



LFUCG Housing Market Study Op-Ed  
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Best estimates say that an additional 60,000 people will call Lexington home by 2030.

So one of the central questions facing our community is not if we grow, but how we grow—and can we do it in a way that positions our built, natural, and social environments for success in today’s rapidly changing world?

National and local market studies shed light on this complex issue. Surprisingly, our demographics are changing along with our housing preferences—determining how our community will look and function in the future.

Recently, the NY Times reported that today’s typical homebuyers have smaller families—and in turn they want smaller, denser, and more inter-connected living environments.

“75 percent of home buyers over the next 15 years will have childless households... There is a historic reversal of home-buying demand away from suburban and rural areas to cities and inner ring suburbs that are more walkable than driveable... [It] is projected [there will be] a nationwide surplus of 22 million suburban homes... by 2025.”<sup>1</sup>

Nationally, the single-family detached home in the burbs has become less and less the housing unit of choice, when other options are available and affordable. And locally, Lexington-Fayette County is experiencing a similar transformation.

This summer, LFUCG completed—with the help of several national and local real estate planning firms—a Housing Market Study that identified our demographic trends, available land for development, and preferred housing types and needs over the next twenty years.

The study’s major recommendations and related findings were:

1. *To immediately address Lexington-Fayette County’s shortage of quality housing, for those with the most moderate incomes.*
  - Our housing market is grossly **undersupplied** for sale product **below \$85k**, and for rental product **below \$500/mo**.
2. *To plan for longer-term growth in demand for higher density product—such as condominiums, town homes, and small-lot single family units—in all areas within Lexington-Fayette County’s Urban Service Boundary.*
  - There are roughly **12,750 acres** inside the USB potentially available for re-development, contingent on community planning and policy decisions. This number includes approximately **8,000 acres** identified by the LFUCG Division of Planning as vacant, blighted, or underutilized property inside the Urban Service Boundary.

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<sup>1</sup> In the Region-Housing Inventories on the Rise, The New York Times, December 2008

3. *Create a regulatory environment that will facilitate well-designed, higher density mixed-use development for those in Lexington seeking this housing product.*
  - **40%** of Lexington’s current market prefers to live in an “infill product” inside New Circle Road. This percentage is growing, as market perceptions evolve, transportation costs increase, and good infill product is built.
  - Nearly 70% of Lexington homes contain just one or two persons.
  - In 2007, roughly **10% of Lexington’s population was aged 65 years or older**. This number will continue to grow in the future, making “aging in place” an increasing market in Lexington- Fayette County.<sup>2</sup>

In light of these facts, it’s apparent that Fayette County is primed for an innovative growth model—one that incentivizes developers to build well-designed, mixed-use, and affordable housing units in our urban core and suburbs, while preserving our finite Bluegrass landscape on the perimeter for its branding, quality of life, and economic development value.

In furtherance of this model, the study identified several needed LFUCG initiatives including:

- Support local affordable housing programs, such as the efforts of local non-profit housing providers, the affordable housing trust fund, etc.
- Implement changes to local land-use and zoning regulations, such as:
  - o Site Design Standards
  - o Transitional Requirements
  - o Signage Standards
  - o Streetscape Standards
  - o Park and Open Space Standards
- Explore creating mixed-use districts or overlays that provide architectural guidelines for redevelopment or new development in targeted areas.

Pointedly, the study also reveals that Lexington’s potential **redevelopment areas could** accommodate up to approximately **14,500 new residential units** under current land-use plans—and yet we will likely need **19,800 new residential units by 2030**. Therefore, increased density, and regional partnerships are key strategies in satisfying our long-term growth demands.

But will leadership step up to the plate? Can we meaningfully respond to what our market is telling us, and implement targeted affordable housing and infill policies that make it easier for developers to do the right thing, without compromising our cityscape and iconic Bluegrass brand?

Lexingtonians say “yes”. In the recently completed Destination 2040 Project, the community articulated its “Physical Growth” vision as:

We will protect and promote the signature rural landscape...continue the momentum to bring about a truly vibrant downtown, and ensure that all urban and suburban neighborhoods flourish. Acknowledging that the future will bring growth in population...[W]e will use proactive, cooperative regional planning to address change...while appropriately balancing the community’s needs.

This is a tall order. However, we must follow suit.

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<sup>2</sup> Lexington’s Aging in Place Initiative, LFUCG, October 31 2008.

As proven by Dr. Richard Florida in Rise of the Creative Class and countless other experts, we cannot afford to look the other way and advance poorly designed “sprawl” development because it not only fails our demographic market, but our natural, social, and economic promise.

Now is the time for action, and let’s get to work. Please visit [www.fayettealliance.com](http://www.fayettealliance.com) to learn how you can support our town, our farms, and our future.