



Presentation to

The Transit-Oriented Development Council

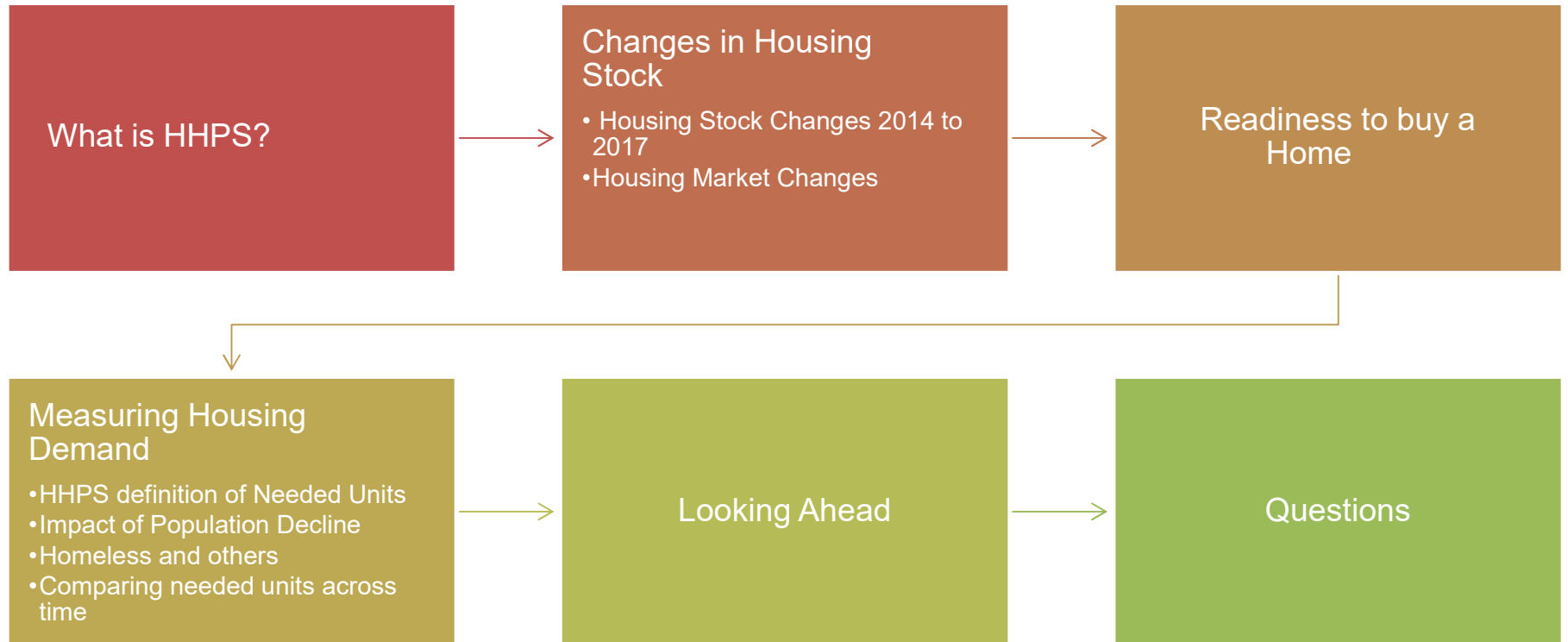
June 9, 2020



# Hawai'i Housing Planning Study, 2019 **TOD Council Summary**



# Agenda



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# WHAT IS HHPS?

THE HAWAI'I HOUSING PLANNING STUDY

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# HHPS 2019

## History:

- A comprehensive housing study conducted every 3 to 5 years since 1992.
- Gathers data to support housing planning initiatives, especially public and affordable housing.

## Components:

- Housing Demand Survey, housing projections, housing price study, housing producer's interviews and stakeholders survey, housing for special needs groups, homeless study, tourism and housing, housing inventory, Native Hawaiian study, secondary data.
- In 2019, about 52 different topics in Housing

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# Changes in Housing Stock 2014 – 2017

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## Housing Situation Housing Stock Changes, 2014-2017

|                            | 2014           | 2017           | Percent Change |
|----------------------------|----------------|----------------|----------------|
| Total Housing Units        | 524,852        | 532,880        | +1.5%          |
| <b>Total Housing Stock</b> | <b>477,520</b> | <b>481,960</b> | <b>+0.9%</b>   |
| Occupied Housing Units     | 450,299        | 455,502        | +1.2%          |
| Vacant Housing Units       | 74,553         | 77,378         | +3.8%          |
| Vacant and Available       | 27,221         | 26,458         | -1.2%          |
| Vacant and Not Available   | 47,332         | 50,920         | +7.6%          |
| Vacant for Seasonal Use    | 33,054         | 34,148         | +3.3%          |
| Other Vacant               | 14,185         | 16,641         | +17.3%         |

# Housing Market Changes 2014-17

## Few Surprises

**Homeownership is 58%, up 1 point since 2014**

**Housing Prices and Rents are up**

- *Median price for a single-family home is \$689,000, up 19.8%*
- *Median price for a condo is \$430,000, up 22.5%*
- *Average rent for a 2-bedroom unit is \$1,750, up 11%*

**Housing Wage was \$36.13 in 2017, up from \$34.22 in 2016**

**Moving Out-of-State**

- *24.2% moving away in 2019, up from 21.9% in 2014*
- *22% mentioned housing as the cause; 20% cited cost of living*

**Out-of-State Sales**

- *23% of 2017 sales were OOS, flat since 2014, down from 34% in 2010*
- *85% were mainlanders; foreign buyers paid more (+60%)*

**Housing and Tourism**

- *Estimated 52,047 short-term visitor rental units in 2019, 67.4% Hawai'i residents.*
- *No direct causation between visitor and resident housing stock.*
- *Honolulu's new law caused a 37% reduction in listings after only 2 weeks.*

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# MEASURING HOUSING DEMAND

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# HHPS definition of Pent-up Demand

"Needed Units"

- Pent-up demand the number of households that want or need a new housing unit that is not available to them; the excess of demand over supply; housing shortage or unmet demand. (since HHPS 1997)
- Potential demand includes fulfilled demand and demand that would exist if all barriers to purchase were removed.

HHPS definition of  
"Needed Units"

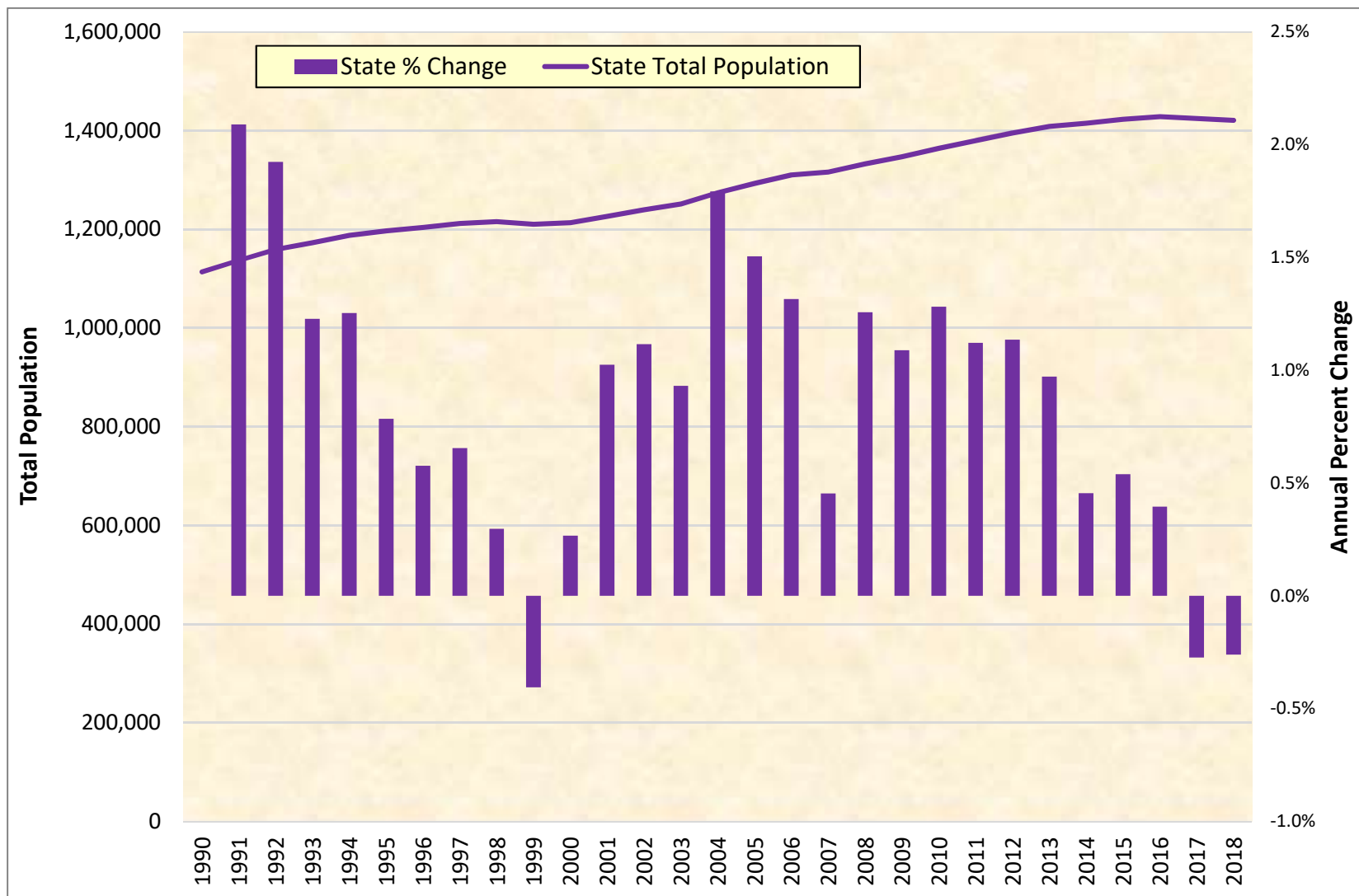
Pent-up  
Demand was  
12.8% of  
Housing Stock  
in 2017

- **Examples of Pent-up demand**

- Crowded households, **13.8%** state 2017 ACS
- Doubled-up **14.5%** from HHPS 2019
- Multigenerational households state **13%** (HHPS p.27)
- Hidden Homeless 99,000 for whole state **22%**
- Subfamilies, 2017 **8%** state ACS Table B11013
- Millennials living at home with parents 2017, 35% national average, Hawai'i at **64%**

# Population Decline

## Population of State of Hawai'i, 1990-2018



# I digress...

Population Change by  
County,

1990-2018

|           | Honolulu | Hawaii | Maui | Kauai |
|-----------|----------|--------|------|-------|
| 1990-2000 | 0.5      | 2.5    | 2.7  | 1.5   |
| 2000-2010 | 0.9      | 2.4    | 2.0  | 1.5   |
| 2010-2016 | 0.3      | 1.1    | 1.0  | 0.9   |
| 2016-2018 | -0.6     | 0.7    | 0.5  | 0.4   |



Population Decline

# Impact on Housing Demand Forecast

## DBEDT Housing Demand Estimates, 2016, 2019

- 2015-2025 projected demand for residential housing was **65,099**
- 2020-2030 projected demand for residential housing was **36,155**

# Methodology

To calculate needed units . . .

| Calculation                                 | Number  | To Get  | Description                             | Demand Type               |
|---|---------|---------|---|---------------------------|
| Begin with Total Occupied Housing Units     | 455,502 |         |   |                           |
| subtract "never movers)                     | 181,870 | 273,632 | Households who will ever move           | Ever movers               |
| subtract HH who plan to move after 10 yrs.  | 86,654  | 186,978 | Households that will move in 10 yrs.    | Final Demand (10 yrs.)    |
| subtract those who will move out of Hawaii  | 45,214  | 141,764 | Households moving to a unit in Hawaii   | Effective Demand (10 yr.) |
| subtract those ready to buy or rents        | 81,759  | 60,005  | not ready to buy or rent (2019-2029)    | Needed units (10 yrs.)    |
| subtract estimated, movers 2026-2030        | 31,546  | 28,459  | not ready to buy or rent (2019-2024)    | Needed units (5 yrs.)     |
| add Units for Population growth (DBEDT)     | 18,078  | 46,537  | pent-up demand adjusted for pop. growth | Needed units adjusted     |
| add units for returning homeless            | 3,619   | 50,156  | Adjusted pent-up demand plus homeless   | ...with homeless impact   |
| add units for exiting special needs housing | 1,800   | 51,956  | Adjusted pent-up demand + special needs | ...with special needs     |

Source: Hawai'i Housing Study, 2019, special tabulations.

## Comparing Needed Units Over Time

|                                 | 2010-2015 | 2015-2020 | 2020-2015 |
|---------------------------------|-----------|-----------|-----------|
| Pent-up Demand                  | 28,137    | 29,518    | 28,459    |
| Demand due to Population Growth |           | 32,347    | 18,078    |
| Homeless Demand                 |           |           | 3,619     |
| Total Demand                    | 28,137    | 61,865    | 50,156    |

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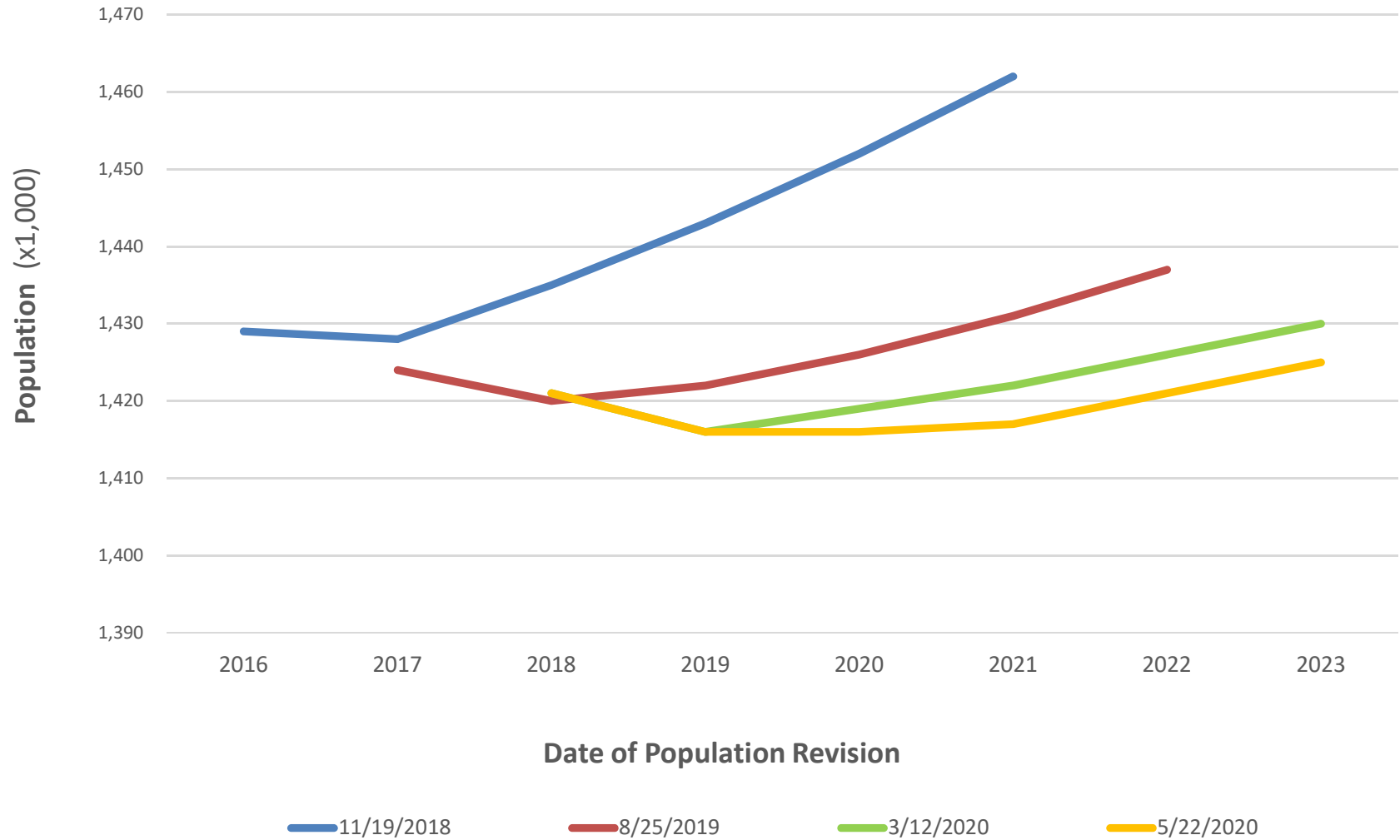


# Looking Ahead at Demand

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## DBEDT Population Estimates and Projections



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# QUESTIONS

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# Moving to the Rail Corridor

| Question  | Response   | Number | Percent      |
|---|------------|--------|--------------|
| When you move to your next home do you intend to move closer to the workplace of someone in the household to reduce transportation costs or commute time? | Yes        | 29,603 | <b>37.8%</b> |
|   | No         | 28,286 | 36.1%        |
|   | Don't know | 20,473 | 26.1%        |
|   | Total      | 78,362 | 100.0%       |
| Would you want to move closer to one of the rail stations when they are built?  | Yes        | 15,234 | <b>19.4%</b> |
|   | No         | 46,463 | 59.3%        |
|   | Don't know | 16,665 | 21.3%        |
|   | Total      | 78,362 | 100.0%       |
| Are you interested in a multi-family, for sale, unit (condo or townhouse) near a rail transit station?  | Yes        | 11,127 | <b>73.0%</b> |
|   | No         | 2,283  | 15.0%        |
|   | Don't know | 1,824  | 12.0%        |
|   | Total      | 15,234 | 100.0%       |

# Mahalo !

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# Needed Units Tables

|                 |               | Total Units Needed, 2020 through 2025 |          |          |          |           |            |            |       |        |
|-----------------|---------------|---------------------------------------|----------|----------|----------|-----------|------------|------------|-------|--------|
|                 |               | HUD Income Classification             |          |          |          |           |            |            |       | Total  |
|                 |               | LT 30                                 | 30 to 50 | 50 to 60 | 60 to 80 | 80 to 120 | 120 to 140 | 140 to 180 | 180+  |        |
| State of Hawaii |               | 10,457                                | 5,730    | 3,141    | 6,910    | 6,055     | 4,011      | 5,854      | 7,997 | 50,156 |
| Ownership Units |               | 2,134                                 | 1,158    | 1,352    | 3,754    | 3,320     | 2,156      | 3,982      | 5,734 | 23,590 |
|                 | Single-Family | 1,719                                 | 765      | 805      | 2,981    | 1,867     | 1,470      | 2,623      | 4,593 | 16,822 |
|                 | Multi-Family  | 415                                   | 393      | 547      | 773      | 1,453     | 686        | 1,359      | 1,141 | 6,768  |
| Rental Units    |               | 8,322                                 | 4,573    | 1,789    | 3,156    | 2,736     | 1,855      | 1,872      | 2,263 | 26,566 |
|                 | Single-Family | 3,257                                 | 1,871    | 470      | 1,724    | 986       | 1,047      | 851        | 1,149 | 11,356 |
|                 | Multi-Family  | 5,065                                 | 2,702    | 1,319    | 1,432    | 1,749     | 808        | 1,021      | 1,114 | 15,211 |

# Needed Units Tables

|                 | Total Units Needed, 2020 through 2025 |                |                |                |                 |                  |                  |       |        |
|-----------------|---------------------------------------|----------------|----------------|----------------|-----------------|------------------|------------------|-------|--------|
|                 | HUD Income Classification             |                |                |                |                 |                  |                  |       | Total  |
|                 | LT 30                                 | 30 to 50       | 50 to 60       | 60 to 80       | 80 to 120       | 120 to 140       | 140 to 180       | 180+  |        |
| State of Hawaii | 10,457                                | 5,730          | 3,141          | 6,910          | 6,055           | 4,011            | 5,854            | 7,997 | 50,156 |
| Honolulu        | 4,200                                 | 2,923          | 1,979          | 2,944          | 3,037           | 1,710            | 2,405            | 2,970 | 22,168 |
| Maui            | 1,721                                 | 777            | 492            | 1,272          | 740             | 647              | 1,800            | 2,955 | 10,404 |
| Hawaii          | 3,475                                 | 1,356          | 373            | 2,285          | 2,143           | 1,163            | 1,198            | 1,309 | 13,303 |
| Kauai           | 1,060                                 | 674            | 297            | 408            | 136             | 492              | 451              | 763   | 4,281  |
|                 | Total Units Needed, 2020 through 2025 |                |                |                |                 |                  |                  |       |        |
|                 | Income Classification                 |                |                |                |                 |                  |                  |       | Total  |
|                 | Less than \$30k                       | \$30k to \$45k | \$45k to \$60k | \$60k to \$75k | \$75k to \$100k | \$100k to \$150k | More than \$150k |       |        |
| State of Hawaii |                                       | 10,123         | 5,679          | 5,591          | 5,730           | 7,191            | 8,762            | 7,080 | 50,156 |
| Honolulu        |                                       | 3,979          | 2,539          | 2,241          | 2,368           | 3,439            | 4,077            | 3,526 | 22,168 |
| Maui            |                                       | 2,039          | 1,174          | 1,279          | 1,143           | 1,734            | 1,822            | 1,213 | 10,404 |
| Hawaii          |                                       | 3,904          | 1,497          | 2,285          | 1,982           | 943              | 1,774            | 918   | 13,303 |
| Kauai           |                                       | 1,367          | 385            | 204            | 613             | 494              | 630              | 588   | 4,281  |

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# DEMAND INSIGHTS

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# Demand Insights

## Among Buyers and Renters

|                              | Buyers | Renters |
|------------------------------|--------|---------|
| Prefer single-family         | 56%    | 46%     |
| Prefer two or more bedrooms  | 88%    | 85%     |
| Prefer two or more bathrooms | 82%    | 53%     |
| Prefer unit on same island   | 81%    | 83%     |