

# MEMORANDUM

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**TO:** Mayor Beutler  
Lincoln City Council  
Lancaster County Board of Commissioners  
Lincoln/Lancaster County Planning Commission

**FROM:** **David Cary, Planning Director** ([dcary@lincoln.ne.gov](mailto:dcary@lincoln.ne.gov) or 402-441-6364)  
**Brandon Garrett, Planner** ([bgarrett@lincoln.ne.gov](mailto:bgarrett@lincoln.ne.gov) or 402-441-6373)

**SUBJECT:** *Residential Land Inventory & Residential Building Permits as of January 1, 2017*

**DATE:** February 24, 2017

**COPIES:** Jon Carlson, Mayor's Office,  
Miki Esposito, Public Works & Utilities Director,  
Chad Blahak, Building & Safety Director,  
David Landis, Urban Development Director,  
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This memo includes updated data regarding the supply of urban residential lots in Lincoln's new growth areas within the 2040 Future Service Limit of the 2040 Comprehensive Plan (see shaded areas on the inset map of the Residential Land Inventory) as of January 1, 2017, and historical data on residential building permits for the entire city.

## **The Big Picture: Projected Dwelling Units Needed by 2040**

Based on population and household projections, Lincoln will have approximately 360,000 residents living in over 150,000 households by 2040. Approximately 40,000 dwelling units will be needed to be constructed between 2016 and 2040 to meet this 24-year demand. That averages to nearly 1,700 dwelling units per year, but this number will naturally start lower and increase over time as the city's population grows. Obviously, there will continue to be market fluctuations as well.

According to the 2015 American Community Survey (5 year estimate data), Lincoln had 107,574 households (which also translates to occupied dwellings), an increase of 1,062 households from 2014. By Census terms, each household lives in a dwelling unit, so the household number is a very good determinant for the minimum number of dwellings needed for occupancy in the community. Over the last five years of available data (2011-2015), Lincoln has grown by an average of 920 households per year. This is the minimum number of dwelling units Lincoln would need to supply annually just to meet demand. Over the last several years, much of the demand has been met through filling vacancies in existing housing stock. Currently, however, the homeowner vacancy rate is 1.0% and rental vacancy rate is 4.3% according to the 2015 American Community Survey (5 year estimate data). These are the lowest vacancy rates since 2010. Therefore, much more of Lincoln's future housing demand must be met through new construction.

### **Detached Single Family Demand**

Citywide, the number of building permits for new detached single family homes was slightly down from 2015's total (see the attached "Citywide Building Permits Issued for Dwelling Units" for detailed historical building permit data for dwelling units citywide). In 2016, 632 detached single family building permits were issued, compared to 663 in both 2015 and 2014, and as few as 370 in 2010. The last three years have yielded more single-family detached units (652) than the 10-year average (520), but not as many as the 15-year average (735).

### **Detached Single Family Lot Supply**

As of January 1, 2017, there were 5,906 detached single family lots in the City of Lincoln's lot supply in its developing areas. These lots are in various stages of the approval process including final platted lots and preliminary platted lots. Of this number, 1,713 single-family detached lots are final platted and available more immediately. (Please see the attached "Residential Land Inventory Review" for detailed historical data.) This updated single family lot supply has increased by 217 from one year ago, reflecting private developer response to demand by creating new buildable lots at roughly the same rate as they are built upon. This is the first year since 2008 that the final platted lot supply for detached single family has increased, ending an eight-year trend. Over this timeframe, the inventory of buildable lots has come more in line with building activity.

Based on current building and platting trends, the supply of final platted detached single family lots (1,713) in new growth areas is now at a 3.6-year supply, based on the 10-year building permit average (482 dwelling units per year for new growth areas). This compares to a 2-3 year supply in the peak homebuilding period of 2002-2004. When the final platted and preliminary platted supply is combined, using the overall number of 5,906 single family detached lots available and in the pipeline, the lot supply in new growth areas increases to 12.3 years based on the 10-year average of 482 single-family detached units per year for new growth areas. Using the 3-year average of 579 single-family detached units per year, the combined lot supply is 10.2 years. The supply of final platted lots using the 3-year average of building permits is 3 years.

### **Multi-Family Supply**

Building permits for 372 multi-family dwelling units were issued citywide in 2016; 235 dwelling units were in redeveloping areas and 137 were in new growth areas. The supply of potential multi-family land in new growth areas increased over the past year by 856 units. The supply of approved multi-family units in new growth areas stands at 5,019 units. Demand for new multi-family units has remained strong over the last seven years (2010-2016). While 2016 was considerably slower-paced than the last few years, multi-family building permits have accounted for 44.2% of all dwelling units for that seven year period, a much higher proportion than experienced from 2000-2009 (20.9%), but consistent with the 2040 Comprehensive Plan assumption for multi-family demand and long-term demographic projections.

In addition, 2,770 dwelling units have been approved in preliminary plans that do not specify a dwelling unit type, but do have a total number of units identified. The majority of these unspecified dwelling units will likely be multi-family. The number of unspecified dwelling units has not been tracked or reported in previous years. As these units develop over time, the supply of unspecified units will be updated to reflect final platted or constructed status by dwelling unit type.

### **Activity in Established Areas**

In older areas of the City, including Greater Downtown, Lincoln approved building permits for 530 dwelling units in 2016, 558 in 2015, and 432 in 2014. That accounts for 29.6% of all dwelling units (1,520 out of 5,141) in the last three years. This is achieving the infill and redevelopment goal of 8,000 dwelling units within the existing city out of 40,000 new units (20%) stated in the 2040 Comprehensive Plan.

### **Overall Supply**

Lincoln has the potential (final platted land, preliminary platted land, and raw land with no approvals) to accommodate 40,420 new dwelling units in developing areas within the 2040 Future Service Limit of the Comprehensive Plan (a 24 year planning horizon). If the pace of development averages 1,271 dwelling units per year (as in the three year average) in new growth areas, the supply is 31.8 years. At a more aggressive pace of 1,500 dwelling units per year for new growth areas, the supply is 26.9 years. To the extent that infill and redevelopment in Downtown and other established areas of the city with existing infrastructure in place is successful (assumed to be 20% in the Plan), the current land supply in new growth areas will adequately serve the projected expansion of the City beyond the year 2040.

Of the potential 40,420 dwelling units in developing areas within the 2040 Future Service Limit, 16,252 (single family and multi-family combined) are approved in final plats or preliminary plats (a 12.8 year supply based on the three year average of 1,271 dwelling units for new growth areas). Of the 16,252 approved dwelling units, 2,187 dwelling units have been final platted for single-family detached and single-family attached dwelling units. According to an analysis by the Lancaster County Assessor in 2014, approximately 93% of all final platted single-family detached and single-family attached lots are buildable with infrastructure in place. The remainder of the potential units is currently waiting for infrastructure to be built and for final platting to occur in approved developments.

#### Attachments:

"Citywide Building Permits Issued for Dwelling Units, Fifteen Year Period: 2002-2016"

"Building Permits Issued for Dwelling Units in New Growth Areas, Ten Year Period: 2007-2016"

"Residential Land Inventory Review (for new growth areas), as of January 1, 2017"

"Residential Land Inventory, New Growth Areas as of January 1, 2017"

"Residential Lot Inventory Subareas" map

# Citywide Building Permits Issued for Dwelling Units

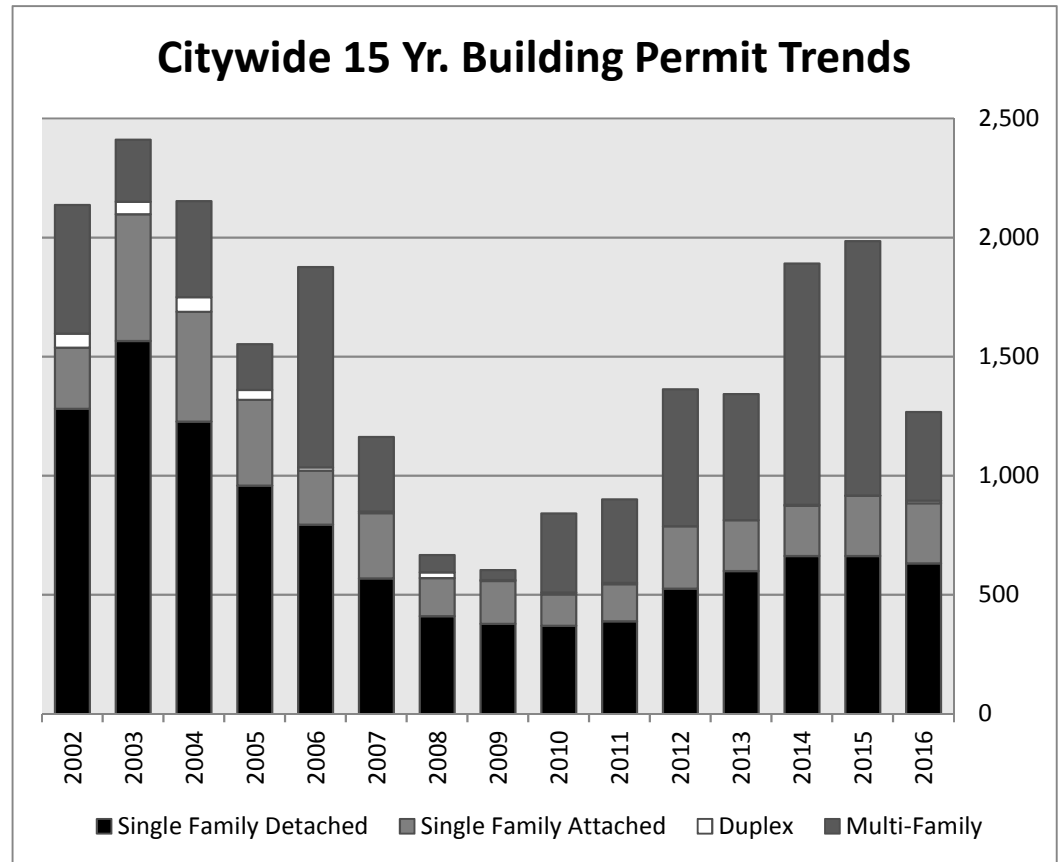
Fifteen Year Period: 2002-2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Single Family Detached</b>	632	663	663	600	525	388	370	378	410	569	794	958	1,227	1,565	1,281
<b>Single Family Attached</b>	253	252	211	213	263	156	131	180	160	274	227	360	461	533	256
<b>Duplex</b>	10	2	4	0	0	6	8	4	24	6	14	42	62	52	60
<b>Multi-Family</b>	372	1,067	1,012	529	574	350	332	42	73	314	841	192	403	260	540
<b>Total</b>	1,267	1,984	1,890	1,342	1,362	900	841	604	667	1,163	1,876	1,552	2,153	2,410	2,137

Citywide Average Per Period				
	3 Yr.	5 Yr.	10 Yr.	15 Yr.
<b>Single Family Detached</b>	653	617	520	735
<b>Single Family Attached</b>	239	238	209	262
<b>Duplex</b>	5	3	6	20
<b>Multi-Family</b>	869	711	467	460
<b>Total</b>	1,714	1,569	1,202	1,477

Note: Based on building permits issued citywide, not actual construction and occupancy. There are some permits issued, particularly in multi-family, that are never built.

- Year is based on date permit issued, not date of completion and occupancy.
- Single Family Detached is a Single Family Detached unit on a single lot.
- Single Family attached is defined as one dwelling unit on a single lot attached by a common wall to one or more other dwelling units. Commonly known as a townhome.
- Duplex is two dwelling units built on one lot.
- Multi-family is three or more units built on a single lot, typical of apartments or condominiums.
- Totals include only City of Lincoln and not Lancaster County.



Source: Lincoln/Lancaster County Planning Department (February 24, 2017)

# Building Permits Issued for Dwelling Units in New Growth Areas

Ten Year Period: 2007-2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Single Family Detached</b>	571	591	574	525	451	467	333	159	649	503
<b>Single Family Attached</b>	222	247	182	203	218	149	111	89	237	261
<b>Multi-Family</b>	137	588	702	368	515	402	176	-	37	456
<b>Total</b>	930	1,426	1,458	1,096	1,184	1,018	620	248	923	1,220

<b>New Growth Areas: Average Per Period</b>			
	3 Yr.	5 Yr.	10 Yr.
<b>Single Family Detached</b>	579	542	482
<b>Single Family Attached</b>	217	214	192
<b>Multi-Family</b>	476	462	338
<b>Total</b>	1,271	1,219	1,012

Note: Based on net changes in existing land use year to year.

- Year is based on net change occurring in one calendar year.

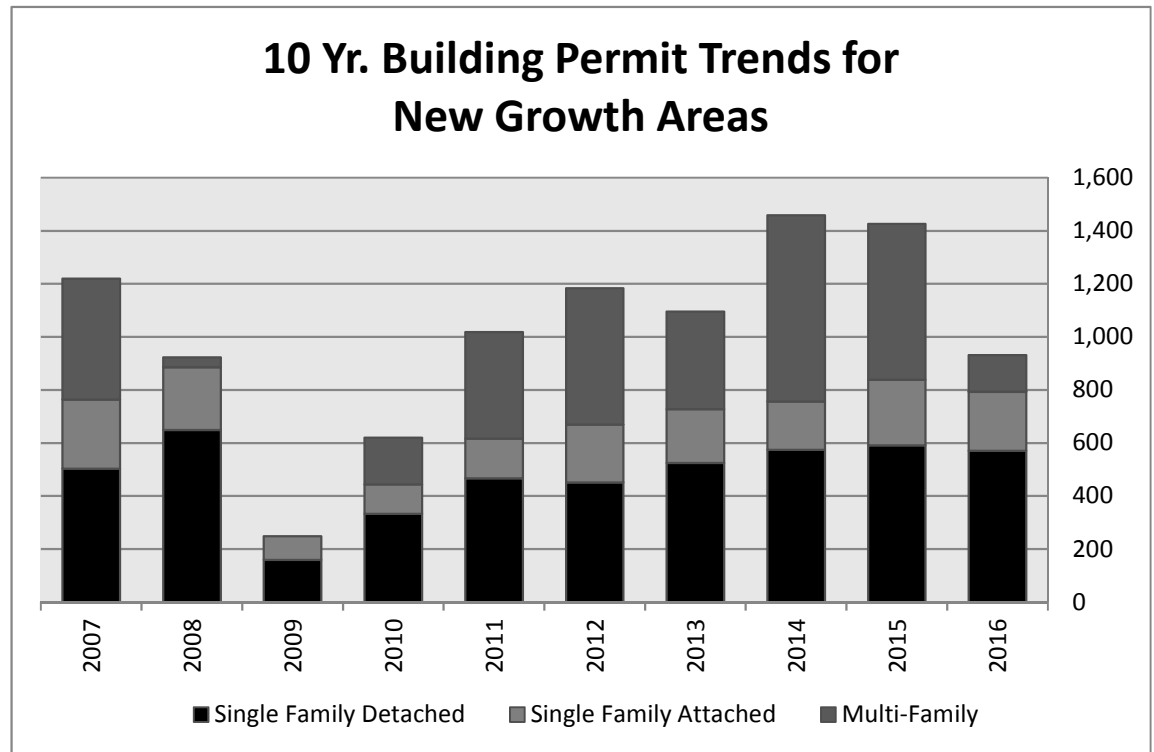
- Single Family Detached is a Single Family Detached unit on a single lot.

- Single Family attached is defined as one dwelling unit on a single lot attached by a common wall to one or more other dwelling units.

Commonly known as a townhome.

- Multi-family is three or more units built on a single lot, typical of apartments or condominiums.

- Totals include only City of Lincoln and not Lancaster County.



Source: Lincoln/Lancaster County Planning Department (February 24, 2017)

C:\Users\nctam\Desktop\[three.xlsx]2017 Res. Land Inv. Review

# Residential Land Inventory Review (for new growth areas)

As of January 1, 2017

	Jan 2017	Jan 2016	Jan 2015	Jan 2014	Jan 2013	Jan 2012	Jan 2011	Jan 2010	Jan 2009	Jan 2008	Jan 2007	Jan 2006	Jan 2005	Jan 2004	Jan 2003
<b>A. Single Family Detached, Single Family Attached, &amp; Duplex</b>															
Final Platted	2,187	1,936	2,211	2,451	2,648	2,954	3,441	3,588	3,967	4,240	4,112	4,645	3,593	2,605	3,000
Preliminary Platted	6,276	5,522	6,490	6,547	7,156	7,528	7,307	7,475	7,126	7,480	6,797	1,705	2,953	3,388	3,669
Total	8,463	7,458	8,701	8,998	9,804	10,482	10,748	11,063	11,093	11,720	10,909	6,350	6,546	5,993	6,669
<b>B. Multi-Family and Unspecified Units***</b>															
Final Platted	N/A	316	851	915	487	553	612	620	620	652	1,218	1,842	1,463	1,670	1,687
Preliminary Platted	7,789	6,617	3,455	3,266	3,259	4,066	3,673	3,841	3,636	3,348	3,277	2,367	2,082	2,353	3,074
Total	7,789	6,933	4,306	4,181	3,746	4,619	4,285	4,461	4,256	4,000	4,495	4,209	3,545	4,023	4,761
<b>C. All Approved Dwelling Units (A+B)</b>															
Final Platted	2,187	2,252	3,062	3,366	3,135	3,507	4,053	4,208	4,587	4,892	5,330	6,487	5,056	4,275	4,687
Preliminary Platted	14,065	12,139	9,945	9,813	10,415	11,594	10,980	11,316	10,762	10,828	10,074	4,072	5,035	5,741	6,743
Total	16,252	14,391	13,007	13,179	13,550	15,101	15,033	15,524	15,349	15,720	15,404	10,559	10,091	10,016	11,430
<b>D. Additional Potential Dwelling Units on Land in Tier I</b>															
Submitted Plans*	raw land	raw land	raw land	raw land	1,338	1,307	1,183	1,183	1,183	1,183	1,469	4,238	1,555	1,193	989
Raw Land**	24,168	24,585	24,996	26,313	25,622	25,281	35,708	34,301	34,308	35,203	36,306	35,329	40,800	41,978	43,822
Total	24,168	24,585	24,996	26,313	26,960	26,588	36,891	35,484	35,491	36,386	37,775	39,567	42,355	43,171	44,811
<b>E. Grand Total of Possible Units (C+D)</b>															
Total	40,420	38,976	38,003	39,492	39,172	41,689	50,741	49,825	49,657	50,923	51,710	45,888	50,891	51,994	55,252

	Jan 2017	Jan 2016	Jan 2015	Jan 2014	Jan 2013	Jan 2012	Jan 2011	Jan 2010	Jan 2009	Jan 2008	Jan 2007	Jan 2006	Jan 2005	Jan 2004	Jan 2003
<b>Single Family Detached ONLY</b>															
Final Platted	1,713	1,496	1,629	1,750	1,826	1,965	2,304	2,334	2,566	2,869	2,868	3,334	2,624	1,986	2,383
Preliminary Platted	4,193	4,114	4,967	4,967	5,153	5,393	4,954	5,145	4,901	5,048	4,682	1,077	2,276	2,566	2,871
Total	5,906	5,610	6,596	6,717	6,979	7,358	7,258	7,479	7,467	7,917	7,550	4,411	4,900	4,552	5,254

\*"Submitted Plans" are developments that have submitted applications, but have not yet been approved by Planning Commission and/or City Council. Not tracked separately except for 2002 to 2013; land without approved plans is included along with all other "Raw Land" calculations.

\*\*"Raw Land" is land in Tier I shown as "Residential" in the future land use plan without a final plat, preliminary plat, CUP, or PUD. Raw Land includes agricultural land outside of the FEMA floodplain and is calculated at three dwelling units per acre. Raw Land also includes smaller tracts of land calculated at four dwelling units per acre because it is less likely the land will be utilized for facilities such as parks and schools.

\*\*\*"Unspecified Units" include dwelling units in preliminary plans that do not specify the type of dwelling unit that was approved. This total (2,900 units) was added to multi-family for the purpose of this table starting in

# Residential Land Inventory

## Report Description:

New Growth Areas as of January 1, 2017

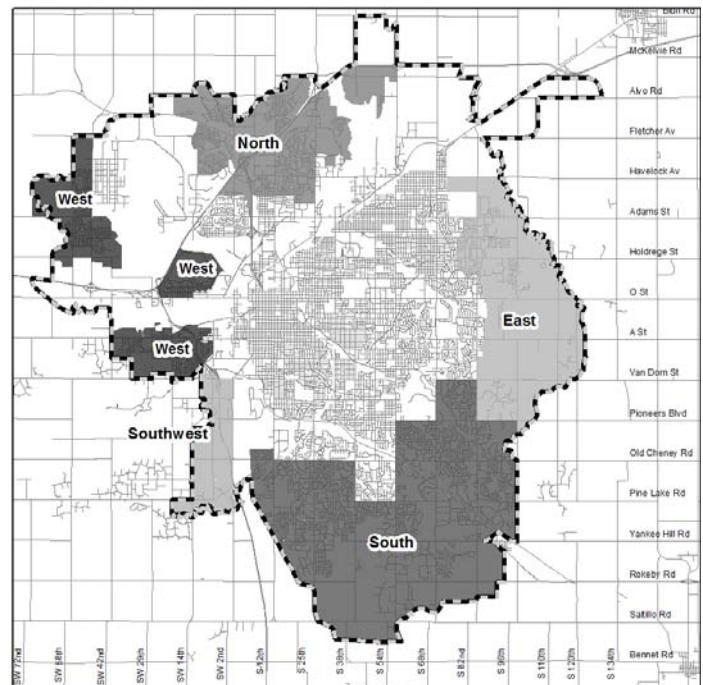
Development SubArea*	South	West	North	Southwest	East	TOTAL
<b>A. EXISTING (BUILT)</b>						
Single Family Detached	12,999	5,417	6,361	158	2,245	27,180
Single Family Attached / Duplex	3,357	1,673	1,615	16	690	7,351
Multiple - Family	4,693	1,267	4,871	0	494	11,325
<b>Total Dwelling Units</b>	<b>21,049</b>	<b>8,357</b>	<b>12,847</b>	<b>174</b>	<b>3,429</b>	<b>45,856</b>
<b>B. FINAL PLATTED LOTS</b>						
Single Family Detached	819	260	338	21	275	1,713
Single Family Attached / Duplex	233	26	99	0	116	474
Multiple - Family	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Dwelling Units</b>	<b>1,052</b>	<b>286</b>	<b>437</b>	<b>21</b>	<b>391</b>	<b>2,187</b>
<b>C. APPROVED PRELIMINARY PLATS, CUPs, PUDs (Units Not Yet Final Platted)</b>						
Single Family Detached	1,664	767	1,355	4	403	4,193
Single Family Attached / Duplex	1,014	468	330	21	250	2,083
Multiple - Family	2,786	844	788	0	601	5,019
Unspecified Dwelling Units ***	1,516	495	82	250	427	2,770
<b>Total Dwelling Units</b>	<b>6,980</b>	<b>2,574</b>	<b>2,555</b>	<b>275</b>	<b>1,681</b>	<b>14,065</b>
<b>D. TOTAL POTENTIAL ON FINAL PLATTED &amp; PRELIM PLATTED LAND (B+C)</b>						
Single Family Detached	2,483	1,027	1,693	25	678	5,906
Single Family Attached / Duplex	1,247	494	429	21	366	2,557
Multiple - Family	2,786	844	788	0	601	5,019
Unspecified Dwelling Units ***	1,516	495	82	250	427	2,770
<b>Total Dwelling Units</b>	<b>8,032</b>	<b>2,860</b>	<b>2,992</b>	<b>296</b>	<b>2,072</b>	<b>16,252</b>
<b>E. ADDITIONAL POTENTIAL DWELLING UNITS ON RAW LAND** IN TIER I</b>						
<b>Total Dwelling Units</b>	<b>6,756</b>	<b>2,778</b>	<b>2,739</b>	<b>2,687</b>	<b>9,208</b>	<b>24,168</b>
<b>F. GRAND TOTAL POTENTIAL (D+E)</b>						
<b>Total Dwelling Units</b>	<b>14,788</b>	<b>5,638</b>	<b>5,731</b>	<b>2,983</b>	<b>11,280</b>	<b>40,420</b>

\* Subareas are all in new growth areas within the Future Service Limit (Tier I). Monitoring these growth areas can inform future infrastructure and land use decisions.

\*\* "Raw Land" is land in Tier I shown as "Residential" in the future land use plan without a final plat, preliminary plat, CUP, or PUD. Raw Land includes agricultural land outside of the FEMA floodplain and is calculated at three dwelling units per acre. Raw Land also includes smaller tracts of land calculated at four dwelling units per acre because it is less likely that developable land will be utilized for facilities such as parks and schools.

\*\*\* "Unspecified Units" include dwelling units in preliminary plans that do not specify the type of dwelling unit approved.

Source: Lincoln/Lancaster County Planning Department



# *Residential Lot Inventory Subareas*

