



## Housing Affordability in Johnson County

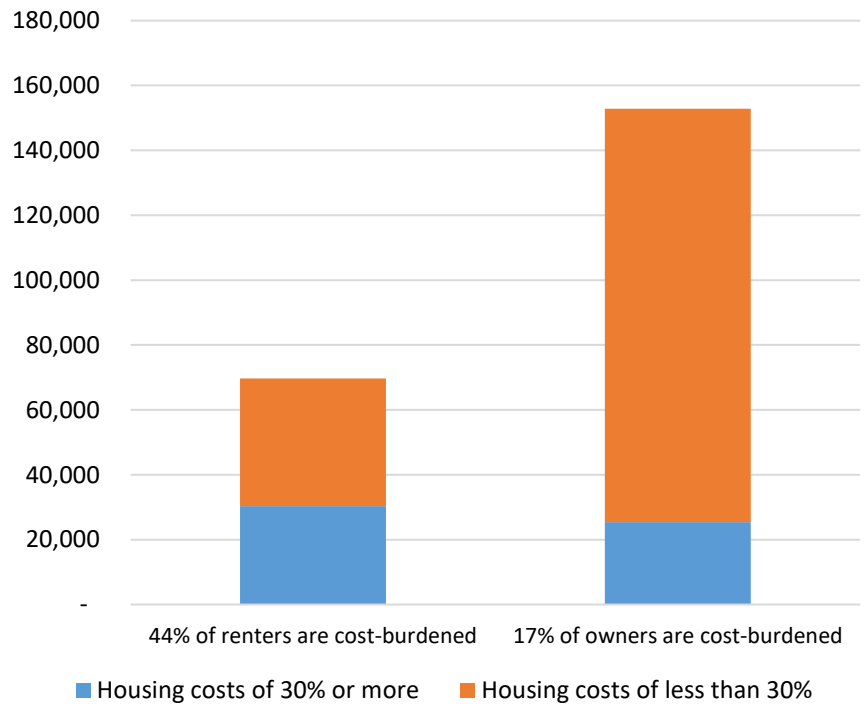
Safe, stable, and affordable housing is the foundation on which families build healthy and sustainable futures. Housing also represents one of the largest expenses in a household budget, and where one lives can impact access to schools, jobs, and community resources.

Housing influences both individual and community health and well-being in significant ways. Substandard housing conditions such as water leaks, poor ventilation, dirty carpets and pest infestation can lead to mold, mites and other allergens associated with poor health. Rapidly increasing property values can displace low- and fixed-income home owners unable to keep up with property taxes. High mobility due to rising costs or evictions can cause potential disruptions in neighborhood stability, delivery of critical social services, and even a child’s progress in school.

In the past ten years, median monthly costs for all housing types have increased by 14%. Monthly costs for renters have increased at more than twice the overall rate (30%). The 2016 median gross rent for Johnson County was \$1,045, with the additional housing costs of electricity, gas, water and sewer. For homeowners, median monthly housing costs are \$1,677 for owners with a mortgage and \$606 for owners without a mortgage (including real estate taxes, insurance, utilities and fuels, and fees).

Rising housing costs can increase the “cost-burden” of housing. The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing. Housing expenditures that exceed 30% of household income have historically been viewed as unsustainable and an indicator of an affordability problem – when monthly costs for housing become such a large portion of the overall budget that other non-discretionary spending is at risk. The term “cost-burdened” is used to define this indicator. More than 1 in 4 Johnson County households, regardless of housing type, are burdened by the cost of housing. Renting households are two and a half times more likely to be cost-burdened than those households owning their homes.

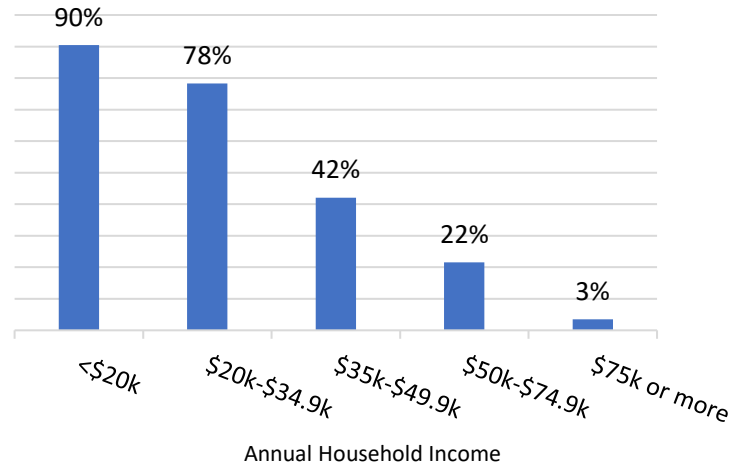
**Renters are 2.5x more likely to be cost-burdened than homeowners**



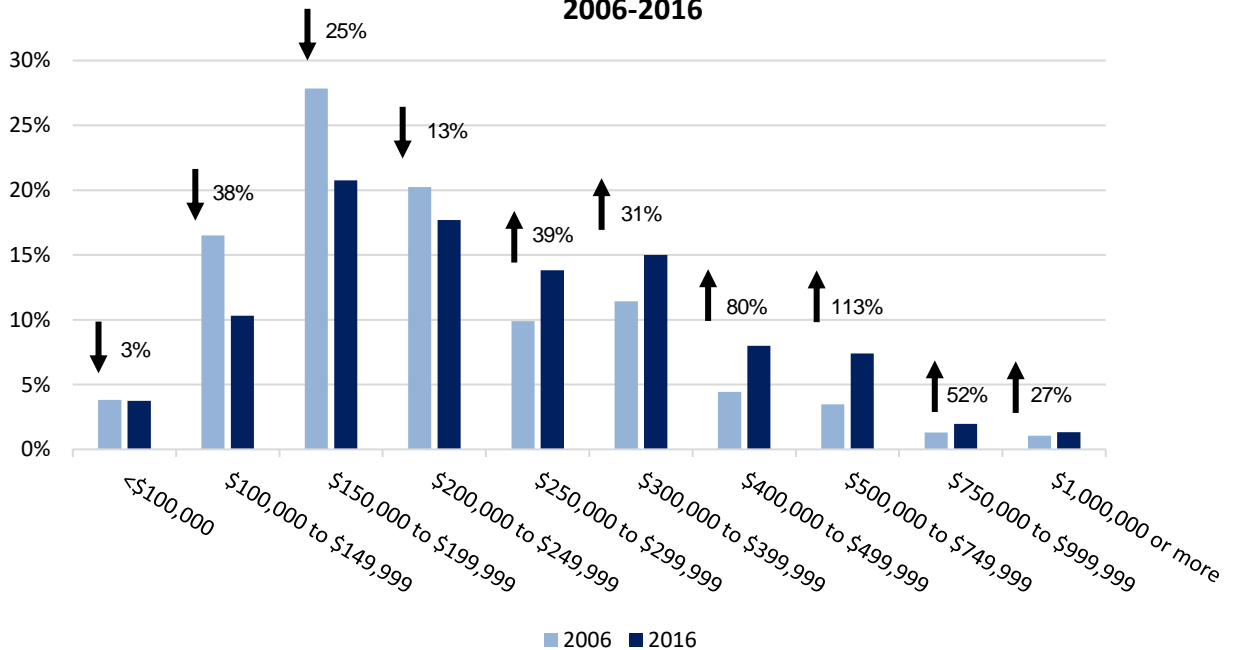
A household's income level makes a difference in its ability to manage the cost of housing. Low-income families are significantly more likely to be cost-burdened. In the past decade, the likelihood of being cost burdened has increased by as much as 30% for households earning less than \$50,000 annually, while the likelihood for households earning at least \$75,000 annually has decreased by nearly 50%.

The median value of homes in Johnson County was \$242,900 in 2016. Over the last decade, the proportion of homes valued at less than \$250,000 has decreased.

**Cost-Burdened by Income Group**



**Home values for all homes  
2006-2016**

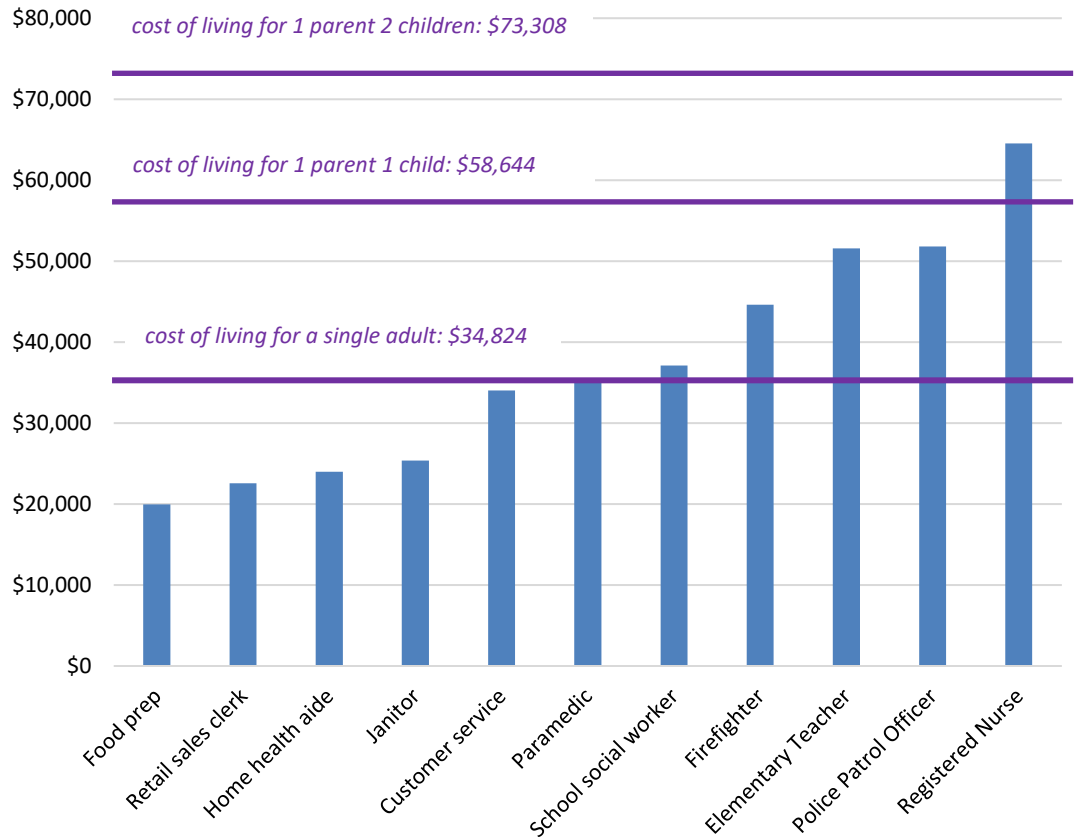


The cost of living in Johnson County increased by double digits from 2014 to 2017. Necessities such housing consume a sizeable portion of a household's budget. The Economic Policy Institute (EPI) recently released an update to the Family Budget Calculator, which estimates the income a family needs to maintain a modest yet adequate standard of living. Households with children need to earn the equivalent of at least \$28.00 per hour (full-time, year-round) to afford necessities. Even for single adult households, income must be at least \$16.00 per hour to regularly sustain a household in Johnson County.

	Single Adult	One Parent One Child	One Parent Two Children	Two Parents One Child	Two Parents Two Children
<b>Monthly Budget</b>	\$2,902	\$4,887	\$6,109	\$5,848	\$6,963
<b>Annual Budget</b>	\$34,824	\$58,644	\$73,308	\$70,176	\$83,556
<b>Full-time wage required (per hour)</b>	\$16.74	\$28.19	\$35.24	\$33.74	\$40.17

In Johnson County, 30% of jobs pay less than \$15.00 per hour. For families living in Johnson County, jobs that are foundational to our community’s well-being – paramedics, police officers, and elementary teachers to name a few – may not provide adequate wages to meet the cost of living. Employment is a key pathway to economic security, but jobs must pay enough to stably meet the cost of living and ensure that the local workforce is healthy and prepared to contribute to broader economic growth.

### Median Annual Wage for Key Occupations and Cost of Living 2017



Sources: U.S. Census Bureau, American Community Survey, 1-year estimates; Economic Policy Institute, Family Budget Calculator, 2017; Bureau of Labor Statistics, Occupational Employment Estimates, 2017