Know Your Indicators: Vacancy Measures

Erin Browne
Economist
Economic & Market Analysis Division
Office of Economic Affairs
Overview

Vacant units available for rent or for sale

Vacant units not available for rent or for sale

Data sources for vacancy measures
Vacant Units Available for Rent or for Sale

Vacancy Rate

- A ratio of available units and total units.
- One of the most important measures for determining housing market conditions.
- Fluctuates with rents and sales prices in response to demand-supply conditions.
- Typically vacancy rates will change before rents or sales prices.
Vacancy Rate Calculation

\[
\text{Vacancy Rate} = \frac{\text{Vacant Available Units}}{\text{Vacant Available Units} + \text{Occupied Units}}
\]

Applied to both sales and rental markets.
Balanced Vacancy Rate

- Each housing market has its own balanced vacancy rate set by:
  - Household Growth
  - Construction Levels

- Housing Markets with greater household growth and construction levels require a higher balanced vacancy rate to handle the volume of turnover generated and for optimal market conditions.

- This is one reason there are regional differences in vacancy rates.
2008 Rental Vacancy Rates by State

Source: U.S. Census Bureau; 2008 American Community Survey
### Rental Vacancy Rates vs. Sales Vacancy Rates

<table>
<thead>
<tr>
<th>Rental</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td>Volatile</td>
<td>Stable</td>
</tr>
</tbody>
</table>

- **Rental**:
  - Higher: Volatile
  - Lower: Volatile

- **Sales**:
  - Lower: Stable
  - Lower: Stable
Vacancy Rates by HUD Regions

Source: U.S. Census Bureau; 2008 American Community Survey
Vacant Units Not Available for Rent or for Sale

- Rented Not Occupied
- Sold Not Occupied
- Seasonal, Recreational, and Occasional Use
- For Migrant Workers
- Other Vacant
2000 Vacant Not Available by State

Source: U.S. Census Bureau; 2000 Decennial Census
2008 Vacant Not Available by State

Source: U.S. Census Bureau; 2008 American Community Survey
<table>
<thead>
<tr>
<th>Source</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decennial Census</td>
<td>Available by census block. Free.</td>
<td>Only available every 10 years. Starting with 2010, less detail will be available.</td>
</tr>
<tr>
<td>Data Companies</td>
<td>Typically released monthly or quarterly. Detailed data.</td>
<td>Limited scope of coverage. Cost.</td>
</tr>
</tbody>
</table>
# Vacancy Data Sources

<table>
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</thead>
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<tr>
<td>Local Utility Data</td>
<td>Local geographic coverage. Timely data. Typically free.</td>
<td>Data is typically not detailed.</td>
</tr>
<tr>
<td>Universities and State and Local Governments</td>
<td>Timely data. Typically free or for a small fee.</td>
<td>Depends on collection methods and geography.</td>
</tr>
</tbody>
</table>
Free Data Sources

www.huduser.org

- United States Postal Service
- American Housing Survey

www.census.gov

- Decennial Census
- American Community Survey
- Current Population/Housing Vacancy Survey
- American Housing Survey

QUESTIONS?

Email: Erin.K.Browne@hud.gov
Telephone: 202.402.5017