

Analysis of the LFUCG 2009 Housing Market Study

In 2009, 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.

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.¹

¹ Lexington's Aging in Place Initiative, LFUCG, October 31 2008.

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:

Site Design Standards

Transitional Requirements

Signage Standards

Streetscape Standards

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 demand.