

Madison County

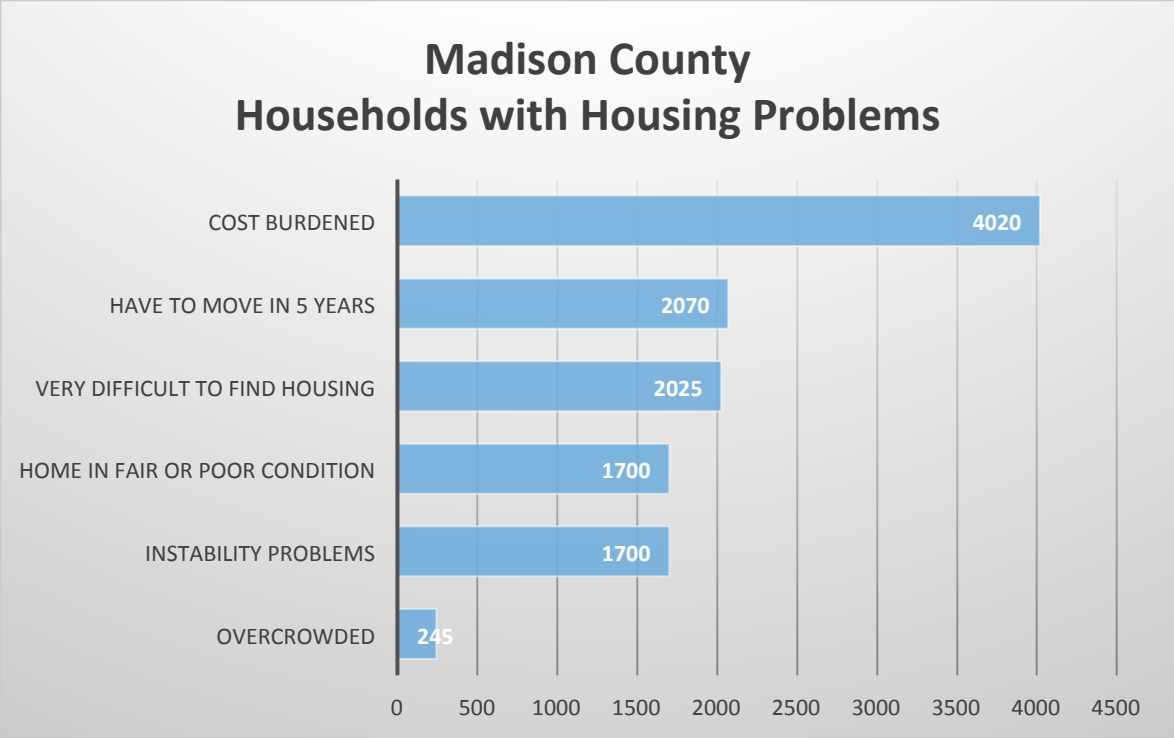
Key Findings

- There has been a significant shift in the owner/renter mix in Madison County with a 12 percentage point drop in the homeownership rate since 2000. In Rexburg, the homeownership rate is very low at 30%.
- Madison County has few second/vacation homes unlike the rest of the counties in the region.
- The economy was relatively stable during the recession with the county losing fewer jobs and then growing slowly in employment since 2010. The number of jobs in Madison County has not yet returned to pre-recession levels.
- Diversity in the housing supply is limited with a high percentage of multifamily units.
- Ownership housing prices are generally well aligned with incomes based on commonly used standards. The median price of homes listed for sale is affordable at 103% AMI.
- Rents are low. The median rent of units listed for rent is affordable at 47% AMI. The development of 490 units in 11 federally-subsidized apartment complexes has kept rents low but also created a concentration of low income renter households.
- No subsidies or incentives have been provided for ownership housing.
- As indicated in the Introduction, single students residing on campus or off campus in gender segregated, approved student housing are not included in the analysis of survey findings. Student households living in non-student (community) housing are considered, however. With limited exceptions, these are married students. BYU-I enrollment projections call for 4,500 married students in the fall 2014. Conservatively assuming two students per household means approximately 2,250 student households will live off campus in non-student housing. Off campus, student households impact many aspects of housing conditions and needs.

Currently, many of the county's households have housing problems.

- Even though ownership housing prices and rents are low relative to the region, incomes are also low. As such, over 4,000 are cost burdened by housing payments that exceed 30% of their income.
- About 2,070 households indicate they plan to move because they have to within the next five years, a figure that is highly influenced by student households.
- Finding housing has not been easy for many residents and has gotten harder over time. Approximately 2,025 households found it very difficult to find housing that was affordable and met their needs when they last moved.

- Approximately 1,700 have experienced instability – forced to move often, evictions or foreclosures, inability to cover necessities due to high housing costs.
- Overcrowding is not widespread. Around 245 live in homes that are in fair or poor condition and in need of repair and 100 households live in overcrowded conditions.



Source: 2014 Housing Survey

1. Households and Housing Units

Number of Units and Occupancies

Between 2000 and 2010, substantial changes occurred in Madison with strong growth in the number of housing units and households. The number of each grew by nearly 50%. Growth has been slower since the recession but did drop off to the same extent as elsewhere in the region because of demand created by increases in enrollment at BYU-I.

More units are occupied as primary residences than elsewhere in the region. While realtors report some sales to second home buyers, 94% of units house residents.

The biggest change that has occurred since 2000 was a shift in the owner/renter mix. The homeownership rate dropped 12 percentage points, which is a significant and unusual decline. In 2000, the majority of households owned their homes. Now the majority rent. This is attributed to the growth in student households that live off campus. It is in contrast to national trends when homeownership rates were on the rise between 2000 and 2008.

**Madison County
Housing Units by Occupancy, 1990 – 2013**

	2000	2010	2013
# of Housing Units	7,630	11,280	11,805
# Occupied Units	7,129	10,611	11,105
% Occupied	93%	94%	94%
Renter Occupied	2,913	5,492	5,906
Owner Occupied	4,216	5,119	5,199
Homeownership Rate	59%	48%	47%

Source: 2000 and 2010 Census; Census Bureau and Team estimates for 2013.

Income

Housing affordability is a function both of the cost of housing and household income. When a single median income figure is referenced, it is typically income published by HUD for a family of four. The 2014 figure for Madison County is \$52,300.

Median Family Income for Madison County, 2014

Persons/Household	50% AMI	80% AMI	100% AMI	120% AMI
1	\$18,350	\$29,300	\$36,700	\$44,040
2	\$20,950	\$33,500	\$41,900	\$50,280
3	\$23,550	\$37,700	\$47,100	\$56,520
4	\$26,150	\$41,850	\$52,300	\$62,760
5	\$28,250	\$45,200	\$56,500	\$67,800
6	\$30,350	\$48,550	\$60,700	\$72,840

Source: US Department of Housing and Urban Development

The median income for *all households* in Madison County is \$40,000, which includes both family and non-family households. This is \$12,300 lower than the median income for a *family* of four.

Household Income Distribution, Madison County

	OVERALL	Employee(s) in Households	No Employee(s) in Household
Under \$25,000	33%	29%	63%
\$25,000 - \$49,999	22%	22%	22%
\$50,000 - \$74,999	17%	19%	5%
\$75,000 - \$99,999	14%	15%	
\$100,000 - \$124,999	8%	8%	7%
\$125,000 - \$149,999	3%	4%	
\$150,000 - \$174,999	1%	1%	
\$175,000 - \$199,999	1%	1%	3%
	100%	100%	100%
Average	\$52,515	\$55,644	\$27,392
Median	\$40,000	\$48,000	\$10,186

Source: 2014 Household Survey. Note: Part time residents who are second homeowners are not included in these figures.

The median income of households without any employees is considerably lower than for households with employees. Households with adult students also have significantly lower incomes than the overall household population, but their incomes are higher than households with no employees since the majority of student households have at least one member who works.

When expressed as a percentage of the area median income (AMI), household size is considered in tandem with household income to determine the income category into which households fall. Overall, 16% of Madison County's households have very low incomes (equal to or less than 50% AMI) and another 17% have incomes that are considered low (51% - 80% AMI).

There are clear distinctions between owners and renters in terms of income. Over 80% of renters have low or very low incomes compared with only 17% of owners. This percentage is so high due to student households. Only 8% of renters have incomes above 120% AMI compared with 58% of owners.

AMI – Overall and by Own/Rent, Madison County

	All Households	Owners	Renters
≤50%	32%	7%	66%
50.1% - 80%	12%	10%	16%
80.1% -120%	18%	24%	10%
>120%	37%	58%	8%
Total	100%	100%	100%

Source: 2014 Housing Survey; differences due to rounding

Another way to look at the incomes of owners and renters is to consider the mix in each AMI category. In total, 48% of households own and 52% rent; however, in the very low income category, 13% of households are owners and 87% are renters.

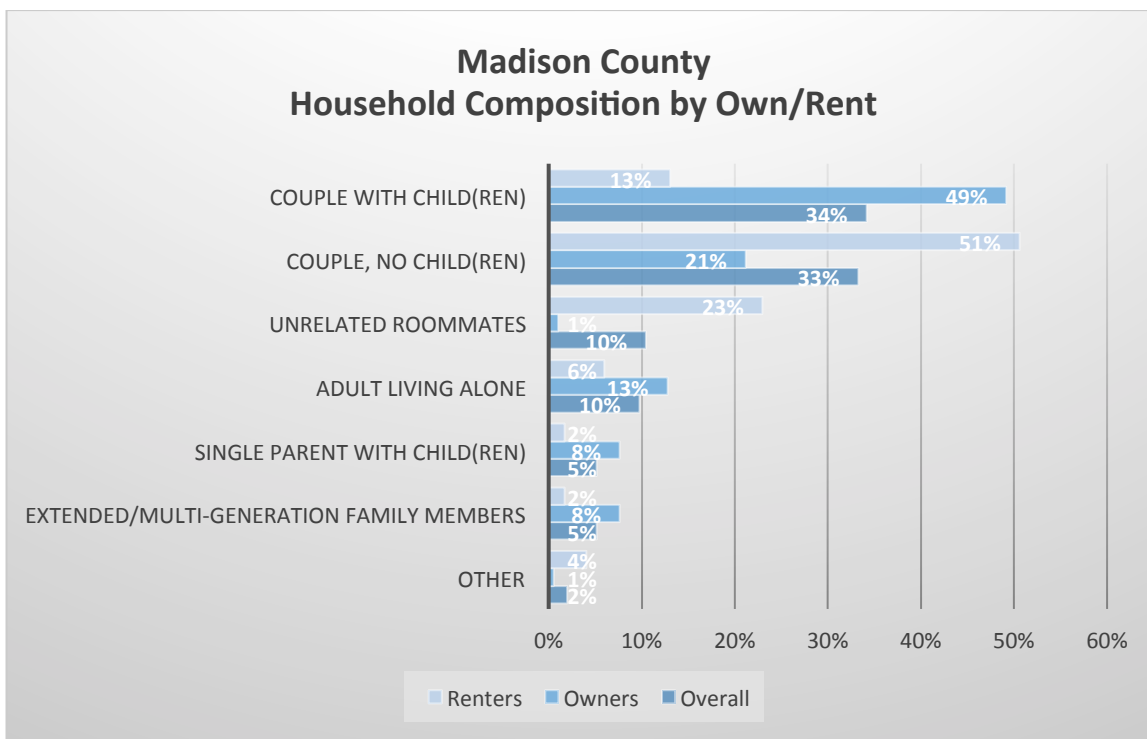
Owner and Renter Households by AMI, Madison County

	All	Owners		Renters	
	Households	%	#	%	#
≤50%	3,538	13%	460	87%	3,078
50.1% - 80%	1,375	51%	701	49%	674
80.1% -120%	2,044	83%	1,697	17%	347
>120%	4,148	94%	3,899	6%	249
Total	11,105	48%	5,330	52%	5,775

Source: 2014 Housing Survey; differences due to rounding

Household Composition

Madison County is very family oriented. The percentage of housing units occupied by one person living alone is low, and even lower among renters than owners, which is not typical. This is the result of BYU-I’s policies that, with limited exceptions, only married students can live in housing that is not student only and BYU-I approved.



Source: Housing Survey

While the very low and low income categories typically have a higher concentration of households consisting of one person living alone or single parents, it is not the case in Madison County. The majority of low and very low income households include couples, another example of the impact of BYU-I student households. Moderate through upper income households are more likely to consist of only one person.

Household Composition by AMI, Madison County

	AMI				
	Overall	≤50%	50.1% - 80%	80.1% -120%	>120%
Adult living alone	10%	4%	8%	15%	14%
Couple, no child(ren)	33%	49%	30%	29%	24%
Couple with child(ren)	34%	22%	19%	41%	52%
Single parent w/ child(ren)	5%	6%	22%	9%	1%
Unrelated roommates	10%	16%	8%	2%	2%
Extended/multi-generation family	5%	0%	11%	5%	7%
Other	2%	3%	3%		0%
	100%	100%	100%	100%	100%
With Member under 18	39%	31%	44%	48%	48%
With Seniors	13%				

Source: 2014 Household Survey. Note: Sample size insufficient to estimate senior households by AMI.

Low income households are less likely to have at least one member age 65 or older and less likely to have children, which is in contrast to the other counties in the region.

Unit Type

Overall, more households live in multifamily units than single family homes. There are sharp contrasts between owners and renters. Over 80% of owners live in single family homes whereas over 80% of renters live in apartments, townhomes or condominiums.

Type of Units Occupied by Own/Rent, Madison County

	Overall	Owners	Renters
Single-family house/Cabin	43%	81%	7%
Duplex or triplex	3%	1%	4%
Apartment, Townhouse or Condominium	47%	8%	82%
Mobile home	4%	7%	1%
Motel	0%		0%
Tent/Camper/RV/Yurt/Truck/Van			
Other	3%	2%	4%
	100%	100%	100%

Source: 2014 Household Survey

The type of unit occupied is also related to income. Households with incomes greater than 120% AMI are far more likely to live in single family homes while the majority of very low income households live in multifamily units.

Type of Units Occupied by AMI, Madison County

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
House/Cabin	7%	45%	79%	81%
Duplex or triplex	4%	2%	0%	1%
Apartment/TH/Condo	75%	40%	14%	16%
Mobile home	11%	7%	6%	1%
Other	4%	6%	1%	2%
	100%	100%	100%	91%

Source: 2014 Housing Survey

Bedrooms

The majority of residents live in homes with three or more bedrooms; however, very low income households are far more likely to live in smaller homes than are other households - 68% of households with incomes ≤50% AMI in one- and two-bedroom units.

Bedroom Mix by AMI, Madison County

Bedrooms	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
One	13%	28%	10%	3%	4%
Two	26%	40%	28%	14%	6%
Three	27%	26%	29%	24%	31%
Four	15%	4%	18%	30%	24%
Five+	19%	2%	15%	29%	35%
	100%	100%	100%	100%	100%
Average	3.1	2.1	3.1	3.8	3.9

Source: 2014 Household Survey

Restricted/Subsidized Inventory

Eleven (11) income restricted, subsidized apartment complexes are located in Madison County that combined have 490 units. These apartment properties were constructed using Low Income Housing Tax Credits (LIHTC), funding provided by USDA's Rural Development office, and HUD Section 8 or HOME grants. Most of the units are restricted for very low income households. Only one project includes free market units in addition to on-site manager apartments; nine of the 490 units are not income restricted.

Several complexes date back to the 1970's but most were built in the 1990's or the past decade. Many are located in close proximity to the BYU-I campus. The majority of their residents are students.

Madison County Subsidized Housing Inventory

Project Name	Yr.	Total	Bedrooms			AMI			Subsidy
			Built	Units	1	2	3+	≤50%	
Brenchley Apts.	1991	32	32			32	0	0	LIHTC RD
Donegal Apts.	1997	32		28	4	16	16	0	LIHTC HOME
Main Street Station	2003	68	32	32	4	50	17	1	LIHTC
Rockwell Court	2013	51		4	47	26	19	6	LIHTC
South Brenchley Apts.	1994	30	30			30	0	0	LIHTC RD
West Tisbury Apts.	1999	34		26	8	17	16	1	LIHTC RD HOME
Village Community Gardens	N/A	49							Sec 8
Madison Park	1977	64				63	0	1	RD
Wagon Wheel	1976	32		32		32	0		RD
Rexburg Plaza	N/A	40				40	0		Sec 8
Twin Pines Manor	1972	58	16	38	4	58	0	0	Sec 8; RD
Total		490	116	160	67	292	68	9	

Source: Idaho Housing and Finance Association; property manager interviews. Note: Some property managers would not provide complete information; totals by bedroom and AMI do not match the total unit county.

An additional 48-unit LIHTC project, the Grove at Riverside, has been approved for construction. Of the 48 units, 11 will be restricted at 50% AMI and 36 units will serve households with incomes up to 60% AMI.

There are no ownership housing units in Madison County with restrictions that make them affordable for the workforce over time.

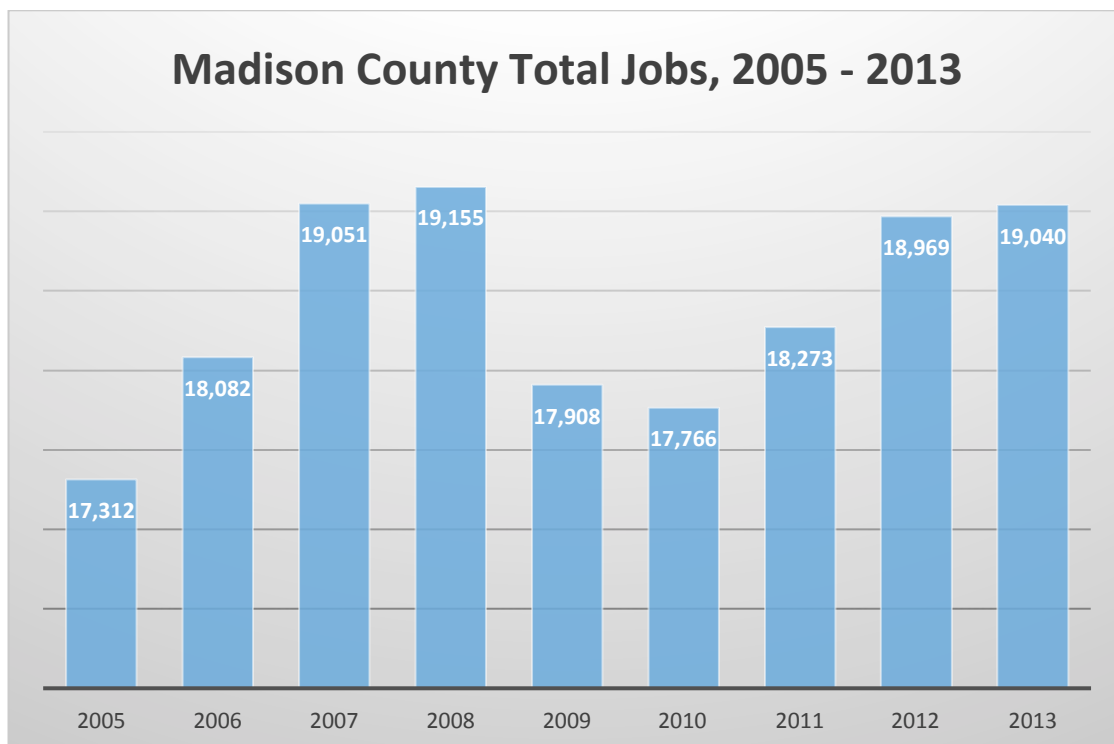
Employer Assisted Housing

Employers providing housing assistance is not widespread – only 1.5% of households surveyed receive free housing, a place to rent or down payment/mortgage assistance from an employer.

2. Economic Conditions and Trends

Number of Jobs and Rate of Growth

Approximately 19,040 full- and part-time jobs are in Madison County. The number of jobs in the county has fluctuated less in recent years than in most of the region though Fremont County had less relative change. Employment growth was strong from 2005 through 2007 and into 2008 – the number of jobs increased by about 1,840 or at a rate of 10.6%. About 7.3% of jobs (1,400 total) were lost between 2008 and 2010 during the recession. Madison County had the second slowest recovery in jobs in the region between 2010 and 2013, at an average rate of 7.2%, and has not quite recovered all the jobs that were lost during the recession.



Source: Bureau of Economic Analysis

The county's five largest sectors produce 58% of the jobs in the county. Unique to the region, education and health is the top employer, but second and third are government and retail, which are significant job creators in all counties.

Top Employment Sectors in Madison County

Sector	% of Total Jobs	Avg. Annual Wage	Avg. Hourly Wage
Education and Health	20%	\$44,804	\$22.40
Government	11%	\$31,039	\$15.52
Retail trade	11%	\$21,606	\$10.80
Wholesale trade	8%	\$22,774	\$11.39
Professional, scientific, technical	8%	\$32,649	\$16.32

Source: Bureau of Economic Analysis and Quarterly Census of Employment and Wages

Wages

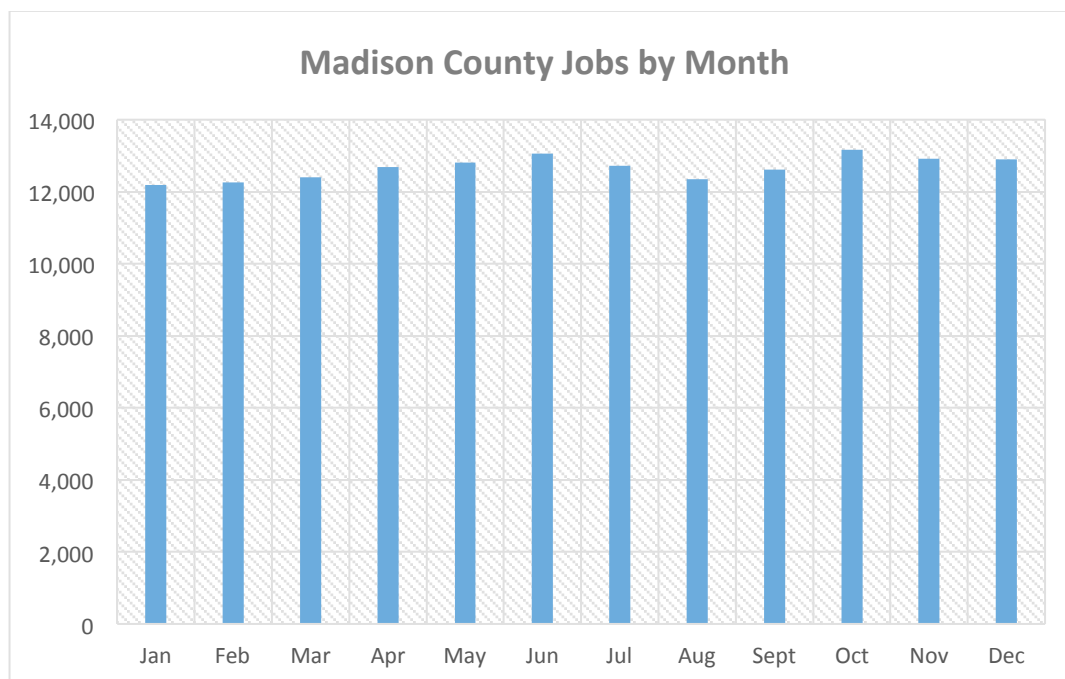
The average annual wage in 2013 in Madison County was \$29,385, which equates to \$14.69 per hour.

Number of Jobs Held and Employees per Household

On average, there are 1.8 employees per household in Madison County based on households with at least one employed member and 1.6 employees per household for all households. Each employee, on average, holds 1.2 part- and full-time jobs combined. These figures are important when determining the impact that job-generating development has on housing demand.

Seasonality in Employment

Madison County tends to show little to no seasonal variation in employment. Its lowest employment months are in January and August. Unlike the other Idaho counties in the region, the county only adds at most 8% more jobs (980 total) during its highest employment month in October. Also unlike the other Idaho counties, jobs dip by about 5% in August from a summer peak in June. This coincides with seasonal patterns in BYU-I enrollment; the university is not in session in August.

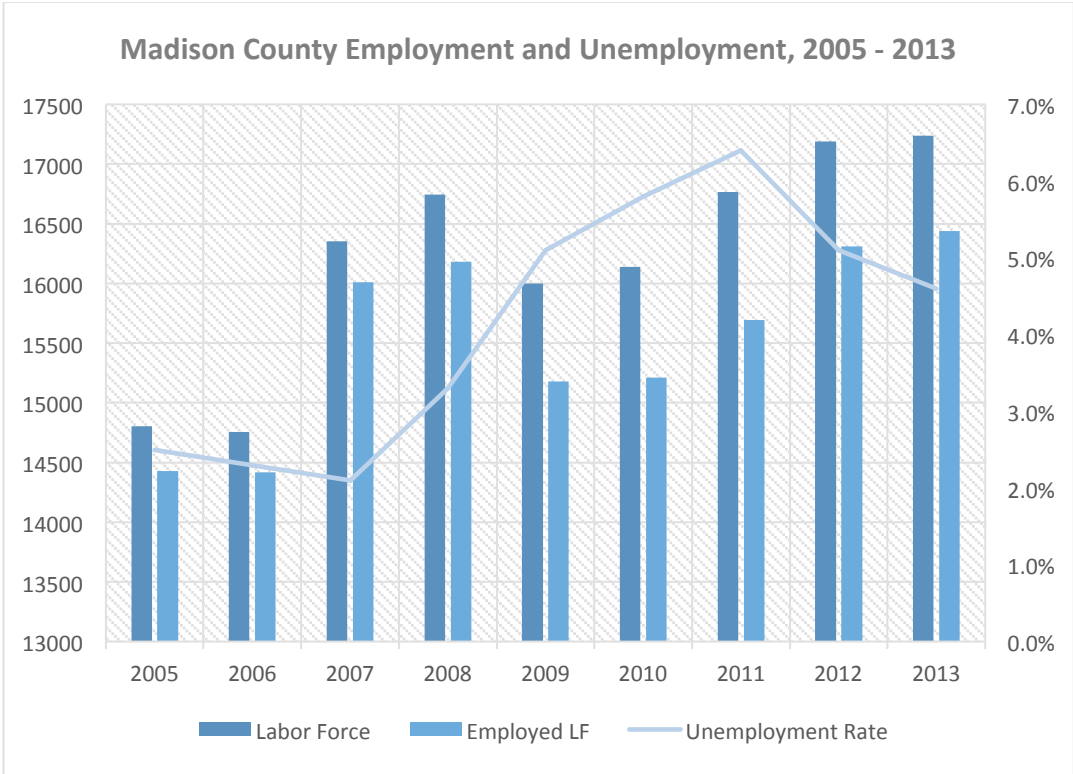


Source: Quarterly Census of Employment and Wages (QCEW); note: sole proprietors not included in this data.

Labor Force and Unemployment

Labor force is a measurement of persons who work or are seeking work based on where the employed person lives, not where their job is located. The number of Madison County residents who worked increased through 2008, decreased in 2009 and has been growing since. Unemployment shot upward beginning in 2008 and peaked in 2011 as the county added labor force faster than jobs could employ

them. Job growth beginning in 2011 has brought the unemployment rate down to 4.6% in 2013, which is well below the national average, but still 2.5 percentage points higher than in 2007.



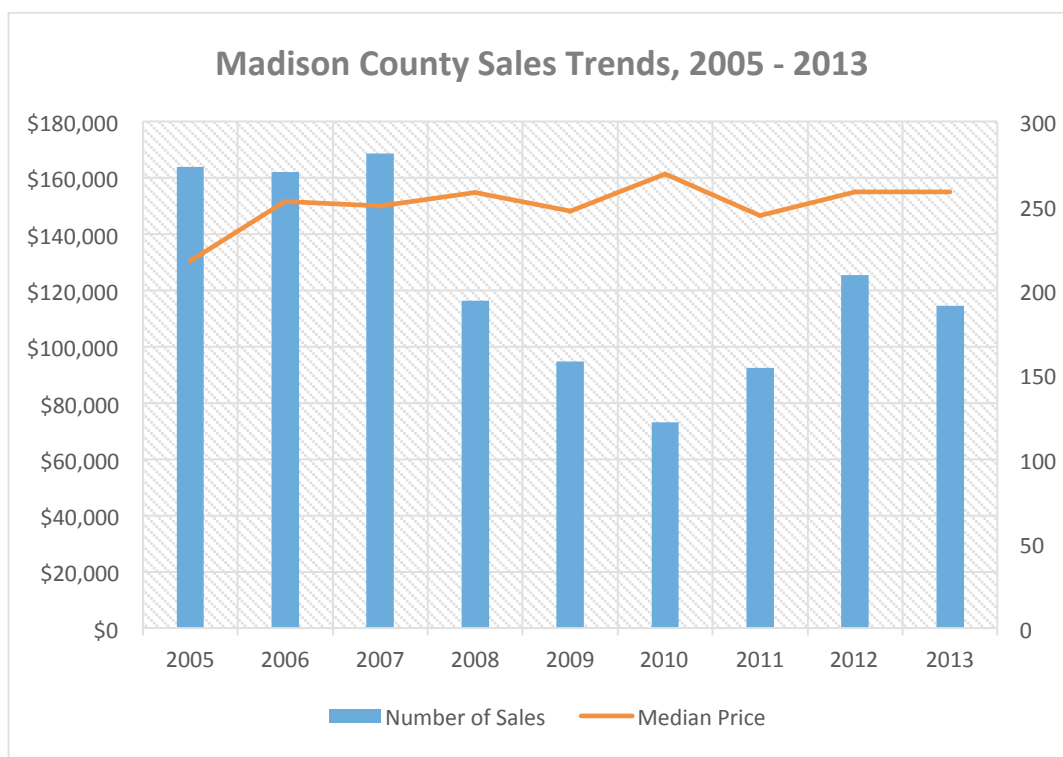
Source: LAUS, Idaho Department of Commerce

3. Ownership Market Analysis

Sales and Price Trends

The real estate market is recovering after a steep decline in the number of sales from the 2007 peak through 2010. In 2008 and 2010, the inventory of homes listed for sale swelled in part due both to the decline in demand and a boom in new construction immediately prior to the recession. Interest in purchasing homes has recently picked up.

Interestingly, median home prices did not decline during the same period but rather peaked in 2010. Realtors report, however, that prices for individual units did drop 20% to 25% during the recession; the median price was impacted by sales of larger homes. Prices have since regained most of the loss and are now close to pre-recession levels.



Source: Snake River MLS

Market Characteristics

Based on interviews of realtors in the area:

- Townhomes priced in the \$85,000 to \$140,000 price range are currently over supplied.
- There is a shortage of single family homes in the \$180,000 to \$250,000 price range.
- When investors purchase units, they typically hold on to them long term rather than fix and flip.

- Approximately 80% of sales are to owner occupants with about 10% to second homeowners and the remaining 10% to investors.
- The vast majority of buyers are families with children.
- About half of the households now buying homes are residents of Madison County, about one-fourth are moving in from neighboring counties and the remaining fourth are new to the region.
- About 70% work in the same community where they buy and 30% commute.
- When looking for a home, buyers tend to be interested in heating/energy efficiency, a garage, schools, low or no HOA dues and ability to resell or rent long term yet care less about the ability to rent short term, access to public transit. They tend to be firm on unit type, with most considering only single family homes, yet more flexible on unit size, location and price.

Current Availability

A total of 159 residential units were listed for sale as of late July. Of these 159 listings:

- 77% were for single family homes;
- 89% were in Rexburg; of the 17 homes listed elsewhere in the county, 13 were in Sugar City;
- One home was priced for over \$1 million;
- The overall median price was \$179,900 or \$144 per square foot, which is affordable for households with incomes at or above 103% AMI.

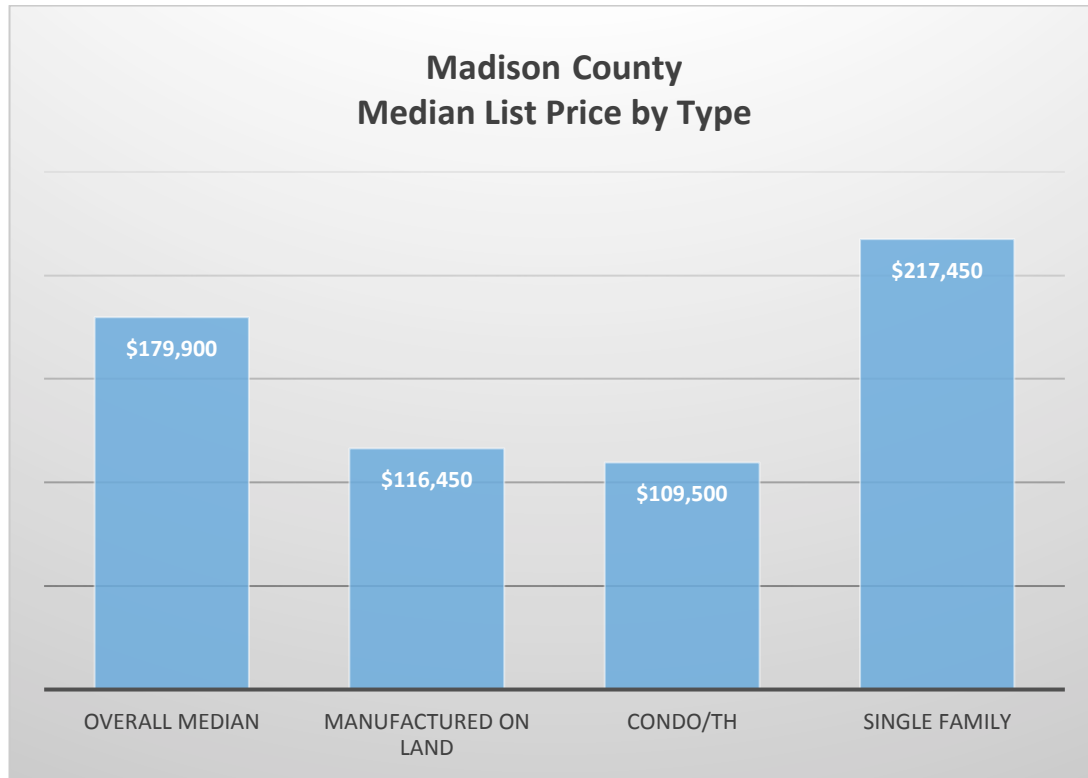
Madison County MLS Listings by Location, Price and Unit Type, July 28, 2014

# of Listings	Rexburg	Balance of County	Total Madison County
Condos/TH's	31		31
Single Family	105	17	122
Manufactured on Land	6		6
Total	142	17	159
Median Price			
Condos/TH's	\$109,500		\$109,500
Single Family	\$215,900	\$234,000	\$217,450
Manufactured on Land	\$116,450		\$116,450
Overall	\$179,900	\$234,000	\$179,900
Median Price/SF			
Condos/TH's	\$165		\$165
Single Family	\$143	\$131	\$141
Manufactured on Land	\$86		\$86
Overall	\$144	\$131	\$144

Source: Snake River MLS; fractional ownership excluded.

The median list price for single family homes of \$217,450 is within the range that realtors report is under supplied.

The median price for condominiums and townhomes is about half the price for single family homes yet, on a per-square-foot basis, single family homes are less expensive. Manufactured homes are priced only slightly higher than condominiums and townhomes yet cost far less per square foot.



Source: Snake River MLS

Affordability of Ownership Housing

Nearly 8% of the residential units listed for sale in Madison County are affordable for very low income households, 8 of which are condominiums or townhomes, two are manufactured homes and one is a small single family home built in 1930. Households with incomes in the 50% to 80% AMI range have more choice although the inventory is still dominated by condominiums/townhomes. Nearly one third of the homes listed for sale are affordable for moderate/middle income households; most of these homes are single family. More homes are listed for sale at prices requiring an income of greater than 120% AMI than in any other category; all of these units are single family homes.

MLS Listings by AMI, Madison County

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Maximum Price*	\$87,500	\$139,400	\$209,200	>\$209,200
Listings				
Condos/TH's	8	21	2	
Single Family	1	15	41	48
Manufactured on Land	2	3	1	
Total	11	39	44	48
Percent of Total	8%	27%	31%	34%

Source: Snake River MLS. *Based on a 30 year fixed rate mortgage at 5.5% with 5% down and 20% of the monthly payment covering taxes, insurance and HOA fees.

Mortgage Financing

Most local residents obtain either FHA (3.5% down) or conventional Freddie Mac/Fannie Mae mortgages (20% down unless mortgage insurance is obtained). While it remains difficult to obtain mortgage financing for condominiums, most local residents are buying single family homes. The Idaho Housing and Finance Association offers a down payment program, but it is rarely used in Madison County.

4. Rental Market Analysis

The rental market in Madison County is large with approximately 5,900 renter households (53% of total households). There is very little variety, however in the rental market:

- Over 80% of renter households reside in apartments, condominiums or townhomes; very few occupy single family homes in Rexburg. There is greater diversity in Madison County's smaller communities and rural areas where single family homes can be rented.
- Rents are clustered around the median of \$560 per month with little variation by number of bedrooms or income of occupants; market rents are only slightly higher than rents for subsidized/income restricted rentals.
- The market is highly influenced by BYU-I. Vacancies are highest during the summer when enrollment is lowest, but units fill quickly in September. Apartment properties maintain near or full occupancy levels until July when turnover is highest. This summer vacancies were higher than typical due to a temporary drop in BYU-I enrollment.
- Rents appear to be gradually rising, but increases are not anticipated to exceed 5% per year.

Rents

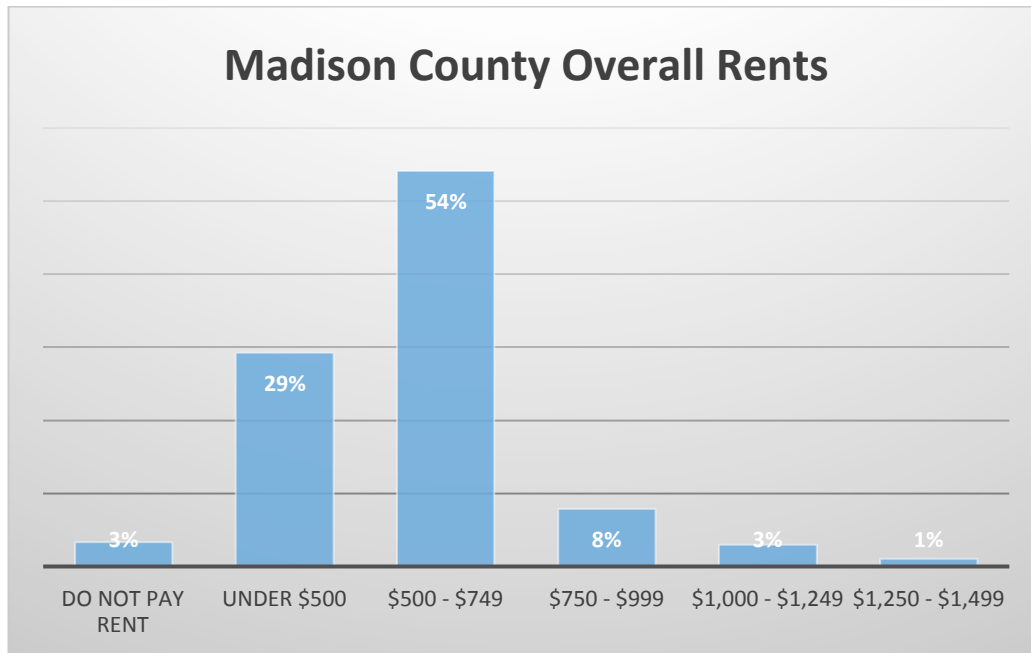
The median rent in Madison County is \$560 per month, which is affordable at 47% AMI. The rent range is narrow with a difference of only \$62 per month in the median rents for a one-bedroom rental compared to a four-bedroom unit. The difference in rents between subsidized/income restricted rentals and market rates is only \$50 per month. Maximum allowable rents are charged for the 490 restricted/subsidized rental units in the county, all of which are located in Rexburg. While lower income households tend to pay lower rents, the difference is not significant – very low income households pay about \$100 less per month overall than households with incomes greater than 120% AMI.

Rents* – Overall, by Bedrooms and by AMI, Madison County

	Overall	Med. Rents by Bedrooms		Med. Rents by AMI	
Overall Median Rent	\$560	1 BR	\$552	≤50% AMI	\$557
Overall Average Rent	\$583	2 BR	\$600	51% - 80% AMI	\$565
Med. Restricted Rents	\$526	3 BR	\$450	81%-120% AMI	\$647
Med. Mkt Rents	\$575	4 BR	\$614	>120% AMI	\$665

Source: 2014 Household Survey *Utilities not included.

Over half of the rental units in the county rent for \$500 to \$750 per month and another 29% lease for less than \$500 per month, evidence of Madison County's narrow rent range.



Source: 2014 Household Survey

Availability

The following units were identified as being available for rent in July and August:

- 39 units of 456 market rate apartments researched, which equals a vacancy rate of 8.5%; 92 of these units were vacant in July for a vacancy rate of 20%.
- 6 units out of 401 units in subsidized/income restricted apartment properties for a vacancy rate of 1.5%. (Vacancy information was not available for 89 units.)
- 86 units advertised on Craigslist, most of which were in close proximity to the BYU-I campus.
- Very few one-bedroom units were vacant. Property managers report that, because the rents are lowest for one bedroom units, they are the most sought after by both singles and couples.
- Almost all units listed for rent in Rexburg were apartments. Single family homes available were in Sugar City and unincorporated areas.

This research suggests the overall vacancy rate is well under a balanced market of 6% when averaged over the year. The temporarily high vacancy rate in summer 2014, makes it difficult to precisely pinpoint the annual average.

Rental Rates Compared - Available and Occupied Units

	For Rent Median Mkt. Rents	Occupied Median Rents
1 BR	\$645	\$552
2 BR	\$757	\$600
3+ BR	\$900	\$450 - \$614
Total/Median	\$757	\$560

Sources: 2014 Housing Survey, interviews, on-line research

5. Housing Problems

Many residents are experiencing other housing problems ranging from difficulty finding housing to a variety of physical deficiencies. Renters are more likely than owners to have housing problems.

Threats to Quality of Life

- The affordability of housing for the workforce is considered to be a threat to the quality of life in the region by about half of Madison County households with 33% considering it to be a moderate threat and 38% indicating it is a serious threat.
- The availability of housing for seniors and persons with special needs is also considered a threat though to a lesser degree than housing for the workforce – 19% feel it is a moderate threat; 5% a serious threat.

Affordability

Approximately 4,020 households are cost burdened by housing payments that exceed 30% of the gross income of household members combined. When payments exceed 30% households have insufficient residual income to afford other necessities like food, transportation and health care. Very low income households ($\leq 50\%$ AMI) are particularly hard hit by the cost of housing in Madison County – 82% are cost burdened.

Percentage of Income Spent on Housing Payment by AMI, Madison County

Shading Denotes Cost Burden

% Income=Housing Pmt.	Overall	AMI			
		$\leq 50\%$	50.1% - 80%	80.1% -120%	>120%
$\leq 30\%$	64%	17%	72%	92%	100%
31% - 40%	9%	19%	23%	5%	
41% - 50%	5%	16%	5%		
>50%	22%	47%		4%	
	100%	100%	100%	100%	100%
Total Cost Burdened	36%	82%	28%	9%	0

Source: 2014 Housing Survey

Renters are more likely than owners to pay more than 30% of their income on housing (70% compared with 12%), with 45% of renters paying in excess of 50% of their income for housing.

Percentage of Income Spent on Housing Payment by Own/Rent, Madison County
Shading Denotes Cost Burden

% Income=Housing Pmt.	Owners	Renters
30% and under	88%	30%
30.1-40%	6%	14%
40.1-50%	1%	11%
Over 50%	5%	45%
	100%	100%
Total Cost Burdened	12%	70%

Source: 2014 Housing Survey

The high incidence of cost burden is in large part due to student households. Whereas two-thirds of households in which all adult members are students are cost burdened, only 15% of households without adult students spend more than 30% of their income on housing.

Heat and Utilities

Electricity is used by about 54% of the county's households, followed by natural gas (54%). Wood is used by 11% while propane is used for heat by 5%. Some households use more than one type of heat. None of the survey respondents from Madison County use solar for domestic heat.

The average monthly cost of utilities in Madison County is \$159 per month, the lowest in the region. This is due to two factors: 1) the high percentage of multifamily units in Rexburg and 2) the availability and widespread use of natural gas. The cost of utilities varies according to income; very low income households spend \$77 per month on average whereas households with incomes greater than 120% AMI spend an average of \$191.

When the cost of utilities is added to the base rent or mortgage payment, as is often done under Federal housing programs, the percentage of households that are cost burdened increases to 25% of owners and 76% of renters.

Percentage of Income Spent on Housing Payment Plus Utilities by Own/Rent, Madison County
Shading Denotes Cost Burden

% Income=Housing Pmt. Plus Utilities	Owners	Renters
30% and under	75%	24%
30.1-40%	13%	12%
40.1-50%	5%	13%
Over 50%	7%	51%
	100%	100%
Total Cost Burdened	25%	76%

Source: 2014 Household Survey

Difficulty Finding Housing

Approximately 18% of residents (2,025 households) indicated that finding housing that was affordable and met their needs was very difficult when they last moved. Another 45% had a moderately difficult time finding housing. There is a correlation between income levels and the perceived difficulty of finding adequate, affordable housing, with very low income households more likely to have had a very difficult time finding affordable housing. It was only slightly harder for renters to find affordable housing that met their needs than owners (20% compared with 16% of owners). Likewise, student households had slightly greater difficulty than non-student households.

Difficulty Finding Housing Last Time Moved, Madison County

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Not Difficult	37%	24%	36%	46%	48%
Moderately Difficult	45%	53%	46%	41%	36%
Very Difficult	18%	23%	19%	13%	16%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Difficulty finding housing has increased over time. Very few households (16%) found it very difficult if they moved more than five years ago; however, of the households that have lived in their current home less than one year, 23% found it very difficult and half found it moderately difficult.

Difficulty Finding Housing by Years Lived in Current Home, Madison County

	Overall	Years Lived in Current Home			
		<1 year	1 to 5 years	6 to 10 years	>10 years
Not difficult	37%	27%	28%	56%	52%
Moderately difficult	45%	50%	51%	35%	34%
Very difficult	18%	23%	21%	9%	14%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Unable to Live Where Desired

While the large majority of Madison County residents prefer to live in the county, approximately 1,930 households would rather live elsewhere, primarily in neighboring Fremont County. There does not appear to be a significant relationship between income and location preferences. Location preferences vary slightly vary by own/rent with more renters and student households wanting to live in Rexburg while owners and non-student households are more likely to prefer other areas within Madison County.

Where Residents Live Compared with Where Want to Live, Madison County

Want to Live in:	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Fremont County	8%	8%	12%	5%	6%
Madison County	83%	85%	75%	86%	85%
Teton County, ID	3%	1%	8%	1%	8%
Teton County, WY	4%	4%	4%	4%	1%
Outside of 4-county region	2%	2%	1%	4%	0%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Commuting

While 95% of employee households include at least one member who works in Madison County, commuting out of the county for work is very common with 2,515 households including at least one employee who works in another county (25% of the 10,060 households with an employee). Most out of county commuting is to a county outside of the WGYA, presumably Bonneville County. There is little difference in commuting by income.

The cost of commuting averages \$238 per month for Madison County households with an out-of-county commuter. The monthly housing cost increases by 30% when the cost of commuting is added. The impact is greatest for very low income households. This shows the importance of providing housing near jobs, especially for low wage employees.

The Cost of Commuting for Madison County Households

Households with Employees Working in:	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Madison County	95%	93%	91%	90%	99%
Teton County, WY	0%		2%	1%	0%
Other county	15%	17%	11%	18%	16%
Fremont County	9%	7%	15%	14%	9%
Teton County, ID	1%	0%		1%	2%
Total	121%	117%	119%	123%	126%
Commute Out of County	25%	24%	28%	34%	27%
Average Commute Miles	30.9	31.9	32.9	33.9	34.9
Monthly Commute Cost	\$238	\$238	\$238	\$238	\$238
Monthly Rent/Mortgage Pmt.	\$792	\$558	\$664	\$824	\$1,031
Total Housing & Commute Costs	\$1,030	\$796	\$902	\$1,062	\$1,269
Increase in Payment	30%	43%	36%	29%	23%

Source: 2014 Housing Survey. Note: Multiple response question; totals exceed 100% (households include employees who work in different counties).

Overcrowding

Approximately 245 households are overcrowded in Madison County based on the standard of more than two persons per bedroom. Overcrowding is slightly more common among very low and low income households. In the over 120% AMI category, 76% of households have less than one person per bedroom. There are no significant differences between renters and owners or between student and non-student households.

Overcrowding – More than Two Persons per Bedroom, Madison County

Persons per Bedroom		AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
≤1-person	56%	39%	57%	62%	76%
>1 to 1.5	20%	16%	14%	23%	17%
>1.5 to 2	22%	40%	27%	13%	5%
> 2 persons	2%	4%	3%	2%	2%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Many households indicated they need fewer than they now have. This is not the situation for very low income households, however. More indicated they need four or more bedrooms compared to how many now live in large units.

Bedrooms Now Have Compared to Needed, Madison County

Bedrooms		AMI			
		Overall	≤50%	50.1% - 80%	80.1% -120%
Have					
1	13%	28%	10%	3%	4%
2	26%	40%	28%	14%	6%
3	27%	26%	29%	24%	31%
4+	34%	7%	33%	60%	59%
Average	3.1	2.1	3.1	3.8	3.9
Need					
1	24%	37%	24%	9%	13%
2	29%	36%	28%	26%	22%
3	19%	16%	21%	12%	23%
4+	28%	11%	26%	53%	43%
Average	2.7	2.1	2.7	3.3	3.2

Source: 2014 Housing Survey

Physical Deficiencies

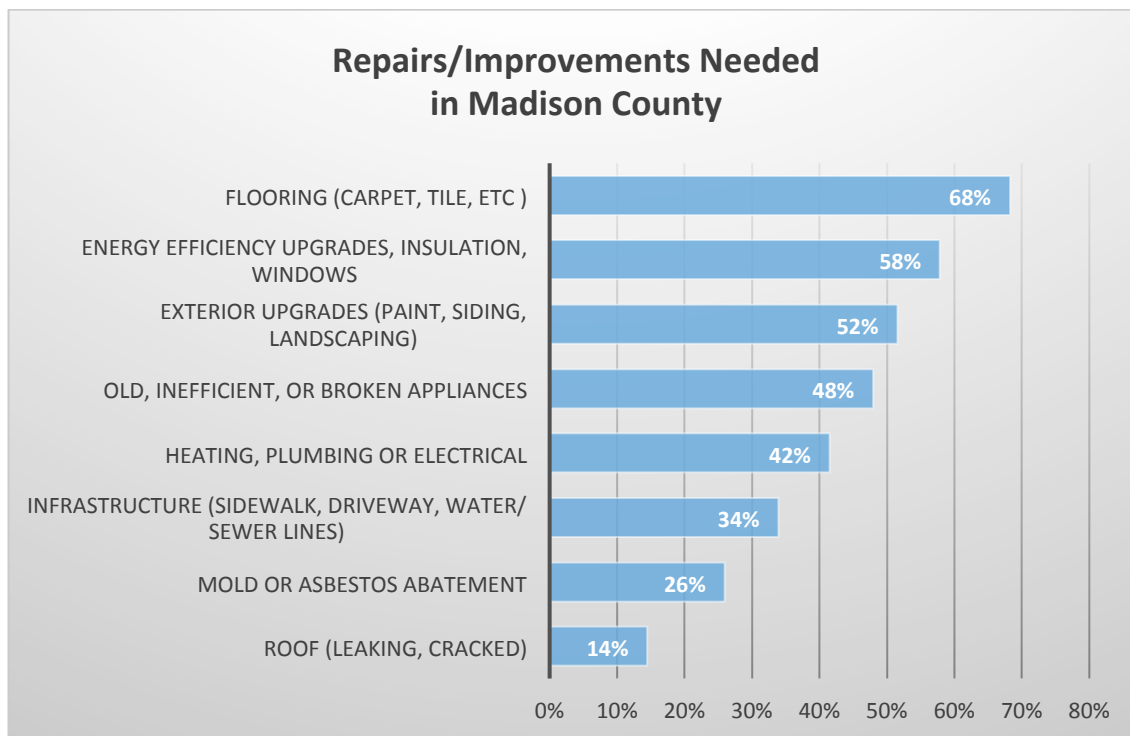
About 1,700 households live in homes that they consider to be in fair or poor condition. Very low income households are more likely to rate the condition of their housing as in fair or poor condition. Renters are five times as likely as owners to indicate their housing is in fair or poor condition (25% compared with 5%). Student households are more likely to live in homes that are in fair or poor condition than non-student households. About 1% households in Madison County do not have adequate/safe running water.

General Condition of Homes, Madison County

Persons per Bedroom	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
1=Excellent	34%	21%	21%	42%	61%
2=Good	51%	57%	67%	48%	34%
3=Fair	14%	18%	11%	9%	4%
4=Poor	2%	4%	1%	1%	0%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Many households that feel their housing is in fair or poor condition indicated that multiple types of repairs or improvements are needed. The need for flooring repairs was cited by 68% of the households with housing in fair or poor condition. Renters are more likely to need replacement of old, inefficient or broken appliances and mold or asbestos mitigation.



Source: 2014 Housing Survey. Note: Multiple response question; total exceed 100%.

Housing Instability

Overall, 14% of the county's households (approximately 1,700 households) have experienced a problem while living in the region that causes instability in housing. In most cases, low income households have been disproportionately impacted by these problems; however, even moderate to upper income households have been unable to pay bills for necessities like food, utilities and medical care. Overall, 6% have been evicted or gone through foreclosure, yet only 2% indicated they are currently late on their housing payments and facing eviction or foreclosure.

Instability Indicators Including Evictions/Foreclosures, Madison County

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Experienced 1+ Problems	15%	24%	30%	15%	7%
Unable to Pay Bills	79%	76%	81%	91%	89%
Unable to Rent/Buy due to Poor Credit	17%	18%	13%	6%	32%
Forced to Move Often	14%	12%	12%	6%	4%
Eviction/Foreclosure					
Have Experienced	6%	4%	9%		7%
Currently Facing	1%	2%			

Source: 2014 Housing Survey

Renters have more often experienced housing instability problems than have owners (20% of renters compared with 12% of owners), though instability problems have been similar among student and non-student households.

Forced to Move

About 5,920 households (more than half of all households) plan to move within the next five years, with 3,700 planning to leave the region. Most want to move but about 35% or 2,070 households indicated they anticipate having to move. Households with incomes greater than 120% are more likely to stay in their current residences. The vast majority of renters (91%) indicate they plan to move within the next five years. More than half of student households indicated they plan to leave the region within five years.

Plans to Move, Madison County

Within next 5 years...	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Stay in your current residence	47%	14%	44%	57%	83%
Move into a different home within the region	20%	23%	20%	24%	12%
Leave the region	33%	63%	37%	19%	5%
	100%	100%	100%	100%	100%
Reason					
Want to	66%	65%	63%	57%	82%
Have to	34%	35%	37%	43%	18%

Source: 2014 Housing Survey

6. Housing Needs

This section of the report provides estimates of the demand for both rental and ownership housing.

Affordable Housing Costs

The following table provides the incomes for each AMI category with the corresponding affordable housing costs. These costs are the *maximums* for each range. Affordable purchase prices were calculated based on an interest rate of 5.5%, which is about one point higher than prevailing rates for 30-year fixed rate mortgages. Interest rates are rising however and will have a profound impact on housing affordability. A one point increase in the rate, as occurred in 2013, would drop the affordable purchase price for a household with an income of around 80% AMI by \$20,000 to \$25,000.

Maximum Affordable Rents and Maximum Purchase Prices by AMI, Madison County

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Max. Income*	\$23,550	\$37,700	\$56,520	>\$56,520
Max. Affordable Rent	\$590	\$940	\$1,410	>\$1,410
Max. Affordable Purchase Price**	\$87,500	\$139,400	\$209,200	>\$209,200

*Varies by household size; incomes for three-person households used based on average household size of 2.78 persons. The number of households at each AMI category is based on the actual size of those households and the corresponding income range.

**Assumes 30-year fixed rate mortgage at 5.5% interest with 20% of payment covering taxes, insurance and HOA fees and 5% down.

Rental Units Needed

According to an industry rule of thumb, a rental market is considered to be in balance when the vacancy rate is 6%. If the rate is 6% and trending downward, it is generally a signal that conditions are appropriate for the development of additional units. There is a shortage of rental units in Madison County based on this standard, but the magnitude of the shortage is difficult to calculate due to changing occupancy levels among rental units. The temporary decline in BYU-I enrollment increased rental availability. Enrollment should be returning to previous levels, however, then growing. When enrollment is stable, vacancy rates should be examined and used to estimate additional demand in combination with future enrollment projections. While Madison County has a high percentage of renter households, demand for more rental units will increase.

When addressing rental demand, plans for development of ownership housing into which renters could move should be considered.

Ownership Units Needed

The majority of renters (91%) want to move within the next five years and most of them (53%) would like to move into ownership. Most owners plan to remain in the homes in which they now reside yet

12% would like to buy a different home within the region. Combined these households generate demand for 1,343 housing units as shown on the following table.

Desire to Move into Owned Units, Madison County

	Percent	Number
Resident Households	100%	11,105
Plan to Move within 5 years	53%	5,920
Plan to Move within the Region	20%	2,220
Want to Own	61%	1,343

Source: 2014 Household Survey

Comparing the incomes of households that want to move to homes listed for sale shows that net demand is largest in the very low income range. This is the category that most entry-level ownership housing efforts usually target. There are also gaps in the other ranges but the free market will likely supply sufficient units for households with incomes above 80% AMI.

Ownership Housing Needed by AMI, Madison County

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Max. Income	\$23,550	\$37,700	\$56,520	>\$56,520
Max. Affordable Purchase Price	\$87,500	\$139,400	\$209,200	>\$209,200
Income Distribution – Households Plan to Move & Own	44.5%	15.1%	21.6%	18.8%
Ownership Units Needed by AMI	598	203	290	253
For Sale Listings	11	39	44	48
Net Units Needed	587	164	246	205

Source: 2014 Housing Survey; Snake River MLS

There are impediments to ownership beyond cost such as inability to qualify for mortgages, lack of down payment and inability to sell homes now owned. It is especially difficult to provide housing for very low income households, usually requiring subsidies and homebuyer counseling. Also, the units that are affordable may not be suitable/desirable due to a variety of factors including the condition and location of the units.

Unit Type Desired

Among households that plan to move within the next five years, two-thirds prefer to move into single family homes. Their second choice in terms of unit type however shows that duplexes/townhomes are much preferred over condominiums. Mobile homes were no one's first choice and rated the lowest for second choice of the options provided.

Type of Home Desired by Households that Want to Move, Madison County

	1st Choice	2nd Choice
Single-family home	67%	17%
Apartment	21%	25%
Duplex/townhome	9%	42%
Condominium	2%	7%
Other	1%	2%
Mobile home	0%	7%

Source: 2014 Housing Survey

7. Community Comparison

Households and Housing Units

Approximately 69% of Madison County households reside in Rexburg. Because of this, the key metrics for the city and the county are often identical or very similar. There are some notable differences however.

- The homeownership rate for the county is the lowest in the region but is very low in Rexburg at 30%. The reason for such a high percentage of renter households is the BYU-I married students that live in non-student (community) housing.
- There are proportionately more senior households and households with a minor living in the rest of the county than in Rexburg.
- Incomes are lower in Rexburg than Madison County as a whole. In Rexburg over half of households have incomes below 80% AMI.

Households and Housing Units in Madison County and Rexburg

	Madison County	Rexburg
Housing Units	11,805	8,088
Occupied Units/Households	11,105	7,623
Percent Occupied/Primary Residences	94%	94%
Owner Households	5,199	2,274
Renter Households	5,906	5,349
Homeownership Rate	47%	30%
Households with Member under 18	39%	34%
Households with Seniors	13%	9%
Average Annual Income	\$52,515	\$46,902
Median Annual Income	\$40,000	\$34,000
Households by AMI		
Very Low Income ≤50% AMI	32%	38%
Low Income 51%-80% AMI	12%	13%
Moderate/Middle Income 81%-120% AMI	18%	16%
Middle/Upper Income >120%	37%	33%
Total Low Income	44%	51%

Source: 2013 Census Bureau estimates for counties; 2014 Housing Survey

Housing Costs

Housing costs are about the same within Rexburg and Madison County overall. To afford the median priced home, an income equal to 103% AMI would be required. The median rent for units listed for rent is affordable at 47% AMI.

Housing Costs in Madison County and Rexburg

	Madison County	Rexburg
Average Monthly Housing Payment	\$792	\$759
Median Rent – Occupied Units	\$560	\$582
Median Rent – Units for Rent	\$757	\$757
AMI Required to Afford Med. For Rent	47% AMI	47% AMI
Median List Price – Homes for Sale	\$179,900	\$179,900
AMI Required to Afford Med. Price	103%	103%

Source: 2014 Housing Survey; Snake River MLS

Housing Problems

Since incomes are lower in Rexburg yet housing costs are very similar as in the county overall, Rexburg has proportionately more households that are cost burdened by housing payments that exceed 40% of their income.

Homes are more likely to be in fair or poor condition in Rexburg, likely due to the higher percentage of renter households, yet the difference is not significant.

Relatively fewer households living in Rexburg include an employee who commutes to work in another county but, again, the difference is not significant.

Indicators of instability in housing tend to be slightly higher in Rexburg – proportionately more households have been forced to move often, have been unable to rent or buy due to poor credit and will have to move within five years. The inability to pay bills, however, is higher in the county as a whole.

Housing Problems in Madison County and Rexburg

	Madison County	Rexburg
Cost Burdened Households	36%	44%
Very Difficult to Find Housing	18%	19%
Home Overcrowded	2%	2%
Home in Fair or Poor Condition	15%	17%
Want to Live in Other County	17%	17%
Employees Work in:		
Teton County, WY	0%	0%
Madison County	95%	95%
Teton County, ID	1%	1%
Fremont County	9%	7%
Other county	15%	14%
Total Households w/ Out-of-County Employee(s)	25%	22%
Will Have to Move	18%	21%
Instability Problems	15%	15%
Eviction/forced removal from housing	6%	4%
Unable to pay bills - food, utilities, medical	79%	75%
Unable to rent or buy due to poor credit	17%	19%
Forced to move often	14%	17%

Source: 2014 Housing Survey

8. Strategy Recommendations

In Place

Rexburg

Federal housing subsidy programs including Low Income Housing Tax Credits, Rural Development grants and HUD Section 8 and HOME programs have been used to produce 490 rental units in Rexburg, many of which house married BYU-I students.

Briefly summarized, the City's 2008 Comprehensive Plan calls for developing a variety of dwelling sizes and types that are:

- attractive, efficient, and affordable;
- serve residents in all stages of life including seniors;
- located in neighborhoods with multi-modal connections to the rest of the city; and
- compatible in scale and use with its surroundings

Madison County

Madison County also adopted a Comprehensive Plan in 2008 that calls for adequate and high quality housing that meets the full range of residents needs with variety in unit type and choice. As with the Rexburg Comprehensive Plan, Madison County recognizes the impacts of BYU-I and seeks to ensure that housing for employees and seniors is provided within existing neighborhoods and in new developments planned using EPA Smart Growth Principles as a guide.

Recommended

The following strategies are recommended to ensure that housing is developed that is consistent with community policies, addressed identified needs and counters the downward trend in homeownership.

1. *Put the Goals of Local Comprehensive Plans into Practice* – coordinate with BYU-I as it expands enrollment to retain the ability and capacity to also provide for other members of the community. Plan for community needs alongside campus expansion to ensure housing options and neighborhoods are available to “serve residents in all stages of life,” including employees and seniors.
2. *Establish a Housing Authority/Office* – An organization is needed to take the lead on housing projects and programs by providing the time and expertise needed to plan, design and implement the strategies listed below.
3. *Preserve and Protect Homeownership* – Through a combination of multiple efforts, growth in rental housing could be balanced by providing homeownership for low and moderate income households by:
 - *Providing Down Payment Assistance* perhaps targeted to purchasers of townhomes/higher density units that are over supplied.

- *Working with Habitat for Humanity* – The Idaho Falls affiliate of Habitat for Humanity received a \$1.4 million gift from the estate of an Ashton-area farm family for use in the region for use in four counties including Madison, which falls after Fremont County communities in terms of priority but above Jefferson and Teton counties. Habitat’s work in Madison County could potentially be expedited by efforts to engage the community and organize contributions of volunteer labor.
 - *Creating a Housing Rehabilitation Program* to improve owner occupied units, for entry-level buyers and owners who want to move up. Priority could be given to low income households to become first time buyers.
 - *Establishing a No Net Loss Regulation* that requires replacement of owner occupied units lost when rental housing is developed.
 - *Restricting Conversion of Single Family Homes* into dormitory-style housing or multifamily rental units.
 - *Providing Incentives for Small, Single Family Homes*, possibly including density bonuses, reductions/waivers in development fees and financial subsidies.
 - *Pursue Federal and State Subsidies for Ownership Housing.*
4. *Diversify and Stabilize the Rental Market*
- *Discourage New Apartment Complexes* beyond the minimum number of units needed to address growth in BYU-I enrollment.
 - *Reduce Rental Demand* by moving employee households into ownership.
 - *Encourage Variety* in the type of rental units developed and their location by mixing units with commercial uses, like downtown lofts, and by encouraging accessory dwellings. Also consider townhome-style designs that could be converted into ownership.
5. *Develop Senior Housing* in accordance with targeted research to project the number of units needed and to determine appropriate locations.