



# Building a Healthy Housing Market in Central NY

A Roadmap for Regional Action Amid Historic Investment in the Semiconductor Industry

*Study Summary | December 2024*



**HIGHLAND PLANNING**

## STUDY CONTEXT

Micron's investment in Central New York is a **historic opportunity** that requires **unprecedented regional planning**. The study aims to inform a proactive response.

### WHY A REGIONAL STUDY?

- Encompasses **6 counties** within the Micron 'housing shed'
- Projects housing demand to a **granular level of detail**, incl. household income and size
- Meant to inform a **coordinated State + Local strategy**

### VISION FOR REGIONAL GROWTH



**Meet the Moment** Ensure the market provides sufficient housing of the type demanded to make the Micron project a success



**Grow Sustainably** Leverage housing demand to revitalize existing downtowns and neighborhoods and limit sprawl



**Grow Equitably** Prevent displacement and promote overdue investment in historically disinvested communities

**Acknowledgement:** The Study was jointly led by Empire State Development (ESD) and Department of State (DOS) with support from the consultant team led by HR&A Advisors. This Study also benefited from insights gathered through targeted interviews with public, nonprofit, and private stakeholders within the six-county region and representatives from relevant State agencies.

## STUDY CONTEXT

This study prioritizes a **regional approach** and **smart growth principles** to ensure Central New York's historic investments result in a more prosperous, equitable, and resilient region.

### REGIONAL HOUSING MARKET TODAY

Assessment of population and housing trends to understand interplay between existing supply and projected demand

### PROJECTED HOUSING NEEDS & BARRIERS

Estimates of future demand by price point, typology, and location, and assessment of barriers to realizing sustainable and equitable growth

### POLICY ROADMAP

State and regional actions that promote a healthy housing market and lead to broad-based economic revitalization

### STAKEHOLDER ENGAGEMENT

A perspective on what strategies are feasible to implement and by whom, and obstacles to meeting housing need and client goals.



An aerial photograph of a large, modern building complex, possibly a university or corporate campus. The building has a long, low profile with multiple wings and a series of vertical fins or columns along its length. A large parking lot with several cars is visible in the foreground. The surrounding area includes green fields and some distant buildings under a dark, overcast sky.

01

# Housing Market Trends & Projections

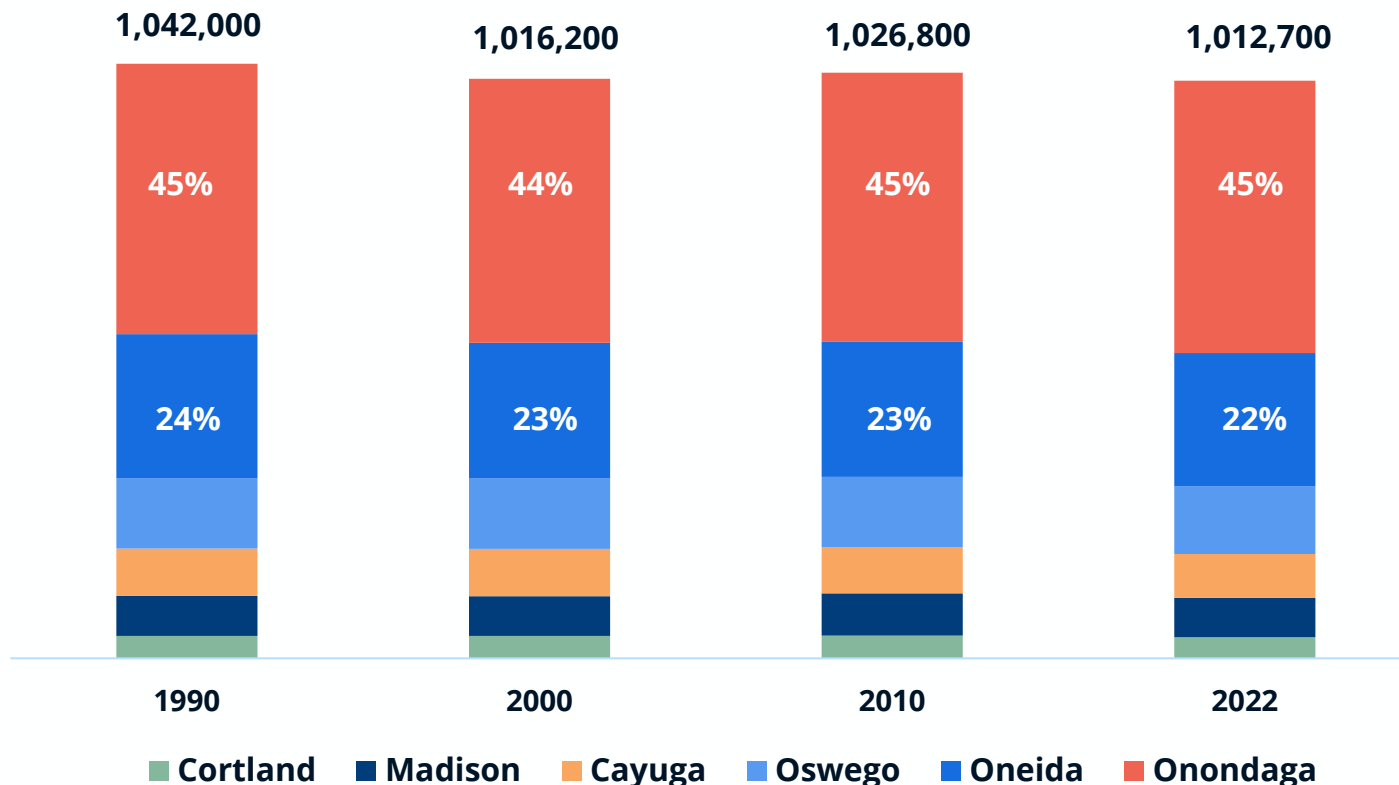
## Preliminary Findings: Regional Housing Market Today

- 1. Central NY has had minimal housing production in recent years** – a function of flat population growth and a weak market in most geographies. New housing has been concentrated in Onondaga and Oneida Counties and primarily delivered in two typologies – large, single-family homes and multistory luxury rentals – with few options in between.
- 2. Housing availability is near zero, and housing costs are rising** – making it harder for current residents to find housing and creating conditions for rapid price growth. Rising costs will disproportionately affect low-income renters and communities of color, but homeownership is also moving out of reach for middle-income households of all backgrounds.

## HISTORIC POPULATION TRENDS

The regional population has remained **flat** over the last 30 years. Onondaga and Oneida Counties continue to account for ~2/3 of the region's population and jobs.

### Regional Population Change (1990-2022)

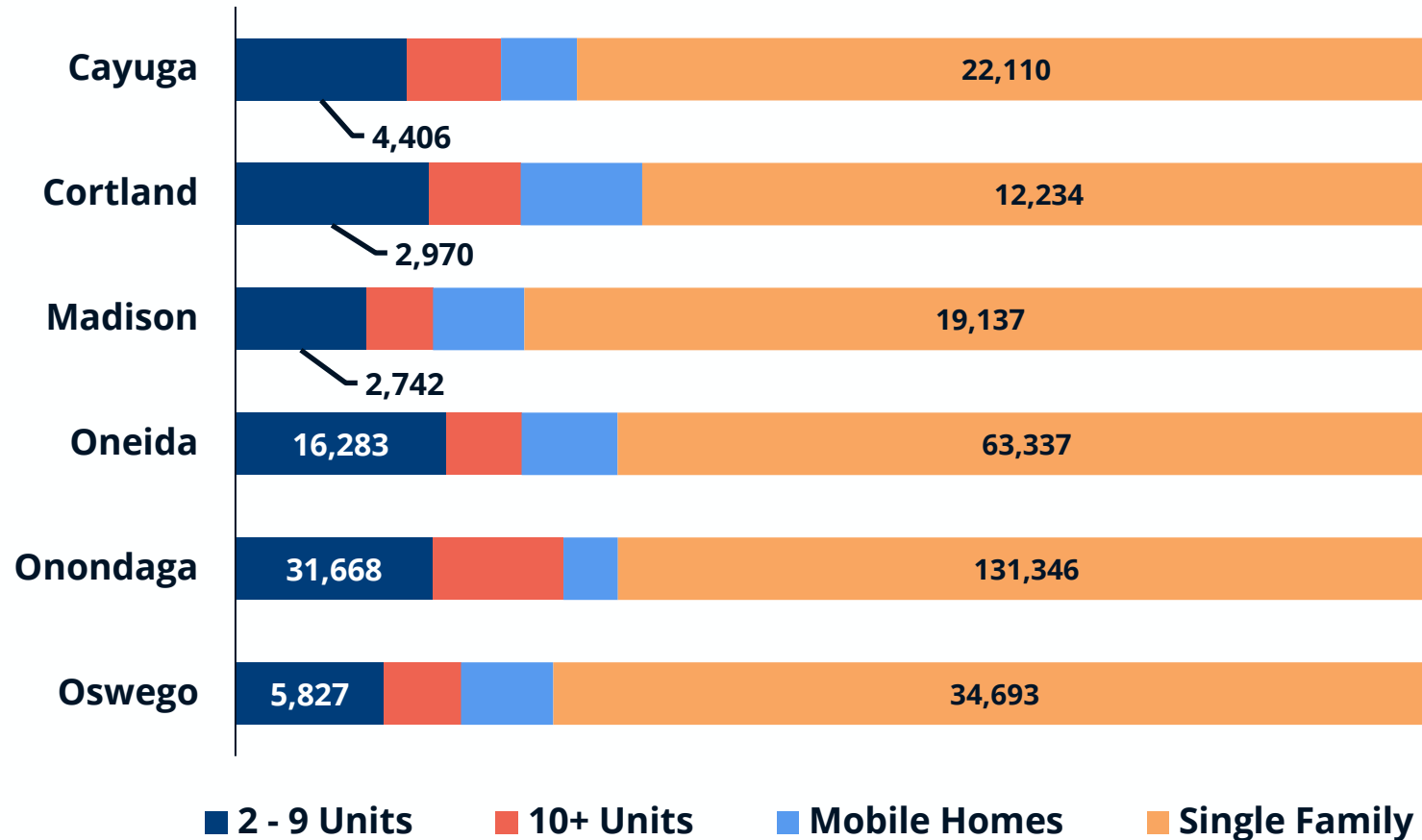


- The region has just over **1 million residents** across six counties.
- **2/3** of the region's population is concentrated in **Onondaga** and **Oneida Counties**.
- Regional population has **declined by 3% since 1990**, impacting housing demand across the region.
- **Onondaga County grew by 1.4%** from 2012-2022, while all other counties lost population.

## HOUSING MIX

Of the region's 400K+ homes, about **70%** are **single-family homes**, and most multifamily homes are in small-scale developments.

Total Housing Inventory by Building Typology (2022)

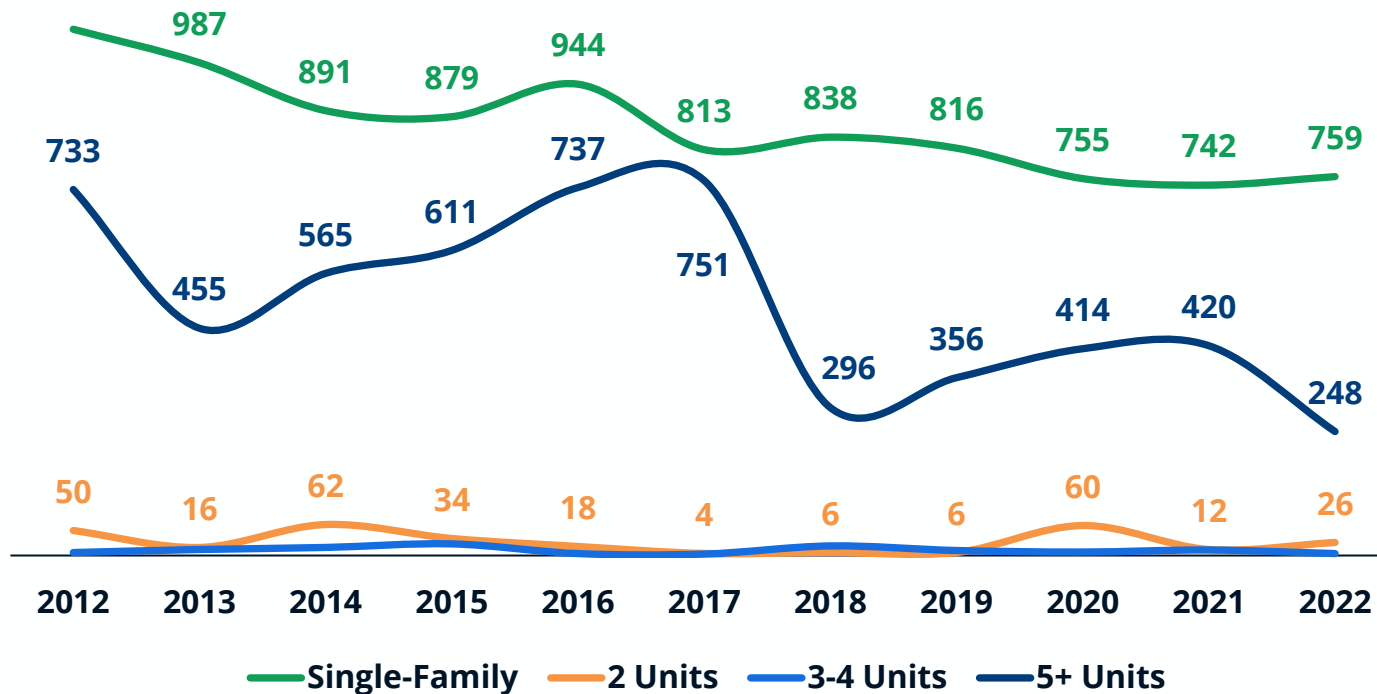


- **Single-family is the dominant housing type** in every county, ranging from **66% to 74%**.
- Most multifamily housing across counties is within **2- to 9-unit buildings** rather than larger multifamily buildings.
- **Onondaga County** has added **4,600 net homes** since 2017, the only region with significant unit growth.

## RECENT PERMITS

**Housing permits** have been on the **decline** in Central NY since the Great Recession and are composed primarily of single-family homes with some larger multifamily projects.

Permits: Homes by Building Typology, Central New York Region  
(2012 - 2022)



- The region has **permitted 1,400 units annually** since 2012, down from 2,200 before the Great Recession. This represents **<0.4% annual unit growth**.
- Regionally **most permits have been issued for single-family homes and larger multifamily projects**, with almost no 2- to 4-unit development projects.

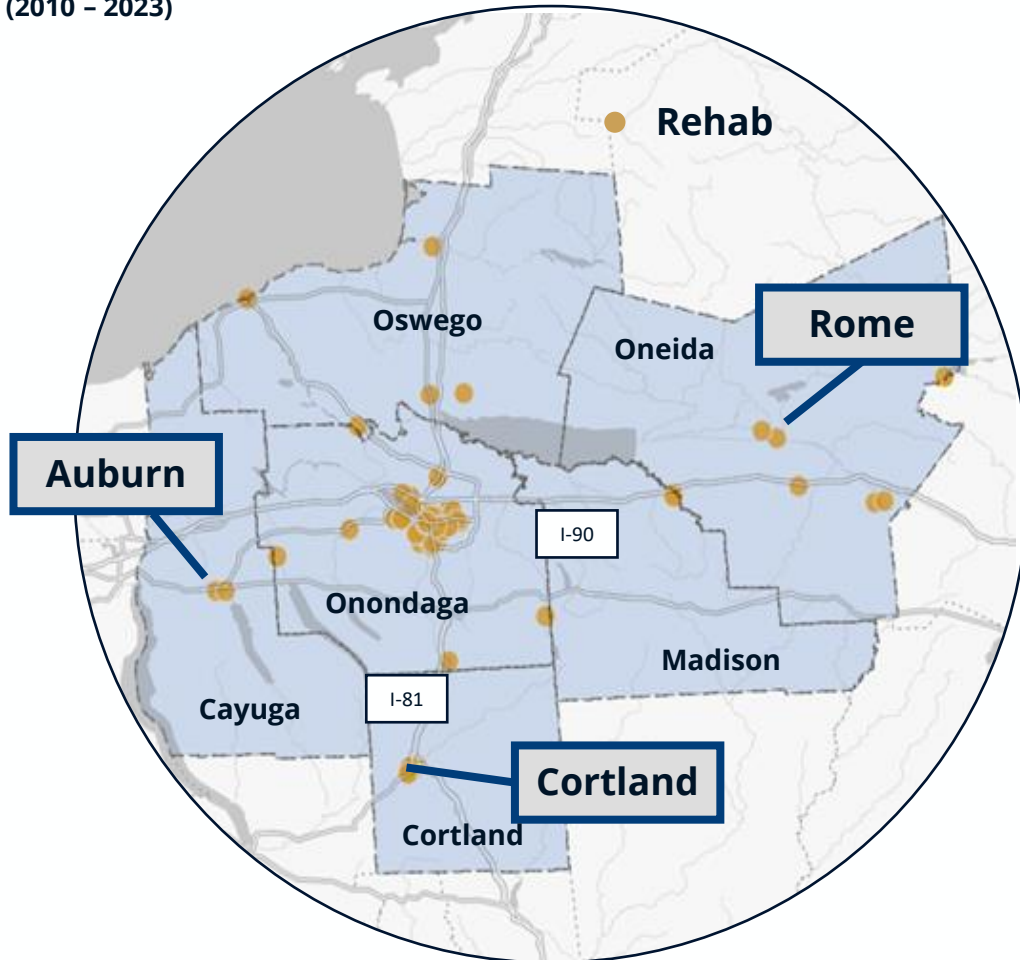


## RECENT MULTIFAMILY DEVELOPMENT

Recent **multifamily** development has largely taken place in places that have seen the bulk of population growth – especially **cities** - in the region over the last decade.

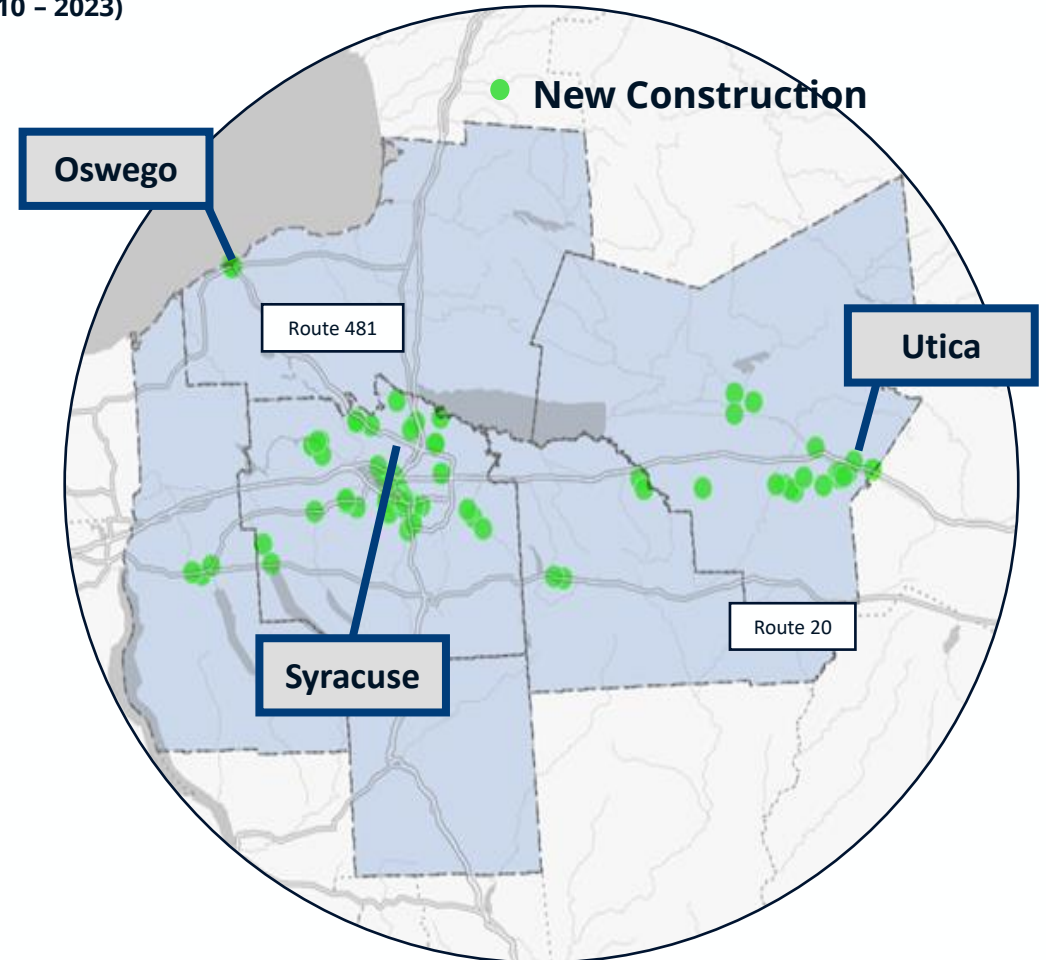
### Multifamily Rehab Construction

(2010 – 2023)



### Multifamily New Construction

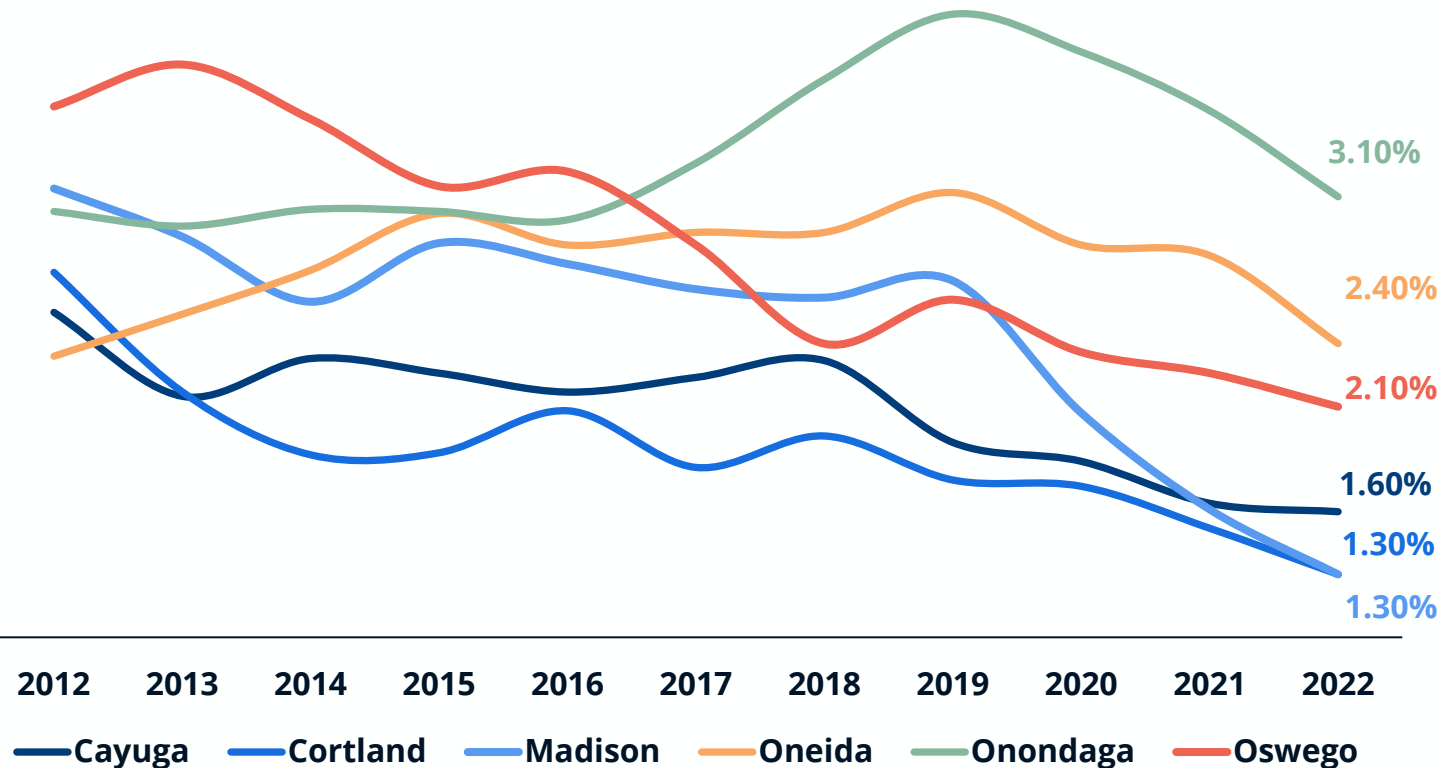
(2010 – 2023)



## DECLINING VACANCY

**Truly vacant and available** homes—those available for rent or for sale—now make up **less than 3%** of the housing stock across the six counties, representative of a tightening housing market.

Share of Vacant and Available Homes  
(2012-2022)

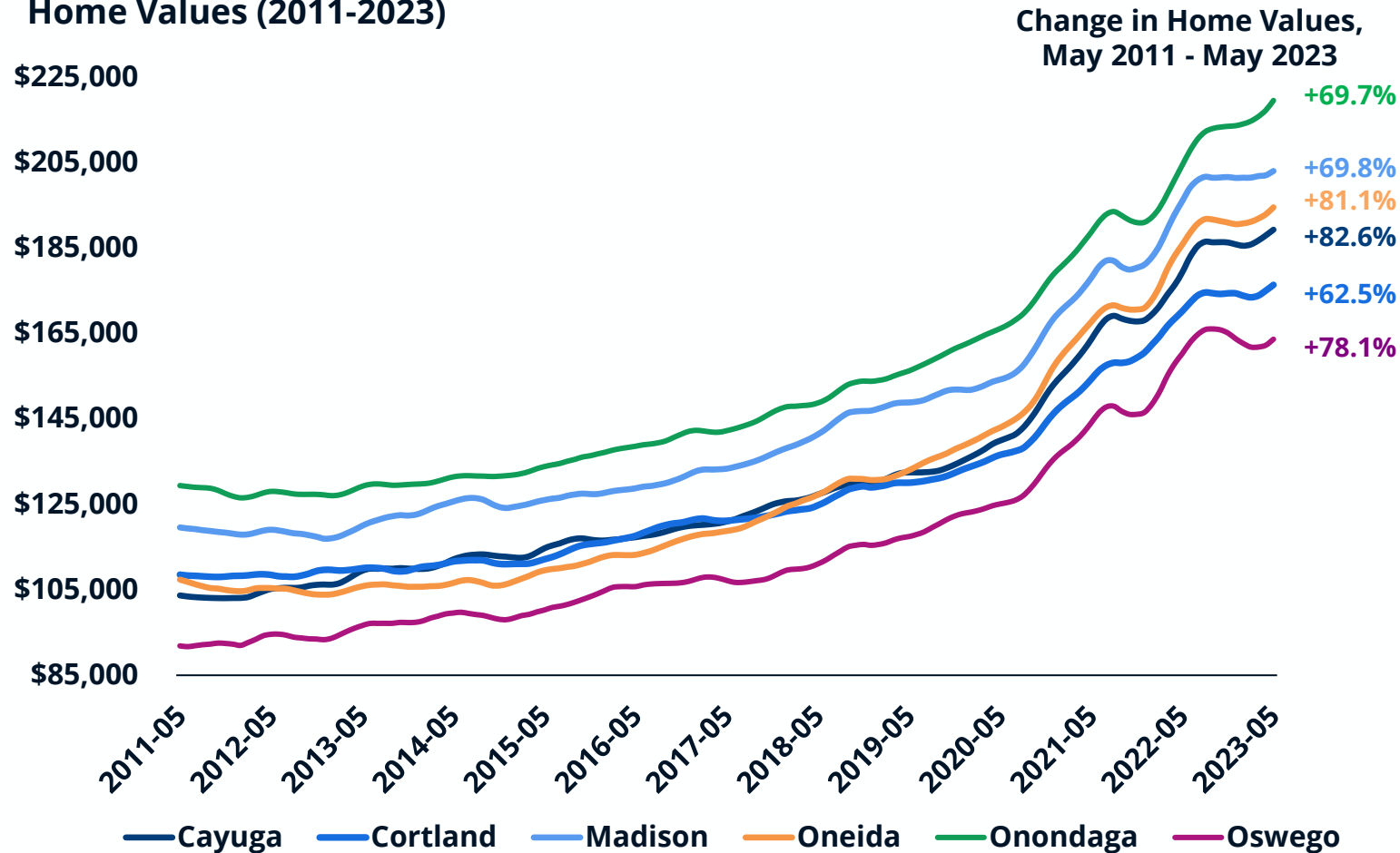


- **Vacant and available homes** – not including homes in serious disrepair – have declined in all counties **as low as 1%.**
- A **healthy housing market** targets **5% vacancy**, providing enough flexibility for in-movers to find homes and for existing households to change homes.
- Onondaga and Oneida Counties have a significant **“shadow” housing stock** – homes that are vacant but unavailable due to repair needs or seasonal use.

## RISING HOUSING COSTS

Regional **home prices** – which have historically been low relative to the state overall – have **risen** in recent years despite low growth.

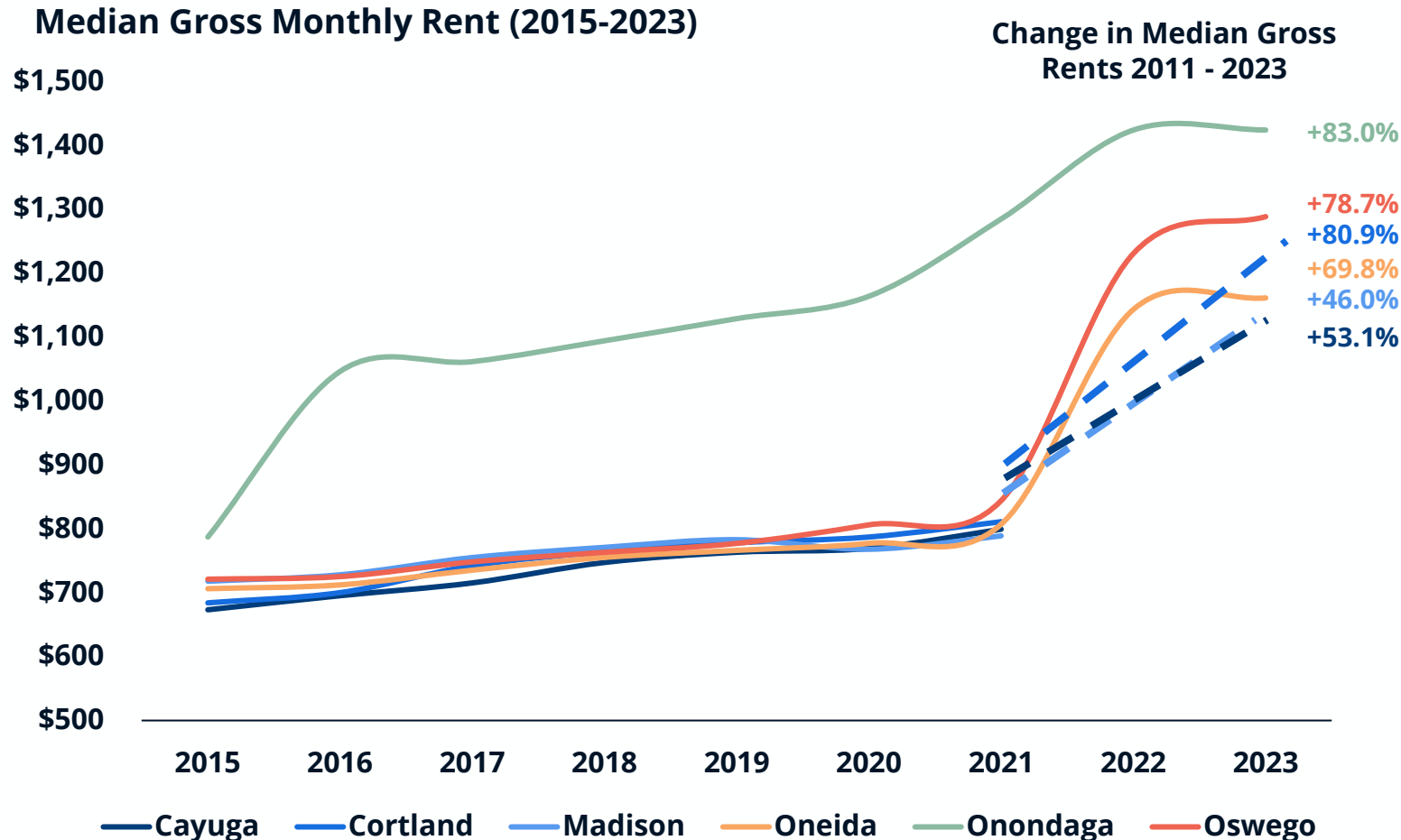
### Home Values (2011-2023)



- Typical home values across the six counties ranged from **\$150K to \$225K** in May 2023, with growth since 2011 ranging from **62%-83%**.
- Home prices have **accelerated across the region** in the past three years.

## RIISING HOUSING COSTS

Median **rents** in the region have also **surged** in recent years.



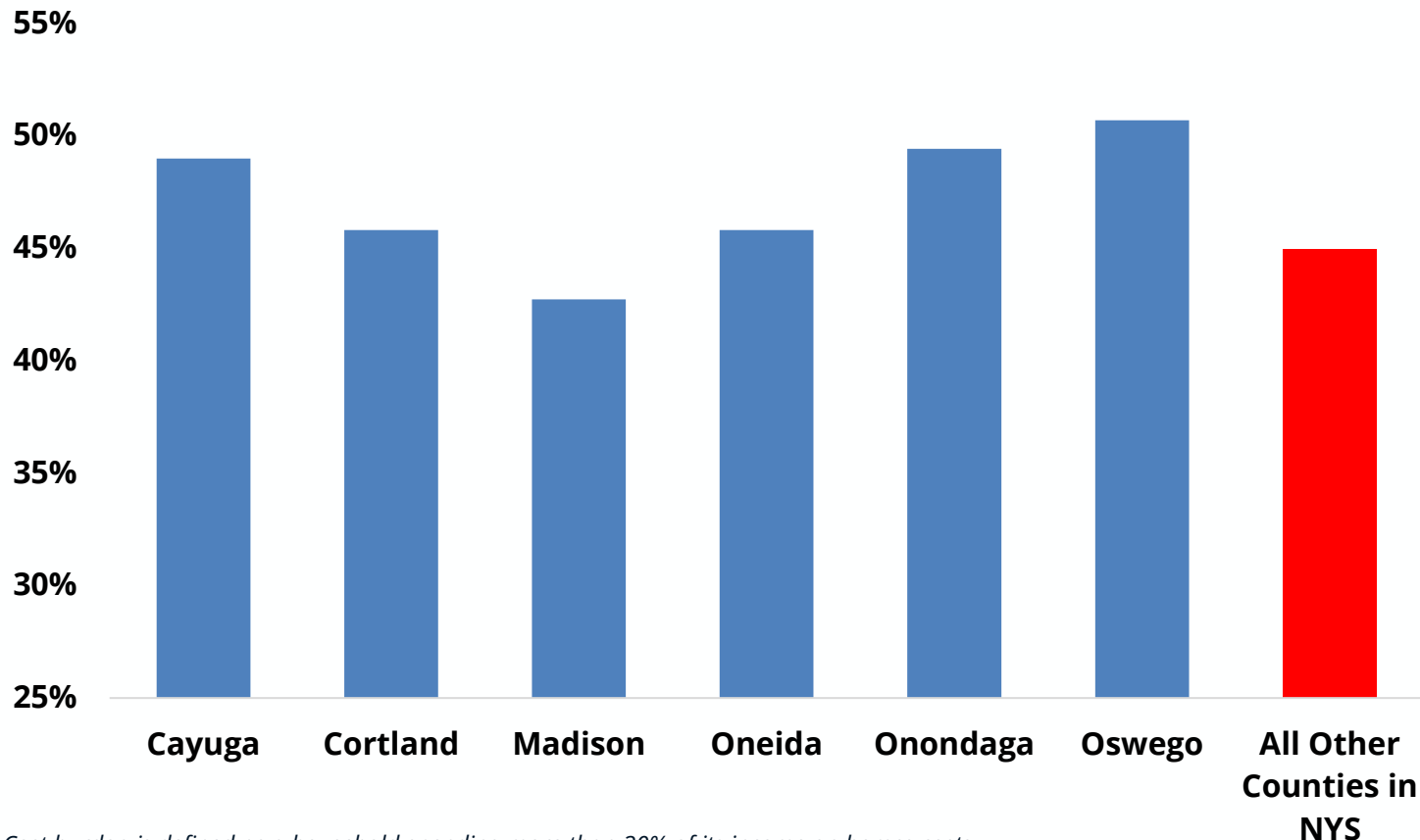
- Median monthly rents have risen since 2011 by **46%-83%** across counties.
- Onondaga County has typically had the highest median rent in the region, but recent **rent growth has brought the other counties closer to Onondaga.**
- Rents in Oswego and Cortland Counties **nearly doubled between 2021 and 2023.**



## HIGH HOUSING COST BURDEN

The Central New York Region has a large population of residents who **cannot afford** housing today, with **wide disparities** in which groups most struggle to afford housing.

Renter Cost Burden\* Rate by County (2022)



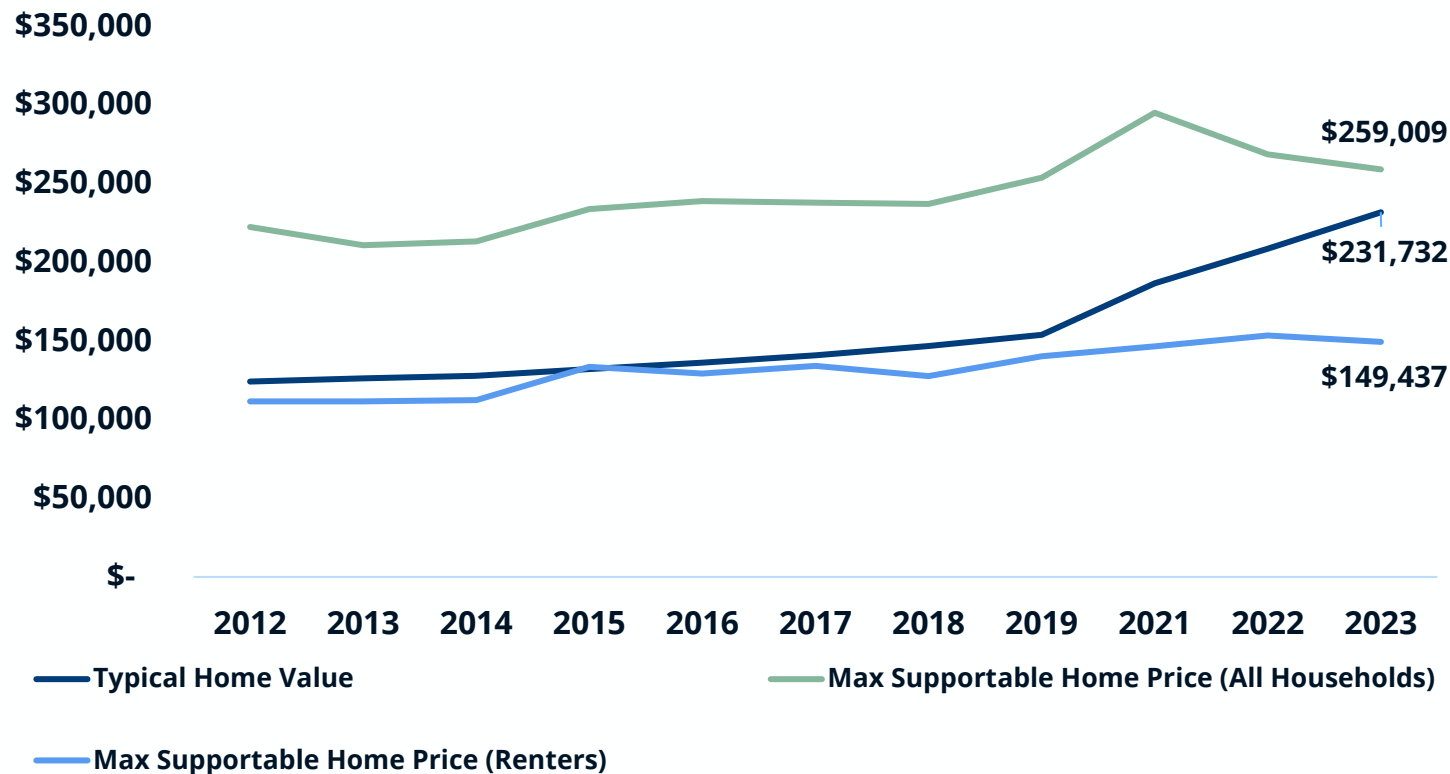
**Note:** Cost burden is defined as a household spending more than 30% of its income on homes costs.  
Source: U.S. Census Public Use Microdata Sample (PUMS)

- Renters in **every county except Madison** have a **higher cost burden** rate than the statewide average.
- **Half of all renters in Onondaga and Oswego** Counties are cost burdened.
- Renter cost burden is highest for **single parents** (66%+), **Black households** (60%), and **seniors** (55%+).
- In Onondaga County today, median rents are **40% higher** than the typical renter household can afford to pay.

## TODAY'S HOUSING DEMAND

**Home prices** are becoming **out of reach** for an increasing share of households, particularly in Onondaga County.

**Affordable vs. Median Home Prices, Onondaga County (2012 - 2023)**



- Median home prices in Onondaga County rose **more than 85%** from 2012-23, moving out of reach for existing renters.
- Recent growth has brought **home prices to \$230k+**, nearing the affordable cutoff for households overall.
- **Price growth will continue – and likely accelerate – as housing demand outpaces housing supply.**

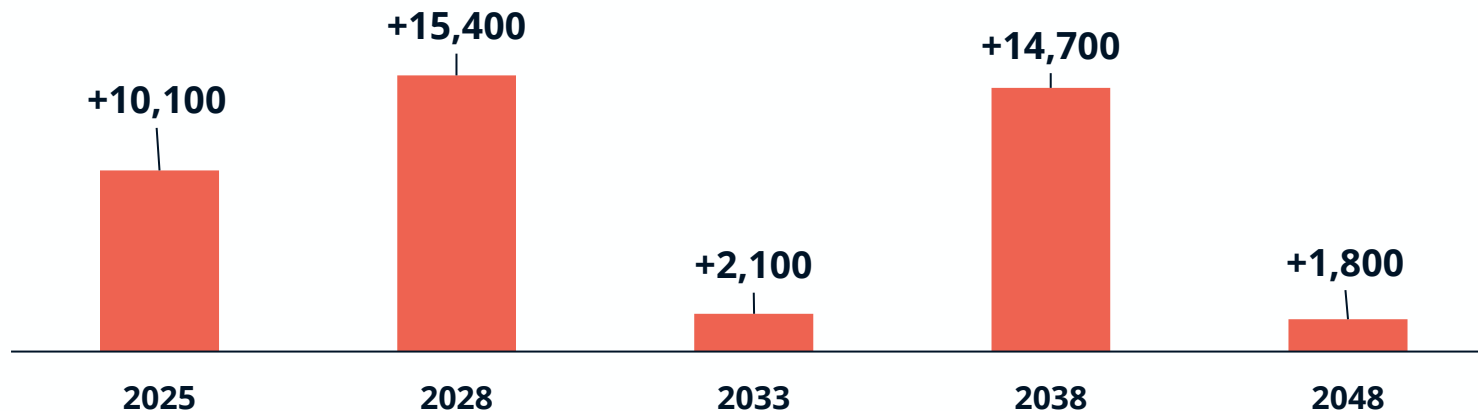
## Findings: Projected Housing Needs & Barriers

3. **Growth related to Micron will require 30,000 new homes, most of them by 2038.** This will require more than tripling the pace of home development in the coming years and then sustaining development at nearly 2X the current rate for at least a decade.
4. **The homes being built need to reflect what jobs pay.** This will allow filtering up and down while reducing competition for existing and new homes. Expected incoming residents will earn incomes across a wide spectrum generally higher than regional median income today.

## PROJECTED HOUSING DEMAND – JOBS

The Micron investment is projected to bring a **rapid influx** of jobs to the region, with the greatest surge between 2025 and 2028. Job growth will largely stabilize after 2038.

**Projected Addition of Micron-Related Jobs by Year (Direct, Indirect and Induced)  
(2025 - 2048)**

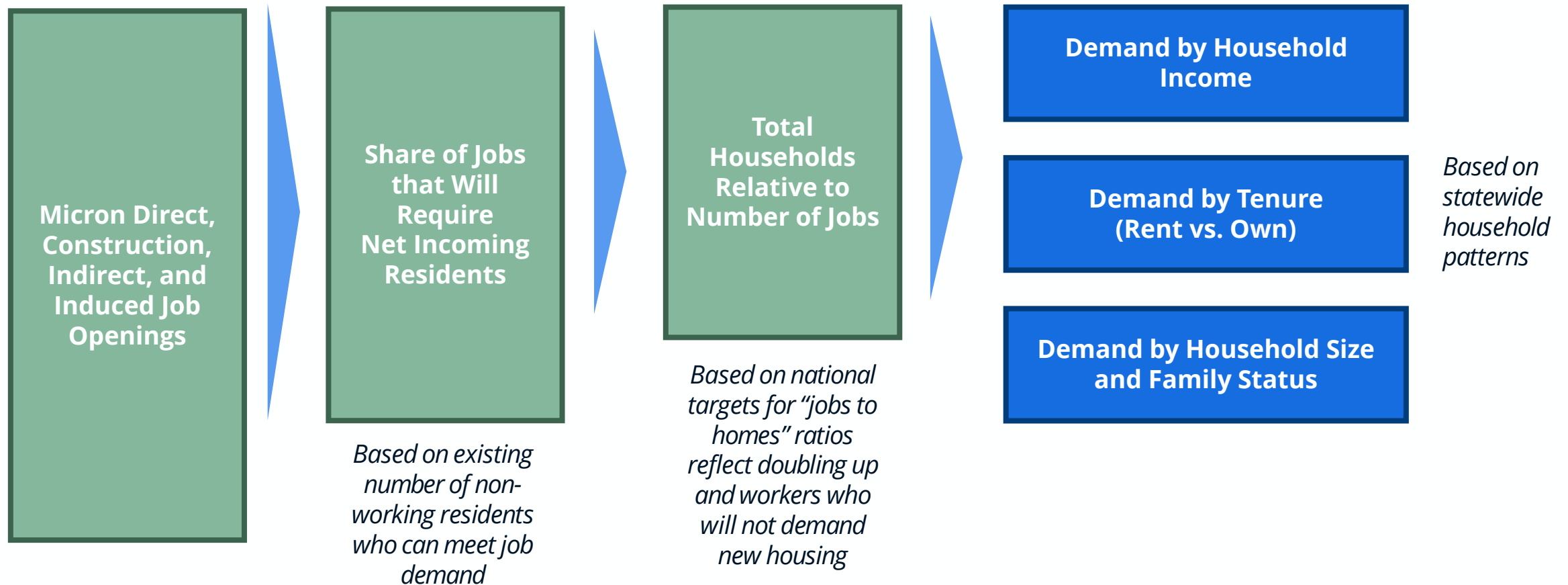


- **By 2038, the region is projected to have gained just over 42,000 jobs**, close to 7,000 of which will be direct employees of the Micron mega-fab.
- Of the 42,000 jobs, 10,000 jobs are expected to support the regional supply chain and 24,700 will be jobs across the region supporting the increase in population, including teachers, nurses, and restaurant workers.
- Early projections are made up in part by direct construction positions (4,200 projected in 2025).



## PROJECTED HOUSING DEMAND – METHODOLOGY

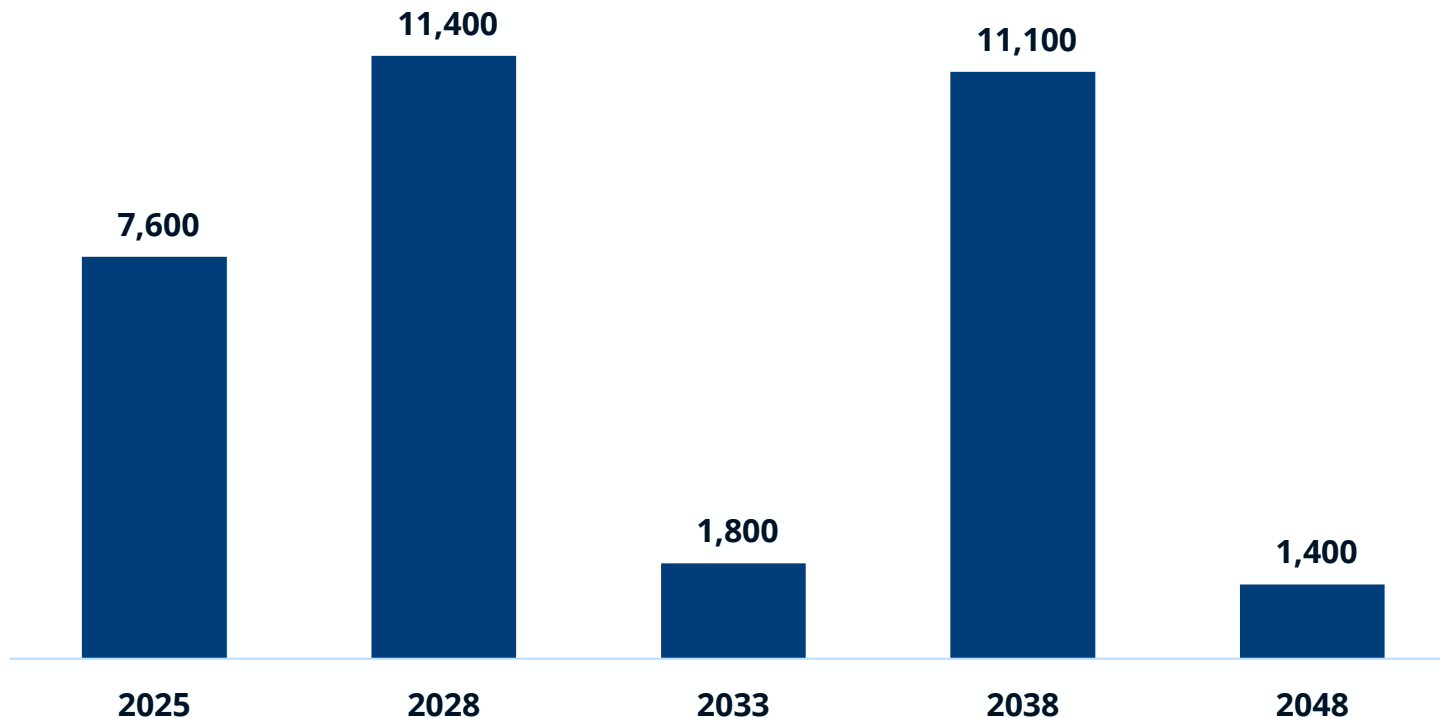
The approach to estimating net new housing demand driven by the Micron project requires translating job projections over time into households and the type of homes that they will need.



## PROJECTED HOUSING DEMAND

Job growth will lead to significant early net new housing demand, with up to **19,000 new homes needed by 2028** and up to 32,000 needed by 2038 and onward.

Total Net Change in Homes Demanded by Year (All Jobs)



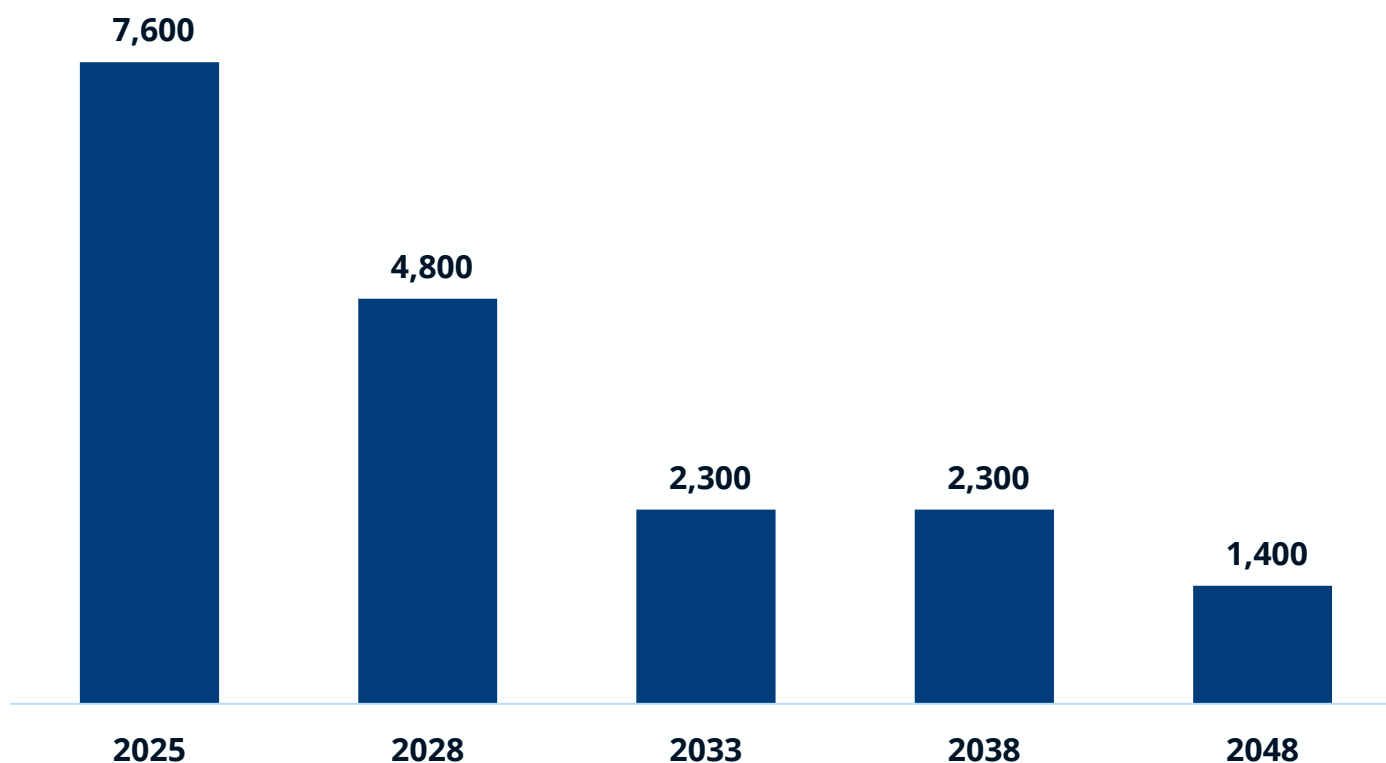
Source: HR&A Analysis. This represents the high end of housing demand projections.

- In the first five years of projected growth, **construction jobs will make up about half** of net new housing demand.
- **Shorter-term, flexible solutions** to absorb a rapid increase in housing demand will need to be accompanied by longer-term housing production at the price points affordable to incoming workers.

## PROJECTED HOUSING DEMAND – MEETING DEMAND

To meet the minimum housing demand by 2038, the region would need to complete at least **2,300 homes annually** from 2025 through 2038 – **more than 2X the recent annual permitting rate**.

Average Homes Needed Per Year From Start Year (2024)



**~30K**

Net New Households by 2038

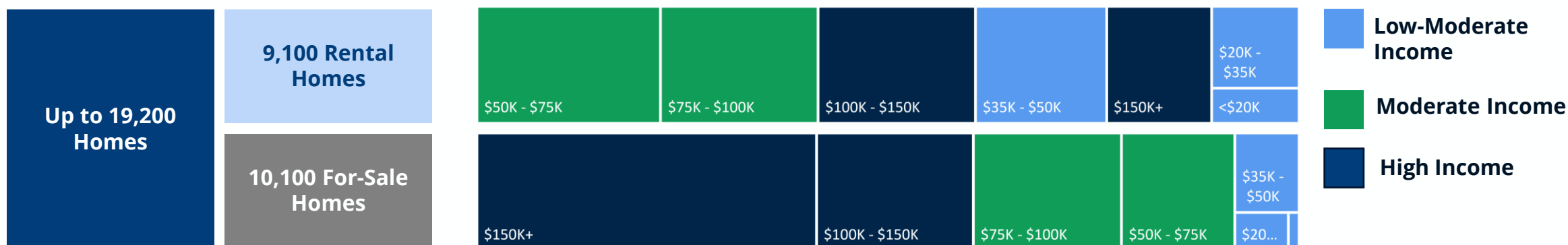
**2x-3x**

Increase in Building Permits  
Needed on Average

## PROJECTED HOUSING DEMAND – DEMAND BY HOUSING TYPE

While many Micron-related workers will earn enough to pay market rents and home prices, there will also be **significant new demand for moderately priced homes** for a range of household sizes.

### Total Homes Demanded by Tenure and Household Income (2028)



~48%

Single-Person Households  
or Two Adults

~52%

Families with Children



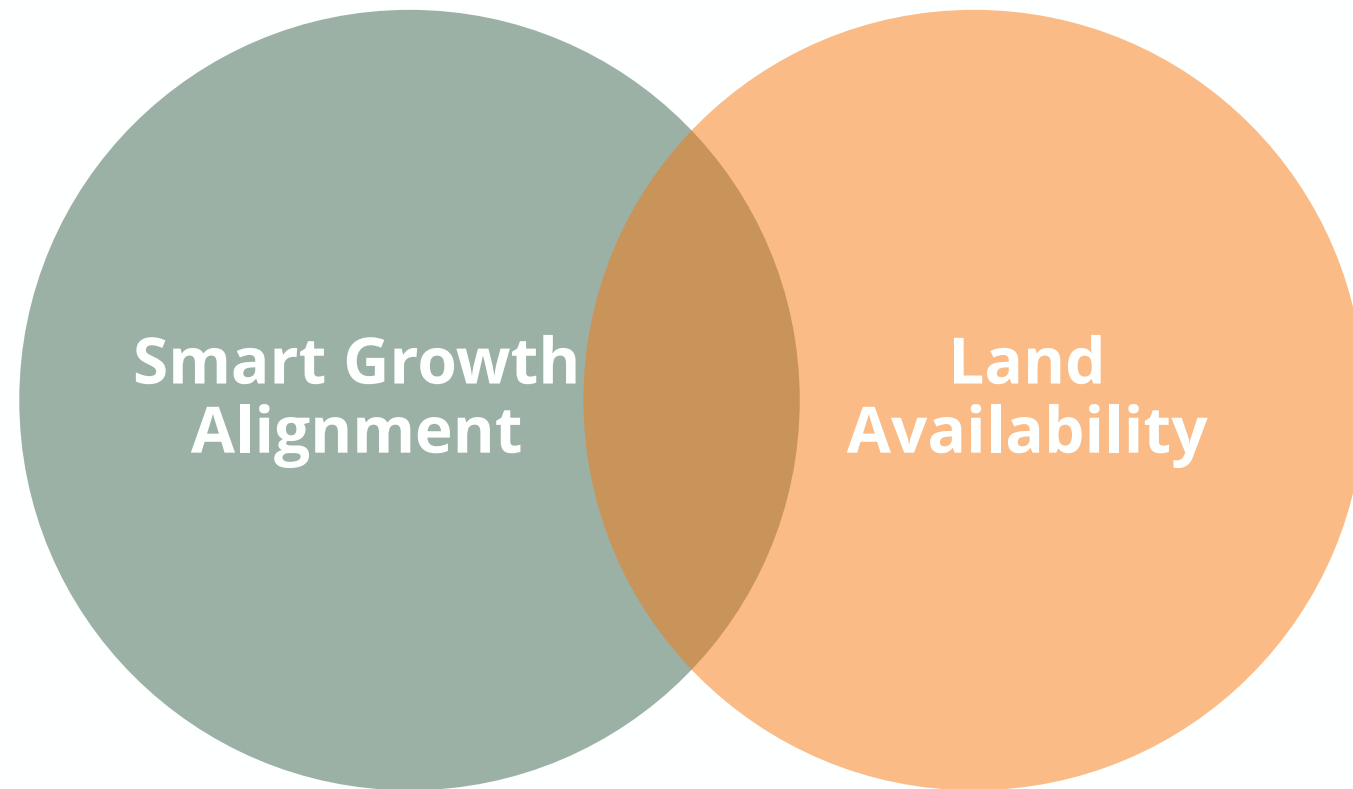


02

Potential to  
Meet Demand

## HOUSING OPPORTUNITY AREAS

The Study identified “**Housing Opportunity Areas**” - places that have room to grow while also minimizing the costly impacts of sprawl and maximizing the revitalization potential of new housing.

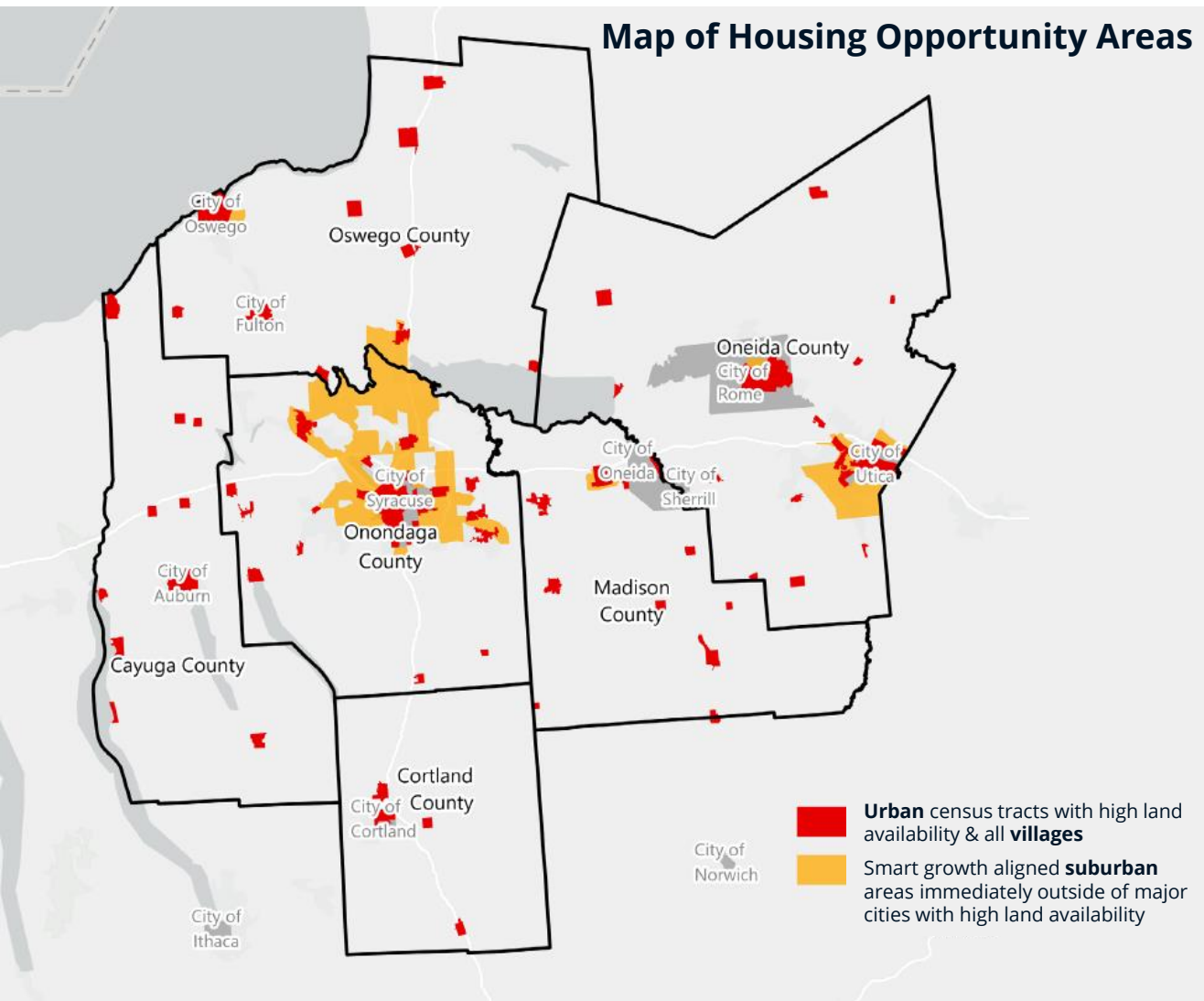


**Smart growth alignment** is determined based on infrastructure and location considerations, including presence of existing infrastructure (incl. Centro route, public water/sewer), presence of existing cities and villages, existing population density, existing housing variety, and limited presence of agricultural districts and significant natural resources.

**Land availability considerations** include vacant, underutilized land, areas with rehab potential, and agricultural land.

## ZONED CAPACITY

A high-level review of zoning reveals that these “Housing Opportunity Areas” – areas most appropriate for growth - can **theoretically accommodate** the **amount** and **range** of homes demanded.

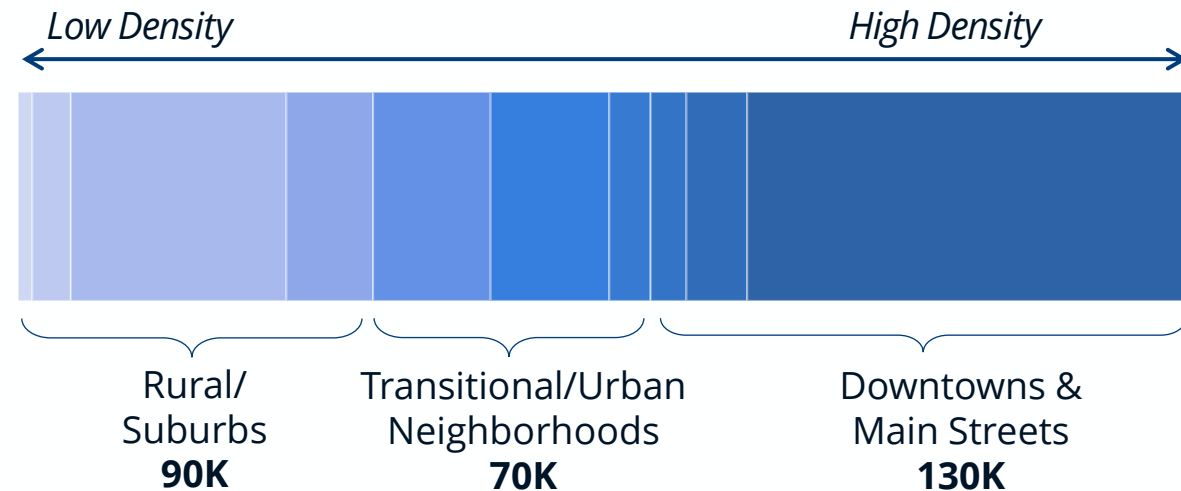


**~30K** Net New Households by 2038

VS.

**~290K** Estimated Permissible Homes  
*Based on Max Density Allowance and Available Land*

### Distribution of Permissible Homes by Density Type

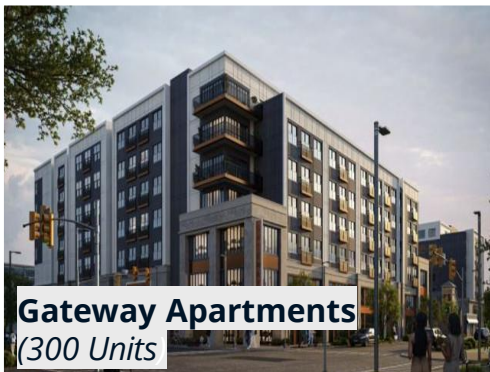




## HOUSING PIPELINE

There are at least 14,000 homes at some stage of planning or predevelopment across the region, but the **path to completion is uncertain** for many.

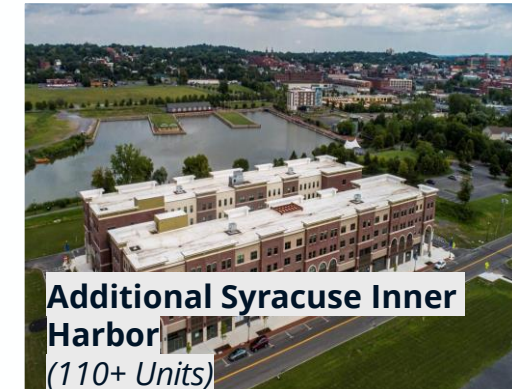
Under Construction:  
~2,000 Units



Local Review  
~6,500 Units



Proposed  
~6,000 Units



## BARRIERS TO MEETING DEMAND

**Financial, regulatory, and capacity roadblocks** exist on the path to realizing zoned capacity and executing the housing development pipeline.

### Financial Barriers

Fewer than **half** of new households will be able to afford **newly built** homes given current market conditions and costs.

Only **1%** of the estimated zoned capacity exists in **strong markets**, meaning the market cannot feasibly deliver homes to meet a range of needs.

### Regulatory Barriers

In **stronger markets**, mostly in suburban areas, much of the zoned capacity does not get realized due to **restrictions beyond density limits**.

### Capacity Barriers

Decades of low demand and low production mean that the **regional development ecosystem needs support** to ramp up approval and delivery of homes at the scale required.

## FINANCIAL BARRIERS

The market can deliver **close to half** of the projected demand. However, many homes would be delivered in large formats and/or in locations that are not aligned with smart growth principles.

Household Income →

← Development Feasibility

### Projected For-Sale Demand (2028)



### Projected Rental Demand (2028)





## FINANCIAL BARRIERS

Regulatory interventions – including allowing denser and smaller homes - are needed to **unlock diverse housing types** that both meet additional demand and represent more sustainable growth.

Household Income →

← Development Feasibility

### Projected For-Sale Demand (2028)



### Projected Rental Demand (2028)



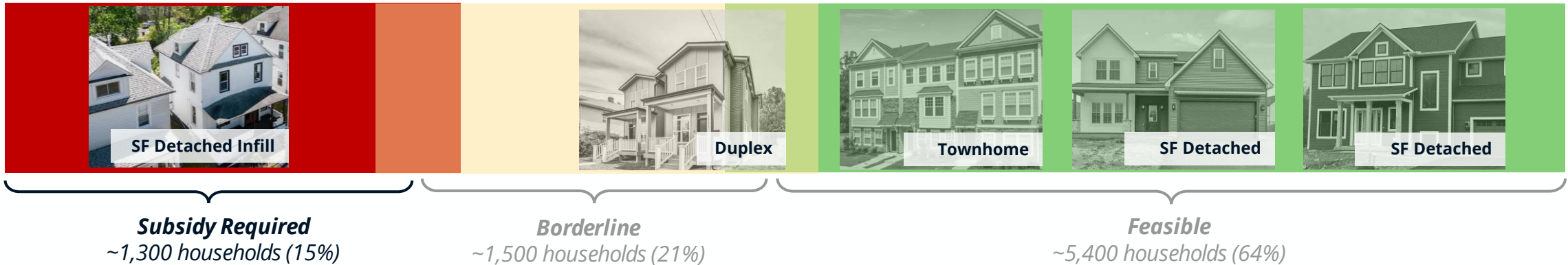
## FINANCIAL BARRIERS

Even with land use and regulatory changes, a portion of the projected demand would require **public subsidy** to deliver. Notably, about half of the rental demand is likely infeasible without subsidy.

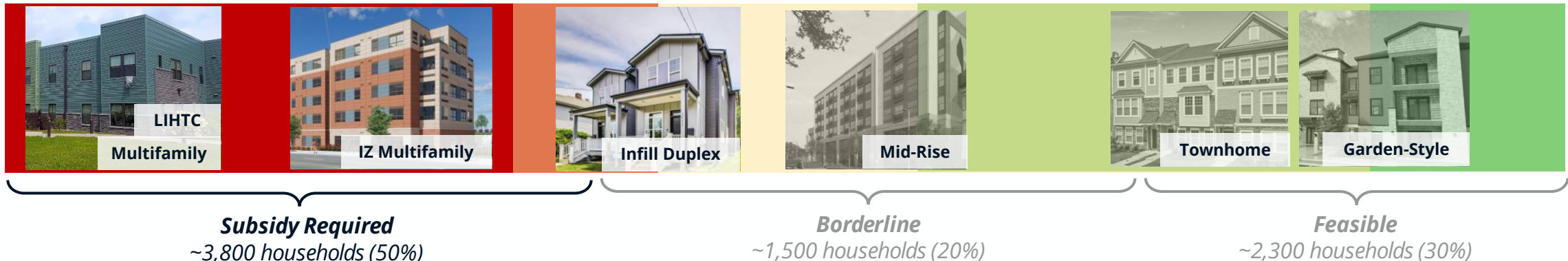
Household Income →

← Development Feasibility

### Projected For-Sale Demand (2028)



### Projected Rental Demand (2028)



## REGULATORY BARRIERS

Beyond density, other regulatory obstacles - such as discretionary review and minimum lot sizes - further limit the **type**, **amount**, and **location** of housing and **add to development costs**.

### Sample Regulatory Obstacles:

- **Additional site plan review**
- **Special permits**
- **Other nuanced zoning barriers**

**EXAMPLE:** One village requires a special use permit and site plan review for any development with 4 units or more.

**EXAMPLE:** One village requires 500 square feet of open space for each residential unit in the village, exclusive of parking requirements.

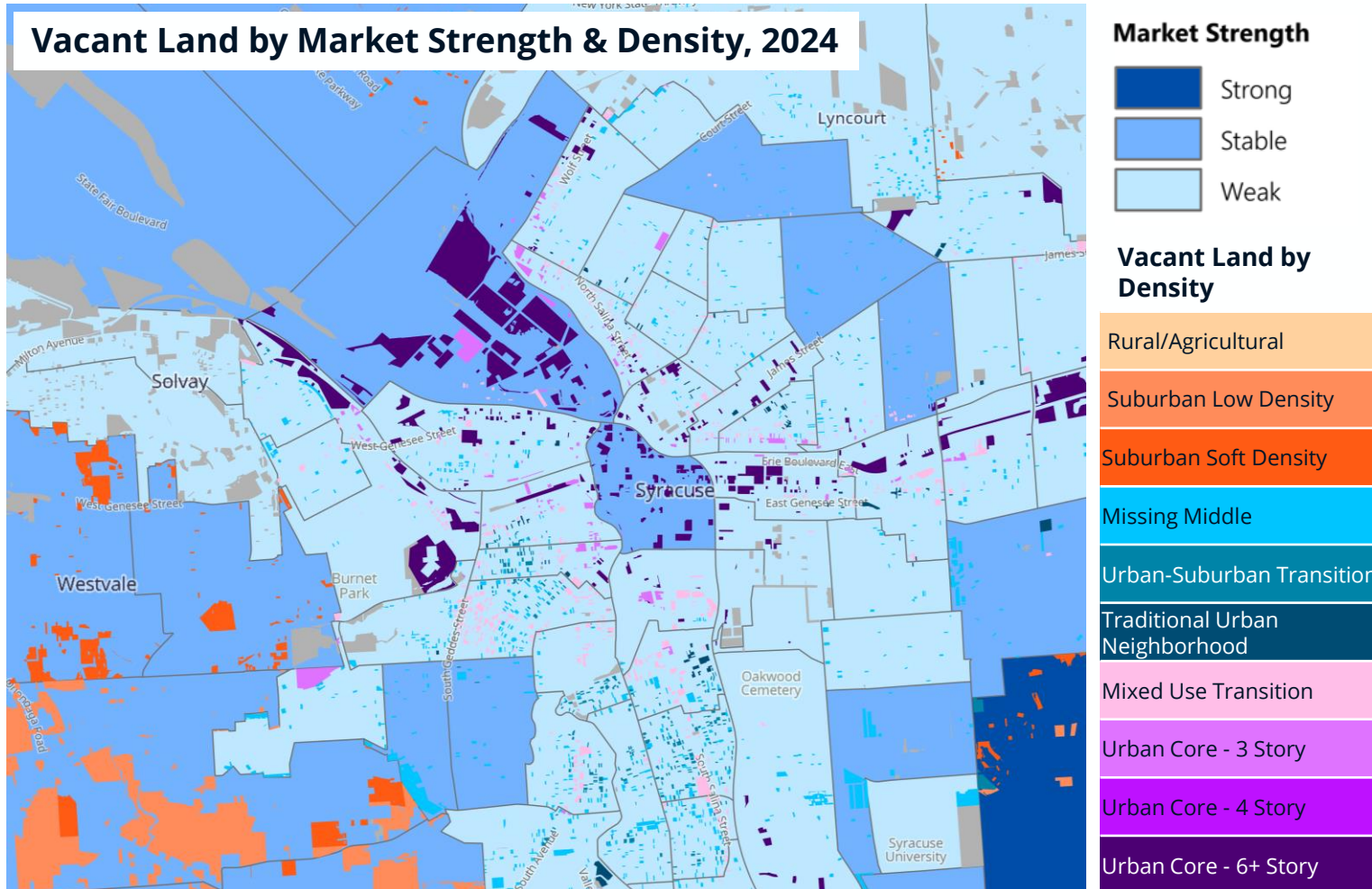
**EXAMPLE:** One city has significant variability in lot size requirements for 1 & 2 family units based on access to infrastructure. Multifamily and townhouse developments are entirely dependent on discretionary review.

**EXAMPLE:** One town requires 6,000 square feet minimum per dwelling unit.



## DEVELOPMENT REALITY IN LOCALITIES

In sum, varying market and regulatory realities call for **a range of interventions** to turn theoretical capacity into real homes.



Source: EDR and HR&A Analysis.

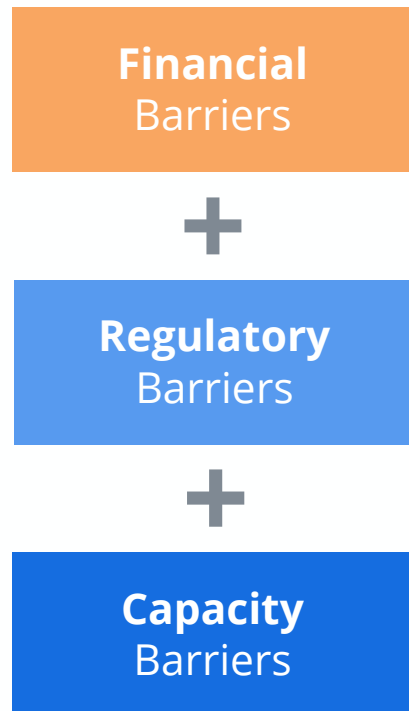
- Over **60 percent** of the zoned capacity exists **in cities**, where markets are weaker. The Syracuse Choice Neighborhood win is the type of investment that can move the needle in this market.
- Stronger markets often lack zoning flexibility and land** to deliver significant homes today, especially denser, smaller homes at more attainable price points.
- Some **suburbs and rural areas with weaker markets** may experience strengthening market conditions and improved financial feasibility, as demand surges.

## NEED FOR POLICY INTERVENTION

Taking policy actions to address these barriers will **relieve stress** on the market and **mitigate the risks** of regional sprawl, displacement of existing residents, and an economic slowdown.

### Housing Development Barriers

Currently, financial, regulatory, and capacity barriers limit the amount, type, and location of housing.



### Risks of Inaction

If housing cannot be built adequately where it should be built, the region's housing shortage and sprawl will intensify.

Housing shortages in turn increase displacement pressures on lower income residents and risk the region's long-term economic success.



An aerial photograph of a large, modern building complex, likely a university or corporate campus. The building features a long, low profile with multiple wings and a series of vertical fins or columns along its length. The surrounding area includes a large parking lot with several cars, landscaped green spaces with trees, and a distant view of a city skyline under a dark, overcast sky.

03

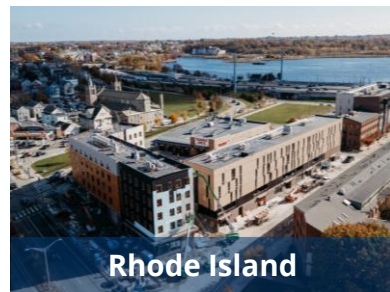
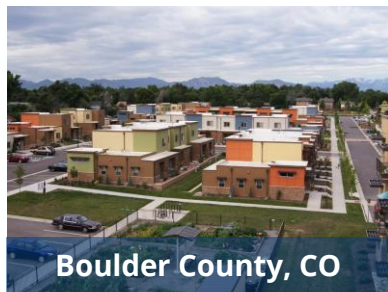
# Policy Approach



## LESSONS FROM PEER REGIONS

Lessons from regions across the U.S. facing similar opportunities and challenges informed the Study's policy recommendations.

### Selected Case Studies



- **Public investment** is needed to spur housing development while the market matures (short-term) and to steer long-term housing production through infrastructure and other investments (long-term)
- Revitalizing disinvested neighborhoods requires deep local engagement and **investment in both housing and broader community assets.**
- **Land use reform** is critical to addressing housing challenges at scale and often the most challenging component.

## POLICY FRAMEWORK

To advance the State's regional growth vision, the Study recommends **three parallel moves** that address immediate housing demand and ensure sustainable and equitable growth over the long run.



### Meet the Moment

**Expand pipeline & accelerate delivery** to maximize unit production, with a focus on the **next 5 years**.



### Grow Sustainably

**Enable housing growth in smart growth-aligned places** as the market matures in the short- to mid-term.



### Grow Equitably

**Revitalize disinvested communities** while **mitigating impact of rising costs** on lower income residents.



# Moving Forward

The Central New York Regional Housing Study marks the beginning of a coordinated effort led by New York State to seize a historic moment through partnership and bold action on housing and planning.

**Central New York at a Crossroads:** Capturing the potential of Micron requires proactive planning and strong collaboration between State and regional stakeholders on housing action.

**Rising to the Challenge:** Central NY is experiencing unprecedented market interest and, after many years of low growth, a willingness on the part of local partners to think differently.

**Deepening Collaboration:** Starting with the 2024 Central NY Housing Summit, there is a demonstrated appetite and need for a coalition to tackle the region's housing challenges.

**Path Forward:** The State and regional stakeholders can drive sustainable, inclusive, and smart growth that sets up Central NY as an economic engine and desirable place to live and work.