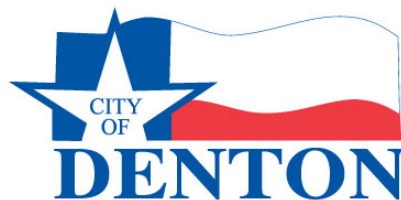




PZ24-234 Multifamily & Single-Family Housing Data

Hayley Zagurski
Planning & Zoning Commission
December 11, 2024



12/11/2024

Request

- August 28, 2024: P&Z request for written update regarding the number of multifamily projects currently in development.
- September 17, 2024: In preparation for the City Council meeting, Council members inquired about:
 - How close the City is to the anticipated multifamily need called for by 2040 Plan
 - How the City's current rental housing estimates are expected to change in the future

Agenda

1. City population growth
2. Housing composition
3. Multifamily projects and demand
4. Single-family projects and demand
5. Comparison of current growth and demand
6. Conclusions

Notes on the data...

- City permit and project data is fluid and can change weekly as projects are submitted, permits are issued and finalized, etc.
- Population and housing estimates can vary by source – typically rely on Denton County Appraisal District (DCAD) & American Community Survey (US Census ACS).
 - Comprehensive Plan relies on US Census ACS
- Land uses are not tracked the same way by different sources
 - Example:
 - DDC defines multifamily as 5 or more units
 - Permit data considers everything 3 units of more as multifamily (same with DCAD & US Census ACS)

City Population Growth



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Denton Plan 2040 Growth and Demand

Table 1.2 Population and Housing Growth

Population	Housing Growth
2020 Population (1)	139,869
2020 Household Size (2)	2.41
2020 Total Housing Units (3)	58,085
2040 Population Projection (4)	229,192
2020 – 2040 Population Change (5)	89,323
2040 Housing Demand (6)	37,094
Total Projected 2040 Housing Units (7)	95,179

Source: (1) 2020 US Census, (2) 2020 Population/2020 Total Housing Units, (3) 2020 US Census – Total Housing Units, (4) 2021 City of Denton estimate, (5) 2040 Population Projection – 2020 Population, (6) 2020 – 2040 Population Change/Household Size, (7) 2040 Housing Demand + 2019 Housing Units.

- Comp Plan projections assume a **3.19%** annual growth rate.
- US Census ACS Date:
 - 2023 Population estimate: **158,361**
 - 18,492 person increase (13.2%)
 - Annual growth rate since 2020: **4.41%**
 - Projected 2040 Population at 4.4% growth: **331,369**
 - **73% change** in anticipated 2040 population compared to Comp Plan estimate

Denton Plan 2040 Growth and Demand

Table 1.3 Residential Demand by Type

	2020 Units (1)	% of 2019 Units (2)	Existing Dev. Residential Area (Ac) (3)	Existing Density (4)	Acres Per Unit (5)	2040 New Units (6)	New Residential Area (Ac) (7)
1 Unit Detached (Residential Single-Family)	31,017	53.4%	15,204	2.04	0.49	19,808	12,137
1 Unit Attached, 2-4 Units, Other (Residential Other)	9,468	16.3%	1,667	5.68	0.18	6,046	1,331
5+ Units (Residential Multi-Family)	17,600	30.3%	1,152	15.28	0.07	11,239	920
Total	58,085	-	18,023	-	-	37,094	14,387

Source: (1) 2020 Total Housing units – 2019 American Community Survey 1 Year Estimates, (2) 2019 American Community Survey 1 Year Estimates, (3) City of Denton GIS, (4) 2020 Units/Existing Dev. Residential Acres, (5) 2040 Population Projection – 2020 Population, (6) 2020 – 2040 Population Change/Household Size, (7) Acres Per Unit x New Units + 25% of Land Area for Roads and Infrastructure.

If we assume continued growth at the current 4.4% rate, these projected needs would increase:

Single Family (detached): **34,278**

Townhome – Fourplex: 10,463

Multifamily: **19,449**

Growth of Denton's Colleges/Universities

School	2019	2020	2021	2022	2023	4-Year Growth Rate
UNT	39,330	40,796	42,372	44,532	46,940	19%
TWU	13,402	13,800	13,667	12,790	12,679	-5%
NCTC (Denton)	461.00	590	440	458	626	36%
Total	53,193	54,655	56,479	57,780	60,245	13%

Current Housing Composition



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Housing Totals

	2020		2021		2022		2023	
Housing Type	Units (Total)	Percentage (of total stock)	Units (Total)	Percentage (of total stock)	Units (Total)	Percentage (of total stock)	Units (Total)	Percentage (of total stock)
SFR	30,943	85.13%	31,461	81.60%	32,298	81.00%	34,090	80.60%
Duplex	857	2.36%	1,836	4.80%	1,864	4.70%	1,930	4.60%
Multifamily	4,550	12.52%	5,240	13.60%	5,719	14.30%	6,254	14.80%
Total	36,350	100%	38,537	100%	39,881	100%	42,274	100.00%

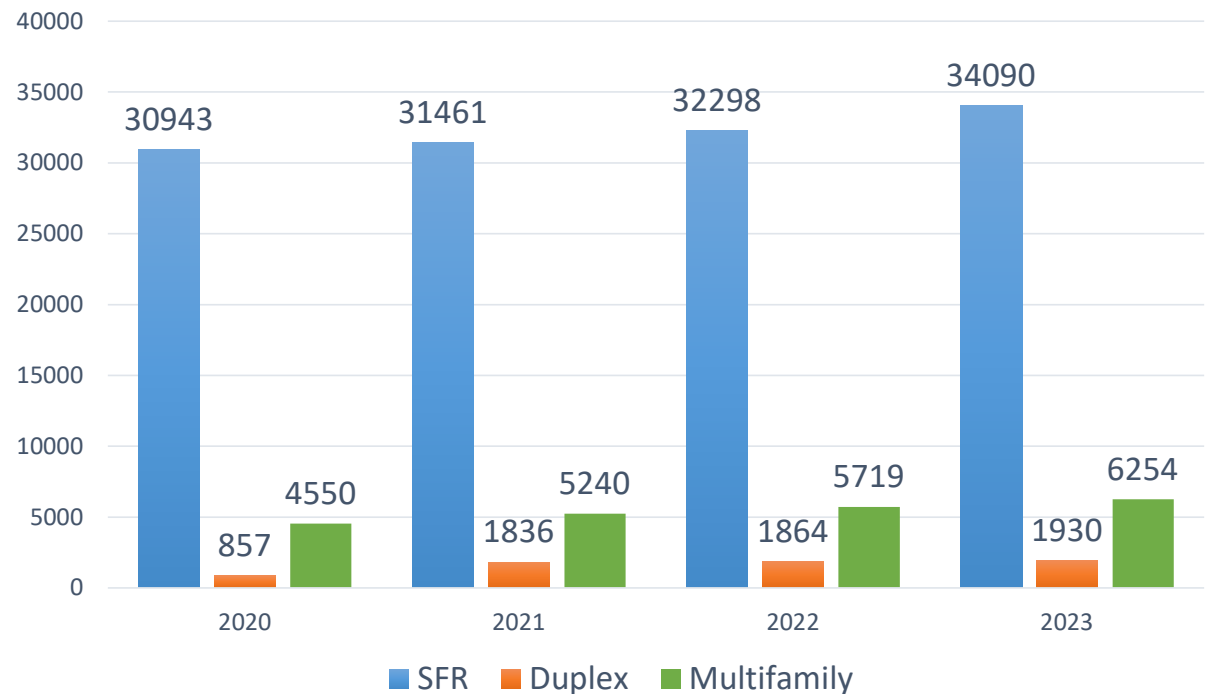
Source: DCAD Annual certified housing data



Housing Totals

Increases from 2020 to 2023		
Type	Percent	Units
SFR	10.17%	3,147
Duplex	125.20%	1,073
Multifamily	37.45%	1,704

DCAD Total Housing Units by Type 2020 - 2023



Source: DCAD Annual certified housing data



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Overall Rental Data

Annual Comparison for Denton

Year	Renter Occupied Housing Units
2023	52%
2018	53%
2013	52%
2010*	54%

Source: American Community Survey

*2010 is the earliest this ACS dataset is published

2023 Comparison of College Towns

City (TX)	Renter Occupied Housing Units
San Marcos (TX State)	71%
College Station (TX A&M)	65%
Nacogdoches (Stephen F Austin)	63%
Stephenville (Tarleton State)	54%
Bryan (TX A&M)	53%
Denton (UNT & TWU)	52%
Lubbock (TX Tech)	51%
Waco (Baylor)	49%

Multifamily Projects and Demands

Multifamily* Projects in Development

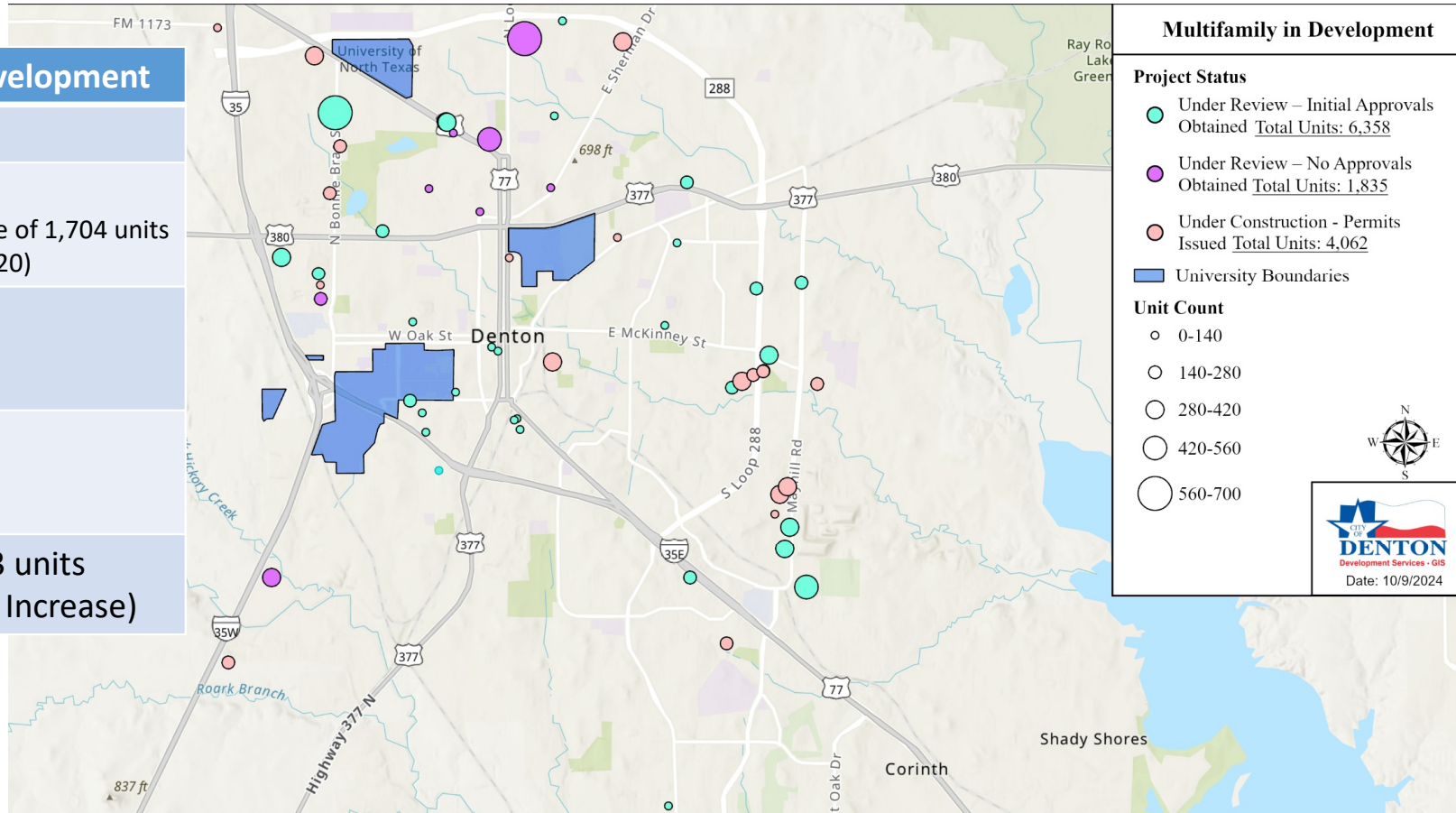
Multifamily Units* in Development

2020 Unit Total**	4,550
2023 Unit Total**	6,254 (increase of 1,704 units from 2020)
Units in construction*** (19 projects as of 10/9/24)	4,062
Units in review*** (40 projects as of 10/9/24)	8,037
Total Increase since 2020	13,803 units (303% Increase)

*Data includes triplexes and fourplexes

** DCAD Data (slides 10-11)

*** City Permit Data



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Multifamily Demand Projections

Estimated Units Needed by 2040

	Based on 3% Growth (Comp Plan)	Based on 4.4% Growth (ACS current rate)
Multifamily (5 or more units/lot)	11,239	19,449
Multifamily, Triplex, & Fourplex *	14,262	24,680

*Table 1.3 Residential Demand by Type

	2020 Units (1)	% of 2019 Units (2)	Existing Dev. Residential Area (Ac) (3)	Existing Density (4)	Acres Per Unit (5)	2040 New Units (6)	New Residential Area (Ac) (7)
1 Unit Detached (Residential Single-Family)	31,017	53.4%	15,204	2.04	0.49	19,808	12,137
1 Unit Attached, 2-4 Units, Other (Residential Other)	9,468	16.3%	1,667	5.68	0.18	6,046	1,331
5+ Units (Residential Multi- Family)	17,600	30.3%	1,152	15.28	0.07	11,239	920
Total	58,085	-	18,023	-	-	37,094	14,387

Source: (1) 2020 Total Housing units - 2019 American Community Survey 1 Year Estimates, (2) 2019 American Community Survey 1 Year Estimates, (3) City of Denton GIS, (4) 2020 Units/Existing Dev. Residential Acres, (5) 2040 Population Projection - 2020 Population, (6) 2020 - 2040 Population Change/Household Size, (7) Acres Per Unit x New Units + 25% of Land Area for Roads and Infrastructure.

2021 Affordable Housing Needs and Market Value Analysis of City Rental Units

Estimated additional rental units the City can support between 2025 and 2040 (any type of unit)	20,838
Estimated Rental Housing Demand 2021-2026 - moderate growth	4,100
Estimated Rental Housing Demand 2021-2026 - high growth	4,479
Total	24,938 – 25,317

*Triplex and Fourplex units estimated based on assumption that equal percentages of each unit type (townhome, duplex, triplex, and fourplex) make up the townhome – fourplex category in the Comp Plan



Single-family Projects and Demands

Single-Family* Projects in Development

Single-Family Units* in Development

2020 Unit Total** 31,800

2023 Unit Total** 36,020
(increase of 4,220 units from 2020)

Units (lots) in construction*** 7,041
(62 projects as of 11/8/24)

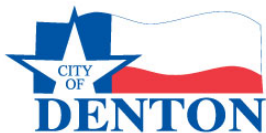
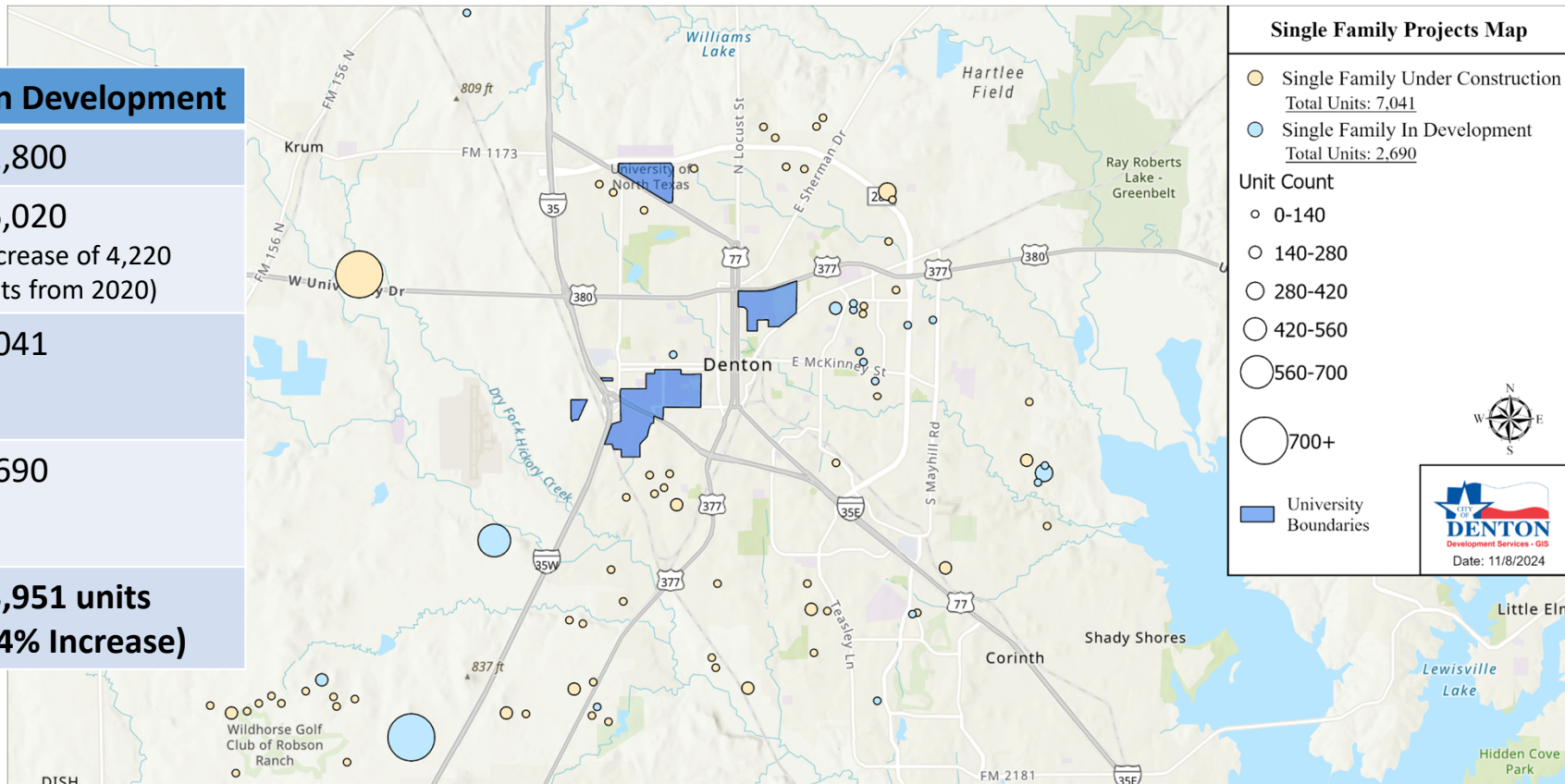
Units (lots) in review*** 2,690
(19 projects as of 11/8/24)

Total Increase since 2020 **13,951 units**
(44% Increase)

*Data includes townhomes and duplexes

** DCAD Data (slides 10-11)

*** City Permit Data



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Single-Family Demand Projections

Estimated Units Needed by 2040

	Based on 3% Growth (Comp Plan)	Based on 4.4% Growth (ACS current rate)
Single-Family Detached	19,808	34,278
Single-Family Detached, Townhomes, & Duplexes*	22,831	39,509

2021 Affordable Housing Needs and Market Value Analysis of City of Denton Ownership Units	
Estimated additional homes for ownership the City can support between 2025 and 2040	45,523
Estimated Demand for Homeowner Units 2021-2026 - moderate growth	3,661
Estimated Demand for Homeowner Units 2021-2026 - high growth	5,015
Total	49,184 – 50,538

*Townhome and Duplex units estimated based on assumption that equal percentages of each unit type (townhome, duplex, triplex, and fourplex) make up the townhome – fourplex category in the Comp Plan

Comparison of Current Growth and Demands

How are these demands being met?

Multifamily (includes triplex and fourplex)

New MF units since 2020	13,803
Percent of need met so far at 3% growth (Comp Plan)	90% (of 14,262 units)
Percent of need met so far at 4% growth (ACS current rate)	52% (of 24,680 units)
Percent of rental housing need met so far (2021 Housing Needs Assessment)	55% (of 25,317 units)

Single-Family (includes townhome and duplex)

New SF units since 2020	13,951
Percent of need met so far at 3% growth (Comp Plan)	61% (of 22,831 units)
Percent of need met so far at 4% growth (ACS current rate)	41% (of 39,509 units)
Percent of demand for ownership units met so far (2021 Housing Needs Assessment)	28% (of 50,538 units)

What conclusions can we draw from this?

- Denton is growing and the student population of the City's colleges is growing.
 - The student population growth will continue to have an affect on the City's housing.
- The City's rental housing rate is comparable with other TX cities that have major universities.
- Growth rate projections vary widely depending on source, and the reality is likely be different from any of them.
- There is a demand for more housing, although the estimated amount needed by 2040 varies by source.
- Based on the Comp. Plan, the 2021 Housing Needs Assessment, and current development project trends, the City is on track to meet or exceed the units needed.
 - However, current rental rates and growth of university populations indicate we may struggle to provide sufficient units for owner occupancy compared to rental.

Given the uncertainties, what can we do?

- Continue to be thoughtful in our consideration of housing development projects to ensure the City is developing a diverse housing stock to meet the needs of current and future residents.
- When new MF zoning entitlements are requested, consider whether:
 - the location is consistent with the adopted Denton 2040 plan; and
 - the location is conducive to allowing additional housing in proximity to further neighborhood growth.
- Continue to monitor the City's growth trends and housing availability, especially in comparison to the 2021 Housing Needs Assessment.
 - Update Housing Needs Assessment and Comp Plan within next 5 years
- Incentivize and remove barriers to infill development to reduce impacts to the City's environmental assets as we grow.
 - Policy and code changes will be needed (Comp Plan, DDC, impact fees, economic tools)
- Encourage increased housing near the universities – increasing rental opportunities there can make ownership opportunities available elsewhere.

Questions?