

Humboldt Development Authority February 2021 Winnemucca Residential-Rental Housing Report

Summary: Luxury and Low/Middle Income units needed immediately

Information on the Humboldt County Apartment market is lacking. Although Winnemucca is a 'Micropolitan Statistical' area, as yet it does not warrant in-depth reporting by major analysis/study organizations. That said, the following information has been gathered.

ACS: American Community Survey – US Census

Selected data 2014 – 2019 report *attached* - Several quick take-aways:

- Median home prices steadily increased to \$180,600 in 2019. -- *We anticipate a large increase to over \$200,000 when the 2020 numbers are tallied later in February*
- The vacancy rate on apartments/rentals steadily decreased to 3.8% for 2019. -- *We anticipate the 2020 rate to continue to decrease, as rentals are in high demand. The largest rental management firm in Winnemucca stopped keeping a waiting list (was 200+). Prospective renters must call daily to see if units are available. This mirrors the housing market. Currently (02/01/2021) there are 10 homes on the market where 100–125 would be expected. Fortunately, new homes are finally under construction, but hundreds more are needed.*

While some of the ACS data may be questioned, it is estimated with a margin of error. However, the Humboldt County Assessor residential rental units count supports the ACS 2019 count. The complete report is at:

<https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/2016/>

US Department of Housing and Urban Development – Office of Policy Development and Research

This report includes

Nevada Department of Taxation, Fair Market Rents for Humboldt County *attached*

Data set source: <https://www.huduser.gov/portal/datasets/fmr.html>

Market Notes

Large area employers, mining in particular, contract blocks of apartments/condos and even motel/hotel rooms for their contract workforce. This includes contractors and management teams who need 2-6+ months housing for a specific project. Those reserved units are also used as temporary housing for permanent employees who cannot find local housing. Local housing development will take years to catch up with the demand. Meanwhile, the contract workforce is expected to continue and grow.

This skews the local market in many ways. Rental units that would typically be available to low to middle income workers are instead, occupied by higher income workers because homes are not available. Unless new apartment complexes come on line, this imbalance will increase as the projected new jobs in the area are mostly in the higher income range, \$70,000 and up.

This squeezes the available housing for supporting workforce employees, which generally follow a factor of 2/3 secondary jobs for every new primary job.

There is also an immediate need for new urban-style apartments. As the Lithium Nevada and West Coast Salmon projects move from their 2021/22 construction phase to their operating phase in early 2023, new employees who need housing for themselves and their families will locate in well-appointed apartments if available. They will at least be able to get settled in the community, then move into a home as housing stock becomes available. Many may also remain in the apartments, preferring that lifestyle.

Market Forecast Notes

Several studies have addressed future needs. Probably the most in-depth would be the 2014 Nevada Rural Housing Authority Housing Report (*fact sheet attached, 2 pages*). Although it is 6 years old, it is highly relevant and can be viewed as a low-range estimate of future needs. The report estimated that 20 – 25 new rental units would be needed annually through 2018. **Taking that estimate, we needed 120–150 new rental units by the end of 2020.** Only one apartment complex with 32 units was actually developed, in 2015.

It is important to note that the NRHA report was made **before** the two huge projects currently underway: Lithium Nevada Thacker Pass Lithium Mine/Processing facility and West Coast Salmon indoor farming operation. Each development plans on approximately 300 employees with salaries above \$70,000/yr.

The 2018 Thacker Pass Socio-Economic Impact Study performed by the University of Nevada Center for Economic Development forecast a need for **140 new housing units**. One could reasonably double that with the addition of West Coast Salmon, and then add both counts to the already pent-up housing demand.

NEVADA DEPARTMENT OF TAXATION

FISCAL YEAR 2020 FINAL FAIR MARKET RENTS

TABLE I

HUD USER - Policy Development and Research's Information Service
INCLUDING TENANT PAID UTILITIES

EFFECTIVE: April 1, 2020

COUNTY	FMR SINGLE ROOM	FMR 0 BEDROOM	FMR 1 BEDROOM	FMR 2 BEDROOM	FMR 3 BEDROOM	FMR 4 BEDROOM	FMR MOBILE HOME SPACE
Carson City	\$ 464.00	\$ 618.00	\$ 733.00	\$ 943.00	\$ 1,360.00	\$ 1,656.00	\$ 377.00
Churchill County	503.00	671.00	676.00	890.00	1,274.00	1,402.00	356.00
Clark County	546.00	728.00	877.00	1,080.00	1,558.00	1,882.00	432.00
Douglas County	631.00	841.00	847.00	1,067.00	1,494.00	1,873.00	427.00
Elko County	470.00	626.00	746.00	961.00	1,386.00	1,420.00	384.00
Esmeralda County	349.00	465.00	542.00	714.00	1,010.00	1,113.00	286.00
Eureka County	436.00	581.00	677.00	891.00	1,260.00	1,388.00	356.00
Humboldt County	472.00	629.00	734.00	965.00	1,203.00	1,307.00	386.00
Lander County	507.00	676.00	788.00	1,038.00	1,314.00	1,617.00	415.00
Lincoln County	362.00	482.00	623.00	740.00	1,068.00	1,153.00	296.00
Lyon County	473.00	631.00	635.00	836.00	1,206.00	1,468.00	334.00
Mineral County	349.00	465.00	595.00	714.00	1,030.00	1,113.00	286.00
Nye County	410.00	546.00	647.00	838.00	1,125.00	1,242.00	335.00
Pershing County	349.00	465.00	542.00	714.00	890.00	1,113.00	286.00
Storey County	524.00	698.00	846.00	1,071.00	1,545.00	1,880.00	428.00
Washoe County	524.00	698.00	846.00	1,071.00	1,545.00	1,880.00	428.00
White Pine County	413.00	551.00	724.00	846.00	1,208.00	1,212.00	338.00

SOURCES: HUD USER - Datasets: Fair Market Rents

Updated: 2/13/2020

NOTES: ADD 15% FOR EACH BEDROOM ABOVE 4

MOBILE HOME SPACE = 40% OF 2 BEDROOM FMR

SINGLE OCCUPANCY ROOMS = 75% OF 0 BEDROOM (STUDIO) FMR

Humboldt County Selected Housing Data
ACS: American Community Survey – US Census

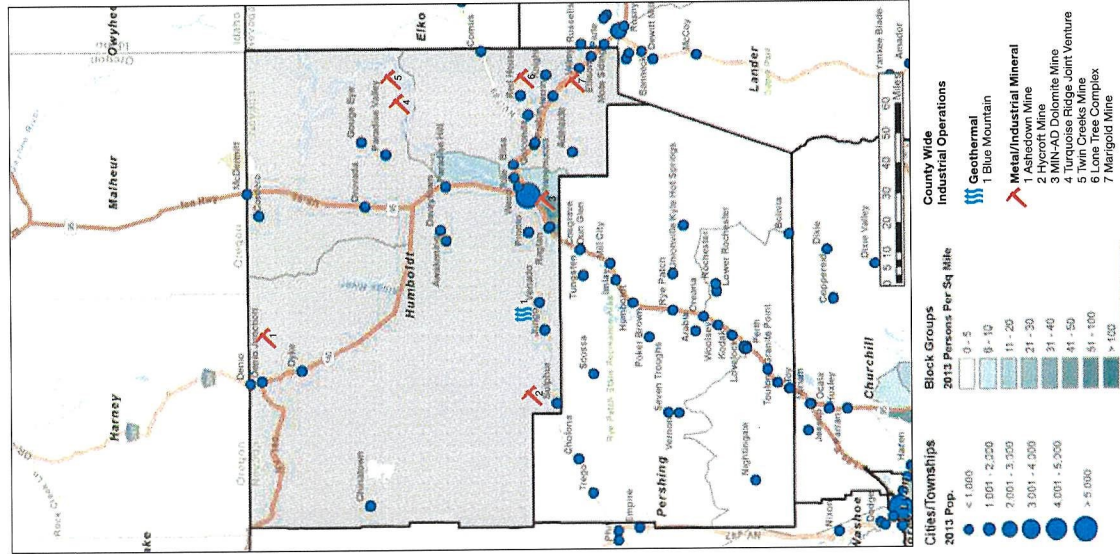
	Total Occupied Housing Units	Median Value		Owner Occupied	% Of All Housing Units	Ave Household Size
2019	6,500	180,600		4,642	71.4	2.52
2018	6,271	173,300		4,723	75.3	2.62
2017	6,261	163,500		4,812	76.9	2.63
2016	6,174	165,100		4,649	75.3	2.74
2015	6,149	159,900		4,515	73.4	2.69
2014	6,092	152,900		4,441	72.9	2.67

All Housing Units Owned & Rental	Studio	1 bdrm	2 bdrm	3 bdrm	4 bdrm	5 + bdrm	Unit Type (No breakout for SFD units)	Duplex	3-4 units	5-9 units	10- 19 units	20 + units	sum
2019	163	448	1,477	4,000	1,096	368		107	167	223	0	188	685
2018	215	538	1,339	4,096	1,011	294		106	153	90	0	187	536
2017	199	554	1,527	4,030	949	196		92	163	156	0	205	616
2016	171	608	1,749	3,679	846	170		133	128	151	0	186	598
2015	136	691	1,777	3,487	921	181		156	169	166	0	147	638
2014	142	591	1,685	3,582	985	170		144	122	228	0	146	640

Rental Data Breakout	Renter Occupied	% Of All Housing Units	Rental vacancy rate	Ave Household Size	Gros Rent < 500	500 - 999	1,000 - 1,499	1,500 - 1,999	2,000 - 2,499	Median Rent
2019	1,858	28.6	3.8	2.64	143	1,076	428	36	0	841
2018	1,548	24.7	4.2	2.78	193	857	279	23	0	816
2017	1,449	23.1	4.9	2.90	231	761	310	16	0	832
2016	1,525	24.7	5.4	2.72	250	787	276	12	0	788
2015	1,634	26.6	3.1	2.87	252	774	375	3	0	818
2014	1,651	27.1	8.1	2.99	212	901	299	5	0	781

Humboldt County

POPULATION & INDUSTRIAL OPERATIONS MAP



2014-2018 Rural Nevada Housing Study

A COMPREHENSIVE RESOURCE FOR
COMMUNITY PLANNING IN NEVADA'S
MINERAL BELT COMMUNITIES

Do Nevada's rural communities need additional housing? Single-family or multifamily? Senior housing, workforce or family? Do area salaries support new housing development costs? Is there infrastructure in place to adequately support new housing development? Can rural communities plan smarter while avoiding an over or under building scenario? Nevada Rural Housing Authority (NRHA) set out to answer these questions, and others, for Nevada's rural mining-based communities.

The result – a 1,050 page housing study covering ten rural counties, commissioned by NRHA, that is helping lay the foundation for more efficient community planning and to support future housing development. This report, released in the summer of 2014, provides up-to-date, comprehensive data on housing demand, inventory and supporting infrastructure for Nevada's rural communities.

The study spanned over 11 months, and involved collaboration with city and county leaders, mining companies, financial institutions, and local businesses throughout the state. Its value to our state is underscored by the number of financial underwriters including, NRHA, the USDA and its Department of Rural Development, Nevada Division of Business & Industry, Governor's Office of Economic Development, Wells Fargo Bank and Nevada State Bank.

Armed with this valuable information, and the experience and resources of the NRHA development team available to them, rural communities can now plan for a prosperous and successful future.

To view the complete and detailed report as provided by Vogt Santer Insights, please visit our website at nvrural.org/2014housingstudy.



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Humboldt County

HOUSING STUDY SUMMARY • SEPTEMBER 2014



A COMPREHENSIVE
ASSESSMENT OF:
Household Demographics
Renter & Homebuyer Capacity
Current Housing Conditions

FOR THE PURPOSES OF:
Supporting Rural Economic
Development Efforts
Projecting housing trends
Defining housing goals



Humboldt County's Housing at a Glance

RENTAL RATES & HOUSING PRICE ANALYSIS

For sale home pricing

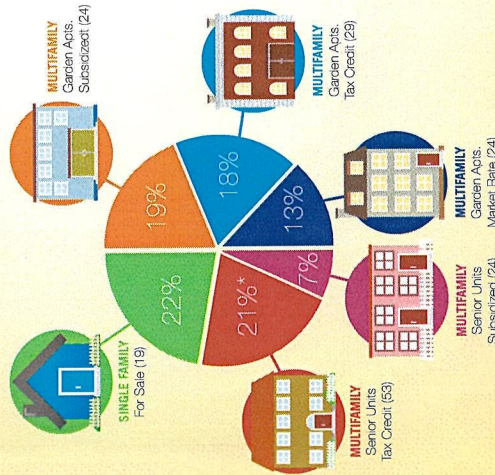
Multifamily market rental rates

(Sale prices for median sized home adjusted to 1,400 sq. ft. or smaller lot)



NEW HOUSING UNITS

Demand for new housing units identified for Humboldt County



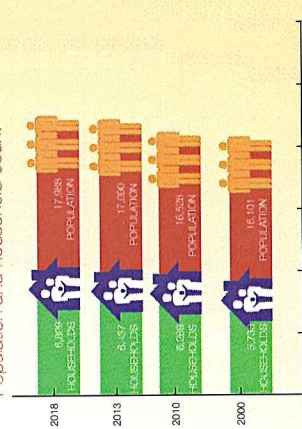
NEED BEFORE DECEMBER 31, 2018

For Sale Housing: 32 Homes
 Senior Housing: 40 Units*
 Rental Housing: 72 Units
Estimate Demand: 173 New Housing Units

*30 of these units are presently in the planning stage with NRIHA

AREA ECONOMIC ASSESSMENTS

Population and household count



Median household income & median home value comparison



Humboldt County

HOUSING STUDY SUMMARY | SEPTEMBER 2014

THE COUNTY

Humboldt County is located in the northwest-central area of the state. As of December 2013, the population in Humboldt County, Nevada is estimated to be 17,090, comprising 6,437 households. It should be noted that the population in this area is projected to increase by nearly 900 residents, or 5.3% of the population by the end of the year 2018, while households are projected to increase by 462, or 7.2% over the same period. Winnemucca, the county seat, is the only city in the county and is located in the southeast part of the county. More than 90% of the population of Humboldt County lives within 10 miles of downtown Winnemucca. Gold mining is the main economic driver of the local economy, with Newmont Mining Corporation being the largest employer in the county.

By 2018, it is projected that the median household income will be \$61,863, an increase of 7.6% compared to the 2013 level and higher than the prerecession income for the county. It is projected that growth among higher paying jobs will help to offset the impact of an increase in both lower income and fixed income households.

COUNTY POPULATION GROWTH

Between 2013 and 2018, the largest increase among household age groups is projected to be among those between 65 and 74. Household growth is also occurring at a rapid rate among older. In fact, all household age groups age 55 and older are projected to increase between 2013 and 2018, indicating an increasing need for senior-specific housing in the market. However, these changes may not translate into a need for new housing units, because many of the county's older adults are already housed and are aging into older cohorts. Instead, it is likely that some older adults will move into senior-specific housing at some future date, freeing up single-family homes for younger households.

AREA HOUSEHOLD INCOME

Area projections indicate a slight decline in median household income between 2010 and 2013, from \$58,615 to \$57,494 in 2013, a 1.9% decrease likely reflecting the lingering impact of the recent national recession and the otherwise slow overall economic recovery. By 2018, it is projected that the median household income will be \$61,863, an increase of 7.6% compared to the 2013 level and higher than the prerecession income for the county. It is projected that growth among higher paying jobs will help to offset the impact of an increase in both lower income and

fixed income households. Between 2013 and 2018, most of the household growth within Humboldt County will be among households with incomes between \$100,000 and \$125,000. It is also projected that between 2013 and 2018, the number of households with an annual household income below \$30,000 will decline by 124, a 71% decrease. Based on the 2010 U.S. Census and the American Community Survey (ACS), up to 22.3% of households, depending upon income level, within Humboldt County, Nevada are considered rent overburdened. NOTE: Those "overburdened" are households who are paying 30% or more of their adjusted annual income for housing costs (which includes their cost for utilities).

HOME VALUES AND HOUSING IN GENERAL

In 2013, over 68.1% of owner-occupied housing structures were valued over \$100,000. The median home value in 2010 was over \$138,450, while the median owner-occupied home value in 2013 was \$143,007 — an increase of nearly 3.3%, one of the few areas of the state experiencing an increase in home values during the recent national recession. Over the next five years, the median home value for the area is projected to increase 3.8% to nearly \$148,460 in 2018. At

present, an estimated 3.6% of area housing units are considered substandard (no plumbing and/or kitchen facilities or more than one occupant per room), and an estimated 21.1% of area housing units are overburdened by housing costs, including 39.3% of area rental units (multi-family and single family dwellings combined).

Our survey identified 21 conventional multifamily housing projects containing 430 units — all located in the Winnemucca area. Significantly, less than 7% of all housing units in Humboldt County were constructed in the 10 years prior to the 2010 Census; the majority of housing in the community was built between 1970 and 2000, indicating a housing market with somewhat old housing stock. This research predicts that the majority of area housing demand will be for rental units, with demand through 2018 expected to include up to 114 additional rental units. Overall, demand is for an average of 20 to 25 units annually. The research additionally suggests that the county could generate demand for up to eight new home sales annually in the near term within the targeted \$186,000 to \$226,000 sales price range.

This survey was conducted to establish the overall strength of the housing market within the rural areas of the State of Nevada, a full detailed report was issued by Vogt Santer Insights (VSI) on January 22nd, 2014, and as revised on August 1st, 2014, which includes a complete detailed analysis of this County. One of the points of emphasis in VSI's discussions with the Nevada Rural Housing Authority (NRHA) was that future development should not saturate a market and potentially create a situation of overbuilding. It is in the best interest of all parties involved in the rural areas, local government officials, lending institutions, developers and state agencies, that local housing needs be met without creating market issues by adding too many units to an area quicker than those households can purchase or rent the new homes and apartments as they are brought on-line.