Rural housing demand: The road ahead

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

http://snarkybytes.com/2012/10/20/ohio-road/
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
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
Non-metro household growth continues to 2040 …

...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

Source: Urban Institute projections
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%

Source: US Census Bureau, Census of Population & Housing 2010, ACS 2014; Urban Institute projections
Aging
Over a quarter of non-metro population will be at least 65 years old by 2030.

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

![Household chart showing the increase in senior-headed households from 1990 to 2040](image)

Every division will rapidly gain senior households in non-metro areas from 2015 to 2030.
Every division will lose non-senior households in non-metro areas from 2015 to 2030.
Diversity
Non-metro America was less racially diverse in 2010 than metro America was in 1990.

Rural households diversify but remain mostly white.

By 2030, rural households in faster-growth divisions will be 25-30% nonwhite.
Every division will experience fast growth in nonwhite households

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