ribbon demographics

HISTA DATA

Why should you use HISTA Data for <u>all</u> your housing market analyses and investment decisions?

Because it offers:

- **Greater Accuracy**
- **Straightforward Analysis**
- **Better Results**
- **Increased Productivity**

Any multi-million dollar funding or investment decision ought to be based on the best data available.

HISTA Data
Designed By Housing Market Analysts
Built by Demographic Experts at Nielsen (Claritas)

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HISTA Data

Nielsen (Claritas) Demographic Data

Data Analysis and Report Writing

Demand & Capture Rate Calculations

Market Study Review Services

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HISTA DATA

Households by Income, Size, Tenure and Age

HISTA is a custom four-way cross tabulation of household data designed specifically for housing analysis and built for Ribbon Demographics by the US Census Bureau and Nielsen (Claritas), a leading provider of demographic data worldwide. It is based on an **actual** cross tabulation of Census ACS data – not estimations, ratios or interpolations – and controlled to Census 2010 tenure figures.

HISTA provides the most accurate estimates of households eligible for income-restricted housing, such the Low Income Housing Tax Credit (LIHTC) program. By breaking down households by income, household size, tenure (renter/owner) and age group for every Census Tract, Census Place and ZIP Code in the nation, HISTA allows for a precise calculation of the number of renter households that qualify for LIHTC or other housing types in very specific areas.

The latest **HISTA** dataset contains a full range of household incomes and age ranges and is thus applicable to all types of housing analysis, such as HUD's MAP program and all market-rate products. HISTA's breakdowns are particularly useful for identifying demand from high-income renters.

HISTA is a powerful tool for all participants in the housing industry:

- **Market analysts** can calculate demand for housing from hard data - the need to estimate items such as renter rates and household size ratios is eliminated.

- **Governmental housing agencies** can base credit allocation decisions on consistent data, not varying methodologies.

- **Financial institutions** can base funding decisions on more accurate data with less risk of skewed demand estimates.

- **Developers** can use HISTA to research potential sites and appropriate unit types in the early stages of site selection and housing design.

HISTA IS ONLY AVAILABLE THROUGH RIBBON DEMOGRAPHICS

Greater Accuracy

The base data for HISTA is a four-way custom cross tabulation prepared specifically for Ribbon Demographics by the US Census Bureau. Because it is data compiled from the most comprehensive data collection program in the nation, there is no better source.

Cross tabulated data is considerably more accurate than estimates based on ratios. It simply is not possible to produce accurate results every time by layering several estimates on to a single number.

HISTA Data is available for geographies as small as Census Tracts, providing highly detailed data for the analysis of specific customized areas. Data for large areas such as MSAs or with populations containing 100,000s is usually not relevant for individual market areas.

Current year estimates and 5-year projections are prepared by the data industry leaders at Nielsen (Claritas), using cutting edge methodologies to produce the most accurate numbers possible. Every HISTA update is developed using the same careful attention from skilled demographers that Nielsen's own data products receive.

Straightforward Analysis

With HISTA data there is no need to go through the tedious process of looking up tenure rates and household size ratios and figuring out which are the best sets to use for your target age and income group. With HISTA the numbers are already there – and they are based on hard data.

Renter Households					
Under Age 55 Years					
Current Year Estimates					
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	382	181	205	123	193	**1,084**
$10,000-20,000	429	264	256	217	224	**1,390**
$20,000-30,000	395	339	363	183	276	**1,556**
$30,000-40,000	299	279	213	248	293	**1,332**
$40,000-50,000	172	216	143	245	188	**964**
$50,000-60,000	95	106	172	108	125	**606**
$60,000+	211	403	237	397	681	**1,929**
Total	**1,983**	**1,788**	**1,589**	**1,521**	**1,980**	**8,861**

*Target households

HISTA data also cross tabulates households by household size and income. This eliminates the need to make calculations based on non-existent household sizes, such 1.5 person households and their incomes, in order to guess the number eligible for a specific unit size.

You can precisely calculate eligible households based on the income limits for **each household size** and find out exactly how many one person and how many two-person households (and so on) are income- and age eligible. Then you can distribute them among the unit sizes.

Better Results

Results are more accurate due to the elimination of estimation methods that may be incorrect for the target group. For example, using the incorrect tenure rate for your target population can dramatically skew results. The tenure rate for a target income range is often inaccurate for a specific age group and vice versa. Overall renter rates have a higher risk of being inaccurate for a single group and their use often grossly underestimates demand from lower-income renters.

To demonstrate these difficulties, we took household age and income data for two sample areas and using these figures and renter data from the Census Bureau calculated the number of households that fell into the following groups: *Renter households- Aged below 55 years - Earning below 50% AMI (below 20K, $25K, $30k, $35K, $40k per 1-, 2-, 3-, 4-, 5+ person HHs, respectively).*

We applied the three different renter rates discussed above to the number of households in this income range. Each produced significantly different estimates of income-eligible renter households:

Bedford, VA Primary Market Area
Overall Renter Rate = 690 Households
Renters by Income = 1,150 Households
Renters by Age = 974 Households

HISTA = 1,177

Southern NJ Primary Market Area
Overall Renter Rate = 460 Households
Renters by Income = 890 Households
Renters by Age = 543 Households

HISTA = 440

In the Bedford, VA area the renter rate by income was closest to the HISTA number while in the Southern NJ area the overall renter rate was correct. Only cross tabulated data – HISTA – can produce the appropriate portion of renters every time. The same goes for household sizes. Errors made in calculating these numbers will be compounded by subsequent calculations and can lead to grossly inaccurate estimates.

Capture Rates

Many analysts report that calculations based on HISTA often show larger eligible populations than traditional methods using overall household tenure and household size ratios. This is because renter and household size ratios for the entire population cannot reflect differences for each individual group. For example, single-person households typically have lower median incomes than larger households that likely include a number of dual incomes.

A larger number of income eligible renters equals a more favorable capture rate, making your project more competitive for funding applications.

The following are examples using 2006-2010 Census ACS Data and 2006-2010 HISTA for an "apples to apples" comparison.

Example 1
Rural Market Area
1-Person Households (Studios)
Income Range $10,000 to $20,000
Conventional Method
Estimated Eligible Households   158
HISTA Data
Estimated Eligible Households   518
Underestimated by 360 households (69.5%)

The above comparison was made for a somewhat rural area with the target group being one-person renter households earning between $10,000 and $20,000. In the conventional method using Household Income data from 2006-2010 Census ACS Data, we took the households in the relevant income bands and applied the renter rate from the ACS data to calculate income-eligible households. Then we applied the ACS ratio of one-person households to produce a total of 158 estimated households.

When we compared this result with 2006-2010 HISTA (which is based on a cross tabulation of the exact same data source) for the same area, we were surprised to find that **the conventional method had excluded nearly 70% of the eligible households**. A much larger number of one person renter households fall within this income band than shown by the household size ratio method.

The result—traditional data analysis indicated limited demand, when in fact there was strong demand from the target group.

But not always:

Conversely, there are certain areas where traditional methods can show many more households than are actually eligible. This can occur in areas where there is a preponderance of a specific group that skews the result when estimations based on ratios are used. While this may not help an application, it is vital to know if there are such issues that could render the project unfeasible.

Example 2
Outer Suburban Market Area
All Household sizes (1-3 BRs)
Income Range $22,950-$42,800
Conventional Method
Estimated Eligible Households 409
HISTA Data
Estimated Eligible Households 120
Overestimated by 289 households (242%)

The above is a replication of a true situation that we experienced in a rapidly growing outer suburban area. The target group was households (of all sizes) eligible for 50% AMI rents. Again, we took the households in the relevant income bands and applied the appropriate renter rate from the 2006-2010 ACS data to calculate income-eligible households.

When we compared the results with 2006-2010 HISTA we found that many of the renters included in the overall income range by the traditional method were 1- or 2-person households earning well above the maximum incomes for those household sizes. **The conventional method had overestimated the market by nearly 2.5 times**.

The result—although conventional data analysis showed a reasonable market, HISTA showed there were too few qualified households for the project to be feasible.

Note: These comparisons have been selected for their extreme differences. Many situations will see smaller differences. However, until you actually do the analysis for a specific area with HISTA Data, you won't know!

You simply cannot beat the accuracy of cross tabulated data for the exact market area.

Increased Productivity

While accuracy is of key importance, another HISTA benefit is the significant time savings for every analysis. Eliminating the hours spent looking up tenure and other rates and applying them to numerous other numbers frees up time to do other work or provides a little more breathing space during those deadlines. It also allows for quick turnaround when you need to do a preliminary snapshot of a potential market.

HISTA eliminates hours of tedious estimation and extrapolation
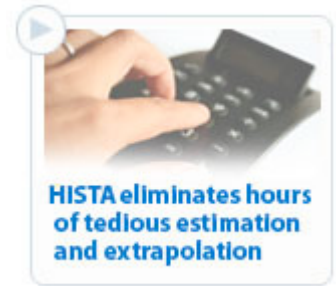
All of the demographic data provided by Ribbon Demographics, including HISTA, is laid out in presentation quality tables that can be pasted straight into a market study report. We aim to provide clear, understandable data at a glance, with no need to import data into a different format.

Who Is Using HISTA?

A large number of market analysts and appraisers use HISTA data for their housing market studies. We hear reports all the time about how HISTA helps their practice by saving time yet producing better results. A number of state agencies and financial institutions choose to rely on HISTA Data to make their funding decisions. Some strongly prefer to see results based on HISTA, while others use it themselves to confirm demand findings. Developers find HISTA useful for identifying potential markets – and which to avoid.

How Can I Obtain HISTA Data?

HISTA is only available from Ribbon Demographics. We offer a range of **database packages** designed to be as flexible as possible for your needs, including state and national packages. We also provide **individual summary reports** for your specific geography. We give our personal attention to all data requests and are available to help with geography selection or choosing the best report for your project.

We are market analysts ourselves and are fully aware of the challenges the industry presents. Therefore, we do our best to provide data in time to meet deadlines for those last minute projects, put together a package that is suitable for you, but sell you no more than you need.

Current HISTA Data

The current HISTA dataset incorporates the completely new custom cross tabulation prepared specially for us by the US Census Bureau, which is the basis for the Base Year data. Each year Nielsen develops current year estimates and five year projections. It features data for a full range of income levels and age groups broken down by income and household sizes. As before, it includes custom age groups to show households that meet the 62+ age restriction. The following table shows data for renter households, aged 62+ years for a particular market area:

Renter Households					
Aged 62+ Years					
Year 2013 Estimates					
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	60	21	6	7	6	**100**
$10,000-20,000	358	21	8	6	6	**399**
$20,000-30,000	231	70	12	7	7	**327**
$30,000-40,000	134	49	10	11	5	**209**
$40,000-50,000	131	63	14	12	13	**233**
$50,000-60,000	136	72	17	6	6	**237**
$60,000-75,000	78	112	15	20	7	**232**
$75,000-100,000	128	68	15	21	8	**240**
$100,000-125,000	104	73	10	5	12	**204**
$125,000-150,000	50	35	16	18	5	**124**
$150,000-200,000	46	38	22	13	4	**123**
$200,000+	39	35	12	9	11	**106**
Total	**1,495**	**657**	**157**	**135**	**90**	**2,534**

The above level of detail is available for all age groups – 15 to 24, 25 to 34, 35 to 44, 45 to 54, 55 to 61, 62 to 64, 65 to 74, 75 to 84 and 85+ years. They are broken out by both renters and owners in a range of geographies – Census Tracts, Census Places, Counties and CBSAs. ZIP Code level estimates are also prepared by Nielsen.

Note: The household sizes are capped at 5+ persons due to anti-disclosure rules that are strictly adhered to by the Census Bureau. *However, we have recently introduced estimates for 5- and 6+-person households, developed by Nielsen to allow for the calculation of demand for four-bedroom units.*

We also offer Nielsen (Claritas) PopFacts Data

In addition to HISTA, Ribbon Demographics is licensed to resell many of Nielsen (Claritas) standard demographic data products to complement our custom data. **Population by Age and Gender**, **Housing Unit Details** and **Employment Types** are part of our selection of data reports. Sample reports can be viewed on our website.

We can also **customize a database package** to suit your particular needs. Where possible, our reports include tables and charts that make analysis of your market areas a quicker and easier task.

A personal note from the owner of Ribbon Demographics – Julia LaVigne

I have been a housing market analyst for more years than I care to admit, but still enjoy the challenge of finding the best information for each project. Since starting Ribbon Demographics in 2003, I have learned an enormous amount about Census and demographic data and feel I have gained a unique perspective as both a data provider and analyst. My experience as a market study reviewer for several state housing agencies has given me insights into the challenges faced by market study readers and funding decision makers. I am also a founding member of NCAHMA (now NCHMA) and the years spent with this organization have allowed me to learn even more from my esteemed colleagues.

One of my primary goals is to provide first-class service and support for all of our clients and customers. As a market analyst who still works with deadlines, last minute changes, tricky market areas and tight budgets, I understand the challenges that our industry faces. Therefore I do my best to provide exactly what you need as quickly as possible.

If you ever have a question about data and how it relates to your projects, I am always more than happy to discuss it with you. Please feel free to contact me at 916-880-1644 or julia@ribbondata.com