



Today's Local Housing Market

Ithaca Board of REALTORS®

April 5th, 2023



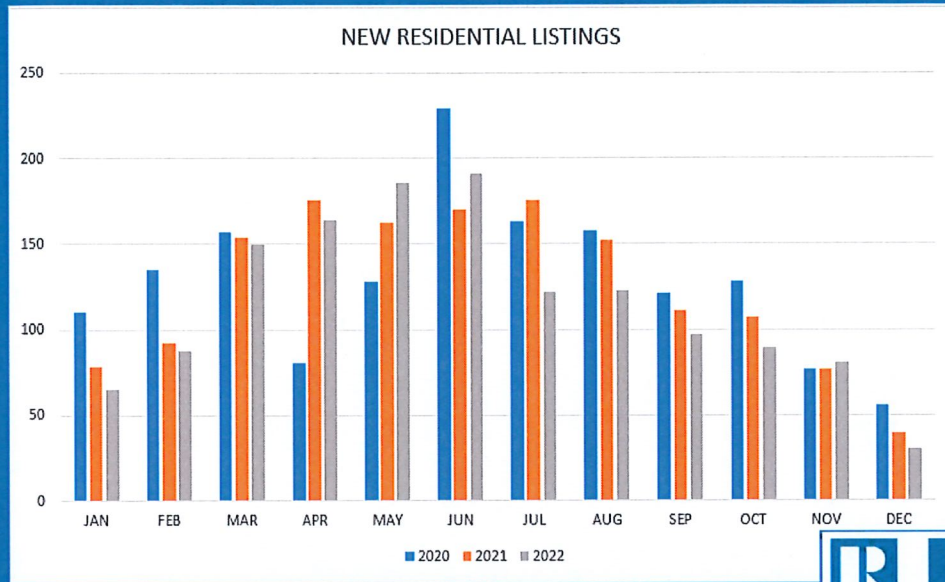
Current market trends and activity

The good news is that there is a strong, ready, willing and able buyer pool who want to live in our communities, contribute to our neighborhoods, join our private and public workforce, and establish their own path to household stability and wealth creation.

The bad news is that there is little to buy and plenty of deeply resourced buyers able to out-compete the local middle market buyer.



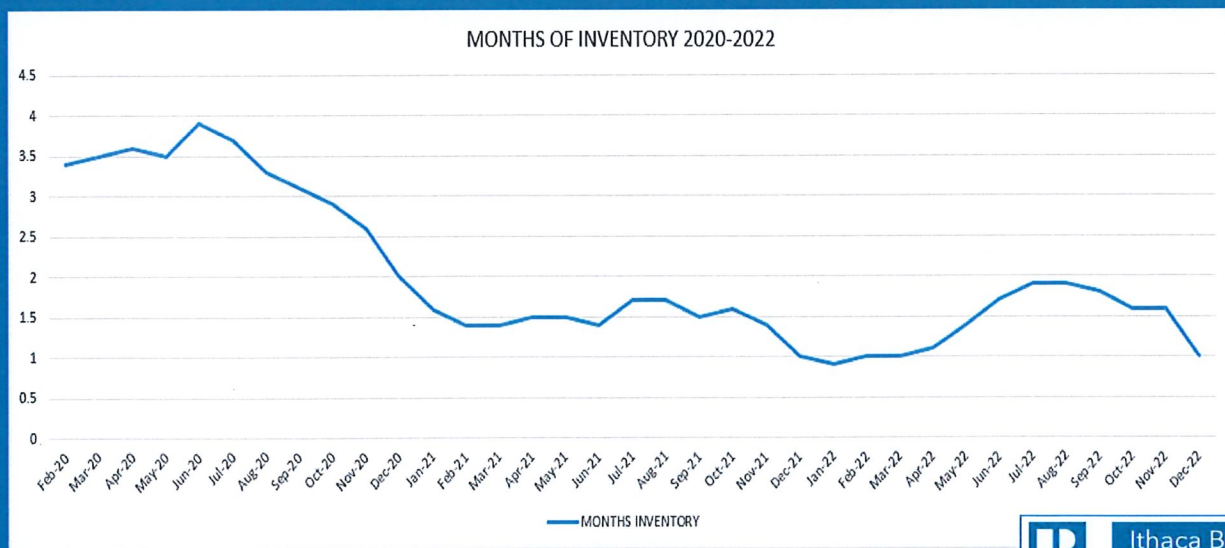
Properties available to purchase have declined steadily over the past 3 years. YTD listings have declined another 20%.



Source: Ithaca Board of REALTORS MLS



Current supply is only adequate to meet one month of demand. A “balanced” market is considered 5-6 months.

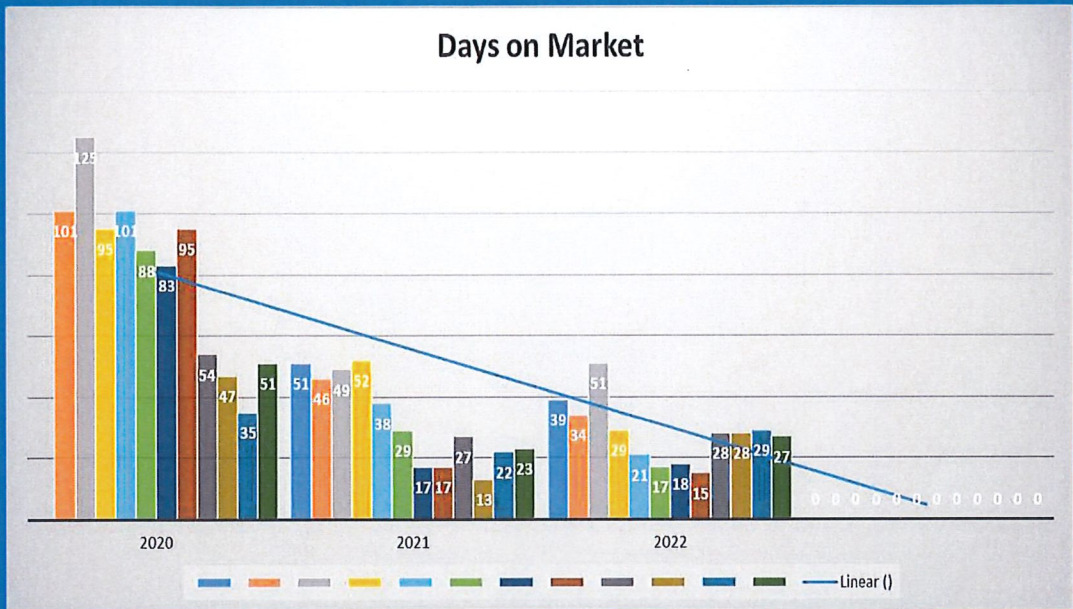


Source: Ithaca Board of REALTORS MLS



Attachment: Tompkins County Presentation - two per slide (11588 : Ithaca Board of Realtors - Market Update - Local Stats)

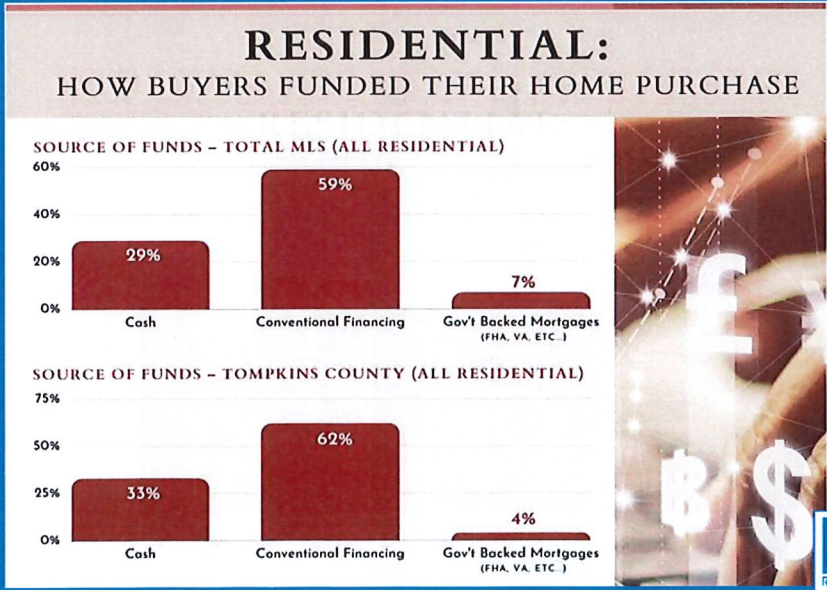
Average Days on Market (list to contract) down +/- 75%



Source: Ithaca Board of REALTORS MLS



Cash sales grew each year from 1 in 5 sales pre-pandemic to 1 in 3 in 2022.



Source: Ithaca Board of REALTORS MLS



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Buyer competition led to sales prices well exceeding the list price, peaking last summer.

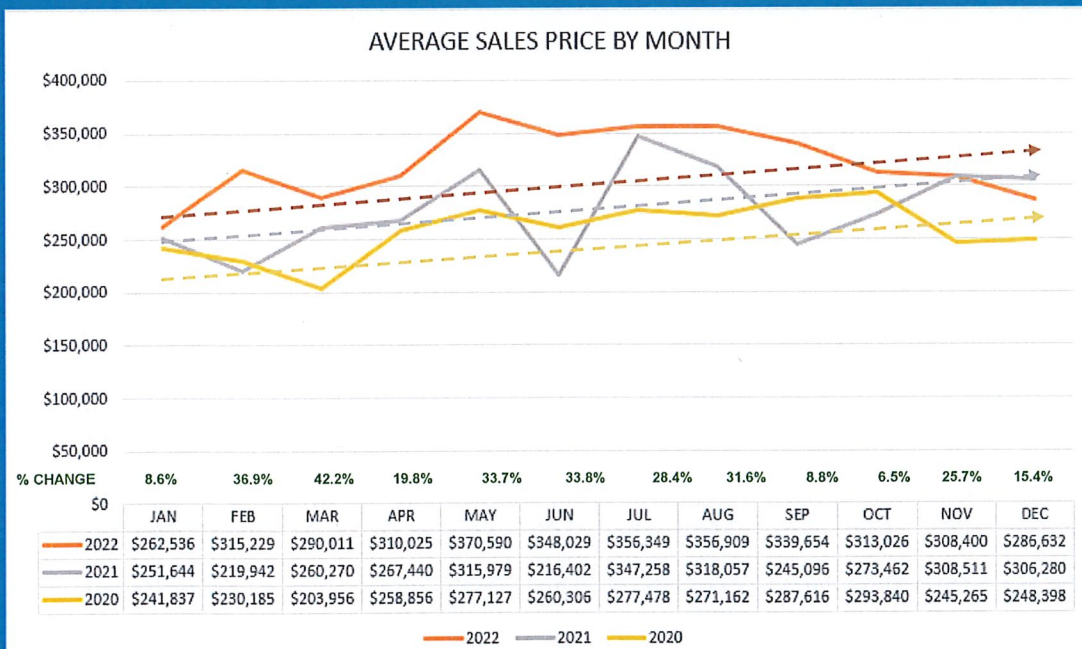


Source: Ithaca Board of REALTORS MLS



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Avg Residential Sales Price - Up 22.7% in 2 years



Source: Ithaca Board of REALTORS MLS

TOTAL MLS
2022 - \$326,934

2021 - \$297,777

2020 - \$266,431

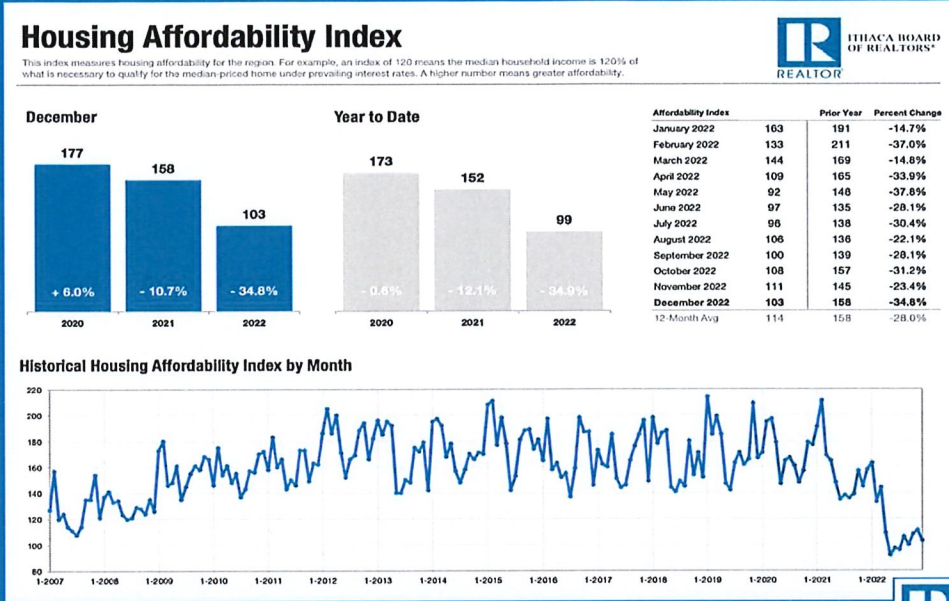
TOMPKINS CTY
2022 - \$354,513

2021 - \$328,822

2020 - \$291,804

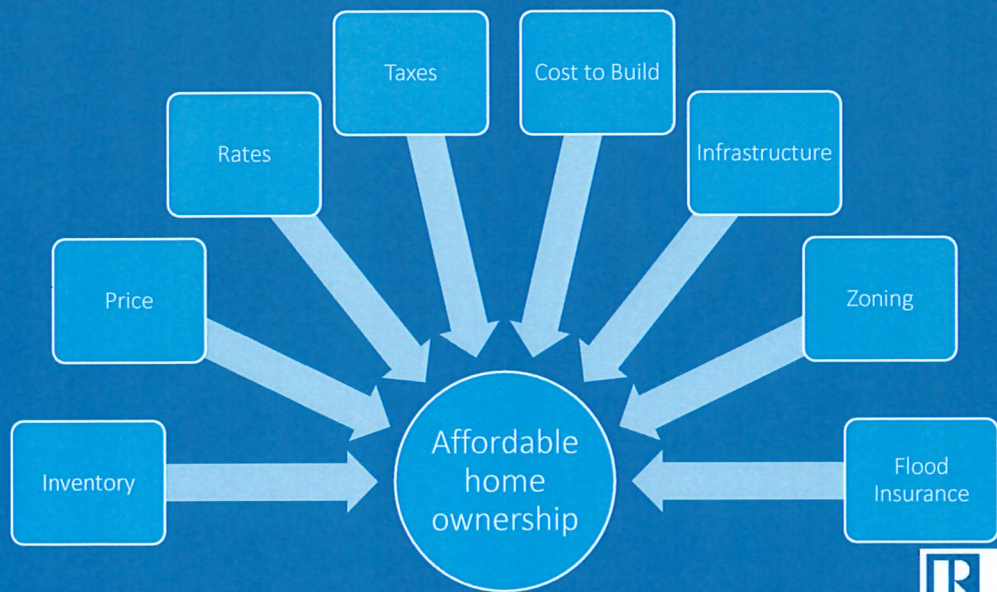


The median household income can no longer afford the median house cost.



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Compounding Factors Affecting Owner-Occupied Housing Affordability



Area rental costs have grown substantially in recent years, driven in part by frustrated would-be home buyers.



HOUSING

For Rent Highlights

- 58.5% of renters are “cost burdened”, compared with 24% owners
- 38% are severely burdened
- \$1,234 – median rent one BR
 - Surrounding counties are \$700-800
- Some median rents up 50%+ in 10 yrs

2023
CHAMBER
ECONOMIC SUMMIT

Tompkins
County

Source: 2023 TC Chamber Economic Summit; Tompkins County Planning Department data

Property and School Taxes are a significant factor

Property tax burdens represent 30-40% of the cost of housing in our community. And pressures are mounting that could increase that further.

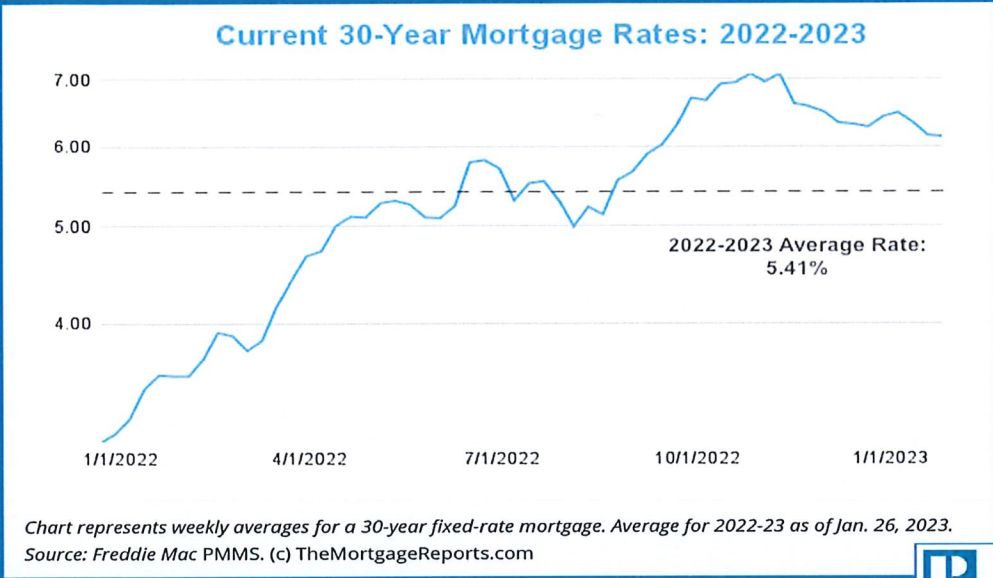
Tuesday, March 14, 2023

“Tompkins County officials are ramping up efforts asking Governor Kathy Hochul to reconsider her plans to shift \$625 million in Medicaid costs to county governments by intercepting eFMAP funds. Tompkins County has estimated that the 2024 budget impact would be \$1.5 million (equal to a 3% increase in the local property tax levy) and that there may be a \$600,000+ impact in 2023 when the State policy goes into effect.”

Source: tompkinscounty.ny.gov



Cost of financing has more than doubled in less than a year.



*30 year fixed, 10% down; Avg sales price of \$326,934; 6.77% vs 3.25%



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Price and rates increased the avg mortgage payment* by \$746 P&I, \$831 in total payment in 2022.

	Avg Sales Price	Avg Mortgage Rate	P & I	Property & School Taxes (@3.5%)	Insurance	Total Payment
2021	\$297,777	3.25%	\$1,166	\$869	\$100	\$2,135
2022	\$326,934	6.77%	\$1,912	\$954	\$100	\$2,966
			+ \$746			+ \$831

*30 year fixed, 10% down

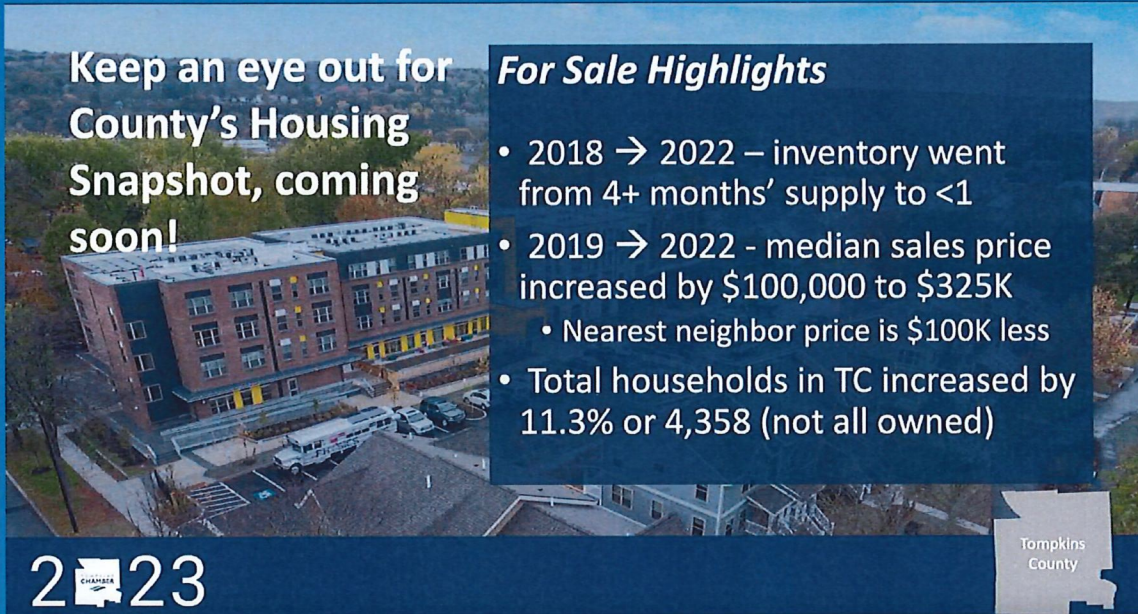


Household growth has been driven primarily by rental development.

Keep an eye out for County's Housing Snapshot, coming soon!

For Sale Highlights

- 2018 → 2022 – inventory went from 4+ months' supply to <1
- 2019 → 2022 - median sales price increased by \$100,000 to \$325K
 - Nearest neighbor price is \$100K less
- Total households in TC increased by 11.3% or 4,358 (not all owned)

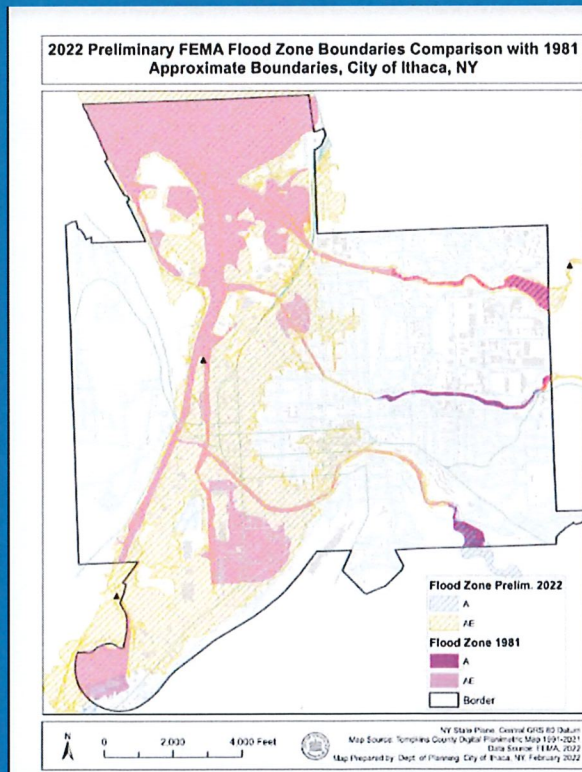


2023 CHAMBER

Tompkins County

Source: 2023 TC Chamber Economic Summit; Tompkins County Planning Department data

Proposed FEMA Flood Maps are estimated to add over 500 properties to Zone A, requiring flood insurance if mortgaged.



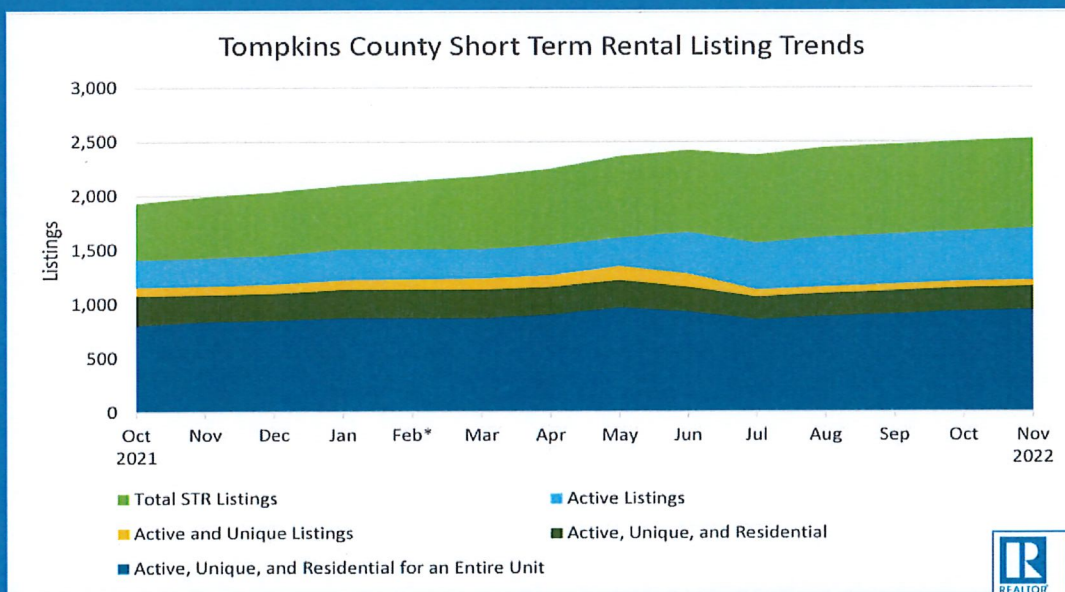
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A quick look at Short Term Rentals



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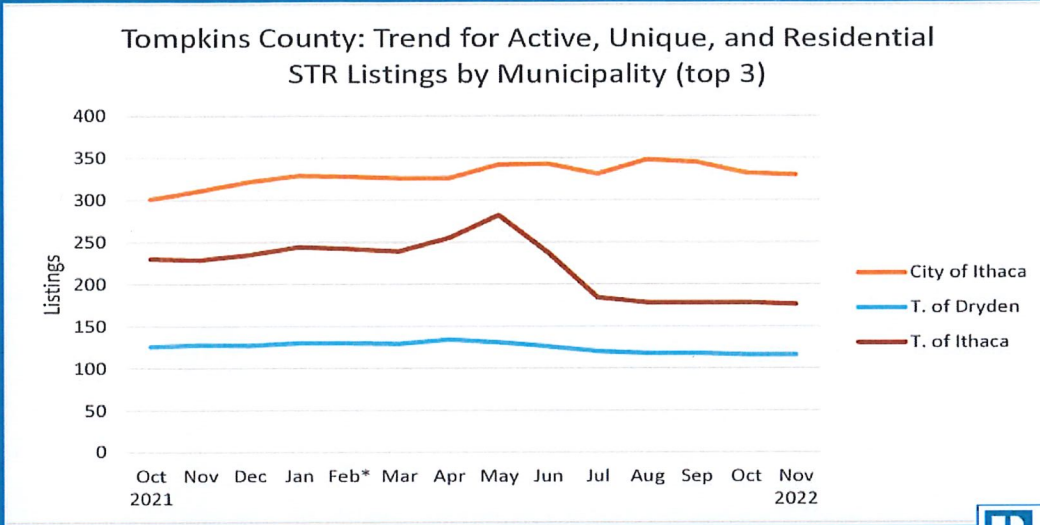
As of Nov 2022, there are approximately 1217 active, unique Short Term Rental listings in Tompkins County of which 653 are entire residences.



Source: Harmari study, TC Dept of Planning & Sustainability



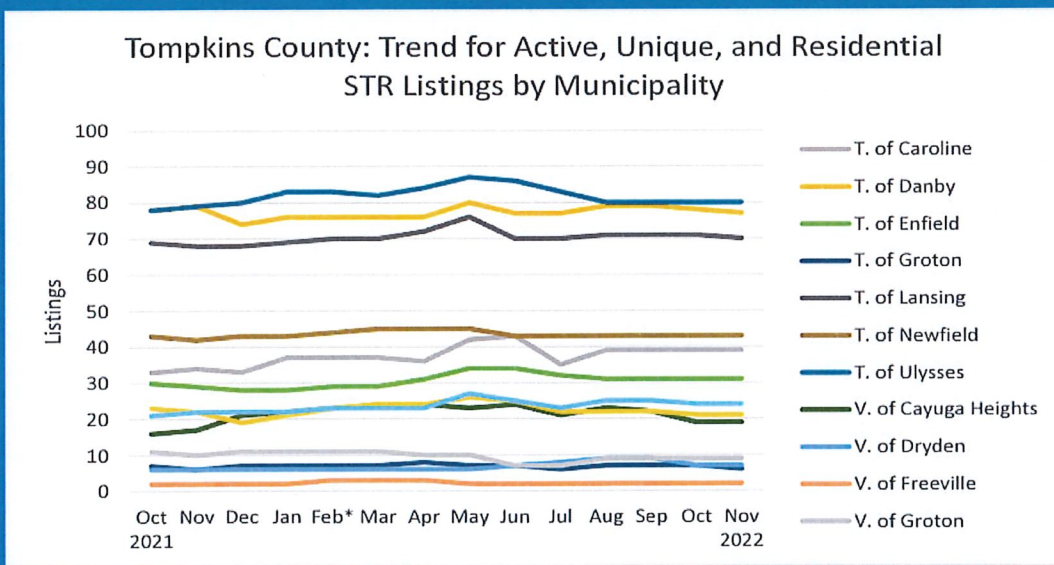
The Town of Ithaca STR legislation had an immediate impact on active STR listings, while neither Dryden nor the City have shown substantial change.



Source: Harmari study, TC Dept of Planning & Sustainability



There has been no appreciable increase in surrounding communities in active STR listings.

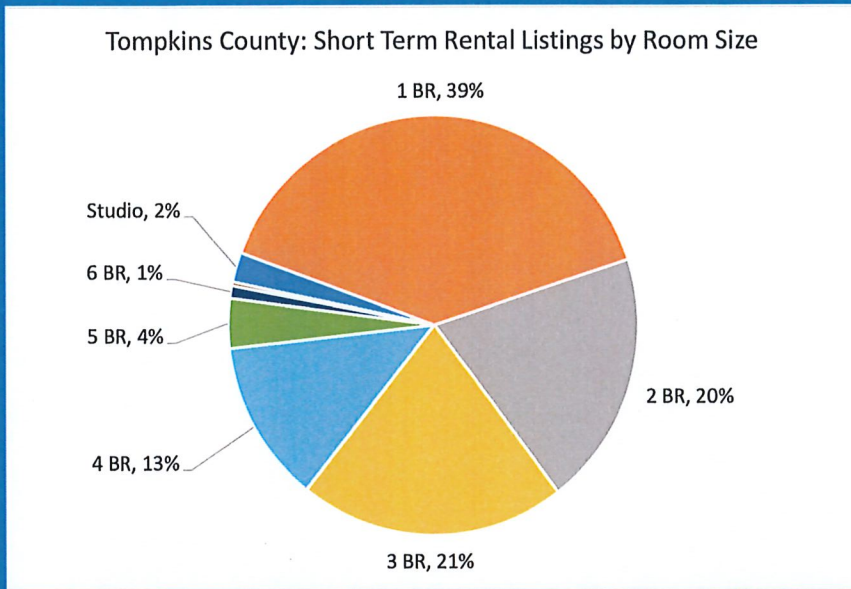


Source: Harmari study, TC Dept of Planning & Sustainability



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Over 60% of STR listings are for 2+ bedrooms with amenities not typically available in traditional lodging options.



Source: Harmari study, TC Dept of Planning & Sustainability



STR contributes significant economic value through tourism spending.

Category	Amount
Lodging	\$77.9M
F&B	\$70.2M
Recreation	\$13.8M
Retail & Service Stations	\$30.1M
Transportation	\$25.9M
Second Homes	\$6.6M

\$225M Visitor Spend

- 81% increase over 2020
- 97.7% pre-pandemic recovered

Visitors from Where? (2022)

- 50 states
- 79 countries
- ~70,000 engagements

Source: 2023 TC Chamber Economic Summit; 2021 Tourism Economics, Empire State Development; Visit Ithaca

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The yin/yang relationship of short term rentals

STR listings represent about 3% of total county households

of Unique, active STR listings: 1217

Households in Tompkins County (2021 US Census data): 42,889

Estimated share of households participating in STR: 2.8%

of Unique, active *entire unit* STR listings: 653

Estimated share of *entire dwelling units* participating in STR: 1.5%

Occupancy rates for STR are estimated to be 25% (91 nights/year) for AirBNB listings and 19% (70 nights per year) for VRBO listings. (*Source: AllTheRooms Analytics, Sept 2021*)



We support responsible STR regulation

Registration and permitting

Requiring collection of Tompkins County Room Tax

Limiting STR permits to owner-occupied and local owner operators (1 “unhosted” permit per owner/entity).

No cap on nights

For most existing hosts, STR is a vital avenue towards maintaining affordability; expanded use of ADUs could offer similar value to local property owners and additional, more affordable housing for renters.



Barriers to new owner-occupied housing development

Land Values*: 2022 Median Selling Price/acre = \$25,150 vs \$18,636 in 2020; +35%; With municipal services available: \$59,974 vs \$32,500 in 2020; + 84.5%

Construction Cost: \$400/SF commonly quoted; even with large subsidized developers (eg., INHS); estimated approx \$235/SF pre-pandemic

Tightened Design Standards: Town and City of Ithaca Green Building Code Supplement; NYS Climate Action Plan

Limited existing infrastructure capacity: additional developer pre-construction burden

Zoning regulations

Cost of Capital



* Lots 5 acres and under

Our premise: An increase in the availability of owner-occupied, middle market housing would offer the following benefits

- Reduced pressure on local rental rates
- Price growth stabilization
- Expanded tax base - reduced pressure on individual property taxes
- Greater cultural and socio-economic diversity
- Household financial and housing stability; wealth creation
- Expanded options for senior residents seeking to stay in our communities - freeing up existing housing stock



An increase in the availability of owner-occupied, middle market housing would offer the following benefits (cont'd):

- Increased investment in neighborhoods and communities
- Expanded options for senior residents seeking to stay in our communities - freeing up existing housing stock
- Improved civic engagement
- Strengthened economic activity: hiring, hospitality/dining, retail
- Expanded demand for public transit and pedestrian options



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Thank you!

Please contact us at:

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Housing statistics are available at our website: ithacarealtors.com

