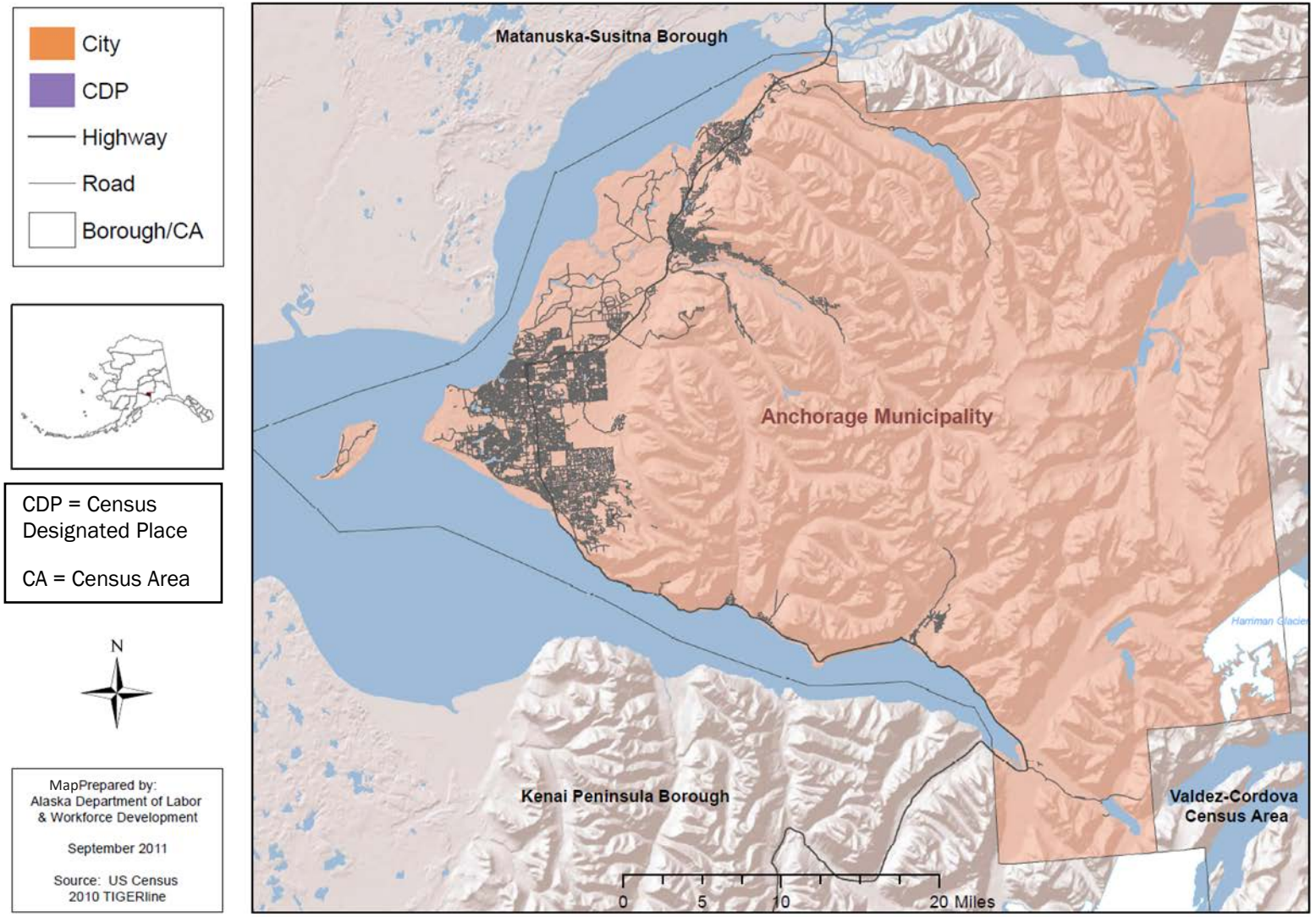
Municipality of Anchorage



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Regional and Statewide Housing Characteristics

This census area summary only includes the highlights of housing characteristics at the census area level. The 2017 Alaska Housing Assessment provides a significant amount of data and analysis at statewide, ANCSA region and census area levels. That assessment provides a statewide analysis of housing characteristics, how they compare to national numbers, and the estimated housing needs. Within the 2017 Alaska Housing Assessment, written summaries are available for each individual ANCSA region and census area, and data profiles are also available characterizing the housing stock from the perspective of community, overcrowding, energy, affordability and need. These different tiers of information and analysis allow researchers, housing authorities, policymakers and others to generate answers to specific questions. For a more detailed discussion of estimating housing need and comparison of methods to previous housing assessments, see Appendix C Selected Methodology in 2017 Alaska Housing Assessment.

Municipality of Anchorage Dashboard

Population: The Alaska Department of Labor and Workforce Development's current (2015) population estimate for the Municipality of Anchorage is 298,908, an increase of 15 percent from 2000.

Housing Units: There are currently 115,028 housing units in the Municipality of Anchorage. Of these, 105,164 are occupied, 3,850 are for sale or rent and the remaining 4,701 are seasonal or otherwise vacant units.

Energy and Energy Costs: The average home in the Municipality of Anchorage is 2,259 square feet and uses 262 million BTUs of energy annually, compared to the statewide average of 227 million BTUs per year. Using AKWarm estimates, the average annual energy cost for homes in the Municipality of Anchorage is $3,368. This is approximately 80 percent of the statewide average and 1.5 times the national average.

Overcrowding: An estimated 4,522 (4 percent) of occupied units are either overcrowded (3 percent) or severely overcrowded (1 percent). This is approximately equivalent to the national average and makes this census area the ninth least overcrowded census area in the state.

Drafty Homes and Ventilation: Approximately 34,428 (32 percent) of homes in the Municipality of Anchorage are drafty, exceeding seven air changes per hour at 50 Pascals (ACH50). The statewide average is 36 percent. In contrast, there are an estimated 74,234 occupied housing units (69 percent) in the Municipality of Anchorage that are relatively airtight and lack a continuous ventilation system. These homes are at higher risk of issues with moisture and indoor air quality.

Affordability: On average, approximately 35,120 (33 percent) of households in the Municipality of Anchorage are cost-burdened, spending more than 30 percent of total household income on housing costs, including rent, utilities and energy. Statewide 31 percent of households are cost-burdened.

Senior Housing: There are an estimated 2,350 beds in senior housing facilities in the Municipality of Anchorage. Currently the Alaska Department of Labor and Workforce Development estimates there are 28,449 seniors in the census area, and are projecting an increase to 53,231 by 2030.

Housing Issues: There are an estimated 18,979 homes built before the 1980s in the Municipality of Anchorage that have not been retrofitted through a state program in the past 10 years. Approximately 507 (0.4 percent) homes in the Municipality of Anchorage lack complete kitchens and approximately 549 (1 percent) lack complete bathrooms.

Municipality of Anchorage Housing Need Highlights

Increasing housing affordability is one of the most significant needs in the Municipality of Anchorage. According to the HUD Comprehensive Market Study conducted in 2015, "the low inventory of for-sale housing, limited choice among housing types, limited availability of developable land, and limited supply of affordable existing and newly constructed homes have motivated households to leave the Anchorage Municipality submarket and move to towns in the neighboring Matsu Borough submarket, despite commute times of 45 minutes or more."[1]

Housing Gap: The housing gap is the total number of units needed to alleviate overcrowding and meet projected population growth. Nearly 4,500 units need to be built to alleviate current overcrowding, and projected population growth will require an additional 7,000 or more units to be built by 2025. If current construction trends continue, it is estimated that the total housing gap in 2025 will be approximately 5,600 units. According to the State of Alaska Department of Labor, Anchorage had a large decline in new residential construction in 2016 as compared to 2015, from 850 to 423 units, respectively.[2] While this lack of new construction will not help overcrowding or affordability issues, it does appear that it is helping to keep the real estate market stable in the current economic downturn by not creating a glut of supply in the market.[3, 4]

Affordable Housing Need: A renter household in Anchorage needs 1.5 full-time jobs at average renter wage to afford a two-bedroom unit at fair market rent.[5] This high cost of rental housing is part of why an estimated 33 percent of all households in the Municipality of Anchorage are cost-burdened, meaning they spend more than 30 percent of their income on housing.[6] Housing is even less affordable for the lowest income residents; to afford a two-bedroom rental unit at fair market rent, a renter earning minimum wage would need to work 102 hours per week.

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[1] *Comprehensive Housing Market Analysis: Anchorage-Matanuska-Susitna, Alaska.* (July 2015). U.S. Department of Housing and Urban Development: Office of Policy Development and Research. Retrieved from: https://www.huduser.gov/portal/publications/pdf/AnchorageAK-comp-16.pdf

[2] Wiebold, Karinne. *Housing: a Steady Market.* (May 2017). Alaska Economic Trends. Retrieved from: http://labor.alaska.gov/trends/may17.pdf

[3] Yoshimura, Connie. *INSIDE REAL ESTATE: Remarkable stability in Anchorage housing market.* (2017). Alaska Journal of Commerce. Retrieved from: http://www.alaskajournal.com/2017-05-17/inside-real-estate-remarkable-stability-anchorage-housing-market#.WjlHyFWnGUl

[4] Wiebold, Karinne. *Housing: a Steady Market.* (May 2017). Alaska Economic Trends. Retrieved from: http://labor.alaska.gov/trends/may17.pdf

[5] Yentel, D., Aurand, A., Emmanuel, D., Errico, E., Leong, G. M., & Rodrigues, K. (2016). *Out of Reach 2016*. National Low Income Housing Coalition. Retrieved from http://nlihc.org/sites/default/files/oor/OOR_2016.pdf

[6] U.S. Census Bureau. (2016). *American Community Survey, 2010–2014 American Community Survey Five-year Estimates*.

Senior Housing Needs: Four percent of senior citizens in Anchorage are living in senior housing, the same as the statewide average;[7] however, at the senior listening session conducted in Anchorage as part of the *Needs Assessment Report: Alaska State Plan for Senior Services*, a shortage of accessible housing was listed as the highest priority for areas needing improvement.[8] This shortage will likely only get worse unless a significant number of new senior housing units are built because the population is projected to nearly double by 2030.[9]

Retrofit Needs: Anchorage has low energy costs, a building energy code for new construction, and experienced significant participation in the Home Energy Rebate and Weatherization programs. Due to large house size and partially due to a significant number of inefficient homes built before 1980, on average, single-family homes still have the highest total annual energy consumption in the state.[10] Forty-six percent of homes built before 1980 have not yet gone through an energy efficiency program. It is estimated that nearly 70 percent of homes in Anchorage are at higher risk of indoor air quality issues because they are relatively airtight and lack continuous mechanical ventilation.

[7] AHFC Senior Housing Office. (2016). *Inventory List: Independent Living Homes/Facilities*. Revised 5/02/2016. Retrieved from https://www.ahfc.us/senior-support/

[8] Denali Daniels & Associates. (2015). *Needs Assessment Report: Alaska State Plan for Senior Services: FY 2016–2019*. Retrieved from http://dhss.alaska.gov/acoa/Documents/minutes/ACoA_NeedsAssessmentReport.pdf

[9] Hunsinger, Eddie, Sandberg, E., & Brooks, L. (2016). Alaska Population Projections 2015 to 2045. Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[10] See Appendix C: Methodology for details.

Municipality of Anchorage Summary

Community

Anchorage is Alaska's largest city and is located on the shore of Cook Inlet off the Gulf of Alaska. It is located in the Cook Inlet Native Corporation ANCSA region, which is in southcentral Alaska. The average home size in the census area is 2,057 square feet.

The ratio of dependents, including those under 16 and over 65, relative to the working age population in the Municipality of Anchorage is lower than the statewide average and lower than the national ratio.[11] The Municipality of Anchorage is expected to see an increase in the nonworking age population by 2030.

The ratio of senior age dependents to the working age population is higher than the statewide average and lower than the national average. The Municipality of Anchorage region is projected to see the ratio of senior age dependents to working age dependents increase by 1.9 times by 2030.

There are an estimated 2,350 dedicated beds in senior housing in the Municipality of Anchorage, with 1,141 of those dedicated to assisted-care living.[12] Currently the Alaska Department of Labor and Workforce Development estimates there are 28,449 seniors in the census area and projects that there will be 53,231 senior citizens by 2030.[13] In the Municipality of Anchorage 4.2 percent of senior citizens are in assisted-care housing. This is higher than the statewide rate of 2.8 percent senior citizens in assisted-care housing. Nationally, approximately 3.5 percent of senior citizens are in senior living facilities.[14]

Comparison of the growth rates in the senior age (65+) segment of the population to the dependent age (0 to 15) population indicate that in the Municipality of Anchorage the primary pressure for new housing over the next 15 years will come from households with elderly people.

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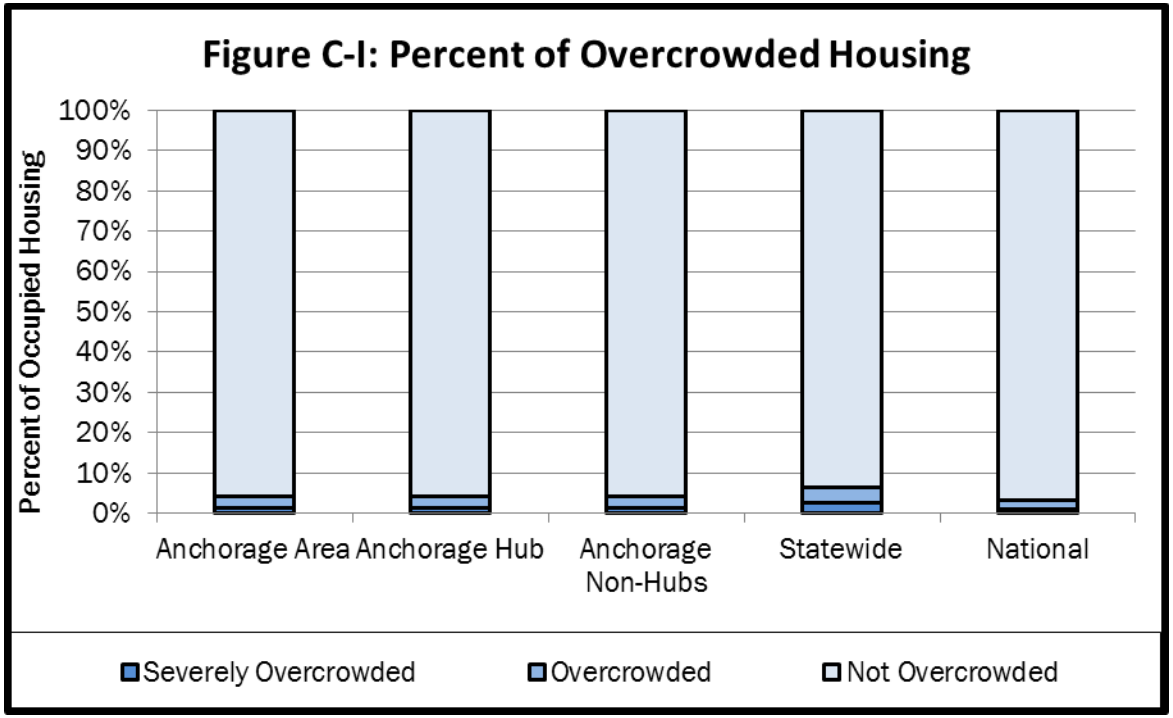
[11] Hunsinger, Eddie, Sandberg, E., & Brooks, L. (2016). Alaska Population Projections 2015 to 2045. Alaska Department of Labor and Workforce Development, Research and Analysis Section.
U.S. Census Bureau. (2016). *American Community Survey, 2010–2014 American Community Survey Five-year Estimates*.
[12] AHFC Senior Housing Office. (2016). *Inventory List: Independent Living Homes/Facilities*. Revised 5/02/2016. Retrieved from https://www.ahfc.us/senior-support/
[13] Hunsinger, Eddie, Sandberg, E., & Brooks, L. (2016). Alaska Population Projections 2015 to 2045. Alaska Department of Labor and Workforce Development, Research and Analysis Section.
[14] Ribbe, M., Ljunggren, G., Steel, K., Topinkova, E., Hawes, C., Ikegami, N., ... Jonnson, P. (1997). "Nursing homes in 10 nations: a comparison between countries and settings. *Age and Ageing*, 26(S2), 3-12.

Overcrowding[15]

The Municipality of Anchorage is the ninth least overcrowded census area in Alaska. Approximately 4 percent of households are overcrowded in the census area as a whole. The rate of overcrowding in the Municipality of Anchorage is slightly less than the statewide average (6.4 percent) and approximately 1.3 times more than the national average (3.3 percent).

Overcrowding is defined as households with more than 1 person per room. Severe overcrowding is defined as households with more than 1.5 persons per room. Approximately 1.3 percent of households are severely overcrowded, which is 1.3 times more than the national average.



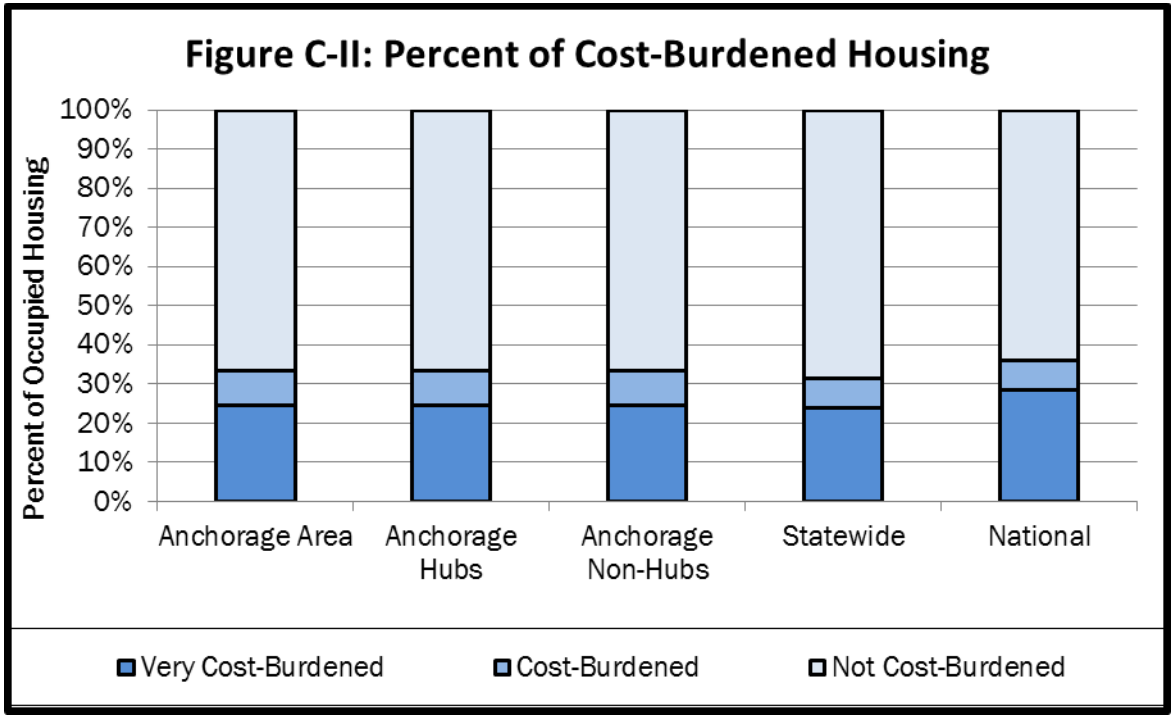
Approximately 3 percent of housing units in the Municipality of Anchorage are available for sale or rent. Additionally, 4 percent of housing units in the Municipality of Anchorage are considered vacant because they are used for seasonal, recreational or other non-year-round purposes.

[15] U.S. Census Bureau. (2016). *American Community Survey, 2010–2014 American Community Survey Five-year Estimates*.

Affordability[16]

According to estimates from the U.S. Census American Community Survey (ACS), 33 percent of households in the Municipality of Anchorage are cost-burdened, that is, spend more than 30 percent of their income on housing costs. The rate of cost-burdened households in the Municipality of Anchorage is 93 percent of the national average (36 percent).

The median household income in the Municipality of Anchorage is $78,121. This is higher than the statewide median of $71,829. The national median is $53,482.



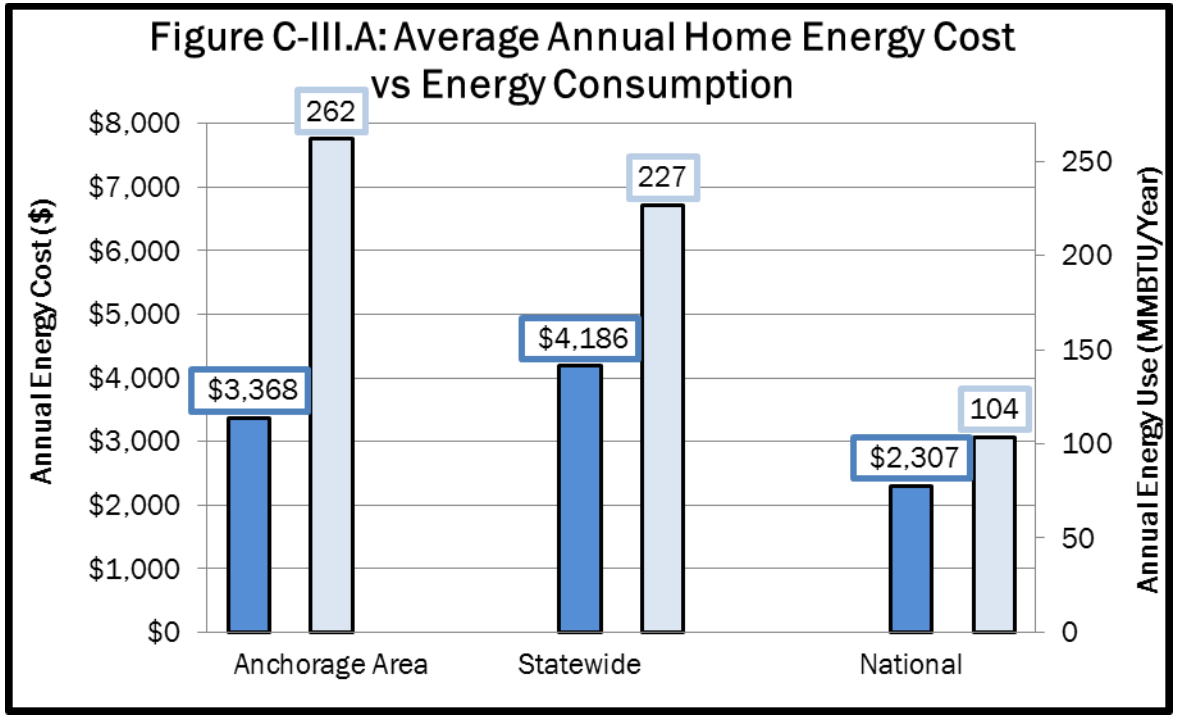
[16] U.S. Census Bureau. (2016). *American Community Survey, 2010–2014 American Community Survey Five-year Estimates*.

Energy[17]

Single-family Units

Single-family homes in the Municipality of Anchorage consume an average of 262 million BTUs per year, the highest energy consumption in the state. This average annual energy consumption is 1.2 times the statewide average of 227 million BTUs and 2.5 times the national average.

Energy costs for single-family homes in the Municipality of Anchorage average $3,368 annually. This is the second lowest in the state. Municipality of Anchorage energy costs are 80 percent of the statewide average and 1.5 times the national average.



With an average footprint of 2,259 square feet, single-family homes in the Municipality of Anchorage are larger than the statewide average of 1,955 square feet. Nationally the average house size is 2,425 square feet.

The energy use intensity (EUI), or annual energy used per square foot, for a single-family home in the Municipality of Anchorage averages 127,000 BTUs per square foot, the 13th lowest in the state. This is approximately the same as the statewide average of 128,000 BTUs per square foot and three times the national average. The energy cost index (ECI), or annual energy cost per square foot, for a single-family home in the Municipality of Anchorage averages $1.49, the lowest in the state. This is 65 percent of the statewide average of $2.31 per square foot and 1.6 times the national average of $0.95 per square foot.

The home heating index (HHI) in the Municipality of Anchorage for the average single-family home is 9.09 BTUs/ft^2/HDD. This is the 14th lowest in the state. The HHI for the Municipality of Anchorage is higher than the statewide average of 8.83 BTU/ft^2/HDD. The normalized cost of energy, in terms of dollars per million BTUs, for a single-family home in the Municipality of Anchorage

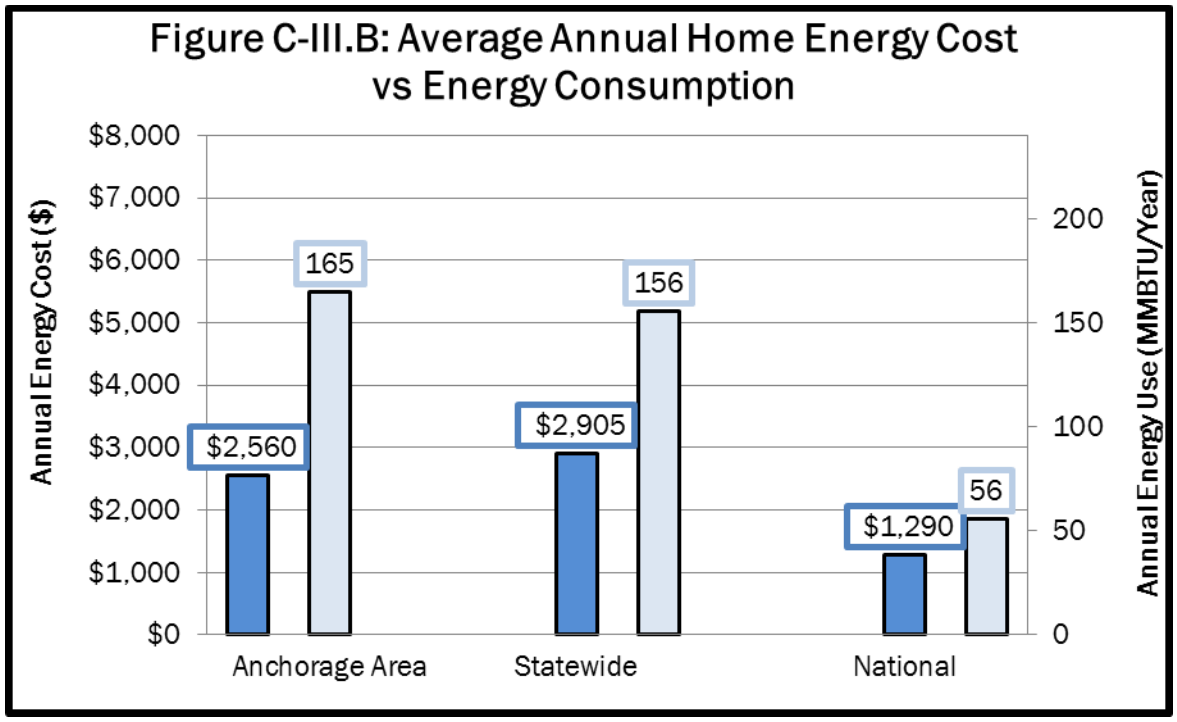
[17] See Appendix C: Methodology for details.

averages $9.90, the lowest in the state. This is 63 percent of the statewide average of $15.80 per million BTUs and 44 percent of the national average of $22.27 per million BTUs.

Multifamily Units

Multifamily housing units in the Municipality of Anchorage consume an average of 165 million BTUs per year, the second highest energy consumption in the state. This average annual energy consumption is 1.1 times the statewide average of 156 million BTUs and 2.5 times the national average.

Energy costs for multifamily housing units in the Municipality of Anchorage average $2,560 annually. This is the eighth lowest in the state. Municipality of Anchorage energy costs are 88 percent of the statewide average and twice the national average.



With an average footprint of 1,310 square feet, multifamily housing units in the Municipality of Anchorage are larger than the statewide average of 1,284 square feet. Nationally the average unit in multifamily housing is 930 square feet.

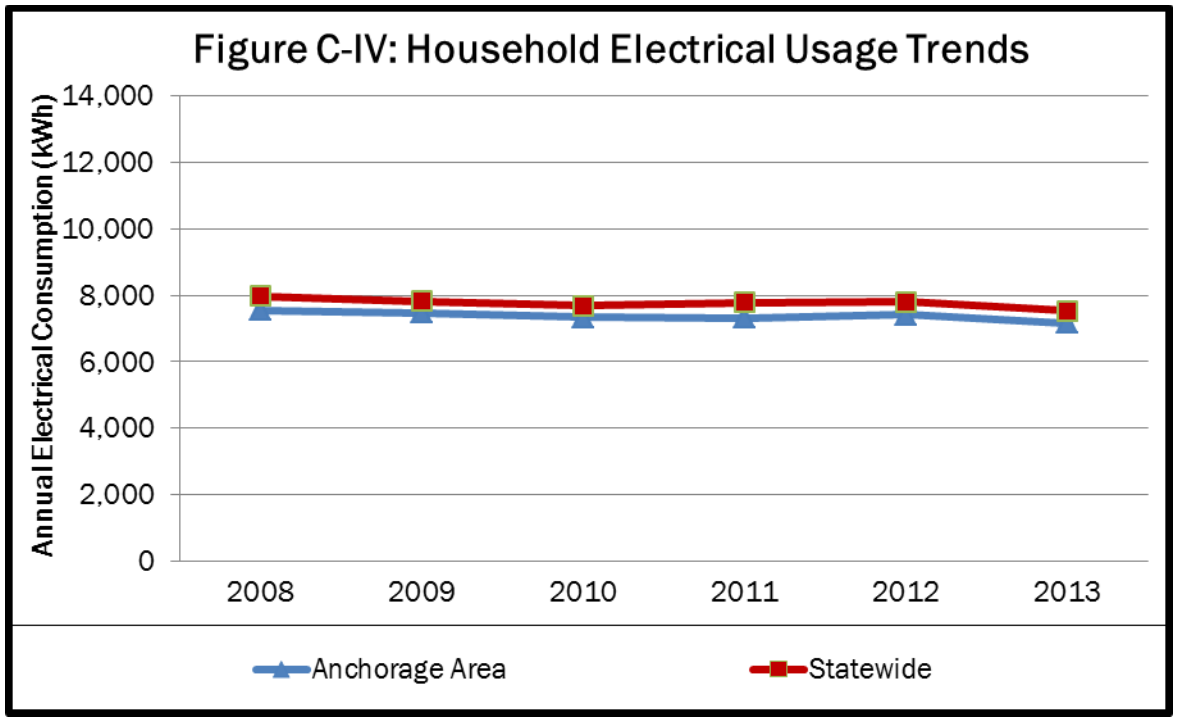
The energy use intensity (EUI), or annual energy used per square foot, for a multifamily housing unit in the Municipality of Anchorage averages 133,000 BTUs per square foot, the fifth highest in the state. This is close to the statewide average of 128,000 BTUs per square foot and 2.2 times the national average. The energy cost index (ECI), or annual energy cost per square foot, for a multifamily housing unit in the Municipality of Anchorage averages $1.96, the lowest in the state. This is 86 percent of the statewide average of $2.27 per square foot and 1.4 times the national average of $1.39 per square foot.

The home heating index (HHI) in the Municipality of Anchorage for the average multifamily housing unit is 8.75 BTUs/ft^2/HDD. This is the sixth highest in the state. The HHI for the Municipality of Anchorage is higher than the statewide average of 8.28 BTU/ft^2/HDD. The normalized cost of energy, in terms of dollars per million BTUs, for a unit in multifamily housing in the

Municipality of Anchorage averages $10.37, the second lowest in the state. This is 81 percent of the statewide average of $12.79 per million BTUs and 45 percent of the national average of $23.12 per million BTUs.

Historical Household Electricity Usage[18]

In 2013 the average household in the Municipality of Anchorage consumed 7,162 kWh of electricity annually. This is approximately 5 percent less than in 2008. Statewide, the average household consumed 7,540 kWh of electricity in 2013, also a decrease of 5 percent since 2008.



Inefficient and Older Homes[19]

Approximately 2,905 (3 percent) of the occupied homes in the Municipality of Anchorage are estimated to be 1-star homes. A 1-star home uses approximately four times more energy than if built to AHFC's Building Energy Efficiency Standard (BEES). Statewide, approximately 14,600 (6 percent) of occupied homes are estimated to be 1-star homes.

Older homes built before 1980 that have not been retrofitted are potentially homes in need. Approximately 46 percent of all homes in the Municipality of Anchorage fit these two criteria, higher than the statewide average of 39 percent.

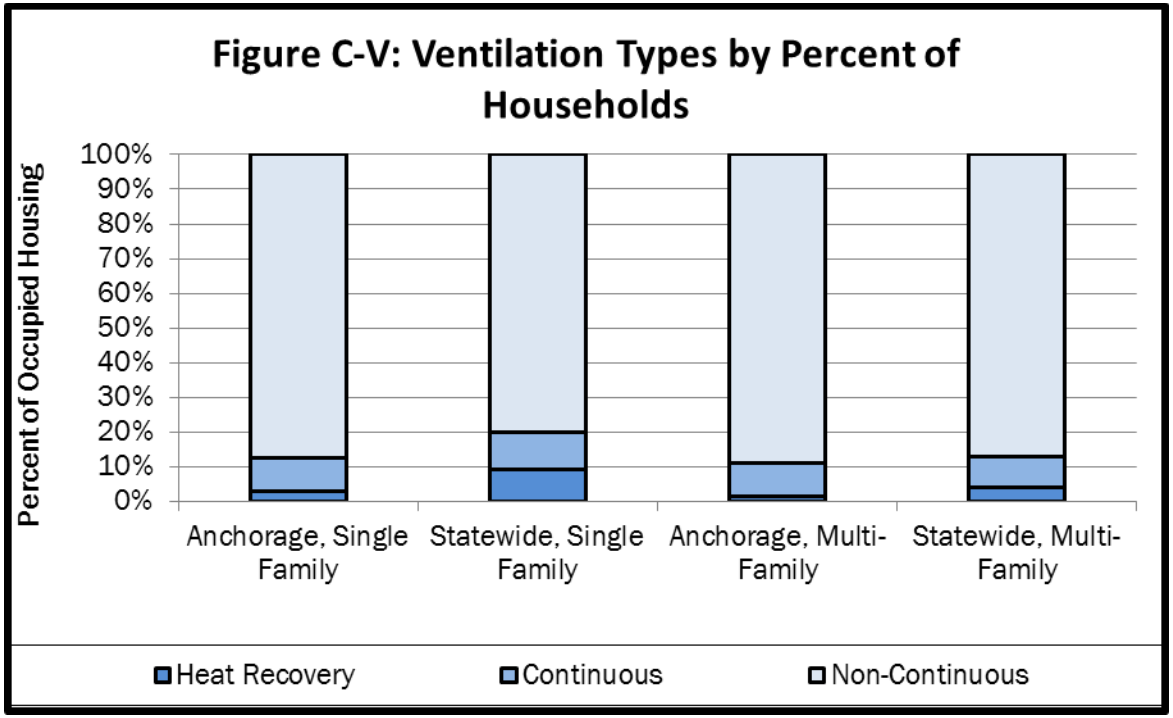
[18] Fay, G., Villalobos Melendez, A. & West, C. (2014). *Alaska Energy Statistics: 1960–2011*. UAA Institute of Social and Economic Research. Retrieved from http://iser.uaa.alaska.edu/Publications/2013_12-AlaskaEnergyStatistics2011Report_Final_2014-04-30.pdf

[19] See Appendix C: Methodology for details.

Housing Condition[20]

Ventilation

Approximately 13 percent of the occupied homes in the Municipality of Anchorage region have heat recovery or continuous mechanical ventilation systems installed. This is the 10th lowest in the state. Statewide approximately 20 percent of occupied homes have continuous mechanical ventilation systems.



Indoor Air Quality

A tight home with no or inadequate ventilation has an increased risk of issues with indoor air quality or moisture. The Municipality of Anchorage has the sixth highest percentage of housing units in the state that are relatively airtight and lack continuous mechanical ventilation. Approximately 43,804 (42 percent) of the occupied homes in the Municipality of Anchorage are estimated to be at moderate risk, with 28,902 (27 percent) estimated to be at high risk. Statewide, approximately 30 percent of occupied homes are estimated to be at moderate risk and 26 percent at high risk.

Draftiness

Drafty homes were defined as those showing between 7 and 12 air changes per hour at 50 Pascals (ACH50) when subjected to a blower door test. Very drafty homes will see test results of greater than 12 ACH50. Approximately 25,882 (25 percent) of the occupied homes in the Municipality of Anchorage are estimated to be drafty, with 8,291 (8 percent) estimated to be very drafty. Statewide approximately 24 percent of occupied homes are estimated to be drafty and 12 percent are estimated to be very drafty.

[20] See Appendix C: Methodology for details.