

# HOUSING SOLUTIONS MATCHMAKER TOOL

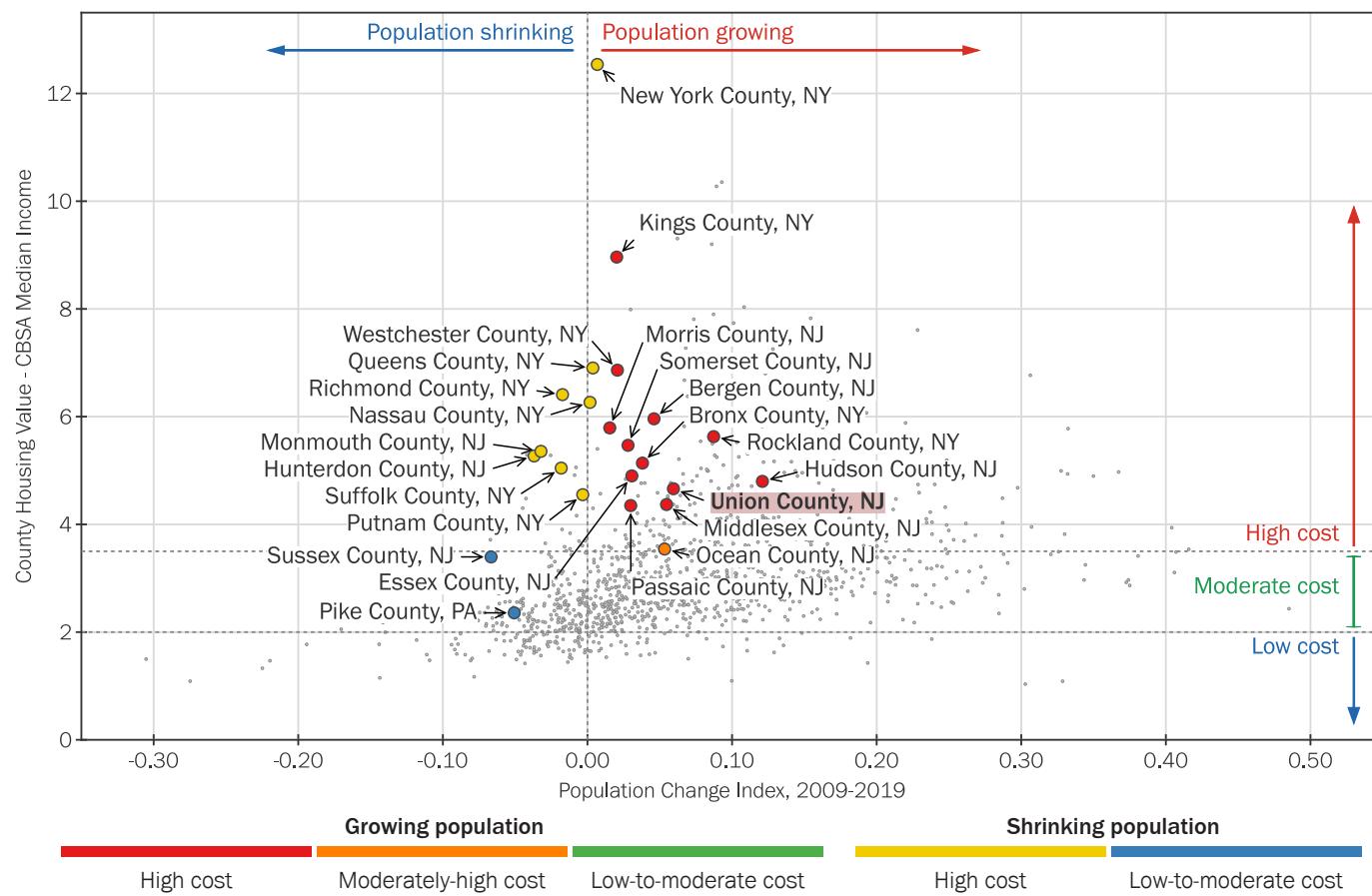
## A DIAGNOSTIC TOOL FOR LOCAL OFFICIALS

### UNION COUNTY, NJ

NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA

Union County, New Jersey, is a high-cost county with a growing population located in a high-cost metropolitan area with a growing population. Eleven of the 23 metropolitan counties in the metro area experienced population growth from 2009 to 2019. Additionally, 21 of the 23 metropolitan counties fall into the highest cost category (housing value-to-income ratios over 3.5).

Figure 1: HOUSING COST AND POPULATION GROWTH



**Note:** Graph includes both counties and county-equivalents.

To develop a more complete picture of housing market conditions in Union County, we draw on a broader set of metrics (Table 1) that capture demand, affordability of both owner-occupied and rental housing, and housing quality.

Table 1: COUNTY TO METRO AREA COMPARISON

|   | Union County, NJ | New York-Newark-Jersey City, NY-NJ-PA | U.S. metro counties |
|---|------------------|---------------------------------------|---------------------|
| <b>Population size &amp; growth</b>         |                  |                                       |                     |
| Population change, 2009 - 2019              | 0.06             | 0.02                                  | 0.09                |
| Population, 2019                            | 554,033          | 1,363,472                             | 1,345,466           |
| <b>Housing affordability</b>                |                  |                                       |                     |
| County median home value/CBSA median income | 4.66             | 6.6                                   | 4.14                |
| Median income                               | \$80,198         | \$81,219                              | \$68,376            |
| Median home value                           | \$367,200        | \$519,329                             | \$293,457           |
| Income needed to pay median rent            | \$51,600         | \$59,946                              | \$46,218            |
| Severely cost-burdened renters              | 22.5%            | 16.5%                                 | 23.10%              |
| <b>Housing quality</b>                      |                  |                                       |                     |
| Vacancy rate                                | 6.0%             | 9.0%                                  | 9.9%                |
| Seasonal Vacancy                            | 0.2%             | 2.6%                                  | 2.5%                |
| Percent homes built pre-1940                | 24.4%            | 28.1%                                 | 11.8%               |
| Percent homes built post-1990               | 12.9%            | 15.4%                                 | 33.5%               |

Source: [NHGIS](#), University of Minnesota (ACS 2005-2009 and 2015-2019). Columns for metro area and U.S. counties are averages, weighted by 2019 population. More details on variable definitions can be found in the [methodology appendix](#).

## KEY FINDINGS FROM THIS COMPARISON ARE:

- The typical household in the New York-Newark-Jersey City, NY-NJ-PA metro area would have to pay 4.66 times their annual income to purchase the median home in Union County. Home value-to-income ratios between 2.5-3.5 are considered healthy.
- Households earning less than \$51,600 (or 64 percent of the metro area median income) would have difficulty paying rent for the median rental home in Union County, while spending no more than 30% of their income on rent. While middle-income households in the metro area can afford median rent in Union County, low- and moderate-income households in the region will fall below this threshold.
- 22.5 percent of renters in Union County are severely cost-burdened, meaning they spend more than half their income on rent. That is above the severely cost-burdened share for the entire metro area.
- The vacancy rate (adjusted for seasonal vacancies), 5.8 percent, is low. Vacancy rates of six to ten percent are considered healthy. Low vacancy rates are an indication that supply is not keeping up with demand.

## RECOMMENDED POLICY SOLUTIONS:

Housing in Union County is expensive because [supply](#) has [not kept up](#) with demand. High prices and rents indicate that there is unmet demand for housing. It is important to realize that no single county can produce enough housing to meet demand. Reducing housing costs in expensive, supply-constrained metro areas will require sustained periods of increased housing production across multiple jurisdictions. All high-cost counties within a metro area adopting the strategies described below will have better results than actions by a single county, and county officials can play a leading role in [coordinating across jurisdictions and sectors](#) to achieve those goals.

| Overall Recommendation  | Types and Examples of Policy Change  |
|---|--|
| <p><b>Make it easier to build small, moderately priced homes.</b> In expensive metro areas, the size of homes and the amount of land used per home are major factors in the price of individual homes. Single-family detached homes on large lots are the <a href="#">most expensive</a> structure type. Rowhouses, townhomes, two-to-four family homes, and low-rise apartment buildings have lower per-unit <a href="#">development costs</a> than detached homes.</p> <p>Developing a specific menu of reforms to make it easier to build small, moderately priced homes will require an assessment of the county's current housing types, density, and land availability. Exactly what types of reform will yield the largest supply increases and cost reductions will vary across high-cost counties.</p> | <ul style="list-style-type: none"> <li>Upzone land to allow for <a href="#">higher density housing</a> or <a href="#">lower-cost housing types</a></li> <li>Relax dimensional requirements, such as minimum lot sizes, setbacks, lot coverage, or floor-to-area ratios</li> <li>Reduce minimum parking requirement</li> <li>Allow flexibility in housing <a href="#">design standards</a></li> </ul>   |
| <p><b>Make the development process simpler and shorter.</b> The <a href="#">length of time</a> required to complete development projects, combined with the <a href="#">complexity</a> of the process, are significant factors in the price of newly built housing. Local development processes that make decisions on a case-by-case basis, rather than following consistent, transparent rules, increase the <a href="#">uncertainty and risk of development</a>, which translates into higher costs.</p>   | <ul style="list-style-type: none"> <li>Allow more development <a href="#">as of right</a></li> <li><a href="#">Streamline the permitting process</a> for multiple parts of the housing development process</li> <li>Set a clear and transparent impact fee schedule</li> <li>Set "shot clocks" that require development process decisions to be made in a set amount of time</li> </ul>  |
| <p><b>Expand vouchers or income supports for low-income renters.</b> Even in communities where enough housing is built to accommodate increased demand, market-rate housing remains unaffordable to many low-income households. The <a href="#">poorest 20%</a> of households <a href="#">everywhere</a> in the U.S. spend more than half their income on housing, well above the threshold HUD defines as affordable. Only <a href="#">one in four</a> eligible households receives federal rental assistance, including vouchers and public housing.</p>  | <ul style="list-style-type: none"> <li>If your county has sufficient resources, supplement federal voucher programs programs through <a href="#">locally funded rental vouchers</a> or direct income supports.</li> <li>Provide land or financial support for <a href="#">acquisition</a> or construction of affordable housing.</li> <li>Establish an affordable <a href="#">housing trust fund</a>, which are a flexible financing vehicle to support affordable housing development.</li> </ul> |

## RECOMMENDED POLICY SOLUTIONS (CONTINUED):

| Overall Recommendation  | Types and Examples of Policy Change   |
|---|---|
| <p><b>Provide subsidies for improving housing quality.</b> Older homes are prone to <a href="#">health hazards</a> such as unabated lead paint and asbestos, require more energy to heat and cool, and have higher <a href="#">maintenance costs</a> for their owners. The federal government and some state governments offer low-interest loans or grants for weatherization and related energy-efficient upgrades that can improve housing quality and reduce operating costs.</p> | <ul style="list-style-type: none"> <li>Provide easy to understand guidance or direct assistance for low-income homeowners and landlords of low-cost rental properties to federal and state weatherization, energy-efficiency, and other housing quality improvement programs</li> <li>Create <a href="#">tax incentives for maintenance and rehabilitation of affordable rental properties</a></li> </ul> |

**Housing market conditions can vary across submarkets within counties.** These policy recommendations are based on an assessment of overall county-level housing metrics. Larger counties often have multiple distinct submarkets with varying affordability, physical quality, infrastructure availability, and development regulations. Cities, towns, and neighborhoods that offer the best [economic opportunity](#)—proximity to well-paid jobs, transportation, good schools, and other amenities—often have housing that is too expensive for moderate-income households in the county. Lower-cost communities tend to have [older, poorer-quality](#) housing. Addressing within-county disparities in housing costs, availability, and quality may require coordinating between independent political entities (e.g., separate cities and towns) in counties with more [fragmented](#) local government.

As all counties are unique and require different interventions, rural counties should consider if urban housing policy recommendations will fit their needs or the needs of any of their districts. The policy recommendations for urban counties are below, arranged by their market conditions in terms of price and population growth. Each pair of market conditions links to a web page where you can find more details on the associated policy solutions.

- [Solutions for counties with a high cost of housing and a shrinking population](#)
- [Solutions for counties with a low-to-moderate cost of housing and a shrinking population](#)
- [Solutions for counties with a high cost of housing and a growing population](#)
- [Solutions for counties with a moderately high housing cost and a growing population](#)