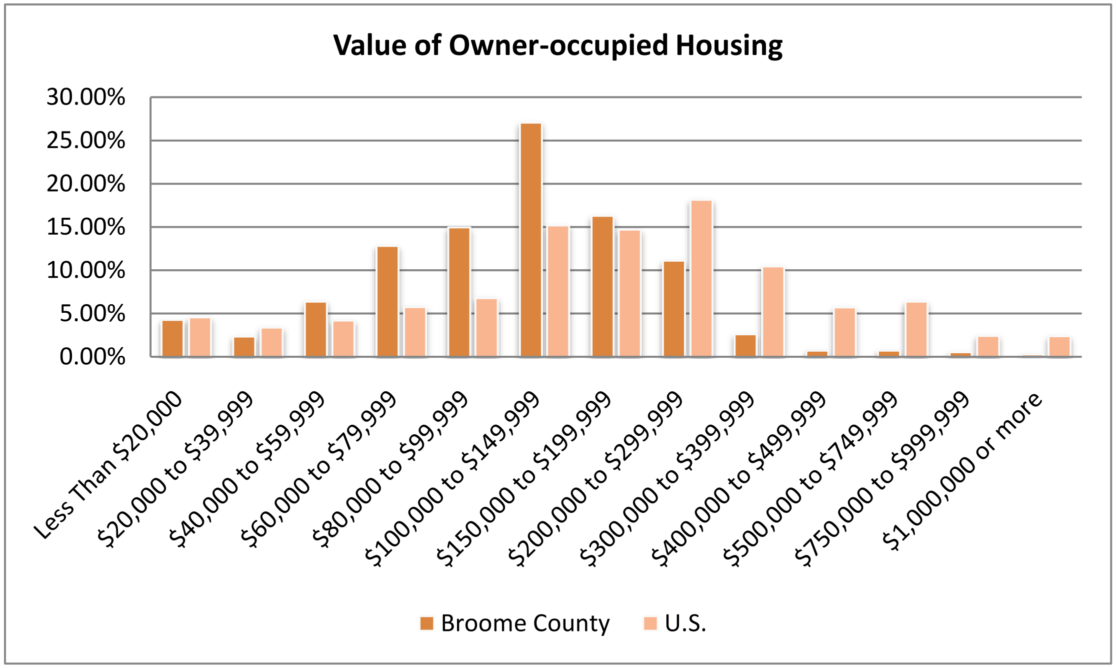
Total Housing Units from 1970 to 2010: Broome County Municipalities				
Area	1970	2010	Number	Percent Change
Binghamton-C	23,603	23,842	239	1.0%
Barker-T	592	1,114	522	88.2%
Binghamton-T	1,362	1,985	623	45.7%
Chenango-T	3,673	4,857	1,184	32.2%
Colesville-T	1,372	2,302	930	67.8%
Conklin-T	1,626	2,337	711	43.7%
Dickinson-T	1,172	1,396	224	19.1%
Fenton-T	2,154	2,940	786	36.5%
Kirkwood-T	1,735	2,520	785	45.2%
Lisle-T	460	1,044	584	127.0%
Maine-T	1,659	2,223	564	34.0%
Nanticoke-T	297	651	354	119.2%
Sanford-T	687	1,317	630	91.7%
Triangle-T	361	852	491	136.0%
Union-T	8,890	12,892	4,002	45.0%
Vestal-T	7,069	9,432	2,363	33.4%
Windsor-T	1,590	2,524	934	58.7%
Deposit-V (part)	413	422	9	2.2%
Endicott-V	6,444	6,719	275	4.3%
Johnson City-V	6,694	7,443	749	11.2%
Lisle-V	119	141	22	18.5%
Port Dickinson-V	774	782	8	1.0%
Whitney Point-V	305	411	106	34.8%
Windsor-V	356	417	61	17.1%

Source: U.S. Census Quick Facts. 2016

Characteristics of the Housing Stock

Overall Characteristics of Housing	Broome County	U.S.
Total Housing Units	90,026	133,351,840
Homeowner Vacancy Rate	2.1% (1,104)	1.9%
Rental Vacancy	6.9% (2,064)	6.4%
Renter-Occupied Housing Units	34.3% (27,140)	36.1%
Median Home Age	55	37
Median Home Value (of owner-occupied units)	$109,900	$178,600
Median Home Cost	$94,800	$185,800
Home Appr. Last 12 months	-2.18%	3.74%
Home Appr. Last 5 yrs.	-6.89%	16.02%
Home Appr. Last 10 yrs.	12.46%	-0.68%
Property Tax Rate	$26.64	$11.80
Homes Owned	58.27%	56.34%
Housing Vacant	11.87%	12.45%

Value of Owner-occupied Housing



Source: U.S. Census Quick Facts. 2016

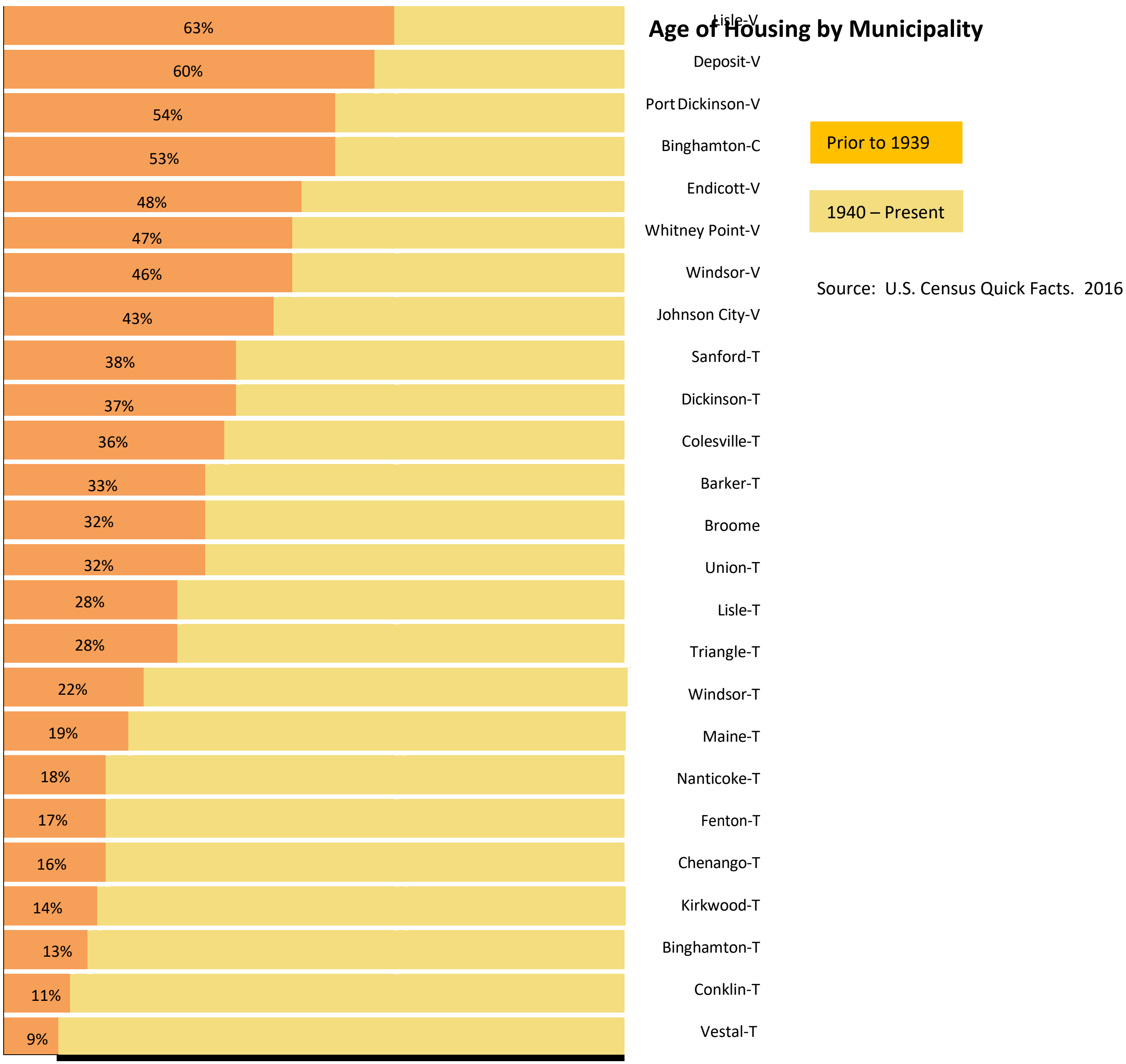
VALUE OF OWNER-OCCUPIED HOUSING	Broome County	U.S.
Less Than $20,000	4.25%	4.57%
$20,000 to $39,999	2.35%	3.37%
$40,000 to $59,999	6.38%	4.19%
$60,000 to $79,999	12.80%	5.74%
$80,000 to $99,999	14.95%	6.79%
$100,000 to $149,999	27.06%	15.19%
$150,000 to $199,999	16.30%	14.69%
$200,000 to $299,999	11.11%	18.15%
$300,000 to $399,999	2.60%	10.43%
$400,000 to $499,999	0.70%	5.70%
$500,000 to $749,999	0.71%	6.39%
$750,000 to $999,999	0.54%	2.41%
$1,000,000 or more	0.26%	2.39%

Mix of Single-family and Mobile Home Housing Stock

Broome County	Single-Family Number	Single-Family Percent	Mobile Home Number	Mobile Home Percent
1970	42,734	59%	2,287	**3%**
2010	56,960	63%	4,681	**5%**
Change	**14,226**	**na**	**2,394**	**na**

Source: U.S. Census Quick Facts. 2016

Area	Housing Units	Single-Family		Mobile Home	
		Number	Percent	Number	Percent
Broome	90,348	56,960	63.1%	4,681	**5.2%**
Binghamton-C	24,664	10,800	43.8%	69	**0.3%**
Barker-T	1,062	812	76.5%	210	**19.8%**
Binghamton-T	1,941	1,813	93.4%	13	**0.7%**
Chenango-T	4,853	4,028	83.0%	295	**6.1%**
Colesville-T	1,881	1,415	75.2%	342	**18.2%**
Conklin-T	2,337	1,829	78.3%	291	**12.5%**
Dickinson-T	1,787	1,384	77.5%	0	**0.0%**
Fenton-T	2,814	1,997	71.0%	632	**22.5%**
Kirkwood-T	2,419	1,759	72.7%	107	**4.4%**
Lisle-T	1,126	731	65.0%	355	**31.5%**
Maine-T	2,162	1,584	73.3%	541	**25.0%**
Nanticoke-T	645	377	58.5%	247	**38.3%**
Sanford-T	1,707	1,313	76.9%	228	**13.4%**
Triangle-T	1,279	834	65.2%	284	**22.2%**
Union-T	27,675	16,928	61.2%	198	**0.7%**
Vestal-T	9,257	7,404	80.0%	273	**2.9%**
Windsor-T	2,739	1,952	71.3%	596	**21.8%**
Deposit-V	941	593	63.0%	18	**1.9%**
Endicott-V	7,164	3,086	43.0%	47	**0.7%**
Johnson City-V	7,887	4,133	52.4%	0	**0.0%**
Lisle-V	135	109	80.7%	15	**11.1%**
Port Dickinson-V	653	404	61.9%	0	**0.0%**
Whitney Point-V	431	223	51.7%	89	**20.6%**
Windsor-V	438	320	73.0%	0	**0.0%**


Age of Housing by Municipality
Prior to 1939
1940 – Present
Source: U.S. Census Quick Facts. 2016
Lisle-V 63%
Deposit-V 60%
Port Dickinson-V 54%
Binghamton-C 53%
Endicott-V 48%
Whitney Point-V 47%
Windsor-V 46%
Johnson City-V 43%
Sanford-T 38%
Dickinson-T 37%
Colesville-T 36%
Barker-T 33%
Broome 32%
Union-T 32%
Lisle-T 28%
Triangle-T 28%
Windsor-T 22%
Maine-T 19%
Nanticoke-T 18%
Fenton-T 17%
Chenango-T 16%
Kirkwood-T 14%
Binghamton-T 13%
Conklin-T 11%
Vestal-T 9%

Construction of Housing

Nearly thirty percent of houses in Broome County were constructed prior to 1940; and nearly than two-thirds were built prior to 1960.

The average number of building permits issued annually between 2001 – 2014 was 44.
In 2003, there was a high number of building permits with 130.
The years 2014 saw the lowest number of building permits with a total of 4.
One-hundred percent of the building permits were for Single Family housing units in 2014.

Year Built	Number
2014 or later	111
2010 – 2013	1,265
2000 – 2009	2,898
1990 – 1999	4,616
1980 – 1989	8,695
1970 – 1979	8,879
1960 – 1969	13,432
1950 - 1959	12,359
1940 – 1949	9,489
1939 or earlier	27,913

Building Permits Issued by Year

The pace of new housing development over the past six decades has been slow throughout the entire county. A look at the change in the number of housing units in each community since 1970 indicates that the suburban towns such as the portion of Union outside of the villages of Endicott and Johnson City, Vestal and Chenango added the most housing units, and the rural towns such as Triangle and Lisle increased housing units at the fastest rate.

Year	All Permits	Single Family	2-Unit Multi-Family	3 & 4 Unit Multi-Family	5+ Unit Multi-Family
2014	53	53	0	0	0
2013	7	7	0	0	0
2012	4	4	0	0	0
2011	10	10	0	0	0
2010	14	14	0	0	0
2009	18	18	0	0	0
2008	33	33	0	0	0
2007	32	32	0	0	0
2006	42	42	0	0	0
2005	38	36	2	0	0
2004	116	103	0	0	13
2003	130	68	0	0	62
2002	68	66	2	0	0
2001	53	53	0	0	0

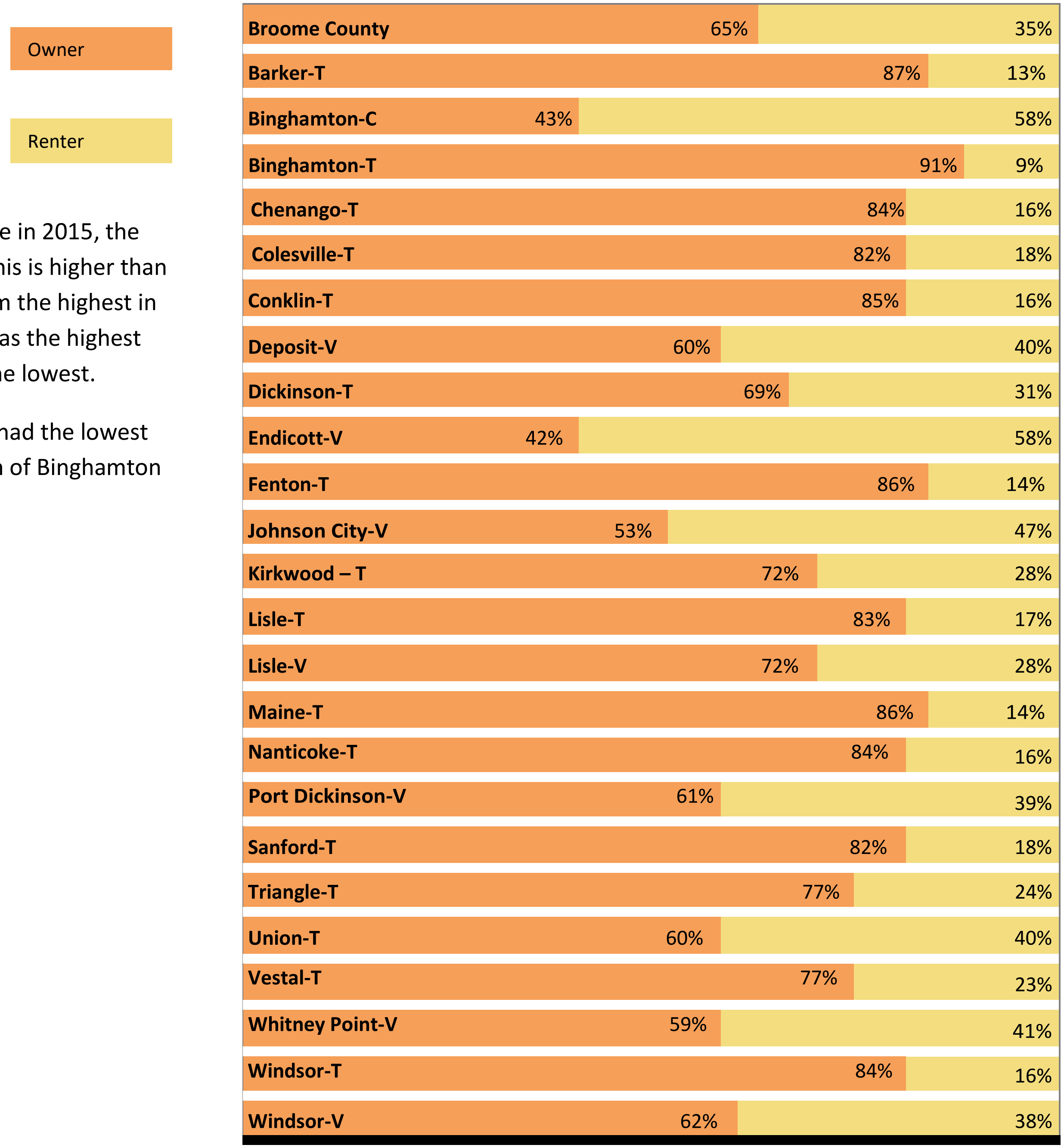
Source: U.S. Census Quick Facts. 2016

Owner VS Renter

The Broome County's homeownership rate in 2015, the most recent data available, was 65.7%. This is higher than the statewide average of 53%, but far from the highest in the region. Tioga County, at nearly 80%, has the highest rate, and Tompkins County, at 54%, has the lowest.

Within the county, the village of Endicott had the lowest homeownership rate at 42% and the town of Binghamton had the highest at 91%.

Source: U.S. Census Quick Facts. 2016



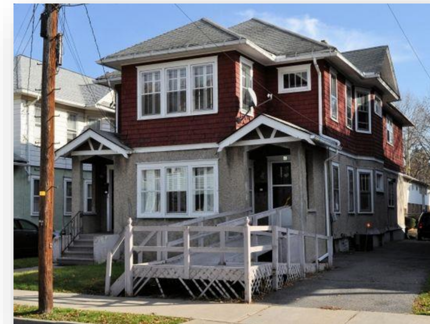
Rental Housing

Broome County	Multi-Family	
	No.	Percent
1970	27,764	38%
2010	28,704	32%
Change	940	na

Source: U.S. Census Quick Facts. 2016

AVERAGE RENT FOR HOME OR APARTMENT Broome County, NY		
Studio Apartment	$500	$712
1 Bedroom Home or Apartment	$575	$825
2 Bedroom Home or Apartment	$729	$1,027
3 Bedroom Home or Apartment	$987	$1,379
4 Bedroom Home or Apartment	$1,126	$1,601

Trends in Rental and Ownership



Broome County Owner-Occupied and Renter Occupied Housing Units
The table below shows the percent of owner units that are occupied by households with income below the ALICE Threshold and the percent of all owner-occupied units that are housing burdened, meaning that housing costs are more than 30% of household income. **ALICE,** an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, are households that earn more than the U.S. poverty level, but less than the basic cost of living for the county (the ALICE Threshold, or AT). Combined, the number of poverty and ALICE households equals the total population struggling to afford basic needs.

For renter-occupied units, the table presents the percent of renter units occupied by households with income below the ALICE Threshold and the percent of all renter-occupied units that are housing burdened. In addition, the table includes the Affordable Housing Gap, the number of additional rental units needed that are affordable to households with income below the ALICE Threshold so that all of these households would pay less than one-third of their income on housing.

A high portion of income is being spent on rent. Compared with 34% in 2000, 40% of the Southern Tier's residents spent more than a third of their monthly income on rent in 2014. Students make up a high proportion of renters in the region. High rents in the areas with the most students (Broome County and Tompkins County) can deter graduates from remaining in the region. (2010-2014 American Community Survey 5-Year Estimates)

Owner-Occupied Units vs Renter-Occupied Units

Owner-Occupied Units			Renter-Occupied Units			
Owner-Occupied	Percent Owned by HHs below ALICE Threshold	Housing Burden: Percent Owners Pay more than 30% of Income	Renter-Occupied	Percent Rented by HHs below ALICE Threshold	Housing Burden: Percent Renters Pay more than 30% of Income	Gap in Rental Stock Affordable for All HHs below ALICE Threshold
50,775	40%	23%	28,035	75%	54%	9,727

Source: United Way New York, ALICE Study of Financial Hardship, 2016

Single-family Housing Sales Trends

County	Sale Price 2007	Sale Price 2016	Percent Change
Broome	$102,000	$110,000	+7.8%
Chemung	$84,950	$110,000	+29.5%
Monroe	$124,000	$137,000	+10.5%
Ontario	$153,000	$171,750	+12.3%
Tioga	$106,000	$117,700	+11.0%
Tompkins	$180,650	$215,000	+19.0%

Sales Trends

The median sales price and percentage change for houses in Broome County increased 7.8% over the past decade; however, not at the same rate as sales of single-family homes in other UpState NY counties that sold in 2007 and 2016.

Broome County's single-family home sales have been strong in the first half of 2017. The New York State Association of Realtors' report states there was a 5.9% increase in closed sales over the same time frame in 2016; however, the number of homes for sale declined by 5.9%.

The overall housing market began ramping up in 2015 and gained momentum in 2016 through early 2017. By mid-2017 there had been a general slowdown in sales across the country as well as in Broome County. A noted in the earlier sections of this report, the slow down is not due to the economy but rather to lack of inventory.

Data source: New York State Office of Real Property Tax Services SalesWeb database. May 2017.

New listings were down 366 units or 5.7% by mid-year as compared to the previous year. Pending sales also decreased 5.9% to 191, and inventory shrank 16.6% to 1,203.

Days on Market decreased 8.6% to 96 days; and the months supply of inventory was down 20% to 6.3 months, indicating that demand increased relative to supply. It's important to point out that the average sales prices in the first half of both 2016 ($114,827) and 2017 ($119,216) were below the first half of 2015 at $123,052. This is directly related to the available inventory.

Comparing June 2016 to June 2017 paints the most dramatic picture. Closings were up 29%, median sales prices were up 9.4% and the inventory of homes for sale was down 16.6%.

	First Half 2016	First Half 2017	+/-
New Listings	1,916	1,802	-5.9%
Pending Sales	1,001	1,085	+8.4%
Closed Sales	861	912	+5.9%
Days on Market	113	113	0.0%
Median Sales Price	$105,000	$103,000	-1.9%
Average Home Sales	$114,827	$119,216	+3.8%
Percentage of List Price Received	94.4%	94.0%	-0.4%

Source: New York State Association of Realtors. August 2017

An estimated 54% of single-family houses sold in the Binghamton area were cash purchases in the first quarter of 2017.[12] This trend places the Binghamton area in the #4 position nation-wide. This dynamic is being attributed to the affordability of housing, with a median purchase price of $75,000, transfer of houses in estates, and institutional investors purchasing at low prices and converting the houses into rental properties. In is important to note that when transactions related to an estate or divorce are removed, approximately 30% of houses sold were cash.

This influence of the institutional investors can't be ignored, and is a factor with a significant impact on the Broome County housing market. "In the last year, we're seeing a high percentage of what we call 'institutional investor purchases' in Binghamton," said Daren Blomquist, the senior vice president of Attom. In the first quarter of 2017, about 4% of single-family home and condo sales were to institutional investors in the Binghamton metropolitan area — meaning those who purchase 10 or more properties in a year. The national average was a little under 2%, Blomquist said.[13] This trend exceeds other areas in both New York State and the country.

Listing and Sales Activity as of August 31, 2017 (top 5 highlighted)

Zip Code	Average Listing Price	Median Sales Price	Trulia Popularity
13826	$240,000	-	23
13787	$197,950	$80,275	11
13833	$166,067	$69,000	14
13850	$162,089	$142,000	3
13777	$150,945	-	20
13795	$146,050	$81,414	15
13813	$143,671	-	18
13905	$142,210	$114,000	2
13760	$141,698	$117,021	1
13865	$140,643	$124,525	8
13903	$137,329	$99,900	4
13744	$137,000	$151,596	21
13748	$135,835	$75,950	12
13754	$132,970	$100,000	7
13862	$131,086	$135,000	10
13901	$126,475	$112,500	5
13746	$123,537	$161,870	13
13797	$106,150	$114,750	16
13904	$96,654	$68,000	9
13790	$87,564	$73,936	6
13802	$79,900	$175,000	17

Source: Trulia. September 11, 2017

[12] RealtyTrac

[13] Press & Sun Bulletin news article. April 28, 2017.

New Construction

Name of Approved Development	Location	Lots/#Units
239-2002-94	Ross Hill Road, Vestal	13 lots
239-2002-107	17111 Farm to Market Road, Town of Union	22 lots
239-2002-160	Between Foster & Sheedy Roads, Vestal	21 lots
239-2002-176	Jones Road, Vestal	15 lots
239-2003-39	Deyo Hill Road, Johnson City	5 lots
239-2003-60	169 Hillside Terrace, Town of Union	16 lots
Vestal Highlands	Vestal	17 lots
Sunbriar Estates	Vestal	10 lots
College Park	Vestal	11 lots

The only new subdivisions over the past ten years have been are sited in the Towns of Vestal and Union, and in the Villages of Endicott and Johnson City, close to major employers and the regional shopping centers at Vestal and Johnson City.

Properties in the Town of Windsor and the Hamlet of Apalachin could also provide competition due to their central location between major employers in Tioga County and employers in Broome County; however, lack of basic infrastructure will be a barrier.

There are limited sites for new construction in Binghamton and the towns of Union, Vestal, and Conklin and Kirkwood due to topography, environmental issues and sufficient basic infrastructure. Cushman & Wakefield's Broome County office reports that only five sites have the potential for development, and yet each has constraints such as the size of the parcels or lack of utilities on the site.

Property Address	Parcel Size	Zoning	Utilities
510 Gates Road Town of Vestal	25.45 acres	Rural Residential	Water (pending), sewer and electric need to be extended onto site. Town engineer indicates that existing water supply may be sufficient depending on the project or a pumping station may have to be considered
985 Gillen Drive City of Binghamton	44.09 acres Only 20 acres are buildable	Residential – Single unit dwellings	Water, sewer, gas and electric.
1200 Reynolds Road Town of Union Village of Johnson City	18.10 acres	Suburban Single Family Town of Union officials indicate the town and Village of Johnson City may be willing to consider zoning change to multi-family	Water, sewer, gas and electric. Utilities available off of Deyo and Reynolds. Pumping station for water is in place on Reynolds Road.
120 Morgan Road Town of Binghamton	28.50 acres Not all of acreage is buildable	Rural Residential Town of Binghamton officials indicate the town may be willing to consider zoning change to multi-family	Water, sewer, gas and electric
99 Stratmill Road Town of Kirkwood	36.5 acres	Industrial	Adjacent to existing subdivision that has utilities. Access available to site via Stratmill Road

Typically, a developer could expect a 15% rate of return on housing development. This would translate to a profit of at least $22,500 to $30,000 for single-family homes for Move-up Families and from $30,000 up to $45,000 for single-family homes for Established Families. Luxury homes are the most profitable use for residential developers with profits exceeding $45,000 per unit.

Rehabilitation of Existing Housing Stock

In the 1940's there was a "suburban building boom" in Binghamton, Johnson City, Endicott. There was another surge of construction in Vestal, Endicott, Town of Union and Kirkwood in the 1980's with the growth of companies such as IBM and Binghamton University; together with the expansion of the interstate highway system to the south and west. Outmigration to newly constructed homes in the suburban and rural towns left an aging housing stock in the villages and the urban cores of Binghamton, Johnson City and Endicott. In the meantime, the population in the towns and villages outside the Binghamton metro area remained stagnant and the overall housing stock has continued to age.

Today, home builders and those specializing in home remodeling are focused on renovation of existing homes as opposed to new construction. Why?

- Property taxes are high in the Triple Cities area. Building a spec house comes with too much risk because it involves carrying the borrowing cost for construction, as well as the property taxes, until the house is sold.
- People are staying in their homes throughout the entire county. This is attributed either people not wanting to move-up to a larger or more expensive house due to property taxes and people aging in their homes. Therefore, people are opting to invest in renovations rather than purchase of a new house.
- Sales of the older housing stock often leads to the new buyer undertaking major renovations. Consequently, there is demand for remodeling of existing houses. Throughout the county, the demand is exceeding the number of contractors available. Workforce is a major barrier because the trades are finding it difficult to attract young workers.
- Limited sites are available for new construction due to the topography and limited infrastructure outside of the Greater Binghamton metropolitan area.

[redacted]

Examples of Neighborhoods Prime for Revitalization

- Crandall Street area in City Binghamton
- Vestal Ave on southside – in Binghamton
- Conklin Ave in Binghamton
- Area around the Park Diner in Binghamton
- Grand Blvd in Binghamton (return multi-family properties to original single-family houses)
- Neighborhoods adjacent to Endicott's urban core such as Oak Hill Ave
- Johnson City around BU's new pharmacy school and the Health and Cultural District

Market Rate Rental Trends

Market Rate Inventory

The highest concentration of market rate rental units throughout the county is in Binghamton, Johnson City, Endicott, Vestal; with an estimated 2,000 units. The largest number is among two-bedrooms units, with a total of 1,223 representing nearly 50% of all units.

Bedroom	Baths	Units	Distribution
Studio	1.0	36	1.8%
One-Bedroom	1.0	401	20.2%
Two-Bedroom	1.0	745	37.5%
Two-Bedroom	1.5	274	13.8%
Two-Bedroom	2.0	204	10.3%
Three-Bedroom	1.0	39	2.0%
Three-Bedroom	1.5	11	0.6%
Three-Bedroom	2.0	27	1.4%
Three-Bedroom	3.0	30	1.5%
Four-Bedroom	2.0	78	3.9%
Four-Bedroom	4.0	112	5.6%
Five-Bedroom	2.0	3	0.2%
Five-Bedroom	5.0	24	1.2%
Six-Bedroom	6.0	3	0.2%
Total Market-rate		**1,987**	**100.0%**

[redacted]

Factors Driving Demand for Market Rate Rental Housing

- Persons over the age of 55 who do not want the responsibility of home ownership
- Snowbirds wanting to maintain residence in Broome County while spending 3-5 months in a warm climate
- Persons age 25-35 moving out of their parents' homes
- Young professionals currently living or moving into the area

The next largest concentration is in the Kirkwood area; however, the complexes in the Kirkwood are dated.

An indicator of pent-up demand for market rate rental housing is the high occupancy rate, which remains steady at 97% among market rate apartments.

Bedroom	Units	Vacant Units	Vacancy Rate
Studio	36	4	11.1%
One-Bedroom	401	10	2.5%
Two-Bedroom	745	31	4.2%
Two-Bedroom	274	1	0.4%
Two-Bedroom	204	0	0.0%
Three-Bedroom	39	3	7.7%
Three-Bedroom	11	0	0.0%
Three-Bedroom	27	1	3.7%
Three-Bedroom	30	1	3.3%
Four-Bedroom	78	0	0.0%
Four-Bedroom	112	1	0.9%
Five-Bedroom	3	1	33.3%
Five-Bedroom	24	2	8.3%
Six-Bedroom	3	0	0.0%

Another indicator of demand is the continued increase in the monthly rental rates. The current rental rates have increased an average of 2.5% since 2014. A similar rent growth is expected at an annual rate of 2.5% to 3.0% due to lack of a large number of new rental units currently on the market. It's important to note that although rental rates in general have increased, the rates for the lesser quality properties has decreased.

Bedroom	Baths	Median Net Rent
Studio	1.0	$296
One-Bedroom	1.0	$727
Two-Bedroom	1.0	$746
Two-Bedroom	1.5	$945
Two-Bedroom	2.0	$1,662
Three-Bedroom	1.0	$696
Three-Bedroom	1.5	$1,350
Three-Bedroom	2.0	$1,444
Three-Bedroom	3.0	$2,597
Four-Bedroom	2.0	$3,316
Four-Bedroom	4.0	$3,136
Five-Bedroom	2.0	$2,884
Five-Bedroom	5.0	$4,131
Six-Bedroom	6.0	$4,956

Market Rate Apartment Complexes

Name	Location	Units	Base Monthly Rents	Amenities
Summit Chase Apartment Homes	1 Jane Lacey Drive Endicott, NY 13760	300 Apartments & Townhomes	$695/mo (1,500 SF) 3 bedrooms – $725/mo. (1,500 SF)	Air Conditioning High Speed Internet Access W/D in Unit Swimming Pool; Fitness Center Garage
Indian Ridge	1025 Reynolds Road Johnson City	274 units; 3 floors	Studio - $450 (492 SF) 1 bedroom - $620-630 (693 –854 SF) 2 bedrooms - $665-680 (907-1,030 SF) 2 bedrooms/2 baths - $625-670 (1,040 SF)	Microwave; Dishwasher Balcony, Deck, Patio; Porch Garbage collection & water included Cable-ready; Internet Hook-up On-site laundry (no laundry facilities in unit) Club House; Fitness Center
Oakdale Arms	801 Reynolds Road Johnson City	36 units; 3 floors	2 bedroom/2baths - $765 – 810 (1,040 SF)	Secured building with intercoms Internet hook-up On site laundry Air conditioning Microwave, Dishwasher
Graydon Apartments	307 E. Main Endicott	75 units; 3 floors	2 bedrooms $460-580 (680 – 1,014 SF)	Dishwasher Alarm system Carpeted Eat-in kitchen/dining
Cambridge Square Apartments	421 Glendale Endicott	42 units; 3 floors	1 bedroom: $490 (680 SF) 2 bedrooms/ 2 bath: $550 – 635 (988 – 1,040 SF)	On site laundry WD in unit Internet Hook-up Wheelchair Access Air conditioning Dishwasher Cable ready
Glen View Apartments	524 Castle Creek Road Binghamton	87 units; 3 floors	1 bedroom/ 1bath: $400 (750 SF) 2 bedroom/1 bath: $485 (850 SF) 3 bedrooms/1 bath: $575 – 600 (1,300 SF) 4 bedrooms/1 bath: $665 – 1,220	Air conditioning High speed internet access Private patio/balcony WD in unit Covered parking Swimming pool
Kirkview Apartments	23 Roberts Street Kirkwood	54 units	2 bedroom/1 bath: $465 (835 SF)	Air Conditioning High Speed Internet Access Wheelchair Access Laundry Facilities Cable/Satellite

Athnos at Kirkwood Apartments	931 Rte 11 Kirkwood	180 units, 3 floors	1 bedroom: $660 (650 SF) 2 bedroom/1 bath: $775 (800 SF) 3 bedroom/2 bath: $900-930 (920 SF)	Air Conditioning Balcony Laundry Facilities
Anthos at Vestal Apartments	200 Rano Blvd. Vestal	121 units, 3 floors	2 bedroom: $865 – 930 (760- 880 SF)	Air Conditioning Balcony Laundry Facilities
The River House	38-42 Front Street Binghamton	60 units, 7 floors	1 bedroom: $985 2-bedroom: $1,161 3 bedroom: $1,444	Air Conditioning Balcony Laundry Facilities
Legacy Bay Townhomes	436 Glenwood Road Binghamton	414 Townhouses and Apartments	1 bedroom/1 bath: $785 (800 SF) 2-bedroom/1.5 bath: $815 - 945 (1,000 -1,400 SF)	Washer/Dryer Air Conditioning Cable Ready Patio
Clayton Village Apts	410 Clubhouse Road Vestal	75 units, 2 floors	1 bedroom: $775 (575 SF) 2 bedroom: $900 – 1,000 (700 SF)	Storage space Onsite coin-operated laundry Cable-ready Playground
Holly Brook Apts	3125 S Burris Rd Vestal	100 units, 3 floors	1 bedroom: $650 – 900 (600 SF) 2 bedroom: $750 – 1,000 (700 - 800 SF)	Air Conditioning Balcony Hi-speed internet Laundry Facilities
Mountain Shadow Apts	512 Reynolds Road Johnson City	50 units, 2 floors	1 bedroom: $700 - 724 (1,000 SF) 2 bedroom: $795 (1,000 SF)	Air Conditioning Balcony Hi-speed internet Laundry Facilities

Aging Market Rate Rental Complexes

Aging Market Rate Rental Stock

Rents cannot keep pace with cost of major renovations and new construction; therefore, builders and developers are reluctance to invest in existing units.

Landlords are taking rent out, but not investing

No new market-rate multi-family rental units have been built recently, with the exception of the mixed-use developments and upper-story loft apartments in downtown Binghamton.

Most existing apartment complexes were built in the mid-eighties and have been renovated within the past 5-10 years. The majority of existing apartment complexes in the Binghamton area were also built as three-story buildings with several units on each floor.

The situation is worse in the outlying areas such as Deposit where many of the apartment units are in former houses.

Year Built	Units	Total Units	Percentage
Before 1970	740	740	33.9%
1970 - 1979	760	1,500	34.8%
1980 - 1989	0	1,500	0.0%
1990 - 1999	0	1,500	0.0%
2000 - 2004	89	1,589	4.1%
2005 - 2009	224	1,813	10.3%
2010	0	1,813	0.0%
2011	64	1,877	2.9%
2012	127	2,004	5.8%
2013	0	2,004	0.0%
2014	181	2,185	8.3%
2015*	0	2,185	0.0%

Year Renovated	Projects	Units
Before 1970	0	0
1970 - 1979	0	0
1980 - 1989	0	0
1990 - 1999	3	132
2000 - 2004	5	224
2005 - 2009	0	0
2010	1	13
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015	0	0
Total	**9**	**369**

Glen View Apartments, Binghamton

Name	Location	Year Built	Year Renovated
Clayton Village Apts	Vestal	1970	**2001**
Holly Brook Apts	Vestal	1977	**2002**
Indian Ridge	Johnson City	1986	
Kirkview	Kirkwood	1982	
Legacy Bay	Binghamton	1972	
Oakdale Arms	Johnson City	1980	
Summit Chase Apartment Homes	Endicott	1970	**2002**
The River House	Binghamton	1963	**1997**

Planned and Proposed New Construction

Several market-rate apartment developments are planned or underway. It is expected that the absorption rate will be fairly short for these projects given the predominance of older product throughout the entire county.

Project Location	Developer	Units	Project Description
257 Washington Ave. Binghamton	Kevin Findley	19	Adaptive reuse of a 1926-built Eagles Club Lodge; Studio & 2-br units
70-72 Court Street Binghamton	Greater Binghamton Development LLC	TBD	New construction; Mixed-use with 1st floor commercial and residential
City Center Lofts 75 Court Street Binghamton	Fortress Investment Group	14-16	Adaptive reuse of building at 75 Court Street in downtown Binghamton
Collier Street Commons Binghamton	Newman Development Group	TBD	New construction; Mixed-use with commercial, parking and residential
103 Susquehanna St. Binghamton	Caly Properties, LLC	5	Adaptive reuse of a former church built in 1960
50 Front Street Binghamton	Newman Development Group	125	New construction; Infill development

These proposed projects will meet the high-end luxury apartment market demand; however, there remains a gap for new construction of market rate in the $800 – 1,000 monthly rental range. There also is the potential for development of the former Family Dollar building on Court Street at State Street into a mixed-use project.

Repurposing of Historic Properties

Several of the off-campus student housing projects involved repurposing of historic properties in downtown Binghamton; as well as, several adaptive reuse projects in downtown Binghamton such as 70-72 Court Street, 75 Court Street and 257 Washington Avenue. Another example is the Century Sunrise Redevelopment project located at 135-139 Baldwin Street in Johnson City. This project is being undertaken by Regan Development and involves repurposing of a former warehouse for creation of 105 apartment units.

Off-campus College Student Housing

Binghamton University Enrollment Trends

In 2012, Binghamton University committed in its "2020 Challenge Grant" to expanding its student body by 2,000 students by 2016. With an additional 1,948 students by 2016, the university has effectively reached that goal; that is 1,276 undergraduates and 708 graduate students. The enrollment is not expected to grow beyond its current point of approximately 17,500, of which approximately 10% are local students who reside at home. The mix of students by year includes an approximately 4,600 students in Years 1 and 2; 2,500 students in Years 3 and 4; and 3,500 graduate students. Today's total enrollment represents a growth of approximately 2,800 students over the past six years. Binghamton University's planned expansion of its undergraduate student body is now complete. Any further growth will come almost exclusively from graduate students.

Inventory

Off-campus Student Housing	Beds	Year Opened
20 Hawley	290	2012
Chenango Place	176	2014
The Printing House	273	2016
Hayes Student Living	222	1970
Twin River Commons	371	2012
U Club (P1)	704	2005
U Club (P2)	558	2017
University Lofts	187	2014

Currently there are an estimated 7,400 beds on Binghamton University's main campus, with no plans to build additional on-campus housing units. The university's current policy requires freshman to live on campus.

The university's plans for the Johnson City campus, involving a new School of Pharmacy and relocation of the Nursing School, are not expected to generate any significant demand for additional off-campus student housing. It is important to note that both are hybrid programs, and the students already will have established their housing patterns in their first 2-3 years prior to enrolling in either school. In addition, the School of Nursing has the smallest enrollment among the university's schools. There is the potential for some modest demand for additional housing at the level of graduate student level, but it not be in the format of the undergraduate off-campus housing units.

Since 2012, a total of 2,781 off-campus student beds have been added to the inventory. The first off-campus student housing development in downtown Binghamton, Twin River Commons, opened in July 2012. Today there are eight major off-campus student housing developments in Vestal and downtown Binghamton. This is in addition to rental units in multi-family housing units scattered throughout Binghamton, Johnson City and Vestal.

As of the fall semester 2017, the total on and off-campus student housing totals 10,180; however, the demand for off-campus student housing is calculated to be closer to 9,000 – 9,500 because freshman are required to live on campus. Over supply and high rental rates, as compared to on-campus rates, are resulting in a volatile market. Rental rates were down 10 – 15% in the typical renting season of April – May 2017 as compared to the same time the previous year.

An indication of the over-supply was the open competition and aggressive promotions offered by several properties between May – August 2017 in anticipation of the fall semester. Several properties offered discounted rental rates, as well as incentives such as dining certificates, gift cards, free parking, waived fees, raffles and prizes.

The analysis indicates that the total of on-campus housing provided by Binghamton University, combined with the existing stock of off-campus student housing, has reached a maximum level of supply. Any new beds added to this inventory will exceed demand. It is important to note that nearly all of this housing has been constructed in the "group style" with four bedrooms in each apartment unit. This does not allow for this style to be easily converted into a traditional apartment unit.

Financing

Several of the off-campus housing projects operate under PILOT programs that allow for payment in lieu of taxes. In 2017, the five downtown projects that qualify for PILOT programs are expected to pay roughly $1,008,952 less to the city than they would without the PILOTs, not including the amount in PILOT payments to the county and the Binghamton School District. According to City of Binghamton tax data, the following PILOT payment schedule is in place.

A pending issue will be the status of the project financing when the ten year term of the respective PILOT's expire.

Project	2017 PILOT Payment	Percentage of Total Taxable Amount	Taxes Due without a PILOT
Twin River Commons	$91,144	26	$344,504
University Lofts	$23,093	11	$205,862
20 Hawley St.	$105,872	48	$218,466
Chenango Place	$40,730	21	$194,308
The Printing House	$33,651	10	$340,302

COMMUNITY AND ECONOMIC TRENDS IMPACTING HOUSING

COMMUNITY AND ECONOMIC TRENDS IMPACTING HOUSING SUPPLY AND DEMAND

Cost of Living Index

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 5.3% lower in Broome County than the U.S. average; and 41.6% lower than New York State.

Cost of Living			
	Annual Average Salary	Cost of Living Index (Base US)	U.S. Purchasing Power
Broome County	$42,181	94.7	$44,537
New York State	$66,332	136.3	$48,671
USA	$53,246	100.0	$53,246

Source: JobsEQ® Data as of 2017Q1

Income

	Broome County	New York State	U.S.
Median Household Income[2]	$46,261	$59,269	$53,889
Per Capita Income	$25,105	$33,236	$28,930
Poverty Level (of all people)	33,615	3,005,943	47,749,043
Households Receiving Food Stamps	12,537	1,120,886	15,399,651

Households in Economic Hardship by Municipality in Broome County

It is important to understand the significance of persons living in economic hardship on the overall housing market, including both single-family homeowners and those in the rental community. Note that the percentage of households living in poverty has remained constant at 15-16% since 2007, and those living in economic hardship reached its lowest point of 22% in 2014.

2007			2010			2012			2014		
Total Households	Poverty %	Living in Economic Hardship	Total Households	Poverty %	Living in Economic Hardship	Total Households	Poverty %	Living in Economic Hardship	Total Households	Poverty %	Living in Economic Hardship
78,810	16%	26%	81,687	16%	25%	80,018	16%	24%	79,790	15%	22%

Broome County Households Living in Economic Hardship: 2007–2014

The highest concentration of households living in economic hardship are residing in the Town of Endicott at 61% and the City of Binghamton at 59%, followed by Johnson City at 51% and Deposit at 53%. Appendix B. contains a detailed table of households living in poverty and characteristics such as unemployment rate, health insurance, and burden of monthly rent.

Town	Households	Percentage in Economic Hardship
Barker	1,000	42%
Binghamton (city)	19,902	59%
Binghamton (town)	1,872	24%
Chenango	4,478	30%
Chenango Bridge	1,127	24%
Colesville	1,901	40%
Conklin	2,035	35%
Deposit	765	53%
Dickinson	1,932	37%
Endicott	5,985	61%
Endwell CDP	4,942	34%
Fenton	2,691	40%
Glen Aubrey CDP	162	33%

Town	Households	Percentage in Economic Hardship
Johnson City	6,545	51%
Kirkwood	2,371	38%
Lisle	129	43%
Lisle	1,014	37%
Maine	1,833	35%
Nanticoke	592	37%
Port Dickinson	700	42%
Sanford	1,070	44%
Triangle	1,107	36%
Union	24,367	44%
Vestal	8,915	28%
Whitney Point	407	48%
Windsor (SD)	2,358	32%

Source: U.S. Census. American Community Survey Estimate. 2016.

Workforce: Retention, Replacement and Recruitment

Within the next 5-8 years, there will be a need to replace up to 30% of the existing workforce, primarily due to the aging of current workers; and this number becomes significant in the next ten years as evidenced in the chart below. Note that nearly 1,400 in both education and heathcare practitioners and technical occupations will need to be filled over the next ten years.

In the near future, 2 – 5 years, there is a need to fill at least 500 vacant positions with workers from outside the area; as well, as the need to fill an estimated 800 new jobs being created in the next 12 – 24 months. Taking into consideration at least 500 of these jobs will be filled by unemployed persons in Broome County and the surrounding area, this translates into a potential for 700 new workers, or an estimated 450 families moving into the area the next 12 – 36 months.

Current Employment, Average Wages and Forecast Replacement Demand

	Current Employment	Average Annual Wages	Forecast Over Next 10 Years	10-Year Replacement Demand
Management Occupations	4840	103,200	324	1418
Business and Financial Operations Occupations	3573	65,800	153	753
Computer and Mathematical Occupations	2066	82,300	206	292
Architecture and Engineering Occupations	1726	76,800	164	405
Education, Training, and Library Occupations	6878	54,800	171	1382
Arts, Design, Entertainment, Sports, & Media Occupations	1311	43,200	43	429
Healthcare Practitioners and Technical Occupations	6731	70,400	592	1399
Healthcare Support Occupations	3328	30,500	163	697
Production Occupations	5039	34,700	200	1255
Transportation and Material Moving Occupations	5366	32,300	234	1258

Source: CHMURA. 2017

The existing market rate rental and single-family housing stock in its current condition cannot support this level of increased demand. The forecast for demand can be found in the Housing Demand Analysis section of this report.

HOUSING DEMAND ANALYSIS

Housing Demand Analysis

In the next five years there is expected to be a need to fill at least 500 vacant positions with workers from outside the area; as well, as the need to fill an estimated 800 new jobs being created in the next 12 – 24 months. Taking into consideration at least 500 of these jobs will be filled by unemployed persons in Broome County and the surrounding area, this translates into a potential for 700 new workers, or an estimated 450 households moving into the area the next five years. Of this number, approximately 65% (290) will opt for purchase of a single-family house and 35% will select market rate rentals (160). These projections do not include demand from the existing population, which increases the projections to 400 single-family houses and 250 - 275 market rate rentals.

There are challenges that come with addressing this demand such as basic infrastructure, acquisition of vacant properties in target neighborhoods, lack of parking in the urban and downtown areas, and securing funding to support a significant volume of rehabilitation of the aged housing stock. However, the largest challenge is the need to create an economic landscape where people are motivated to invest in rehabilitation of single-family houses, mixed-use developments and infill development projects involving new construction of both single-family and multi-family units.

Single-Family: Market Segmentation and Demand

There is a low inventory of single-family houses on the market that meet the needs of select target market groups. The shortage is being driven by a “stagnant domino effect” and a combination of the following factors.

- ✓ An increase of first-time homebuyers who are current renters or relocating to the area and seeking houses in the $90,000 - $120,000 and $125,000 - $150,000 price point.
- ✓ Persons/families moving up from starter houses to a house with preferred price point of $140,000 – $175,000.
- ✓ Persons 65+ remaining in their homes valued at the $90,000 - $150,000 price point; preventing this inventory to be on the market to first-time home buyers.
- ✓ Hiring by area employers, primarily young professionals, engineers, middle management and health professionals.
- ✓ Persons who currently own houses at the $125,000 - $175,000 price point who are seeking to “move up” to the $200,000 – $300,000 price point; however, this is being stunted by a limited inventory, concern about increasing property tax liability with a more expensive house, and the need to invest $40,000 - $50,000 in renovations and upgrades. Due to the lack of inventory, this latter group is opting to remain in their existing home and not allowing for the natural flow of sales to new buyers.
- ✓ Lack of inventory in the $350,000+ price point. Demand is increasing among healthcare professionals and senior management being recruited to the area, as well as existing homeowners wanting to “move up.”
- ✓ No new subdivisions or even individual houses are being constructed for families with affordability priced below $500,000. Despite the large open spaces in Broome County, the topography, small acreage of available parcels, and lack of basic sewer and water infrastructure have limited the areas where developers could build. In addition, developers tend to build higher-priced custom houses that provide them with a higher profit margin. Due to lack of new construction activity, both the first-time buyer and move-up homebuyers must purchase resale homes

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The primary target market groups include the following.

- **First-time Home Buyer:** The Broome County first-time home buyer group includes both young professionals who are predominantly Millennials/Gen Yer's), as well as those who have been living in rentals and now have the savings to purchase a house. This later group includes production workers, customer service representatives and administrative support team members. The typical annual income is $50,000 – $75,000.

  The Milllennial/Gen Yer group in Broome County mirrors that on the national level. Most of these young first-time home buyers are 36 years or younger, and 45% have student loan debt with a median balance of $25,000. This group is seeking houses in the $80,000 – 150,000 price range. They are motivated to buy due to low interest rates and interest in making a sound financial decision to buy versus paying rent. In many cases, the amount paid in monthly rent has prevented this group from saving a substantial amount for a down payment on a house and funds needed for upgrades.

  National surveys indicate that Millennials envision themselves moving to a new city, state or country fewer than two more times in their lives. Sixty-eight percent prefer to build a life in one community, rather than live and work in multiple geographies.[14] As of 2016, 43% of Millennials have bought their homes, while 75% of non-homeowners say they could be motivated to buy a house. As a result, Millennials helped make first-time homebuyers 34% of all homebuyers in Q1 of 2017. That represents the highest percentage of first-time homebuyers during that same period in three years and follows a 2016 housing market trend in which 35% of homebuyers were first-timers … up from 30% for all of 2015. This trend is due to a combination of factors ranging from low mortgage rates and an expectation that they will increase, together with young couples starting families and wanting to

[14] *Millennials have redefined the American Dream.* Wall Street Journal TS. Jason Notte
May 6, 2017

establish roots in their community. A survey by TD Bank examined young homebuyers and found that 65% planned to purchase their first house with cash or savings. Of that group, 33% plan to pay it off over a 15-year mortgage. However, 17% of those homebuyers have not set aside money for unexpected repairs and costs, and 44% of Millennial homebuyers encountered $5,000 in unexpected costs during the mortgage process. While 74% of young potential homebuyers are saving up for their home, 65% say that saving for a down payment is an obstacle to homeownership. As a result, 19% of Millennials plan to ask friends and family for financial help on top of their savings, while 65% will have a spouse or partner as a co-signer.

There is no new construction at this price point in Broome County. The existing inventory is extremely low, and in fact is the lowest since 2008. This situation is resulting in a competitive market with multiple offers in some situations. What is available requires an investment of $40,000 - $50,000 in remodeling. The buyer typically does not have the cash resources to make this additional investment, is carrying college debt, and has limited borrowing power that leads to a valuation issue. This group also is being prevented from entering the housing market due to the stagnant domino effect.

- **Established Young Professionals and Families Moving Up:** This target market group includes persons/families moving up from starter houses to a house with preferred price point of $125,000 – $200,000. The typical household size is from three to five persons; with an annual household income of $50,000 to $100,000.

- **Established Professionals and Upper Management:** This group includes **l**awyers, accountants, financial advisors and other professionals ages 40 – 55 with an annual household income of $150,000 - $250,000. It includes both those already living in Broome County, as well as those relocating to the area. This group's single-family housing demand is at the $250,000 – $350,000 range; as well as the $350,000+ priced houses being purchased by the buyer who is moving up in size and/or quality due to an increased income allowing for a larger mortgage, attraction to low interest rates, growing multi-generation families requiring a larger house, or opportunities to make an investment in a house of greater value. They are being deterred by an older housing stock that requires significant investment and higher property taxes. If they currently reside in Broome County, many decide to remain in place and invest in remodeling their existing house. The prices are attractive for the individual considering relocation to Broome County from outside the area; however, they are often discouraged by the need to invest in renovations, high taxes and low inventory.

- **Knowledge Workers*:*** This group includes engineers, IT, and other in technical professionals; most of whom are being recruited to the area. This group would have an annual household income of $100,000 – $150,000. It is likely that 30-40% of this group will have children living at home. The forecasted price points are $175,000 - $225,000 for those in the early stages of their career; and $225,000 – $350,000 for the experienced professional.

- **Professionals and Middle-management**: Housing demand at the $150,000 - $175,000 price point for the first-time home buyer whose annual household income is $90,000 – $125,000; and $175,000 – $250,000 price point for a repeat buyer looking to move up and has an annual income of $100,000 – $125,000.

Gap in Supply-Demand Analysis: Single-family Housing

The widening gap between supply and demand is expected to escalate with increasing pent-up demand among first-time buyers, together with hiring to fill new jobs being created by area employers, and current residents seeking to "move up" one or more price categories. The forecasted demand for single-family housing cannot be fulfilled by the existing housing stocks combined with the low volume of new construction spec houses and new subdivision development in the pipeline based on the current rate of buying together with historic trends in listings and sales. Revitalization of vacant or undesirable housing stock in the cities of Corning and Elmira, together with turn-over resulting from the aging population, have the potential to address the gap at the $90,000 – $120,000 and $125,000 - $225,000 price ranges; however, the balance of the existing housing stock is inadequate to meet demand.

Conservative Forecast of Gap in Single-family Housing by Consumer Group and Price Point Over the Next 3-5 Years

Consumer Group	$80,000 - $120,000	$125,000 - $175,000	$175,000 - $225,000	$225,000 – $275,000	$275,000 – $350,000	$350,000 – $500,000
Executives, Senior Management and Healthcare Professionals				25	35	15
Established Professionals including lawyers, accountants, engineers, scientist, etc.				20	10	10
Professionals and Middle Management			40	15	10	
Young Professionals relocating, and current residents moving up in the market or transitioning from rental situations	60	55	30	20		
Other first-time home buyers	60	50				
TOTAL	120	105	70	80	55	25

Recommended Next Steps: Single-family Housing

This report supports and advocates for the recommendations outlined in Governor Cuomo's *Strategies for Upstate NY* issued in early 2017, which identifies "Placemaking" as an important economic development strategy. An investment in housing also advances the vibrant communities strategy named as a priority initiative for 2017-2019 by the I86 Innovation Corridor Steering Committee because of its importance to business development and workforce recruitment.

It is recommended that "Placemaking" be adopted as a priority and an investment made in creating substantial and meaningful financial, planning and regulatory tools to revitalize the vacant, undesirable and aged housing stock throughout the county. This is of particular importance to meeting demand at the $90,000 – $225,000 price point, while also stimulating investment, reducing risk and increasing the rate of property appreciation.

Filling the forecasted gap will require an aggressive and dual approach involving both revitalization of the existing housing stock and new single-family housing construction. Because of the limited acreage and lack of basic infrastructure available to support new construction, it is recommended that the initial focus be on revitalization and promotion of the existing housing stock.

<u>Revitalization and Promotion of Existing Housing Stock</u>

It is recommended that the initial step in addressing the housing issue is rehabilitation of the existing housing stock, which is a major barrier to both first-time homebuyers and other target market groups seeking to purchase in the $90,000 - $175,000 price range.

The following programs and initiatives are recommended as important tools to attract and stimulate investment in the severely outdated housing stock by all consumer groups from the recent college graduates and young professionals, to skilled trades and production workers who are entering the market for the first time. The target price point is properties currently valued at $75,000 - $150,000. The objectives should be to promote homeownership, stimulate investment in upgrades, and create momentum for a total neighborhood revitalization.

Initial target geographic areas include the City of Binghamton, Town of Union (primarily Endicott and Johnson City, Town of Vestal, Town of Chenango, Town of Windsor, Village of Windsor, Town of Kirkwood and Town of Port Dickinson.

1. It is assumed the Greater Binghamton Fund will be financing tool for revitalization of the housing stock in targeted neighborhoods in the City of Binghamton, Village of Johnson City and Village of Endicott.

2. Develop a county-wide housing rehabilitation model that offers current or potential property owners a financial incentive package to participate in a housing redevelopment program. Such a redevelopment program would include a combination of low-interest loans and grants to assist new property owners undertake renovations that make the purchase of an older home a viable business investment. Such as model should focus on targeted neighborhoods and be developed in collaboration with the local municipalities and the Broome County Land Bank. During years one to three, select targeted neighborhoods in the City of Binghamton, Town of Union, Town of Chenango, Town of Port Dickinson, Village of Windsor and Village of Deposit. Work closely with the respective municipality to conduct a block-by-block assessment of the conditions of houses, including those appropriate for demolition. Focus the redevelopment program on those blocks that would have the most significant impact on increasing the property value of an entire neighborhood.

   Development of this model will require development and maintenance of an inventory system, creation of a low-interest rehabilitation fund to provide gap financing for the homeowner, strict code enforcement on the part of the local municipalities, and promotion program under the Broome County … It's a Good Life program. Consider models that have been created in communities in the Southern Tier such as the Corning Housing Partnership that was formed in 2016 and is undertaking a neighborhood redevelopment program that involves renovation of single-family houses in targeted areas.

3. Offer property tax incentives to stimulate investment in significant rehabilitation of single-family houses in target neighborhoods or price points.

4. Consider a gap financing program together with tax incentives to leverage private investment for property acquisition to convert multi-family properties back to original use as a single-family structure, real property tax exemption for single-family houses.

5. The success of such a program such as this depends on the participation of municipalities, entities such as the Broome County Land Bank, and the infusion of financial resources. In particular, stimulating single-family property redevelopment will require actions to update zoning and enforce ordinances.

6. Utilize tools such as the New York State "Graduate to Homeownership Program" that will play a role in attracting recent college graduates to become first-time homeowners.

New Construction

A three-pronged approach to stimulate new construction is recommended to bridge the gap in single-family housing, with a focus on the $275,000 – $350,000 price point that cannot be met through upgrades to the aged housing stock.

1. Strengthen the capacity of the building sector to undertake construction on the buildable lots
   a. Property tax incentives to spur development of new housing construction
   b. Financing packages that provide small builders with the financial capacity to undertake the construction of more than 1-2 spec houses
   c. Undertake a promotion program to attract buyers in the $275,000 to $400,000 price point that also serves as a mechanism to attract builders

2. Work closely with Broome County and the BC Land Bank to target properties appropriate for demolition and redevelopment in targeted neighborhoods to attract private investment and pursue gap financing sources to take advantage of opportunities for revitalization and infill development.

3. Increase the number of buildable lots in communities such as the Towns of Binghamton, Vestal and Kirkwood through identification of suitable land parcels, rezoning as necessary, and significant public and private investment in basic infrastructure, road extensions, streetscape and neighborhood amenities such as neighborhood parks.

Market Rate Rental Market

Market Rate Rental: Segmentation and Demand

Data from the U.S. Census indicates that rental vacancy rate in the Broome County was at 9.9%, which indicates there is no demand for rental housing in the region. However, interviews with area businesses indicate there is indeed a demand for quality and up-to-date market rate rental units. Choices for quality rental properties with rates competitive with other metropolitan areas are very limited in Broome County. Representatives of the major employers have commented that many of their incoming management staff or personnel temporarily assigned to the area are having difficulty finding rental units within the price range of $850 - $1,200, and this issue is creating a barrier to their recruitment and retention effort.

Many executives from these large corporations are looking for quality rental housing located in prestigious communities. This anecdotal information is strongly supported by U.S. Census data, which indicates that only 2.7% of all rental units (both vacant and occupied) have contract rents of $650 and over, while only 4.7% of all rental units in the Broome County have contract rents over $650. The majority of rental units in the Broome County have lease rates of less than $500 per month. Many available rental units in Broome County are within the $450 to $500 per month range; and those in the $650 - $1,200 range are extremely outdate as can be seen in the charts below.

Year Renovated	Projects	Units
Before 1970	0	0
1970 - 1979	0	0
1980 - 1989	0	0
1990 - 1999	3	132
2000 - 2004	5	224
2005 - 2009	0	0
2010	1	13
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015	0	0
Total	**9**	**369**

Name	Location	Year Built	Year Renovated
Clayton Village Apts		1970	**2001**
Eaton Place Apts		1962	**2001**
Holly Brook Apts		1977	**2002**
Indian Ridge	Johnson City	1986	
Kirkview	Kirkwood	1982	
Legacy Bay	Binghamton	1972	
Oakdale Arms	Johnson City	1980	
Summit Chase Apartment Homes	Endicott	1970	**2002**
The River House	Binghamton	1963	**1997**

Target Market Groups

The market rate housing scene is tight at all price points, with an average vacancy rate of less than 5 % throughout the entire county. This number reflects occupancy, but does not paint an accurate picture of demand by the various target market groups.

Projections inform us there is a demand for 1,850 market rate apartments among households with an income of $100,000 – 200,000+. There is limited inventory in terms of both quality and quantity to meet the needs and expectations of this target market group that includes attorneys, accountants, executives, senior level managers, healthcare providers, engineers, IT personnel and more. This is critically important for employers recruiting to fill new positions, as well as replace retiring workers.

Another 2,750 households in the $50,000 – 75,000 income range will require market rate rental in the $750 - $1,200 price point; and, 1,160 households with annual incomes of $75,000 - $100,000 will need apartments in the $725 - $850 range for a small one-bedroom, $950 – $1,200 for a one to two-bedroom unit of 725 – 850 square feet, and up to $1,500 for a large two-bedroom with modern amenities and quality finishes. The demand generated by these groups cannot be filled with the existing inventory.

Renter Households	2019 (Projected)					
	1-Person	**2-Person**	**3-Person**	**4-Person**	**5-Person+**	Total
Less than $10,000	2,809	1,011	452	299	228	**4,798**
$10,000 to $19,999	2,643	838	410	188	141	**4,221**
$20,000 to $29,999	1,820	590	519	149	297	**3,374**
$30,000 to $39,999	1,089	615	317	138	251	**2,410**
$40,000 to $49,999	810	543	323	154	146	**1,976**
$50,000 to $59,999	590	395	178	71	37	**1,270**
$60,000 to $74,999	453	544	135	246	108	**1,486**
$75,000 to $99,999	337	487	192	78	65	**1,160**
$100,000 to $124,999	240	216	69	89	108	**721**
$125,000 to $149,999	197	132	83	24	18	**455**
$150,000 to $199,999	173	77	59	18	18	**345**
$200,000 & Over	156	94	32	24	27	**333**
Total	**11,317**	**5,543**	**2,769**	**1,477**	**1,443**	**22,549**

- **Physicians, Executives and Senior Management Level Professionals:** UHS and Lourdes, together with other healthcare agencies and Guthrie Healthcare to the west, typically recruit 60-85 physicians and high level medical professionals and administrators annually. This target market group also includes executives and senior management level professionals who are being recruited by employers throughout the county to replace retiring workers at a rate of 300 over the next five years. Together, this target market group represents 160 potential market rate renters in the next three years who are facing a significant void in market rate housing options that meet their needs and expectations. Many are being forced into purchasing rather than renting an upscale apartment; a less than desirable option for those who want to become acquainted with the community before committing to a purchase. This is particularly an issue for singles and couples with no children. This group requires two and three bedrooms, typically with 1,200 – 1,700 square feet. They are seeking a sophisticated urban atmosphere, with modern conveniences and creative upgrades including designer countertops, high-end appliances and fixtures, in-unit washer and dryer, plus quality tile and carpeting. Depending on size and amenities, the rent range for this target group is forecast to be $1,100 – $1,300 for a one-bedroom and $1,400 – $1,700 for a two-bedroom unit; and $1,200 – $1,475 for a luxury one-bedroom, and $1,700 – $2,000 for a spacious luxury two-bedroom unit. It is expected that a portion of this demand will be met with the 50 Front Street project underway (125 units of luxury apartment) and select units in the new market rate loft apartments in downtown Binghamton; however, there will be a portion of this target market group who either will elect not to live in the City of Binghamton urban area or will seek a smaller apartment development. An unmet demand of 50 units is forecasted.

- **Established Professionals, Engineers and IT Professionals:** Several employers are actively recruiting to fill engineering, IT, and other technical and design positions. This group also includes established professionals who currently are in the local rental market and seek a higher quality or larger unit. Many of these persons will have previously lived in a large urban area where loft style apartments in an urban setting are popular, as well as apartment complexes with high end amenities. The average annual earnings for this group is in the $100,000 – $150,000 range. It is likely their preference will be for apartments with high quality amenities, including a one-bedroom unit in the $1,200 – $1,400 range and a two-bedroom unit in the $1,500 – $1,800 range. It is expected that the largest portion of demand among this group will be satisfied by the 50 Front Street, the downtown Binghamton loft style apartments currently being developed and the existing market rate rental stock. An unmet demand of 40 units is forecasted.

- **Young Professionals, Middle Management, Educators, Nurses and Healthcare Technicians:** National statistics indicate that while the U.S. homeownership rate has climbed slightly since reaching a 50-year low in 2016, it remains near a generational low at just 63.7%. Simply put, more people are choosing to rent than buy their homes in recent years than at any point since the 1960s. This is attributed to several factors including 1) feeling overwhelmed by the mortgage and overall buying process, 2) many people are into their late thirties or early forties before they have saved enough for a down payment, 3) some Millennials continue to prefer life experience over home ownership, and 4) people changing jobs don't want to be tied down to a house and a mortgage. In fact, one issue Broome County faces in recruiting a young workforce is the lack of multiple jobs in the same career field. This target market group includes persons such as attorneys, accountants, financial advisors, engineers, scientists, IT professionals, healthcare administration staff and nurses predominantly under the age of 45 with salaries of $65,000 - $100,000. The affordable rent range for this group is $725 - $850 for a small one-bedroom, $950 – $1,200 for a one to two-bedroom unit of 725 – 850 square feet, and up to $1,400 for a large two-bedroom with modern amenities and quality finishes. This target group is expected to create an annual demand of 70 - 80 units by 2020 and potentially require an additional 60 - 70 units by 2022. Demand is being driven by new hiring, combined with the inability of first-time homebuyers to purchase a house.

- **Upper Income Empty nesters:** Those 55+ seeking to sell their houses and move to market rate rental. Since 2010, the 55+ population has increased by 1,762, or 5.2%, and households have increased by 974, or 4.5%. This group is expected to increase by 6% between 2014 and 2019.

	Population 55+	Households 55+
2010 Census	33,842	21,703
2014 Estimated	35,604	22,677
Change 2010-2014	1,762	974
Percent Change 2010-2014	5.2%	4.5%
2019 Projected	37,721	23,667
Change 2014-2019	2,117	990
Percent Change 2014-2019	5.9%	4.4%

Source: 2010 Census; ESRI

Empty nesters typically are defined as those who are retired or no longer have children at home, and are 60 – 75 years of age. The vast majority (92%) of these older adults want to continue living in their own apartments and single-family houses. Elevators and innovative construction, design, and technologies can enable older adults to live independently. The upper income empty nester group includes retired engineers, senior management and other professionals who want to reside in the area on a permanent basis, as well as those who want a rental situation that allows them the opportunity to spend the winter months in a warm climate. Local real estate professionals report there are typically 25 - 40 upper income empty nester households per year that have the desire to sell their single-family home and downsize to a market rate rental. Typically, this group is seeking an upscale apartment in an urban setting and are not finding any options throughout the entire county. It will be necessary to provide market rate apartments that are high quality, and have ADA compatible features and convenient parking. A portion of this need will be met by the new 50 Front Street development and some existing facilities such as The River House. The unmet demand by this target market group is forecasted at 30 units.

Unmet Demand

The overall unmet demand is forecasted at 250 to 275 units of market rate rental housing. This demand is being generated by an increase in the number of medical residents, upper income empty nesters, nurses and similar level healthcare providers, and educators, young professionals and middle management persons entering the local job market. The largest portion of this demand is for one and two-bedroom apartments at the $725 – $850, $950 - $1,200 and $1,100 - $1,400 price points.

Conservative Projection of Unmet Demand After Planned New Construction: 2017 - 2020

Target Market Group	Small 1 bdrm 600-700 sf $725-$850	1 - 2 bdrm 725-850 sf $950-$1,200	1 bdrm large luxury 900-1,000 sf $1,100-$1,300	2 bdrm 1,000-1,200 sf $1,100-$1,400	2-3 bdrm 1,200 – 1,400 sf $1,700 - $2,000	Total
Physicians, Executives and Senior Management		10	15	10	15	50
Established Professionals, Engineers and IT Professionals			10	15	15	40
Young Professionals, Middle mMnagement and Educators	25 - 30	45 - 50	15 - 20	40 -45	5	130 - 150
Upper Income Empty Nesters	5	10	10	5		30
Total	**30 - 40**	**65 - 70**	**50 - 55**	**70 - 75**	**35**	**250 - 275**

New Product Development Considerations

5. New Construction: The cost of new construction remains high with a minimum cost of $100,000 per unit. The high cost associated with renovation and repurposing of historic buildings will be a challenge to prospective developers, and it will require assistance from the municipal and economic development agencies to help assemble financing strategies. Getting the price points right and assembling financing package both will attract tenants and allow developers to be able to achieve a reasonable return on their investments.

6. Adaptive Reuse of Existing Buildings: The strategy for adaptive reuse of properties for upper story housing needs to foster sufficient critical mass in terms of both number of units and tenants to build confidence in and momentum in the various potential housing markets such as Johnson City and Endicott so that positive outcomes eventually overwhelm negatives. It will be important to introduce new housing products at key price points so that communities such as Johnson City and Endicott can tap into these market segments/niches not being served; that is, those who have difficulty finding appropriate housing together with those who have been priced out of the market in projects underway in Binghamton. Recent plans announced by developers and property owners in the City of Binghamton are signaling a move to capture this market and revitalize large buildings in the downtown core, but the number of units is small. The 50 Front Street project being undertaken by Newman Development will include 125 units; however, this project will cater to the luxury apartment niche and not meet the needs of the young professional so important to the workforce recruitment effort. It also is recommended that mixed-use development be pursued through “Main Street” programs in select rural communities such as the Village of Windsor and Village of Deposit where there is an opportunity to meet the needs of the market seeking a more rural atmosphere.

   A focus on the urban and “Main Streets” of the various downtowns have an additional challenge that must be addressed; that is, parking for residents. Such parking must be safe, adjacent or within close walking distance, equipped with electric charging stations and be ADA compliant with elevators. Where possible with new multi-family construction, it is recommended that parking be available in front of or near the apartment units. This amenity has surfaced as a primary criteria for apartment residents, particularly women and the empty nesters.

7. Lifestyle: Developers and local municipalities should consider lifestyle factors important to residents as they select locations for adaptive reuse of existing buildings, infill development or new construction. Key factors include pedestrian safety, particularly for those residents electing to walk or bike to work and entertainment, storage for bikes and outdoor equipment, attached or close parking, zoning to accommodate the proposed density, and easy access to a vibrant urban lifestyle in the surrounding area such as retail, restaurants, entertainment.

8. Paced Development: Timing development carefully so that it builds momentum, rather than cannibalizing existing market rate housing in the primary market area. If too much new market rate rental housing comes on the market too quickly, it can create downward price pressures that could make other projects economically unsustainable. It is therefore critical that this strategy have a means for gauging the timing of the creation of new market rate housing units so that when they come onto market, they are readily absorbed without causing other projects to lose their market viability.

Off-campus Student Housing Market

Students who elect to live off-campus have three primary criteria when evaluating options: ***Price, Location and Opportunity to Live with Friends.***

Currently there are 7,400 beds on Binghamton University's main campus, with no plans to build additional on-campus housing units. The university's current policy requires freshman to live on campus.

The university's plans for the Johnson City campus, involving a new School of Pharmacy and relocation of the Nursing School, are not expected to generate any significant demand for additional off-campus student housing.

Off-campus Student Housing	Beds	Year Opened
20 Hawley	290	2012
Chenango Place	176	2014
The Printing House	273	2016
Hayes Student Living	222	1970
Twin River Commons	371	2012
U Club (P1)	704	2005
U Club (P2)	558	2017
University Lofts	187	2014

Since 2012, a total of 2,781 off-campus student beds have been added to the inventory. As of the fall semester 2017, the total on and off-campus student housing totals 10,180; however, the demand for off-campus student housing is calculated to be closer to 9,000 – 9,500 because freshman are required to live on campus. Over supply and high rental rates, as compared to on-campus rates, are resulting in a volatile market. An indication of the over-supply was the open competition and aggressive promotions offered by several properties between May – August 2017 in anticipation of the fall semester. Several properties offered discounted rental rates, as well as incentives such as dining certificates, raffles and prizes.

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[redacted]

Student Housing at Saturation Point

"At this point, we probably have overbuilt," said Ron Kutas, a co-developer of the Chenango Place student housing development. "Not probably – we have."

The analysis indicates that the total of on-campus housing provided by Binghamton University, combined with the existing stock of off-campus student housing, has reached a maximum level of supply. Any new beds added to this inventory will exceed demand, and there continues to be the pending issue of whether this existing inventory can be sustained. It is important to note that nearly all of this housing has been constructed in the “group style” with four bedrooms in each apartment unit. This does not allow for this style to be easily converted into a traditional apartment unit.

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Appendix A.
U.S. Remodeling Activity

Upgrades and Remodeling: Single-family Housing

National RMI with Components and Subcomponents

(Seasonally Adjusted)

	2008				2009				2010				2011				2012				2013				2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
RMI	**40**	**41**	**32**	**22**	**33**	**37**	**41**	**42**	**45**	**42**	**42**	**43**	**48**	**45**	**43**	**48**	**47**	**45**	**50**	**55**	**49**	**55**	**57**	**57**	**53**	**56**	**57**	**60**	**57**	**59**	**57**	**58**	**54**	**53**	**57**	**53**	**58**
CURRENT MARKET CONDITIONS	**43**	**42**	**34**	**25**	**36**	**39**	**41**	**44**	**46**	**44**	**45**	**45**	**47**	**47**	**45**	**50**	**49**	**46**	**52**	**54**	**50**	**54**	**58**	**56**	**53**	**56**	**57**	**60**	**58**	**59**	**56**	**56**	**55**	**54**	**56**	**53**	**58**
Major Additions & Alterations*	**36**	**36**	**24**	**16**	**25**	**29**	**34**	**37**	**39**	**36**	**40**	**38**	**42**	**40**	**37**	**44**	**44**	**42**	**49**	**51**	**48**	**51**	**55**	**54**	**49**	**54**	**56**	**57**	**54**	**57**	**52**	**54**	**55**	**52**	**54**	**53**	**57**
Owner-occupied	41	42	25	17	29	35	40	43	45	42	45	46	48	45	43	49	49	48	55	57	52	59	64	59	57	60	61	64	60	63	59	62	63	58	59	60	62
Rental properties	27	23	20	14	17	16	21	24	25	23	30	20	27	29	27	32	29	31	38	38	39	33	38	42	32	40	47	41	39	43	37	37	36	40	42	40	43
Minor Additions & Alterations*	**43**	**40**	**35**	**23**	**35**	**38**	**42**	**44**	**46**	**43**	**44**	**45**	**48**	**46**	**45**	**51**	**52**	**47**	**51**	**53**	**50**	**55**	**58**	**57**	**53**	**56**	**58**	**61**	**56**	**61**	**57**	**56**	**54**	**53**	**56**	**52**	**59**
Owner-occupied	49	46	38	25	40	46	47	53	53	49	48	53	55	52	51	59	58	53	57	58	55	61	64	61	60	60	64	65	61	66	63	64	59	57	62	59	63
Rental properties	32	27	25	18	24	23	29	26	27	29	35	28	31	35	31	35	37	34	36	45	36	40	44	50	36	44	46	51	45	50	45	40	42	45	43	36	49
Maintenance and Repair	**48**	**51**	**44**	**36**	**47**	**50**	**48**	**51**	**54**	**52**	**51**	**50**	**53**	**54**	**52**	**55**	**51**	**50**	**56**	**56**	**54**	**57**	**59**	**57**	**59**	**58**	**57**	**60**	**64**	**60**	**58**	**58**	**56**	**56**	**59**	**54**	**60**
Owner-occupied	51	56	47	40	52	56	52	58	59	56	55	56	58	57	56	58	52	52	60	58	56	59	61	60	63	63	60	62	64	63	61	60	59	59	63	59	62
Rental properties	42	43	38	27	36	38	37	37	43	42	43	39	41	46	43	49	47	47	45	52	49	52	53	49	50	48	52	57	64	51	54	55	48	50	52	45	54
FUTURE MARKET INDICATORS	**38**	**39**	**29**	**19**	**30**	**35**	**40**	**40**	**44**	**40**	**39**	**41**	**48**	**44**	**41**	**46**	**44**	**44**	**49**	**56**	**48**	**56**	**56**	**58**	**52**	**56**	**58**	**60**	**55**	**58**	**58**	**59**	**53**	**53**	**58**	**52**	**58**
Calls for Bids	**36**	**37**	**28**	**19**	**31**	**35**	**43**	**42**	**44**	**42**	**40**	**41**	**47**	**46**	**41**	**46**	**47**	**44**	**48**	**59**	**50**	**56**	**56**	**59**	**52**	**57**	**57**	**59**	**55**	**60**	**57**	**58**	**51**	**53**	**59**	**49**	**59**
Owner-occupied	40	40	30	20	36	42	49	49	52	49	45	49	55	51	47	52	52	49	55	65	55	64	63	65	58	62	64	64	59	66	64	63	57	58	64	57	64
Rental properties	28	28	24	15	20	21	31	26	27	26	31	25	30	32	29	33	35	35	34	48	38	40	41	49	38	44	43	46	45	46	42	47	39	43	47	31	48
Amount of Work Committed for Next 3 Months	**36**	**36**	**28**	**20**	**26**	**29**	**35**	**33**	**39**	**35**	**36**	**37**	**42**	**42**	**38**	**42**	**42**	**43**	**46**	**49**	**46**	**52**	**52**	**54**	**50**	**55**	**56**	**57**	**54**	**55**	**55**	**57**	**52**	**53**	**55**	**50**	**58**
Owner-occupied	41	41	31	21	29	35	40	38	45	41	40	43	50	48	42	47	47	49	51	56	51	59	59	59	57	62	63	64	59	61	62	64	58	57	60	56	64
Rental properties	25	26	22	17	19	18	25	22	26	22	28	25	27	27	28	31	31	32	35	36	35	36	37	42	35	40	41	43	42	43	41	42	38	42	44	36	43
Backlog of Remodeling Jobs	**41**	**42**	**30**	**18**	**29**	**34**	**37**	**42**	**45**	**38**	**37**	**43**	**50**	**46**	**43**	**47**	**43**	**46**	**50**	**56**	**47**	**58**	**60**	**59**	**55**	**56**	**59**	**61**	**58**	**58**	**60**	**61**	**58**	**53**	**58**	**55**	**62**
Appointments for Proposals	**41**	**40**	**31**	**19**	**35**	**40**	**43**	**45**	**48**	**44**	**42**	**43**	**52**	**44**	**43**	**50**	**45**	**43**	**51**	**61**	**49**	**58**	**55**	**59**	**52**	**57**	**57**	**61**	**55**	**61**	**58**	**60**	**52**	**52**	**58**	**54**	**54**

Appendix B. Poverty and Housing Burden Rates

Municipality by County	Population	Households	Poverty %	Unemployment Rate	Health Insurance Coverage %	Housing Burden: Owner Over 30%	Housing Burden: Renter Over 30%
City of Binghamton	46771	19,902	29%	11.4%	91%	27%	57%
Town of Barker	2710	1,000	14%	12.4%	90%	24%	60%
Town of Binghamton	4893	1,872	6%	5.8%	92%	19%	44%
Chenango Bridge	2903	1,127	5%	2.4%	97%	20%	19%
Town of Chenango	11134	4,478	9%	7.0%	96%	22%	49%
Town of Colesville	5184	1,901	15%	8.3%	90%	25%	48%
Town of Conklin	5368	2,035	13%	7.2%	89%	25%	59%
Town of Dickinson	5251	1,932	10%	10.5%	96%	17%	48%
Town of Fenton	6595	2,691	12%	8.0%	95%	15%	30%
Town of Kirkwood	5800	2,371	12%	7.6%	94%	17%	29%
Town of Lisle	2716	1,014	9%	8.4%	89%	19%	31%
Town of Nanticoke	1568	592	12%	13.2%	93%	22%	43%
Town of Sanford	2478	1,070	13%	9.1%	84%	28%	31%
Town of Triangle	2915	1,107	10%	3.3%	91%	18%	30%
Town of Union	55700	24,367	14%	8.3%	92%	19%	48%
Village of Deposit	1815	765	20%	8.3%	80%	31%	53%
Village of Endicott	13216	5,985	21%	12.4%	88%	23%	55%
Endwell	11315	4,942	8%	4.3%	95%	14%	33%
Village of Johnson City	14977	6,545	19%	8.4%	92%	22%	50%
Village of Port Dickinson	1639	700	8%	7.2%	94%	26%	48%
Windsor village, Broome County (P)	1005	373	10%	8.3%	91%	16%	39%

Source: U.S. Census Bureau. American Community Survey Estimates. 2016.

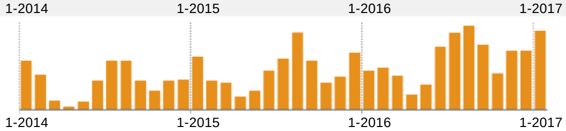
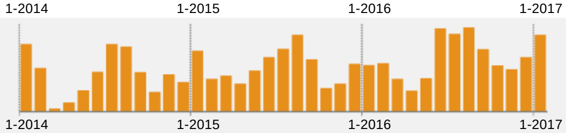
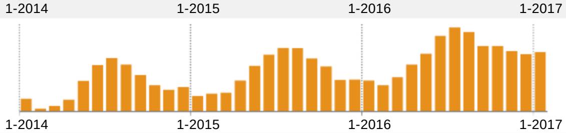
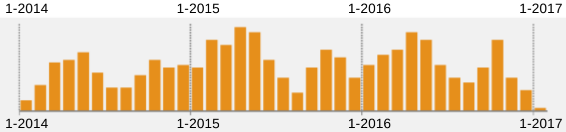
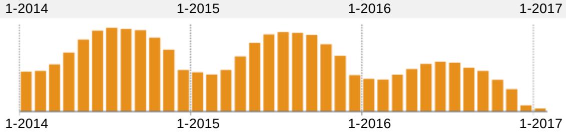
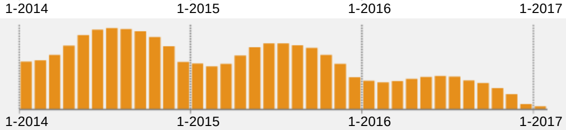
Appendix C.

New York State Association of Realtors Report: 2016 vs 2017 Activity by County

Activity Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.

New York State Association of REALTORS®, Inc.

Key Metrics	Historical Sparkbars	1-2016	1-2017	Percent Change	YTD 2016	YTD 2017	Percent Change
New Listings		14,132	**13,598**	- 3.8%	14,132	**13,598**	- 3.8%
Pending Sales		7,845	**8,513**	+ 8.5%	7,845	**8,513**	+ 8.5%
Closed Sales		8,142	**8,472**	+ 4.1%	8,142	**8,472**	+ 4.1%
Days on Market		102	**92**	- 9.8%	102	**92**	- 9.8%
Median Sales Price		$230,000	**$250,000**	+ 8.7%	$230,000	**$250,000**	+ 8.7%
Avg. Sales Price		$323,658	**$342,348**	+ 5.8%	$323,658	**$342,348**	+ 5.8%
Pct. of List Price Received		95.5%	**96.3%**	+ 0.8%	95.5%	**96.3%**	+ 0.8%
Affordability Index		150	**133**	- 11.3%	150	**133**	- 11.3%
Homes for Sale		74,065	**59,771**	- 19.3%	--	--	--
Months Supply		7.2	**5.3**	- 26.4%	--	--	--

Activity by County

Key metrics by report month for the counties in the state of New York.

nysar
New York State Association of REALTORS®, Inc.

	New Listings			Closed Sales			Median Sales Price			Homes for Sale			Months Supply		
	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –
Albany* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Allegany	32	28	-12.5%	16	18	+12.5%	$51,450	$85,000	+65.2%	274	215	-21.5%	11.1	8.0	-27.9%
Bronx	180	158	-12.2%	88	98	+11.4%	$322,225	$325,000	+0.9%	861	626	-27.3%	8.3	5.0	-39.8%
Broome	191	188	-1.6%	98	111	+13.3%	$103,000	$84,800	-17.7%	949	789	-16.9%	7.5	5.9	-21.3%
Cattaraugus* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cayuga	71	63	-11.3%	40	39	-2.5%	$113,250	$106,560	-5.9%	443	276	-37.7%	8.2	4.8	-41.5%
Chautauqua	108	120	+11.1%	71	57	-19.7%	$95,000	$82,250	-13.4%	819	1,116	+36.3%	8.8	10.9	+23.9%
Chemung	89	72	-19.1%	44	43	-2.3%	$108,500	$74,130	-31.7%	435	346	-20.5%	7.2	5.5	-23.6%
Chenango	58	59	+1.7%	24	19	-20.8%	$89,500	$81,450	-9.0%	491	408	-16.9%	17.2	11.5	-33.1%
Clinton	42	42	0.0%	39	30	-23.1%	$145,000	$128,750	-11.2%	349	260	-25.5%	7.0	5.1	-27.1%
Columbia	95	81	-14.7%	33	48	+45.5%	$224,000	$224,600	+0.3%	894	705	-21.1%	16.1	10.5	-34.8%
Cortland	44	41	-6.8%	24	25	+4.2%	$111,000	$130,000	+17.1%	283	218	-23.0%	8.6	5.8	-32.6%
Delaware	68	64	-5.9%	34	44	+29.4%	$110,000	$150,000	+36.4%	822	725	-11.8%	19.9	14.3	-28.1%
Dutchess	367	378	+3.0%	199	222	+11.6%	$222,500	$237,125	+6.6%	2,046	1,624	-20.6%	9.2	5.7	-38.0%
Erie* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Essex	40	45	+12.5%	33	32	-3.0%	$189,000	$190,750	+0.9%	799	685	-14.3%	21.2	16.5	-22.2%
Franklin	31	31	0.0%	22	22	0.0%	$63,500	$127,200	+100.3%	435	383	-12.0%	15.3	13.4	-12.4%
Fulton	53	50	-5.7%	24	38	+58.3%	$92,750	$107,500	+15.9%	444	293	-34.0%	10.6	6.4	-39.6%
Genesee* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Greene	120	104	-13.3%	44	36	-18.2%	$184,400	$148,125	-19.7%	1,013	849	-16.2%	17.1	12.7	-25.7%
Hamilton	10	10	0.0%	5	3	-40.0%	$186,000	$135,000	-27.4%	134	110	-17.9%	18.7	14.8	-20.9%
Herkimer	61	52	-14.8%	29	34	+17.2%	$86,200	$118,180	+37.1%	504	500	-0.8%	15.8	12.0	-24.1%

	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –	1-2016	1-2017	+ / –
Jefferson	128	116	**-9.4%**	52	69	**+32.7%**	$141,250	$119,450	**-15.4%**	1,126	789	**-29.9%**	15.2	8.8	**-42.1%**
Kings	260	287	**+10.4%**	129	148	**+14.7%**	$475,000	$469,500	**-1.2%**	1,345	1,063	**-21.0%**	7.8	6.5	**-16.7%**
Lewis	26	17	**-34.6%**	19	13	**-31.6%**	$82,250	$87,500	**+6.4%**	244	205	**-16.0%**	13.4	10.8	**-19.4%**
Livingston* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Madison	40	60	**+50.0%**	38	35	**-7.9%**	$128,500	$135,000	**+5.1%**	404	324	**-19.8%**	7.7	5.6	**-27.3%**
Monroe	880	758	**-13.9%**	465	437	**-6.0%**	$122,000	$129,000	**+5.7%**	2,195	1,462	**-33.4%**	3.0	1.9	**-36.7%**
Montgomery* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Nassau	1,402	1,295	**-7.6%**	882	931	**+5.6%**	$445,000	$475,000	**+6.7%**	6,239	5,544	**-11.1%**	5.9	5.0	**-15.3%**
New York†	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Niagara* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Oneida	234	215	**-8.1%**	134	135	**+0.7%**	$110,000	$100,000	**-9.1%**	1,575	1,540	**-2.2%**	9.8	8.9	**-9.2%**
Onondaga	432	431	**-0.2%**	328	327	**-0.3%**	$130,000	$128,375	**-1.3%**	2,279	1,352	**-40.7%**	5.4	2.9	**-46.3%**
Ontario	153	161	**+5.2%**	65	66	**+1.5%**	$134,900	$133,500	**-1.0%**	562	411	**-26.9%**	5.2	3.9	**-25.0%**
Orange* (2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Orleans* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Oswego	93	107	**+15.1%**	54	75	**+38.9%**	$75,138	$104,000	**+38.4%**	722	527	**-27.0%**	9.1	5.6	**-38.5%**
Otsego	72	43	**-40.3%**	28	37	**+32.1%**	$109,975	$125,000	**+13.7%**	650	496	**-23.7%**	15.4	10.4	**-32.5%**
Putnam* (2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Queens	1,024	1,032	**+0.8%**	663	655	**-1.2%**	$442,050	$480,000	**+8.6%**	4,960	4,584	**-7.6%**	6.4	6.0	**-6.3%**
Rensselaer* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Richmond	406	353	**-13.1%**	273	324	**+18.7%**	$429,000	$490,000	**+14.2%**	1,589	984	**-38.1%**	4.9	2.7	**-44.9%**
Rockland* (2)	--	--	**--**	--	--	**--**	--	--	**--**	--	--	**--**	--	--	**--**

St Lawrence	82	72	**-12.2%**	41	39	**-4.9%**	$89,000	$100,000	**+12.4%**	1,018	843	**-17.2%**	16.1	12.6	**-21.7%**
Saratoga* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Schenectady* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Schoharie* (1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Schuyler	13	24	**+84.6%**	8	14	**+75.0%**	$96,399	$136,800	**+41.9%**	103	105	**+1.9%**	7.8	7.0	**-10.3%**
Seneca	27	32	**+18.5%**	18	24	**+33.3%**	$90,050	$106,250	**+18.0%**	154	110	**-28.6%**	6.6	4.2	**-36.4%**
Steuben	129	94	**-27.1%**	49	58	**+18.4%**	$104,000	$114,950	**+10.5%**	556	441	**-20.7%**	7.9	5.9	**-25.3%**
Suffolk	2,003	1,837	**-8.3%**	977	1,081	**+10.6%**	$315,000	$340,000	**+7.9%**	10,294	8,668	**-15.8%**	8.6	6.3	**-26.7%**
Sullivan	91	115	**+26.4%**	63	71	**+12.7%**	$132,500	$125,000	**-5.7%**	1,263	1,096	**-13.2%**	16.7	13.0	**-22.2%**
Tioga	41	36	**-12.2%**	24	13	**-45.8%**	$122,500	$135,000	**+10.2%**	266	197	**-25.9%**	10.6	7.4	**-30.2%**
Tompkins	70	71	**+1.4%**	34	34	**0.0%**	$222,350	$186,000	**-16.3%**	290	202	**-30.3%**	4.8	3.3	**-31.3%**
Ulster	291	266	**-8.6%**	125	149	**+19.2%**	$180,000	$219,250	**+21.8%**	1,813	1,329	**-26.7%**	11.8	7.5	**-36.4%**
Warren	106	105	**-0.9%**	74	53	**-28.4%**	$202,500	$167,000	**-17.5%**	926	749	**-19.1%**	11.7	8.8	**-24.8%**
Washington	70	74	**+5.7%**	45	36	**-20.0%**	$118,000	$120,800	**+2.4%**	625	492	**-21.3%**	11.7	7.8	**-33.3%**
Wayne	85	106	**+24.7%**	53	59	**+11.3%**	$96,000	$112,000	**+16.7%**	389	299	**-23.1%**	4.8	3.6	**-25.0%**
Westchester* (2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Wyoming* (3)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Yates	32	20	**-37.5%**	23	17	**-26.1%**	$106,000	$199,000	**+87.7%**	181	104	**-42.5%**	8.7	5.0	**-42.5%**
New York State	14,132	13,598	**-3.8%**	8,142	8,472	**+4.1%**	$230,000	$250,000	**+8.7%**	74,065	59,771	**-19.3%**	7.2	5.3	**-26.4%**

Appendix D. Resources

- Aspiring Home Buyer Profile Report. National Association of Realtors Research Department. February 2017
- AXIOMETRICS INC.
- Binghamton University
- Broome County Comprehensive Plan
- Broome-Tioga Board of Realtors
- CHMURA
- City of Binghamton Tax Department
- Cornell Program on Applied Demographics
- Cushman & Wakefield. Broome County Office.
- Housing and Community Survey. Demand Institute. 2013
- Housing Opportunities and Market Experience (HOME) Report. National Association of Realtors
- JobsEQ® Data as of 2017Q1
- *Millennials have redefined the American Dream.* Wall Street Journal TS. Jason Notte May 6, 2017
- *Multi-family Market Survey,* NAHB Economics and Housing Policy Group
- National Apartment Association (NAA)
- National Association of Home Builders (NAHB) Multi-family Vacancy Index issued in June 2017
- NAHB/Wells Fargo National and Regional Housing Market Index. August 2017
- National Association of Realtors Report. August 24, 2017
- National Home Remodeling Association. Remodeling Market Index. July 2017
- New York State Association of REALTORS, Inc.
- New York State Association of Realtors Report: 2016 vs 2017 Activity by County
- New York State Department of Economic Development State Data Center
- New York State Office of Real Property Tax Services SalesWeb database. May 2017.
- Press & Sun Bulletin
- *Property Managers Buy Smarter and Smaller.* Rental Housing Journal. 2015.
- Q2 2017 U.S. Home Sales Report. ATTOM Data Solutions. August 2017
- Realtor.com Data Review
- RealtyTrac

- Rent Jungle. May 2017
- The Conference Board Leading Economic Index. June 2017
- The Conference Board ***Consumer Confidence Index***® for the U.S. July 2017
- *The Housing Satisfaction Gap: What People Want, but Don't Have.* Demand Institute. 2015
- *Strategies for Upstate NY.* New York State, Office of the Governor. 2017
- Trulia
- United Way New York, ALICE Study of Financial Hardship, 2016
- U.S. Census Bureau. American Community Survey Estimate. 2016
- U.S. Census Bureau, Housing Vacancies and Homeownership 2016
- U.S. Census Bureau and U.S. Department of Housing and Urban Development, New Residential Sales. April 25, 2017
- U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, April 27, 2017 Recession data: National Bureau of Economic Research
- U.S. Census Quick Facts. 2016
- U.S. Census Bureau Migration Estimates. July 2014
- U.S. Department of Commerce. New Residential Construction Report. August 2017
- Zillow