Rural housing demand: The road ahead

Rolf Pendall, Jun Zhu, and Laurie Goodman
The Future of Rural Communities, May 10, 2016

Main takeaways

Growth and affordability

- Non-metro growing, but more slowly than metro areas

- More owner than renter growth in the 2010s in non-metro areas

- Affordable housing need will increase, especially for rentals

Aging

- Seniors will head over 40% of non-metro households by 2030

- All divisions growing seniors, none growing non-seniors

Diversity

- Non-metro counties less diverse now than metro counties were in 1990, reflecting and reinforcing slow growth and aging

- Every division will see significant growth in nonwhite households

Growth and Affordability

Non-metro population steady to 2040; metro population grows 57M
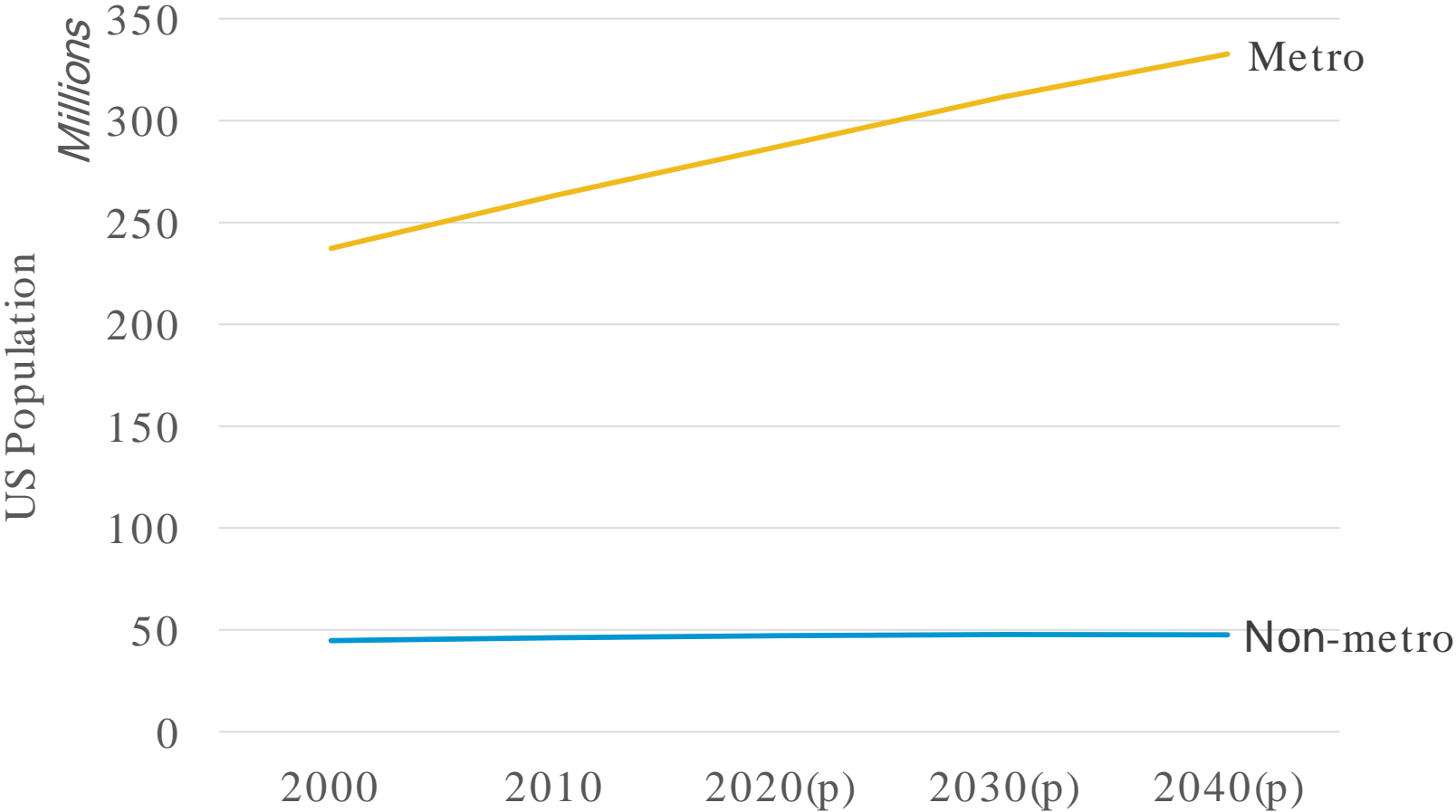
Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010; Census Bureau & Urban Institute population projections

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In 14 states, non-metro areas likely to lose population between 2015 and 2030
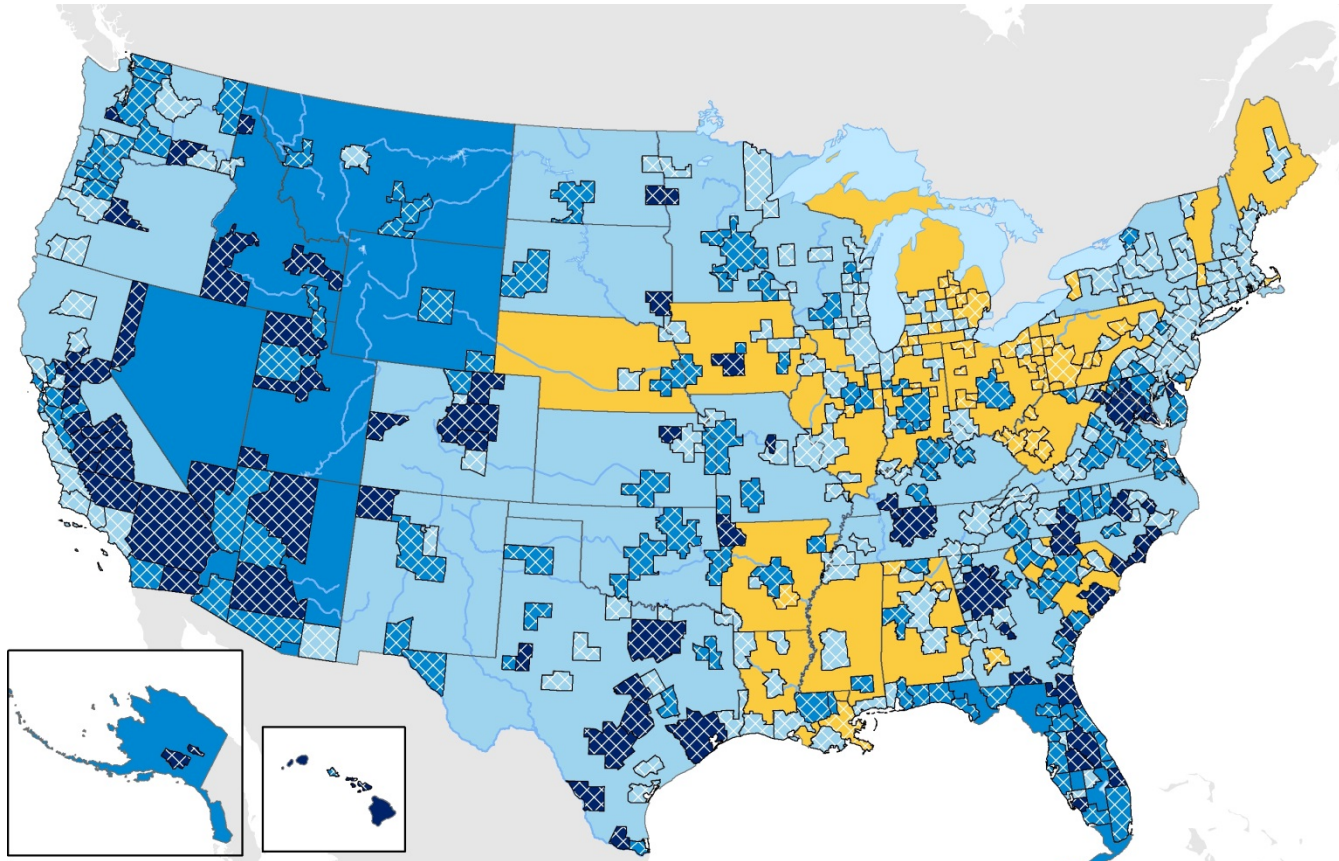
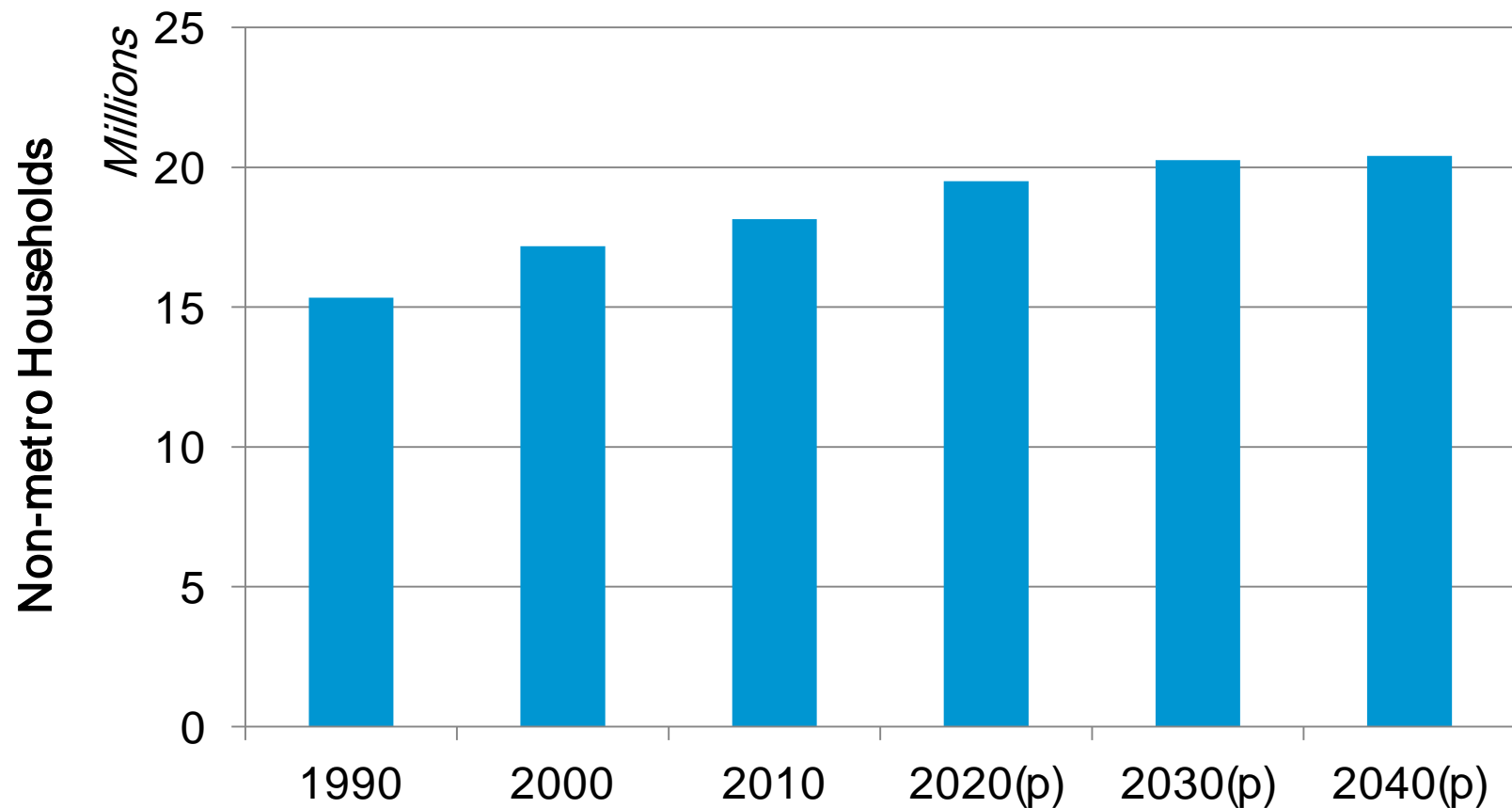**Projected population change, non-metro areas by state and metro areas, 2015-30**

-12% - -1% 0% - 10% 11% - 20% 21% - 35% Metro areas

Source: Urban Institute population projections

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Non-metro household growth continues to 2040 …

Non-metro Households (Millions)

- 1990: ~15.3
- 2000: ~17.2
- 2010: ~18.2
- 2020(p): ~19.5
- 2030(p): ~20.3
- 2040(p): ~20.4

Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010; Urban Institute projections

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…generating new demand for both owner-occupied and rental housing.
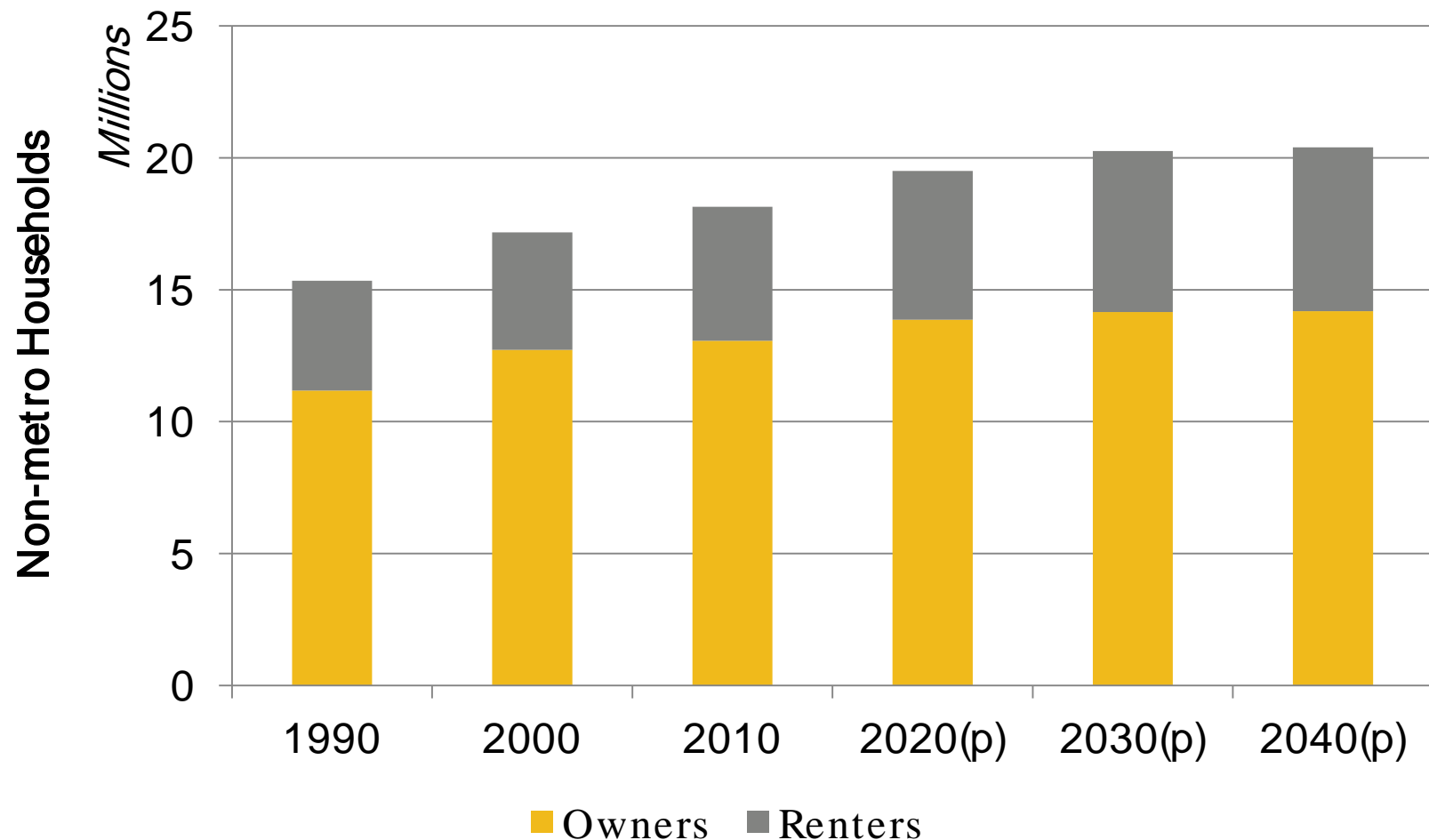
Non-metro household growth in all Census divisions

Rocky Mtns. fastest, New England, Great Lakes more slowly

Projected % change in households, 2015-2030
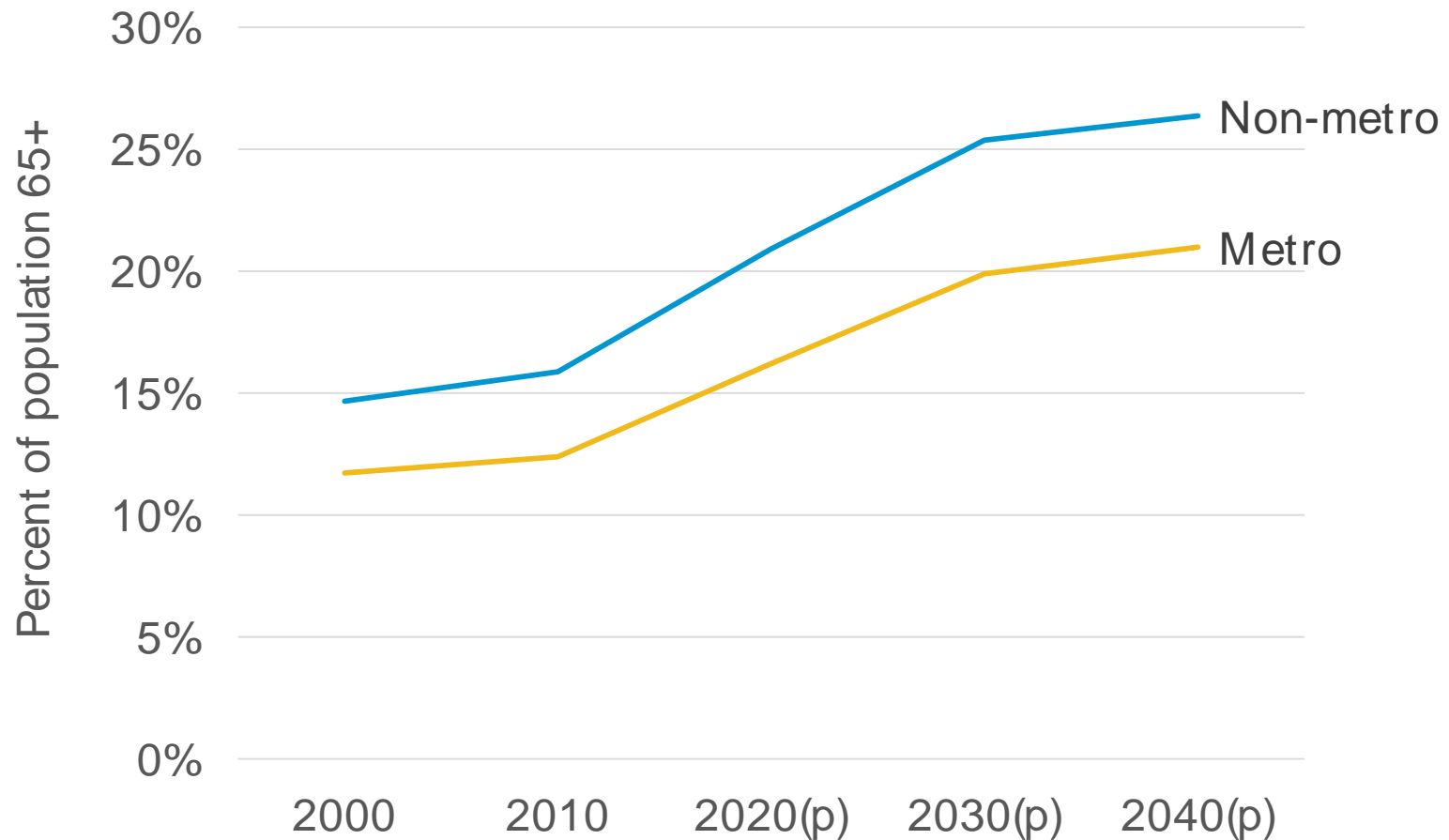
- 3% - 6%
- 8% - 10%
- 15%
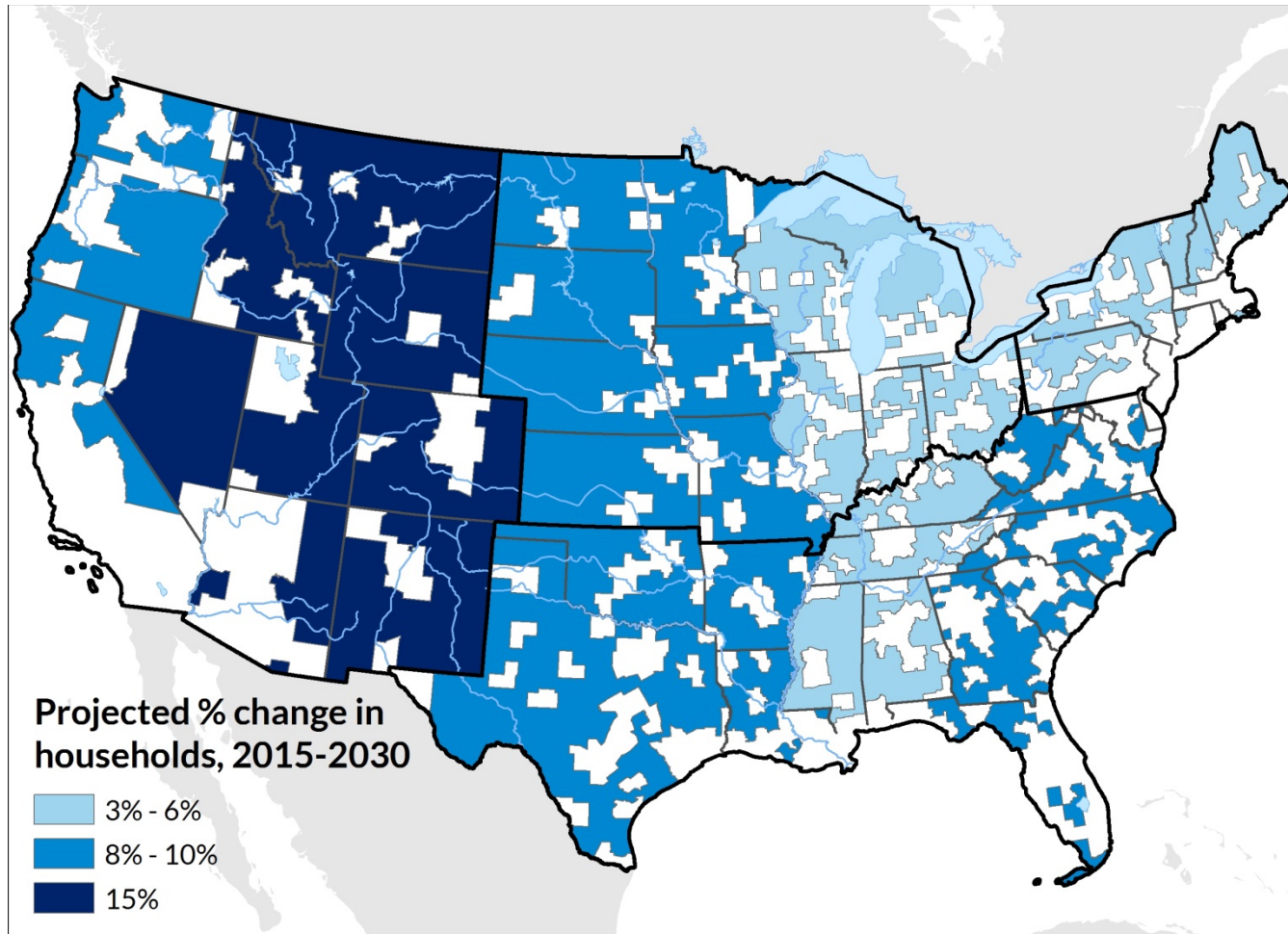
Source: Urban Institute projections

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As households grow, so will demand for affordable rentals and owner-occupied homes
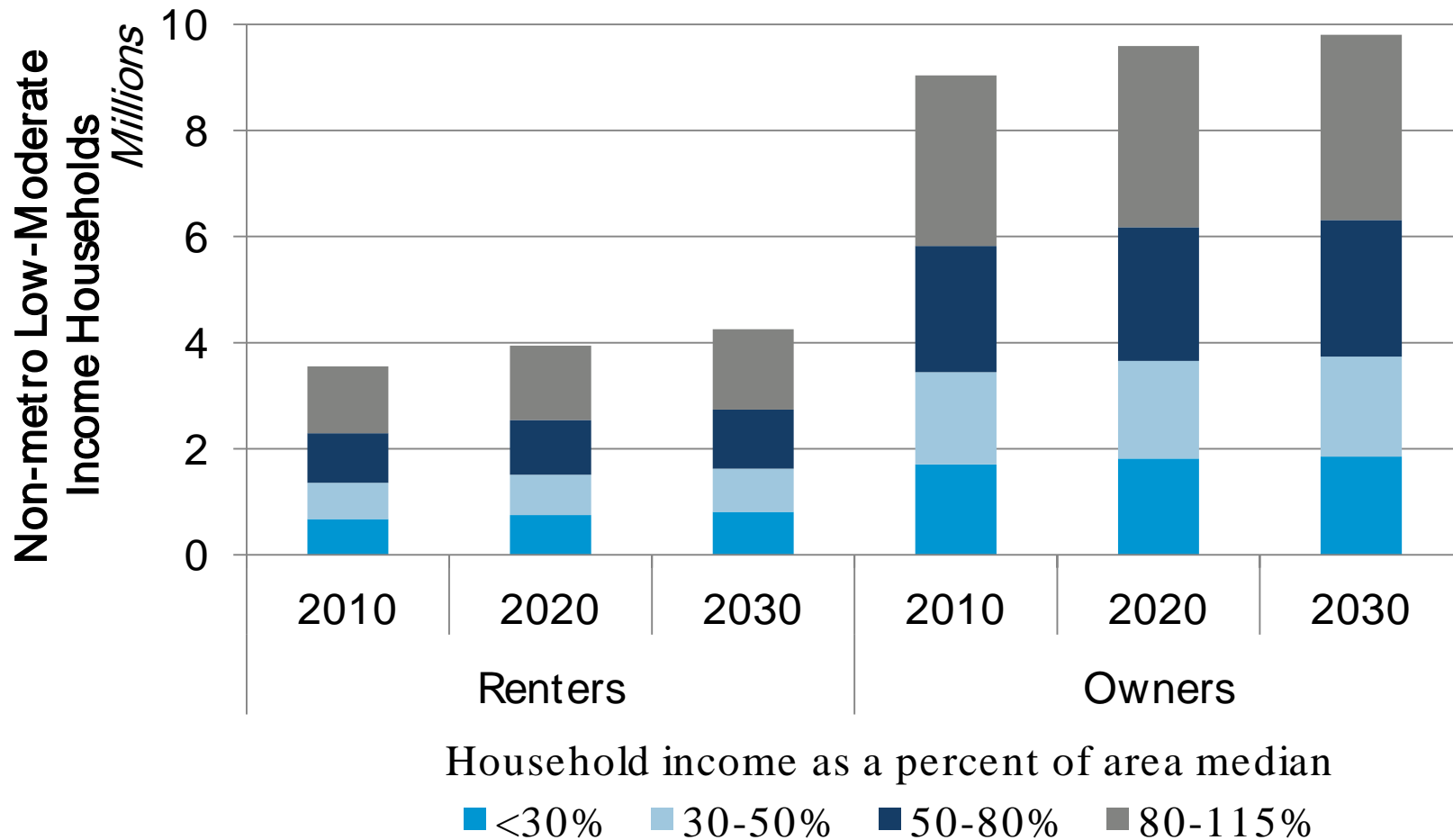
Household income as a percent of area median

■ <30%   ■ 30-50%   ■ 50-80%   ■ 80-115%
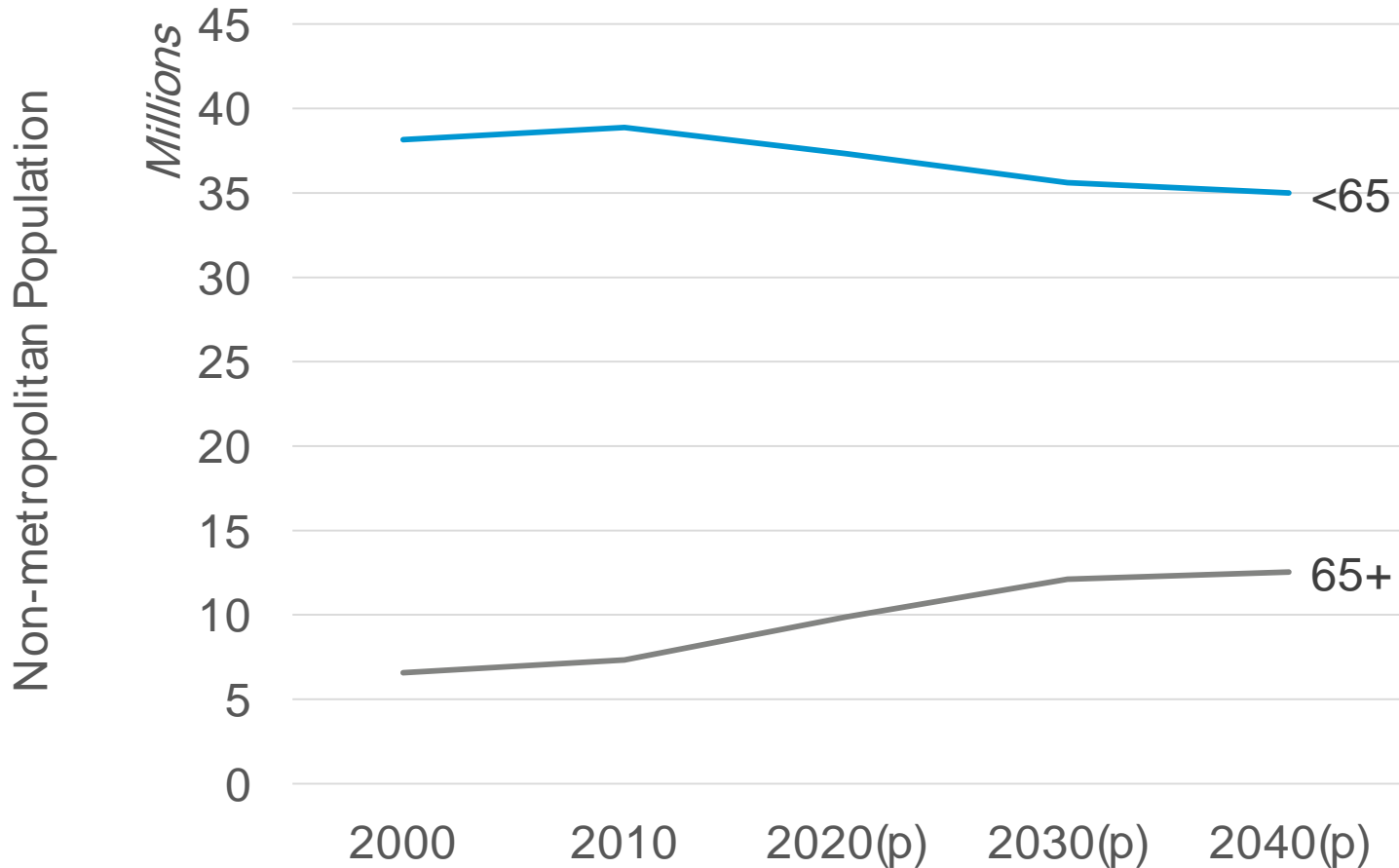
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Aging

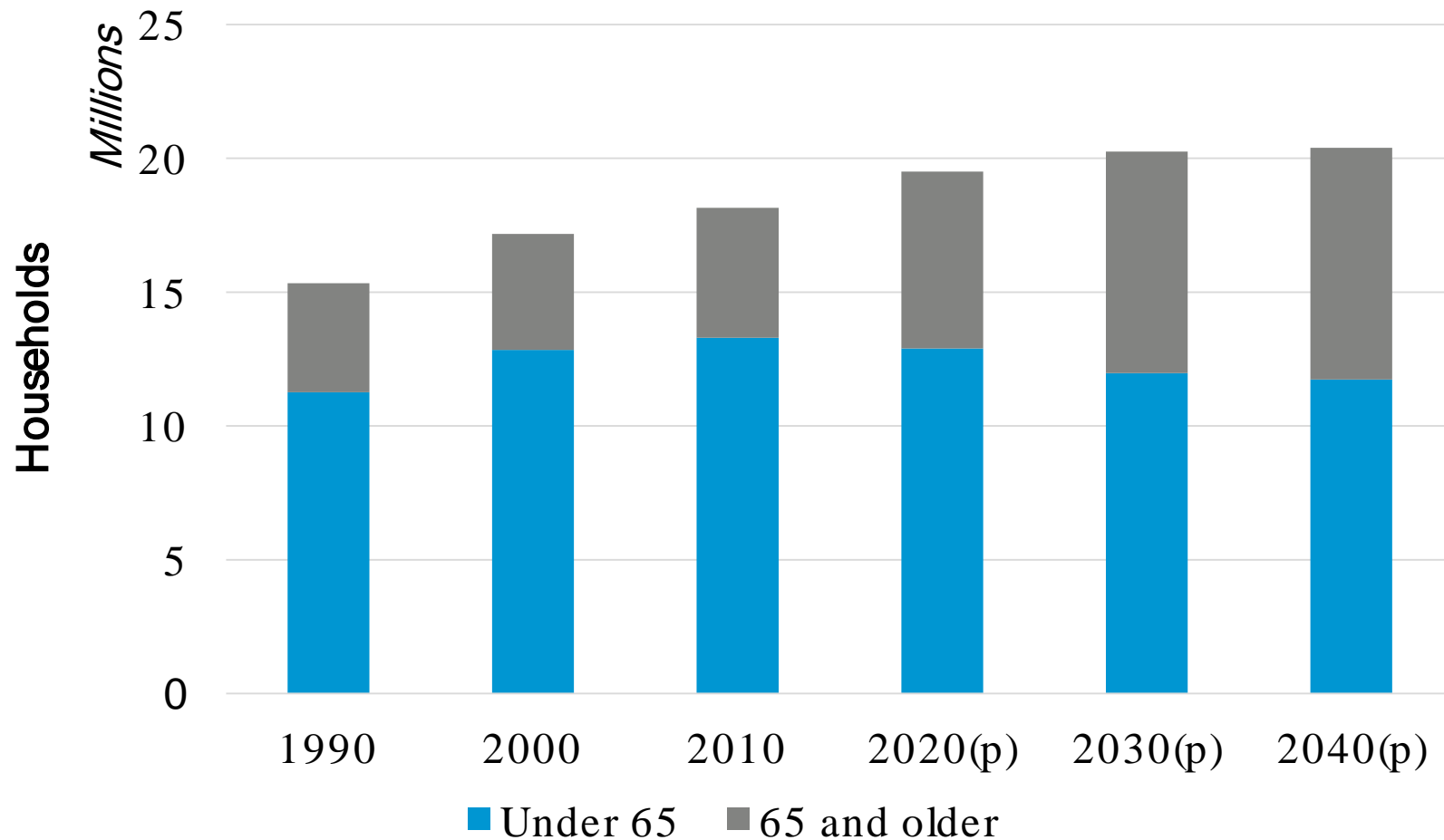# Over a quarter of non-metro population will be at least 65 years old by 2030.

Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010; Urban Institute projections

As non-metro senior population rises, non-senior population will decline.
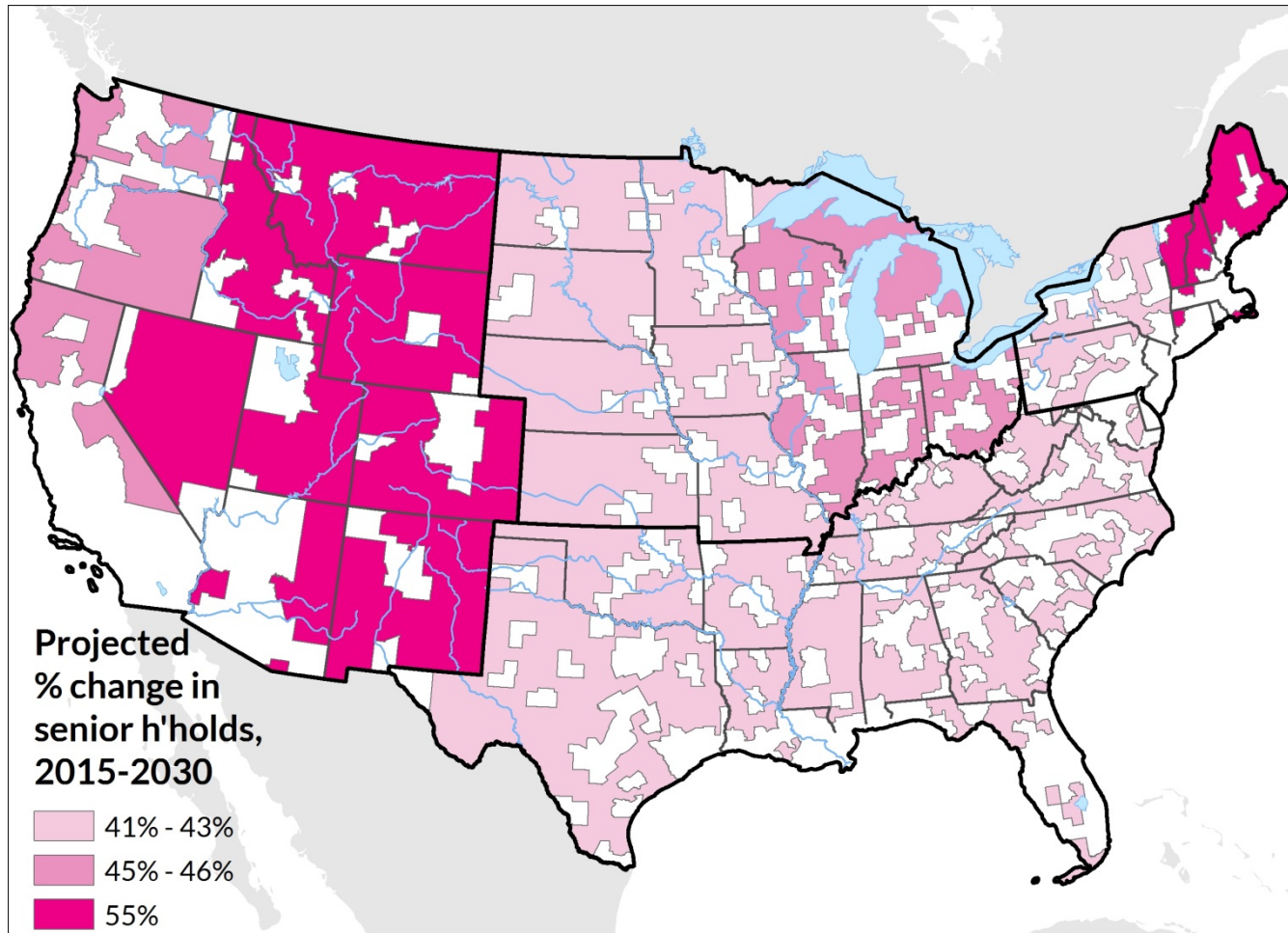
Over two-fifths of non-metro households will be senior-headed by 2030.
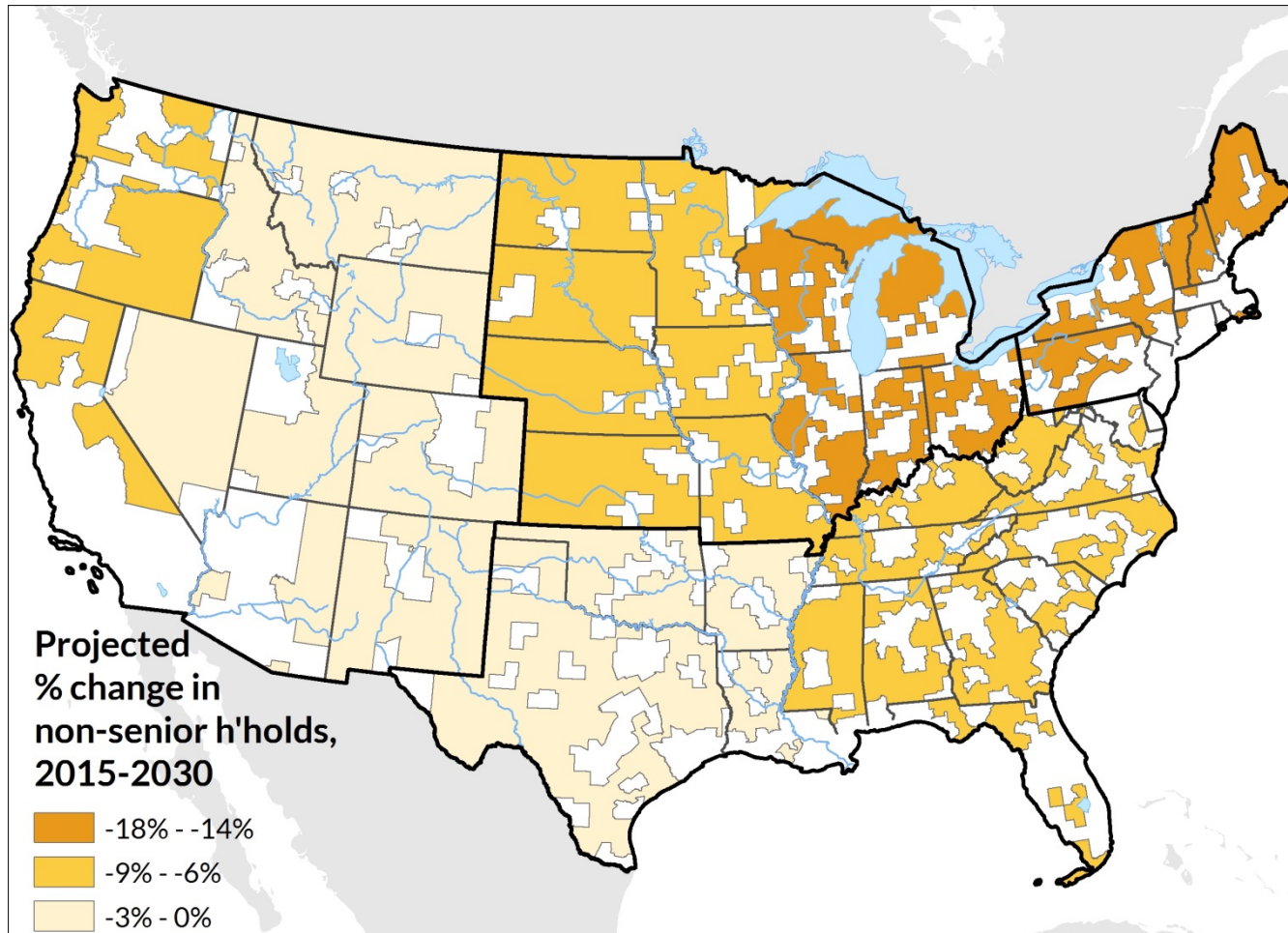

Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010; Urban Institute projections

Every division will rapidly gain senior households in non-metro areas from 2015 to 2030.

Projected
% change in
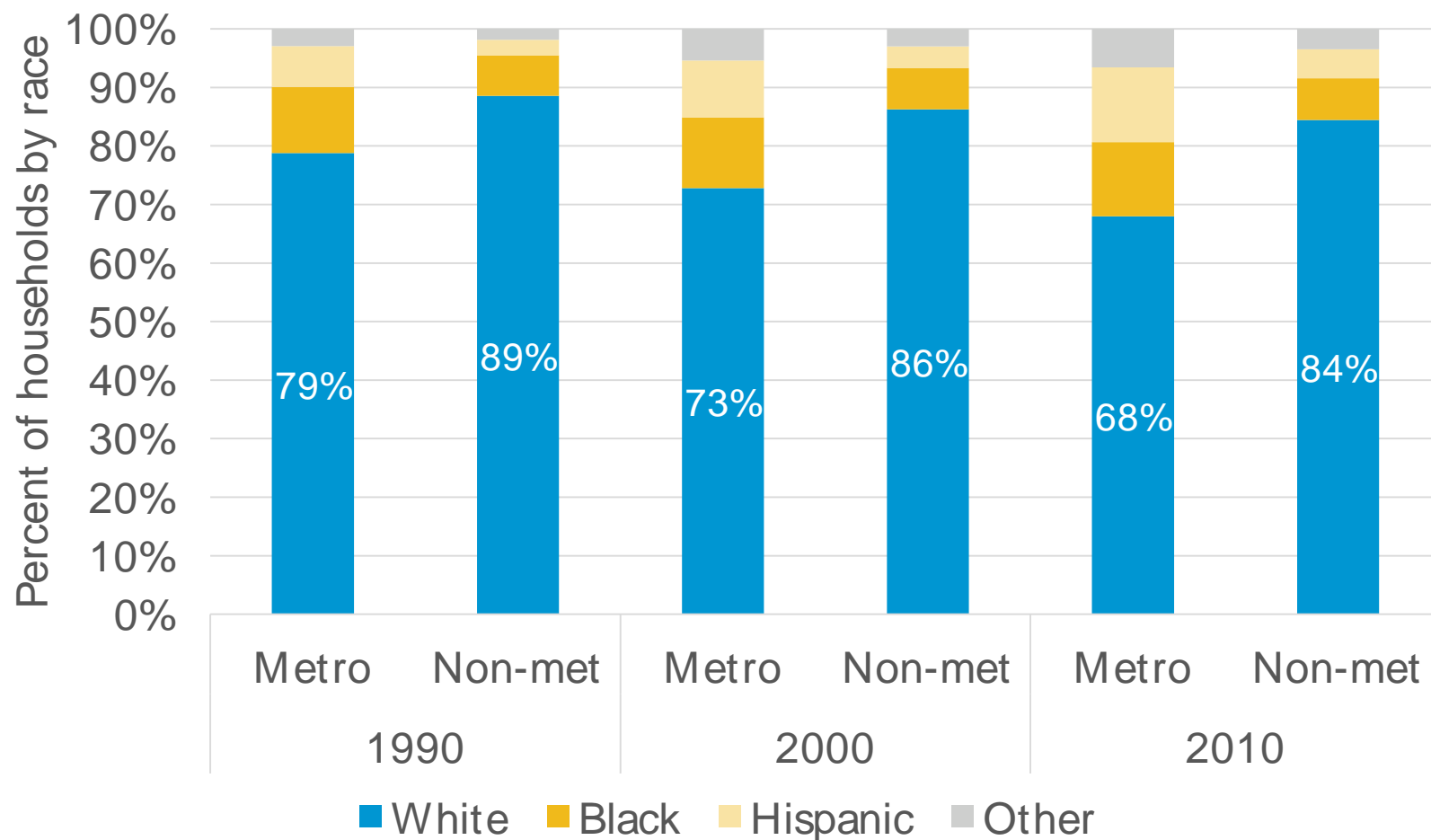senior h'holds,
2015-2030

- 41% - 43%
- 45% - 46%
- 55%

Every division will lose non-senior households in non-metro areas from 2015 to 2030.

Projected
% change in
non-senior h'holds,
2015-2030

- -18% - -14%
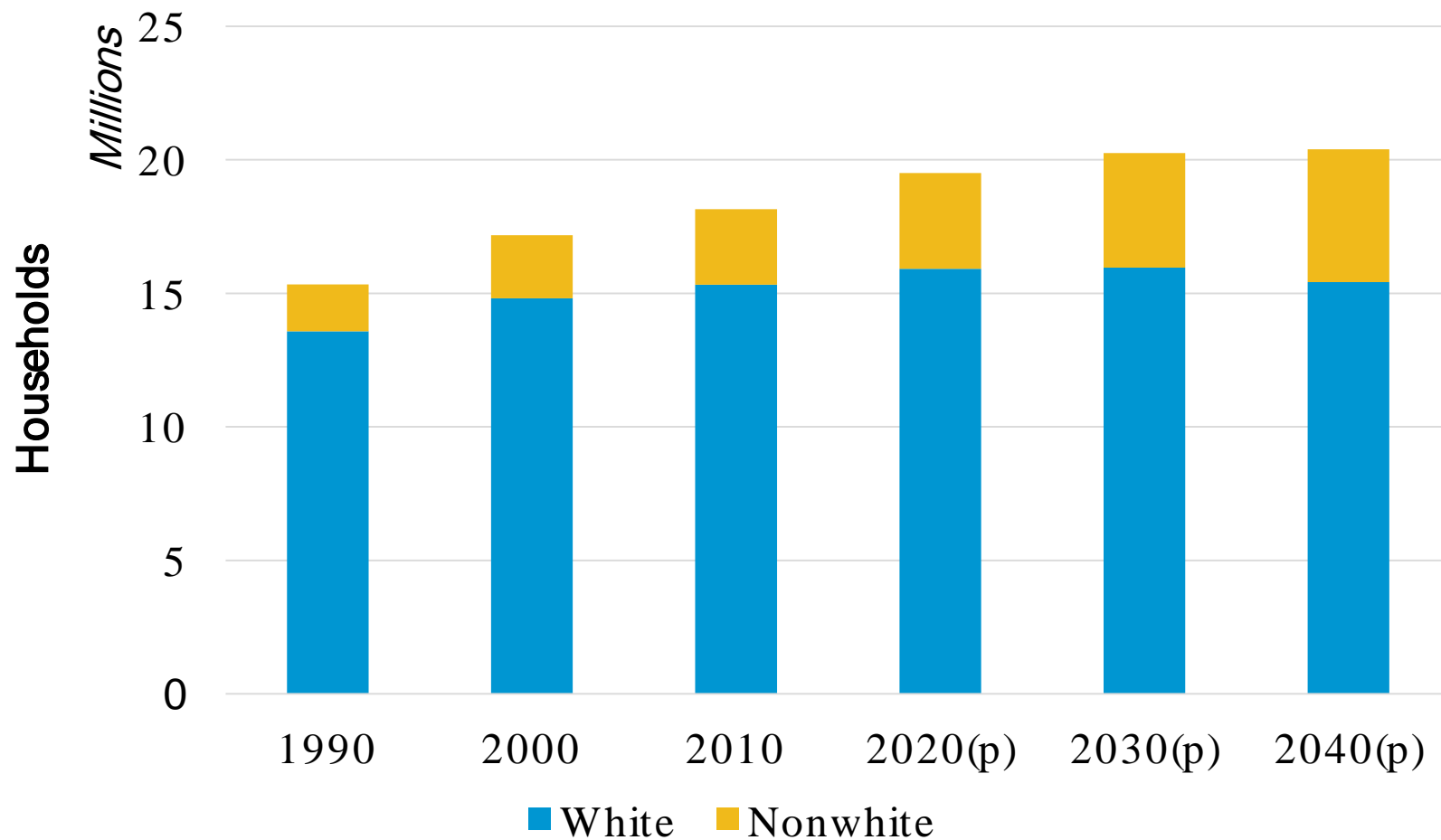- -9% - -6%
- -3% - 0%

Diversity

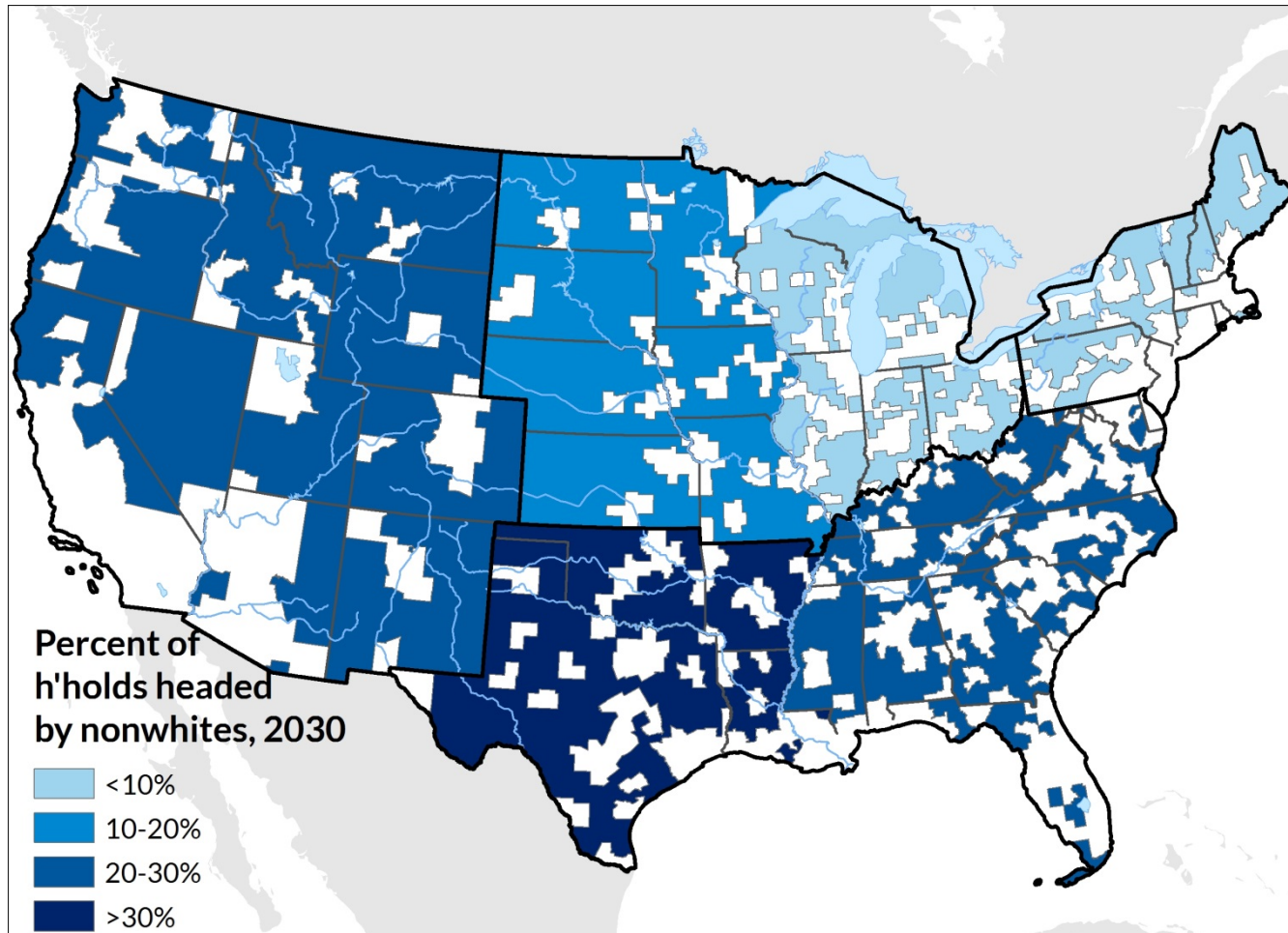# Non-metro America was less racially diverse in 2010 than metro America was in 1990.

Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010

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# Rural households diversify but remain mostly white.

Source: US Census Bureau, Census of Population & Housing 1990, 2000, 2010; Urban Institute projections

By 2030, rural households in faster-growth divisions will be 25-30% nonwhite

Source: US Census Bureau, Census of Population & Housing 2010; Urban Institute projections

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Every division will experience fast growth in nonwhite households
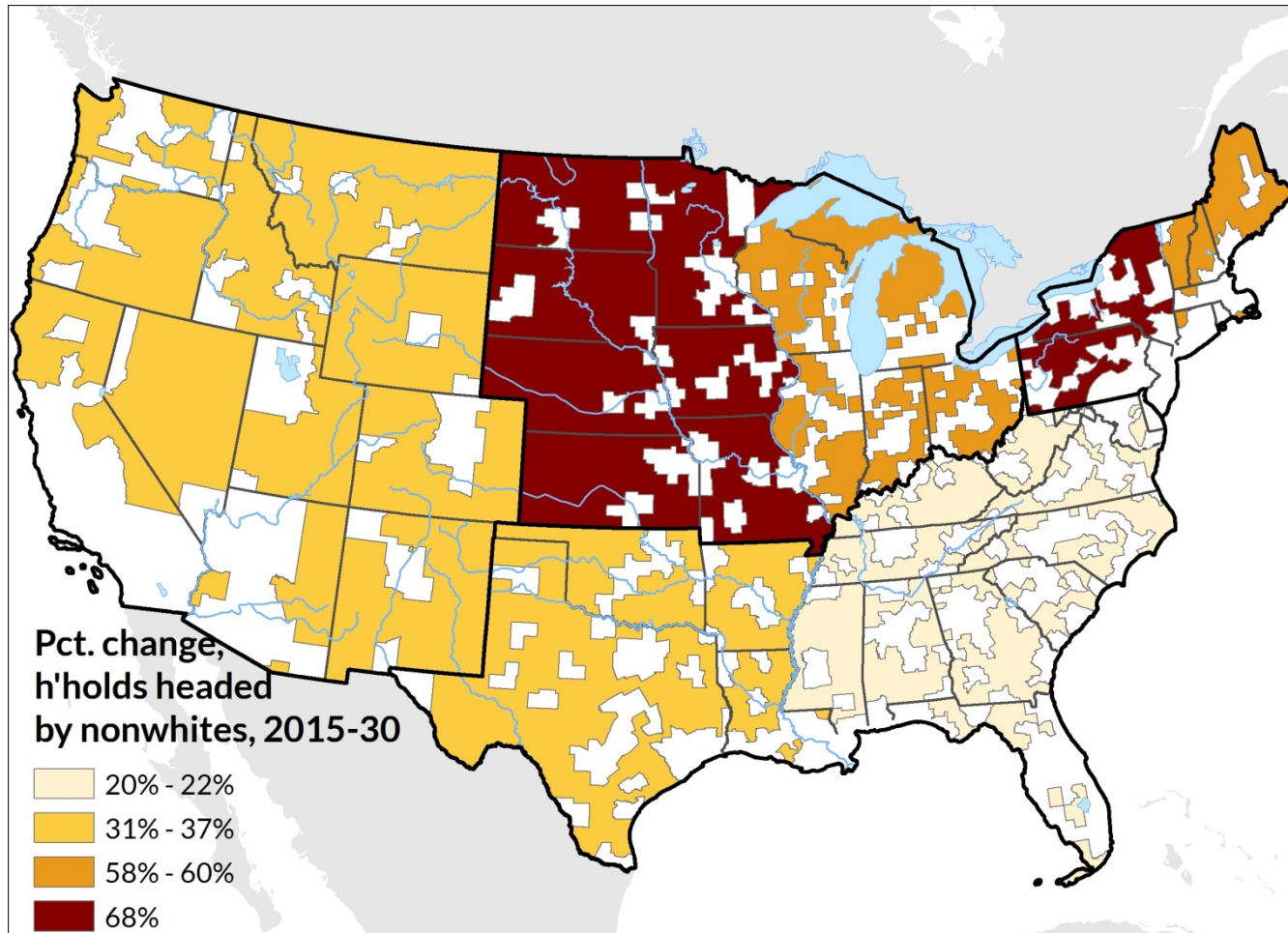
Pct. change, h'holds headed by nonwhites, 2015-30

- 20% - 22%
- 31% - 37%
- 58% - 60%
- 68%

Source: US Census Bureau, Census of Population & Housing 2010; Urban Institute projections

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Recap and Housing Implications

Recap and implications

Recap

- Household growth: Slowing, but still significant

- Senior households rising, non-seniors declining

- Diversity growing in every region as white non-Hispanics decline

Housing implications

- Urgent need for reinvestment in older rural housing, often occupied by seniors

- Housing demand will exceed household growth: housing left behind by seniors, out-migrants won't work for all new households

- Need for affordable rural housing will grow—especially in aging, diversifying rural areas where income growth may lag