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# MEMORANDUM

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**TO:** City Council  
Lancaster County Board of Commissioners  
Mayor Seng  
Planning Commission

**FROM:** Marvin Krout, Planning Director

**SUBJECT:** *Residential Land Inventory & Single Family Lots As of January 1, 2006*

**DATE:** February 24, 2006

**COPIES:** Mayor's Office, Public Works and Planning staff  
Development Community mailing list

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The periodic inventory of residential land is complete as of January 1, 2006. Attached is the "Residential Land Inventory Review" summary for the past 8 years. Currently the community has the largest inventory in the 8 years of surveys of single family lots (7,348) or overall units in process (14,797) that are either final platted, preliminary platted or formally submitted and in process of review. While this is good news in terms of getting us closer to a 4 to 5 year supply of single family lots in the pipeline, the past year has seen lower demand.

The number of building permits (see second attachment) for new single family homes declined in 2005 compared to the past several years. The 958 permits for single family detached homes in 2005 is below the 1999 - 2002 average of about 1,100 units per year. The unusually high number of permits issued in 2003 was influenced by a rush of permits submitted before the implementation of impact fees in June 2003. The number of permits issued in 2004 fell back to the typical level of 1999-2002. But the number of single family detached permits issued fell by 22 percent from 2004 to 2005.

There are many factors influencing the decision to build a new home, including interest rates (the Federal Reserve has raised short-term interest rates 14 times since June 2004) and costs compared to existing homes. The cost of new housing has also increased due to factors such as higher land costs and higher cost of construction materials. While sales of existing homes were strong in 2005, we have recently heard that the supply of existing homes is increasing. Particularly the sales of homes in the upper end of the market appears to be lagging. New homes in this price range would be the least affected by impact fees. We also noted that building permits were up in Omaha, even though their fees are comparable to Lincoln in 2005.

According to Nebraska's Department of Economic Development, Lancaster County's employment rose by over 2,600 jobs from June 2004 to June 2005. That would suggest a growing demand for new housing. We looked at new home construction outside Lincoln for 2005 and found that the number of single family detached building permits in Lancaster County outside Lincoln and incorporated towns actually declined by about 30 permits from 2004. The number of permits inside small towns increased only by around 20 permits from 2004.

So how are all these new jobs being filled? We noted that while the number of jobs in Lincoln went up significantly in 2005, the number of employed residents did not. This suggests that a number of the new jobs have been filled by commuters to Lincoln.

As noted last year, the City has a significant effort underway to extend new water and wastewater lines in order to maintain and further increase the supply of lots in the future, which could help with land costs. This is in addition to continuing efforts to make up the gap in road funding.

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# Residential Land Inventory Review

As of January 1, 2006

|  | <u>Jan<br/>2006</u> | <u>July<br/>2005</u> | <u>Jan<br/>2005</u> | <u>July<br/>2004</u> | <u>Jan<br/>2004</u> | <u>July<br/>2003</u> | <u>Jan<br/>2003</u> | <u>Sept<br/>2002</u> | <u>July<br/>2001</u> | <u>Jan<br/>2001</u> | <u>July<br/>2000</u> | <u>July<br/>1999</u> | <u>July<br/>1998</u> |
|--|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Single Family/Attached/Duplex</b>       |                     |                      |                     |                      |                     |                      |                     |                      |                      |                     |                      |                      |                      |
| Final Platted                              | 4,645               | 3,779                | 3,593               | 3,097                | 2,605               | 3,048                | 3,000               | 2,866                | 3,655                | 3,693               | 3,016                | 2,403                | 2,194                |
| Preliminary Platted                        | 1,705               | 2,765                | 2,953               | 2,323                | 3,388               | 2,974                | 3,669               | 4,060                | 2,331                | 2,653               | 1,747                | 2,249                | 2,572                |
| Submitted Prelim                           | 3,831               | 2,901                | 1,555               | 1,817                | 718                 | 1,533                | 588                 | 765                  | 1,355                | 1,500               | 3,741                | 2,933                | 1,270                |
| <b>Total Final, Prelim &amp; Submitted</b> | <b>10,181</b>       | <b>9,445</b>         | <b>8,101</b>        | <b>7,237</b>         | <b>6,711</b>        | <b>7,555</b>         | <b>7,257</b>        | <b>7,691</b>         | <b>7,341</b>         | <b>7,846</b>        | <b>8,504</b>         | <b>7,585</b>         | <b>6,036</b>         |
| <b>Multi-Family Units</b>                  |                     |                      |                     |                      |                     |                      |                     |                      |                      |                     |                      |                      |                      |
| Final Platted                              | 1,842               | 1,824                | 1,463               | 1,672                | 1,670               | 1,886                | 1,687               | 1,687                | 1,641                | 1,588               | 1,506                | 2,069                | 2,370                |
| Preliminary Platted                        | 2,367               | 1,886                | 2,082               | 1,754                | 2,353               | 2,852                | 3,074               | 3,049                | 2,487                | 2,639               | 2,287                | 2,195                | 2,223                |
| Submitted Prelim                           | 407                 | 200                  | 0                   | 675                  | 475                 | 755                  | 401                 | 546                  | 869                  | 869                 | 1,290                | 1,583                | 994                  |
| <b>Total Final, Prelim &amp; Submitted</b> | <b>4,616</b>        | <b>3,910</b>         | <b>3,545</b>        | <b>4,101</b>         | <b>4,498</b>        | <b>5,493</b>         | <b>5,162</b>        | <b>5,282</b>         | <b>4,997</b>         | <b>5,096</b>        | <b>5,083</b>         | <b>5,847</b>         | <b>5,587</b>         |
| <b>All Units In Plat Process</b>           |                     |                      |                     |                      |                     |                      |                     |                      |                      |                     |                      |                      |                      |
| Final Platted                              | 6,487               | 5,603                | 5,056               | 4,769                | 4,275               | 4,934                | 4,687               | 4,553                | 5,296                | 5,281               | 4,522                | 4,472                | 4,564                |
| Preliminary Platted                        | 4,072               | 4,651                | 5,035               | 4,077                | 5,741               | 5,826                | 6,743               | 7,109                | 4,818                | 5,292               | 4,034                | 4,444                | 4,795                |
| Submitted Prelim                           | 4,238               | 3,101                | 1,555               | 2,492                | 1,193               | 2,288                | 989                 | 1,311                | 2,224                | 2,369               | 5,031                | 4,516                | 2,264                |
| <b>Total Final, Prelim &amp; Submitted</b> | <b>14,797</b>       | <b>13,355</b>        | <b>11,646</b>       | <b>11,338</b>        | <b>11,209</b>       | <b>13,048</b>        | <b>12,419</b>       | <b>12,973</b>        | <b>12,338</b>        | <b>12,942</b>       | <b>13,587</b>        | <b>13,432</b>        | <b>11,623</b>        |
| <b>Potential Units on Raw Land</b>         | <b>35,329</b>       | <b>37,573</b>        | <b>40,800</b>       | <b>41,930</b>        | <b>41,978</b>       | <b>42,106</b>        | <b>43,822</b>       | <b>43,821</b>        | <b>24,633</b>        | <b>24,260</b>       | <b>24,706</b>        | <b>29,952</b>        | <b>30,963</b>        |
| <b>Grand Total of Possible Units</b>       | <b>50,126</b>       | <b>50,928</b>        | <b>52,446</b>       | <b>53,268</b>        | <b>53,187</b>       | <b>55,154</b>        | <b>56,241</b>       | <b>56,794</b>        | <b>36,971</b>        | <b>37,202</b>       | <b>38,293</b>        | <b>43,384</b>        | <b>42,586</b>        |
| <b>Single Family ONLY</b>                  |                     |                      |                     |                      |                     |                      |                     |                      |                      |                     |                      |                      |                      |
|  | <u>Jan<br/>2006</u> | <u>July<br/>2005</u> | <u>Jan<br/>2005</u> | <u>July<br/>2004</u> | <u>Jan<br/>2004</u> | <u>July<br/>2003</u> | <u>Jan<br/>2003</u> | <u>Sept<br/>2002</u> | <u>July<br/>2001</u> | <u>Jan<br/>2001</u> | <u>July<br/>2000</u> | <u>July<br/>1999</u> | <u>July<br/>1998</u> |
| Final Platted                              | 3,334               | 2,922                | 2,624               | 2,221                | 1,986               | 2,346                | 2,383               | 2,217                | 2,817                | 2,847               | 2,291                | 1,972                | 1,799                |
| Preliminary Platted                        | 1,077               | 2,020                | 2,276               | 1,945                | 2,566               | 2,431                | 2,871               | 3,215                | 2,050                | 2,372               | 1,435                | 1,811                | 2,084                |
| Submitted Prelim                           | 2,937               | 2,043                | 1,227               | 1,150                | 570                 | 1,225                | 425                 | 603                  | 1,045                | 1,167               | 3,134                | 2,399                | 1,094                |
| <b>Total Final, Prelim &amp; Submitted</b> | <b>7,348</b>        | <b>6,985</b>         | <b>6,127</b>        | <b>5,316</b>         | <b>5,122</b>        | <b>6,002</b>         | <b>5,679</b>        | <b>6,035</b>         | <b>5,912</b>         | <b>6,386</b>        | <b>6,860</b>         | <b>6,182</b>         | <b>4,977</b>         |

NOTES: - "Potential Units on Raw Land" means land inside the "Future Service Limit" of the Comprehensive Plan, but not upon which a plat has not yet been submitted or approved.

- Grand Total is the sum of "potential units on raw land" plus all final, preliminary approved and submitted dwelling units.

**Number of New Construction Dwelling Units,  
Based on Building Permits Issued in City of Lincoln  
Fifteen Year Period: 1991-2005**

|                     | <u>2005</u>  | <u>2004</u>  | <u>2003</u>  | <u>2002</u>  | <u>2001</u>  | <u>2000</u>  | <u>1999</u>  | <u>1998</u>  | <u>1997</u>  | <u>1996</u>  | <u>1995</u>  | <u>1994</u>  | <u>1993</u>  | <u>1992</u>  | <u>1991</u>  |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Single Family       | 958          | 1,227        | 1,565        | 1,281        | 1,108        | 1,041        | 1,015        | 996          | 814          | 812          | 741          | 902          | 876          | 980          | 900          |
| Sing. Fam. Attached | 360          | 461          | 533          | 256          | 260          | 272          | 199          | 187          | 243          | 155          | 178          | 177          | 107          | 102          | 95           |
| Duplex              | 42           | 62           | 52           | 60           | 64           | 58           | 34           | 54           | 102          | 62           | 40           | 36           | 58           | 42           | 30           |
| Multi-Family        | 192          | 403          | 260          | 540          | 319          | 381          | 489          | 622          | 1,010        | 1,168        | 919          | 761          | 524          | 221          | 464          |
| <b>Total</b>        | <b>1,552</b> | <b>2,153</b> | <b>2,410</b> | <b>2,137</b> | <b>1,751</b> | <b>1,752</b> | <b>1,737</b> | <b>1,859</b> | <b>2,169</b> | <b>2,197</b> | <b>1,878</b> | <b>1,876</b> | <b>1,565</b> | <b>1,345</b> | <b>1,489</b> |

**Average Per Period**

|                     | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> | <u>15 Year</u> |
|---------------------|---------------|---------------|----------------|----------------|
| Single Family       | 1,250         | 1,228         | 1,082          | 1,014          |
| Sing. Fam. Attached | 451           | 374           | 293            | 239            |
| Duplex              | 52            | 56            | 59             | 53             |
| Multi-Family        | 285           | 343           | 538            | 552            |
| <b>Total</b>        | <b>2,038</b>  | <b>2,001</b>  | <b>1,972</b>   | <b>1,858</b>   |

Note: Based on building permits issued, 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" 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.
- 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.

Source: Lincoln/Lancaster County Planning Department (Updated February 6, 2006)

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