HOUSING IN KENTUCKY SERIES

2025 HOUSING IN KENTUCKY OVERVIEW

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ABOUT THE HOUSING IN KENTUCKY SERIES

In this ongoing publication series from the Community and Economic Development Initiative of Kentucky (CEDIK), researchers examine issues around housing in Kentucky. In addition to this overview of housing, publications in this series explore housing availability, housing trends and commuting patterns, as well as severe housing problems in Kentucky.

For access to all of the publications in this series please visit
https://heri.uky.edu/resources/housing-kentucky

INTRODUCTION

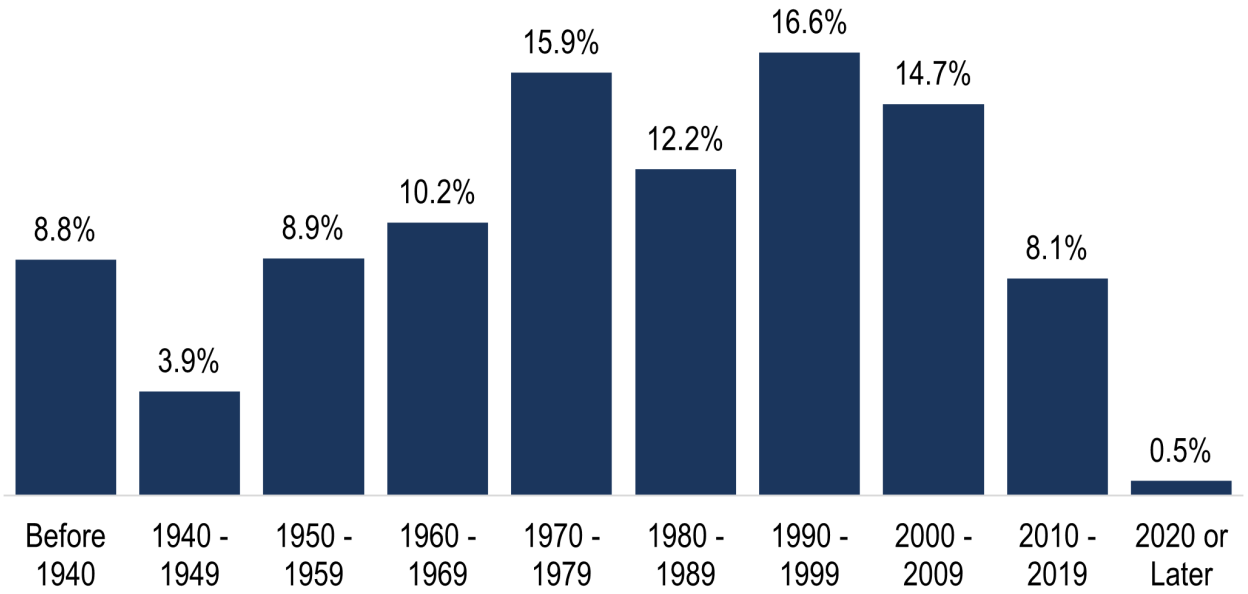
This report provides an update of the previous 2020 housing in Kentucky overview[1] data. In addition to the revised statistics, the report also includes further information on various housing issues in Kentucky. In the last four years, Kentuckians have experienced several significant events with direct impact on the economy as well as housing. March 2020 saw the temporary closings of several offices, restaurants, and retail spaces due to the outbreak of Covid-19 and the ensuing global pandemic. For many, the workplace has shifted from the office to the home, expanding the radius home buyers could search for their housing preferences. Additionally, nine unique weather-related disasters were declared in Kentucky between 2020 and 2023 resulting in at least $679 billion in aid provided to residents through public assistance funds.[2] Compounding events hindered new housing production, drove up raw material prices, and increased interest rates.

HOUSING INVENTORY

Figure 1 highlights that over two-thirds of the housing structures in Kentucky are at least 25 years old, and almost one-third are over 55 years old. The decade from 2010 to 2019 experienced the lowest percentage (8.1%) of new structures built since the 1950s (8.9%), and the trend has been declining. Availability of housing inventory has likely been adversely impacted by this trend.

[1] https://cedik.ca.uky.edu/files/housing_in_kentucky_overview_cedik_feb2020.pdf
[2] FEMA Public Assistance Funded Project Summaries are available at https://www.fema.gov/api/open/v1/PublicAssistanceFundedProjectsSummaries.csv

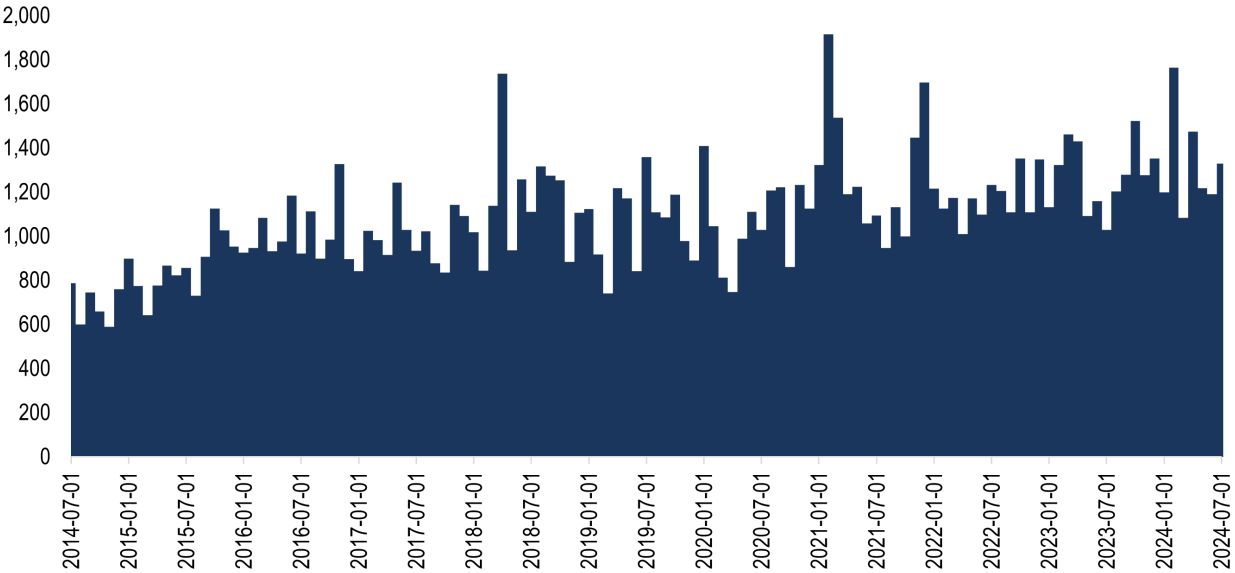
Figure 1. Share of Kentucky Housing by Year Structure Built



Source: U.S. Census 5-Year ACS, 2022

The graph in Figure 2 below depicts the seasonally adjusted number of permits authorized in Kentucky for new housing units per month, from July 2014 to July 2024. An authorized permit does not necessarily mean the intended unit was built; however, the unit was approved for construction by the local jurisdiction and a permit was issued.[3] These data indicate a general increase in the number of authorized permits over the past decade.

Figure 2. New Private Housing Units Authorized by Building Permits, 2014 - 2024

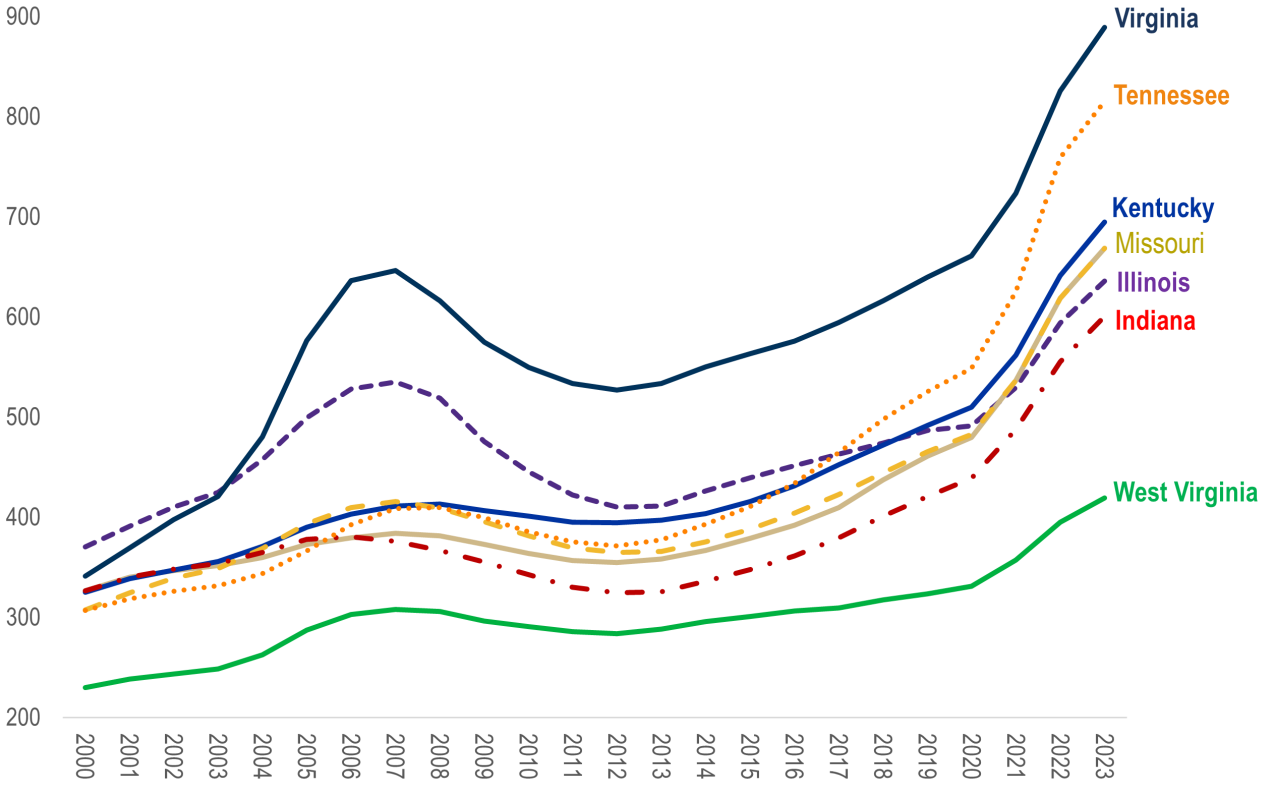


Source: FRED 2024

[3] Building Permits Survey Definitions can be found at https://www.census.gov/construction/bps/definitions.html

House Price Index (HPI), published by the Federal Housing Finance Agency, measures the average price changes of single-family houses in repeat sales or same property refinancing and is a tool that provides price trends in the housing market at various geographic levels.[4] Figure 3 compares the HPI for Kentucky and surrounding states. As the figure illustrates, Kentucky is performing better than most of its neighbors, aside from Tennessee and Virginia. The increasing HPI in Kentucky may be interpreted as a sign of a healthy housing market and economy. Higher labor force participation rates in 2023 compared to 2018 for ages ranging from 16 to 64 may instill confidence in consumers to purchase new homes. Inadequate housing supply related to loss from weather-related disasters, aging inventory, higher building costs, and shifting consumer preferences also drive prices higher. The accelerated increase in HPI from 2020 through the present year further supports evidence of substantially increasing home prices.

Figure 3. House Price Index for Kentucky and Neighboring States, 2000 - 2023

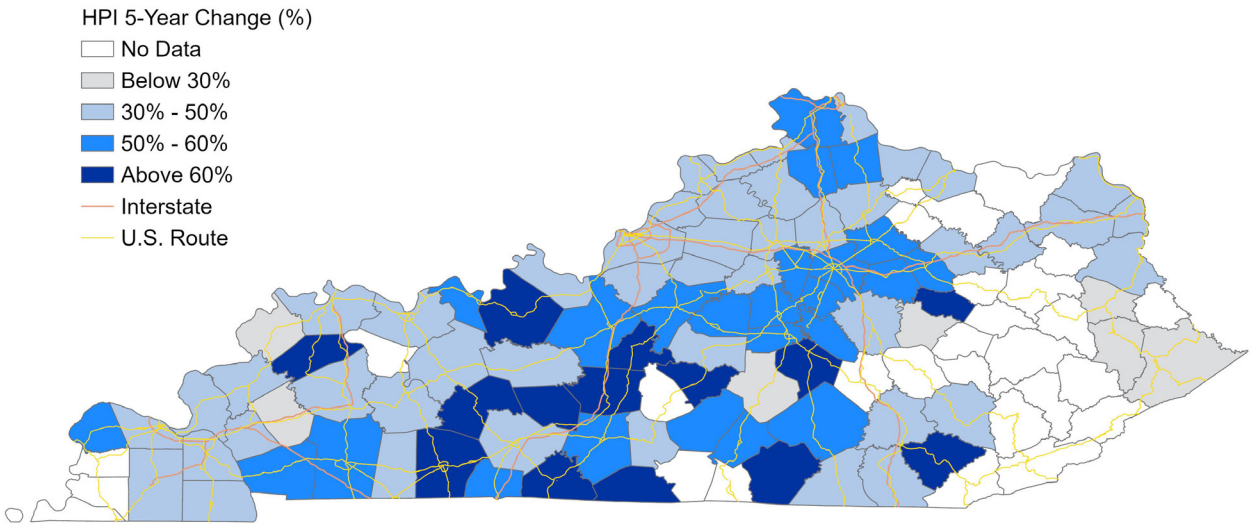


Source: Federal Housing Finance Agency, 2024

[4] See Federal Housing Finance Agency's *What does the FHFA HPI measure?* Available at https://fhfa.gov/faqs/hpi

Figure 4 provides a look at the percentage change in HPI from 2018 to 2023 by county in Kentucky. Some counties throughout the state do not have data available. Although counties within Metropolitan Statistical Areas generally have large positive changes, the greatest percent increases over the 5-year period occurred outside of highly populated counties. For example, Powell (77.4%), Monroe (71.4%), and Edmonson (69.8%) counties have the greatest percent changes in HPI. The smallest changes in HPI occurred in Casey (7.7%), Estill (12.5%), and Johnson (14.5%) counties. All counties in Kentucky experienced higher HPI values compared to five years earlier.

Figure 4. House Price Index 5-year Historical Change, 2018 - 2023*

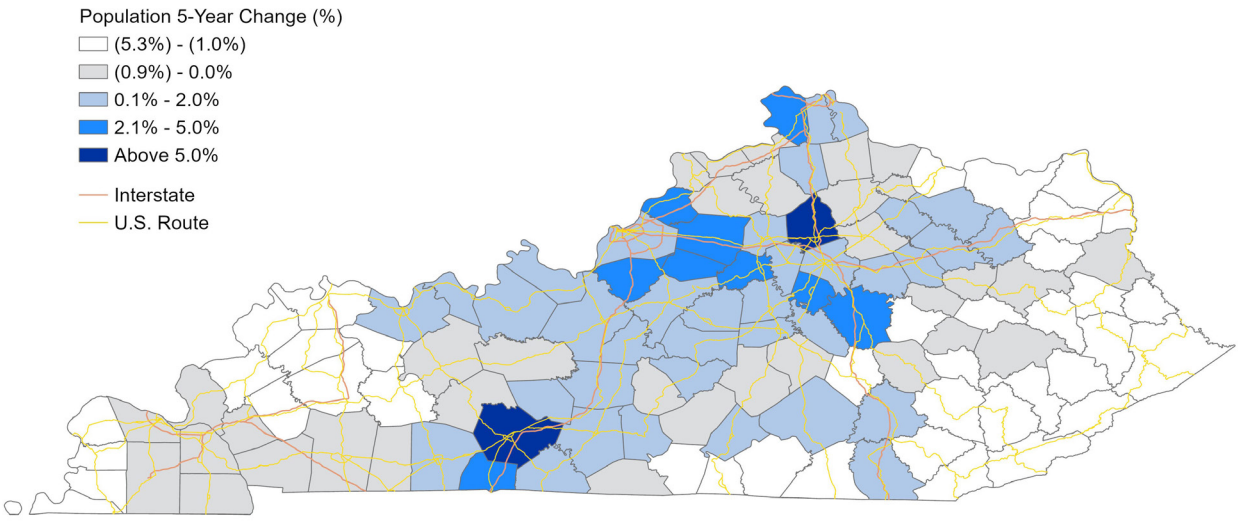


** Data not available for all counties*
Sources: Federal Housing Finance Agency, U.S. Census Bureau, 2024

Figures 5 and 6 look at projected changes in population and housing over the next five years. Population trends are important when considering housing for both positive and negative relationships to supply. If population is declining in an area, then increasing the housing supply may not make sense. However, if the reason for populaton loss is because the housing supply does not satisfy the necessary criteria of house-seekers, then it would benefit the community to assess their housing supply.

The greatest overall population increases are observed in metropolitan statistical areas (MSAs) around Louisville, Cincinnati, Lexington and Bowling Green. Warren County and Scott County are expected to see population gains of over 5% by 2028. Counties farther away from the metropolitan areas are projected to experience population declines by up to one percent. Rural areas of Western Kentucky and Eastern Kentucky indicate greater population losses by 2028. Southeastern Kentucky appears to have the greatest population loss with Owsley, Wolfe, Bell, and Leslie Counties projected to see population declines in excess of four percent.

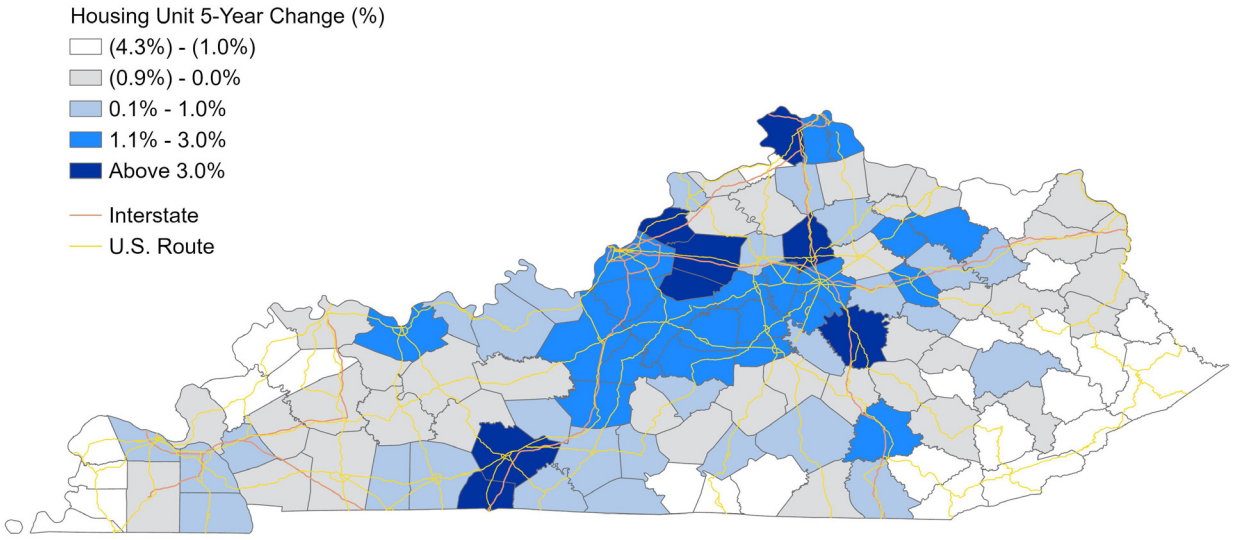
Figure 5. Forecasted Population 5-Year Change, 2023 - 2028



Source: ESRI 2023

As seen in Figure 6, the anticipated change in housing units between 2023 and 2028 mimics the expected population change from the previous image above. The largest increases tend to be in metropolitan areas, while the more rural counties of the state are either stagnant or in decline. Although 10 counties show a forecasted decrease in population with an increase in housing units, the changes in both population and housing units are typically below 0.5 percent.

Figure 6. Forecasted Housing Unit 5-Year Change, 2023 - 2028



Source: ESRI 2023

HOUSING TENURE

The state of Kentucky had 1,994,554 total housing units in 2020, as reported by the U.S. Census. The following table (Table 1) illustrates the trends in housing units, by tenure in Kentucky. Following 2020 more householders are projected to become owners in 2023 and 2028. More householders are renters in 2023 compared to 2020, but fewer renters are expected by 2028. By 2028, housing units are projected to grow an additional 1.0% to 2,047,912 as compared to 2023. Between 2020 and 2023, the owner-occupied housing units have increased by 3.2 percent, while the 5-year projection suggests an additional 0.7% increase by 2028. Renter-occupied housing units in 2023 increased 0.9% from 2020, with an anticipated decline of 1.0% by 2028. Over 12% of the housing units in Kentucky were vacant, according to the 2020 5-year American Community Survey (ACS). Vacant housing is projected to change -2.0% by 2028. A vacant housing unit is classified as no one living in the dwelling, unless its occupant or occupants are only temporarily absent and will be returning.[5]

Table 1. Kentucky Housing Units by Tenure, 2020, 2023, and 2028

Year	Total Housing Units	Owner-occupied Housing Units	Renter-occupied Housing Units	Vacant Housing Units
2020	1,994,554	59.2%	28.4%	12.4%
2023	2,027,472	61.1%	28.7%	10.2%
*2028**	*2,047,912*	*61.6%*	*28.4%*	*10.0%*

**2028 Figures are Estimates. Sources: ESRI, 2023; U.S. Decennial Census, 2020*

Housing tenure by householder age and housing structure is examined in Table 2. Fewer householders, regardless of age and tenure, chose to live in mobile homes compared to other structures in 2022 with all age groups seeing a decrease from 2017. Ownership increased by 6% between 2017 and 2022 for householders between the ages of 15 and 34, showing a preference for single-family homes. In the same time ownership increased by 1.3% for householders in the 35 to 64 age group, with fewer owners choosing to live in single-family and mobile homes. Ownership fell 0.2% for those 65 and older, and those householders also moved away from single-family and mobile homes. Renters decreased by 3.7% overall, as well as for each housing structure in the youngest householder age range. The slight uptick of renters in the 65 and older group appears to prefer duplex or apartment living.

[5] How ESRI defines Vacant Housing Units: https://doc.arcgis.com/en/esri-demographics/latest/reference/essential-vocabulary.htm

Table 2. Kentucky Housing Tenure by Age, 2017 & 2022

	2022	2017	Percent Change, 2017 - 2022
Householder Age 15 - 34			
Owner	**40.5%**	**38.2%**	**6.0%**
SFR/Detached	34.8%	32.0%	8.7%
Multi-Family Structure	1.1%	1.0%	10.2%
Mobile Home	4.5%	5.2%	-11.8%
Renter	**59.5%**	**61.8%**	**-3.7%**
SFR/Detached	20.2%	21.4%	-5.9%
Multi-Family Structure	34.6%	34.8%	-0.6%
Mobile Home	4.8%	5.6%	-14.3%
Householder Age 35 - 64			
Owner	**71.3%**	**70.4%**	**1.3%**
SFR/Detached	62.5%	60.7%	2.8%
Multi-Family Structure	1.0%	1.0%	-0.2%
Mobile Home	7.9%	8.6%	-8.9%
Renter	**28.7%**	**29.6%**	**-3.2%**
SFR/Detached	12.2%	13.3%	-8.4%
Multi-Family Structure	13.5%	13.0%	4.1%
Mobile Home	3.0%	3.3%	-10.7%
Householder Age 65 and Older			
Owner	**81.7%**	**81.9%**	**-0.2%**
SFR/Detached	72.4%	72.6%	-0.2%
Multi-Family Structure	2.1%	2.0%	4.1%
Mobile Home	7.2%	7.3%	-1.9%
Renter	**18.3%**	**18.1%**	**1.0%**
SFR/Detached	6.3%	6.4%	-1.2%
Multi-Family Structure	10.6%	10.4%	2.6%
Mobile Home	1.3%	1.4%	-1.2%

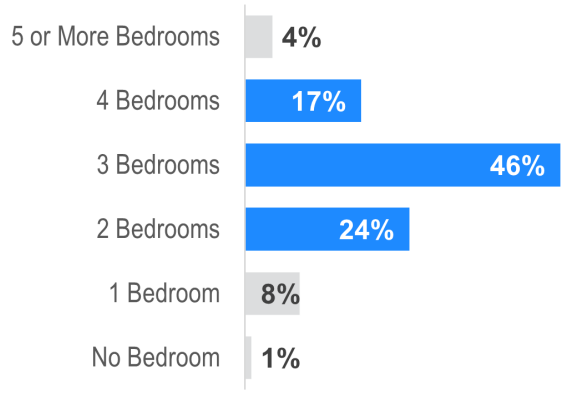
Source: U.S. Census 5-Year ACS, 2017 & 2022

HOUSING CHARACTERISTICS

Housing units vary in configuration. One housing unit may have more than five bedrooms, and another housing unit may not have a bedroom at all. Total number of rooms per housing unit range from one to more than nine (Figures 7 and 8). Three-bedroom homes are the most prominent style of housing unit, accounting for 46% of Kentucky homes. Almost one-quarter of the housing units have two bedrooms, and about one-sixth have four bedrooms. Total room configurations of housing units are more balanced than the number of bedrooms. About 40% of housing units are configured with five (21%) or six (19%) total rooms. Each of the four-room, seven-room, and at least nine-room home configuration categories account for 14% of housing units.

Figure 7. Bedrooms in Housing Unit

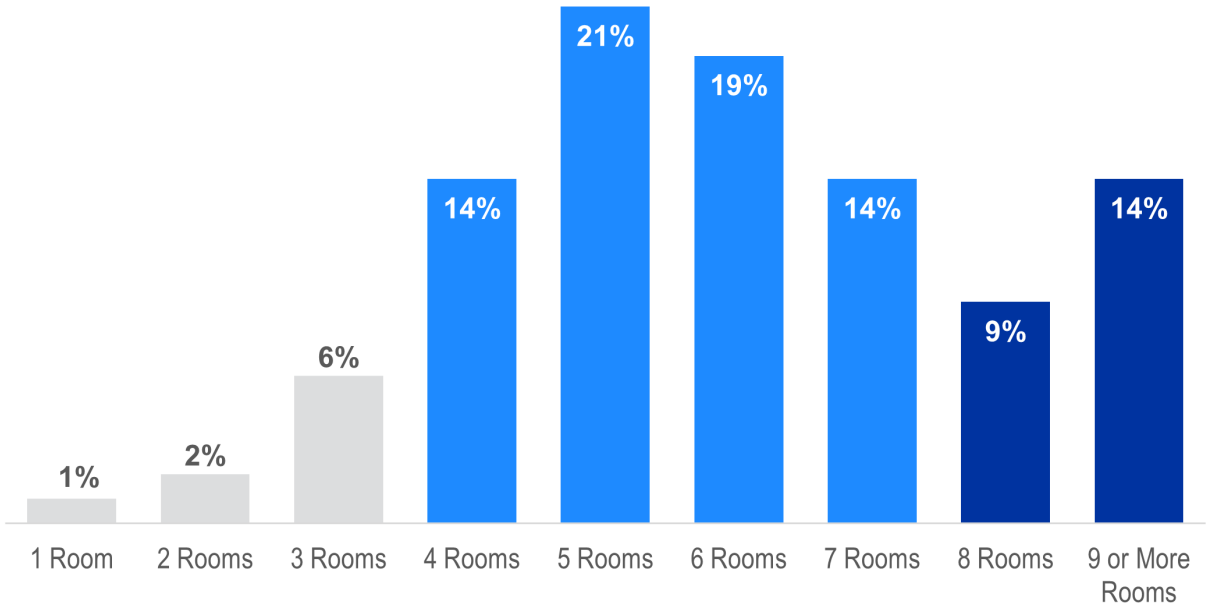
Most Kentucky housing units (87%) have between **2 and 4 Bedrooms**.



Source: U.S. Census 5-Year ACS, 2022

Figure 8. Total Rooms in Housing Unit

Just over two-thirds (68%) of all Kentucky housing units have between **4 and 7 rooms**.
Nearly a quarter (24%) of all Kentucky housing units have **8 or more rooms**.



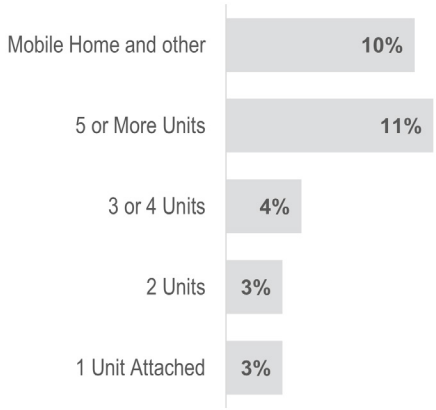
Source: U.S. Census 5-Year ACS, 2022

Most Kentucky households (69%) are one-unit Detached homes, as shown in Figure 9. Multi-unit homes account for 21%, and Mobile homes make up 10% of households in the state. There are several fuel types used in Kentucky to heat homes, but electricity (54%) and utility gas (36%) are most widely used (Figure 10).

Figure 9. Type of Housing Unit

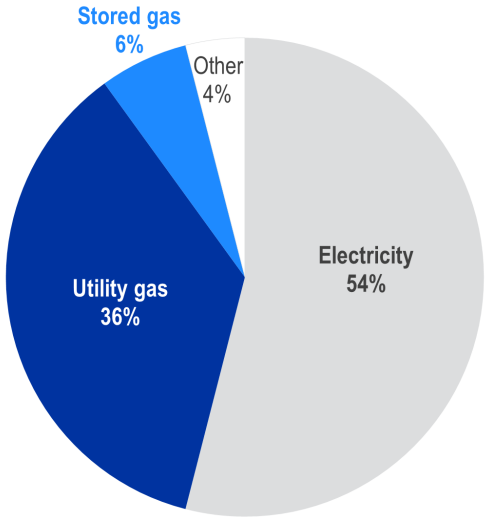
Over two-thirds of Kentucky housing units (69%) are single unit, detached homes.

Here is the breakdown of the remaining 31% Kentucky housing units:



Source: U.S. Census 5-Year ACS, 2022

Figure 10. Housing by Heating Fuel

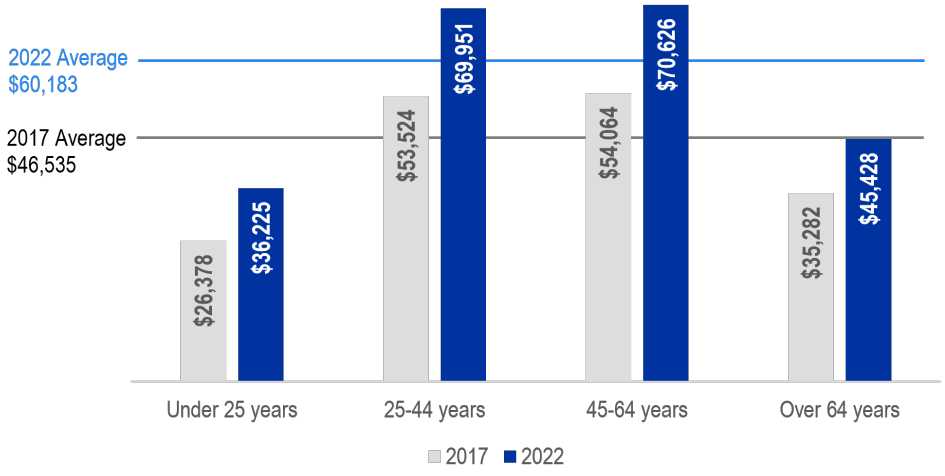


Source: U.S. Census 5-Year ACS, 2022

HOUSEHOLD INCOME AND HOME VALUE

Figure 11 depicts the median income for all Kentucky householders by age group. Overall, the median income in Kentucky in 2022 was $60,183, a 29% increase from 2017. Householders under 25 years of age earn the least ($36,225) but enjoy the greatest increase (37.3%) from 2017. Householders in the two groups aged between 25 and 64 have a median income on either side of $70,000 and has increased almost 31% since 2017. Those householders 65 and older have a median income of $45,428, up 29% from five years ago.

Figure 11. Median Household Income by Householder Age 2017 and 2022



Source: U.S. Census 5-Year ACS, 2017 & 2022

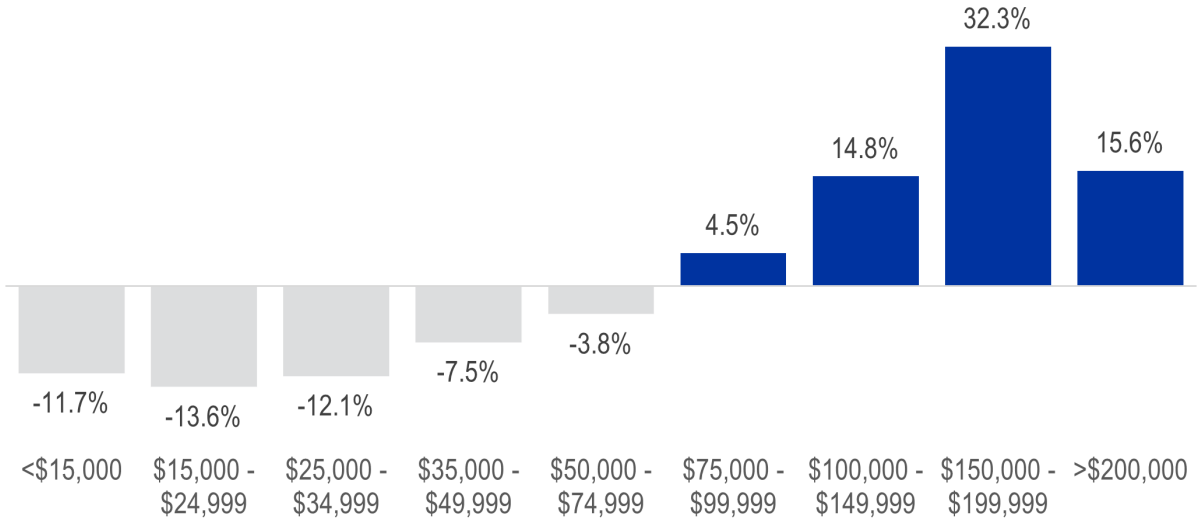
In 2023, 61.3% of households in Kentucky earned less than $50,000 and projections expect 55.9% of households to make under $50,000 by 2028 (Table 3). Households in the $15,000 to $24,999 bracket are anticipated to have the largest decrease (-13.6%) between 2023 and 2028, from 9.2% to 8.0% (Figure 12). Income groups with the largest 5-year projected percentage increases are $150,000 to $199,000 (32.3%), followed by the households with greater than $200,000 income (15.6%).

Table 3. Forecasted Household Income 2023 & 2028

Household Income	2023	2028	5-Year Change
Less than $15,000	12.8%	11.3%	-11.7%
$15,000 - $24,999	9.2%	8.0%	-13.6%
$25,000 - $34,999	8.8%	7.8%	-12.1%
$35,000 - $49,999	12.6%	11.7%	-7.5%
$50,000 - $74,999	17.8%	17.2%	-3.8%
$75,000 - $99,999	12.8%	13.4%	4.5%
$100,000 - $149,999	14.6%	16.8%	14.8%
$150,000 - $199,999	5.7%	7.5%	32.3%
$200,000 or Greater	5.6%	6.5%	15.6%

Source: ESRI, 2023

Figure 12. Forecasted Household Income 5-Year Change, 2023 - 2028



Source: ESRI, 2023

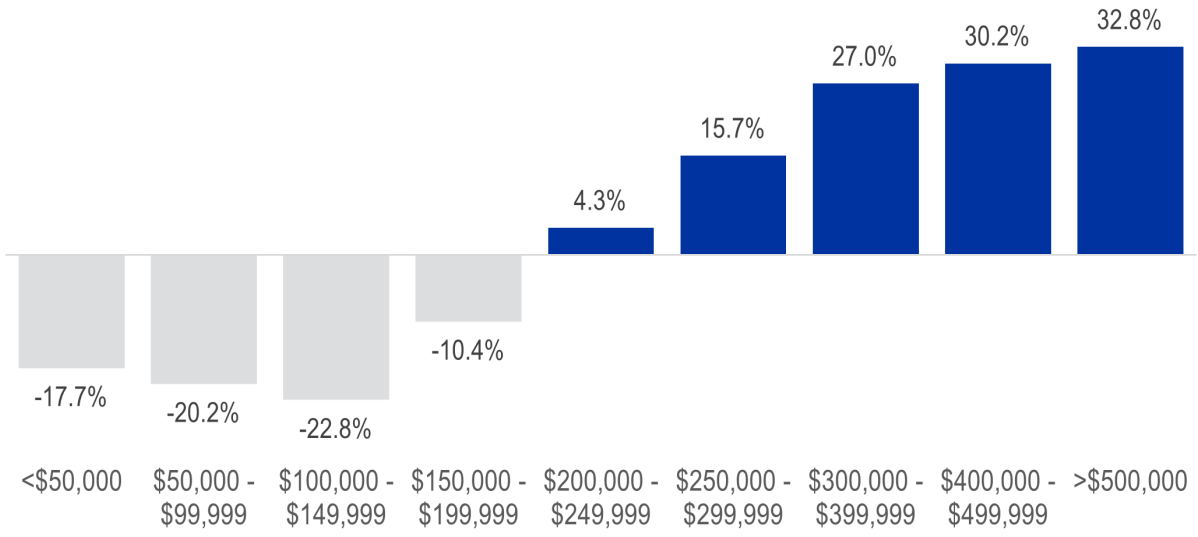
In 2023, homes valued between $150,000 and $199,000 accounted for the largest swath of values (16.8%) as seen in Table 4. This category is projected to decrease to 15.0% within five years. In general, the forecast for 2028 expects more homes with higher values and fewer homes with lower values. More than 56% of Kentucky homes are projected to have a value over $200,000 by 2028, compared to 47% in 2023.

Table 4. Forecasted Home Value 2023 & 2028

Home Value	2023	2028	5-Year Change
Less than $50,000	9.1%	7.5%	-17.7%
$50,000 - $99,999	13.1%	10.4%	-20.2%
$100,000 - $149,999	14.0%	10.8%	-22.8%
$150,000 - $199,999	16.8%	15.0%	-10.4%
$200,000 - $249,999	12.5%	13.1%	4.3%
$250,000 - $299,999	10.2%	11.7%	15.7%
$300,000 - $399,999	12.6%	16.0%	27.0%
$400,000 - $499,999	5.4%	7.0%	30.2%
$500,000 or Greater	6.3%	8.4%	32.8%

Source: ESRI, 2023

Figure 13. Forecasted Home Value 5-Year Change, 2023 - 2028



Source: ESRI, 2023

HOUSING DEMOGRAPHICS

In Kentucky, *children under 18* live almost exclusively in family households, with only 1% living in Nonfamily households (Table 5). Approximately two-thirds live in a married-couple family household. Nearly 24% of children under 18 live in a single-female household, and 9% live with a single-male household. Adults aged 18 and older in Kentucky typically cohabitate with a partner (57%), as seen in Table 6. More than 15% of adults live alone, over 12% live with other relatives, almost 11% live with at least one parent, and 4.5% live with nonrelatives.

Table 5. Living Arrangements Children Under 18

Living Arrangement Children under 18	Kentucky Households	Households with Children Under 18	Households with Children Under 18 (%)
Family households	1,172,125	467,404	99.0%
Married-couple family	860,710	313,155	66.3%
Single Female householder	219,489	111,801	23.7%
Single Male householder	91,926	42,448	9.0%
Nonfamily households	656,555	4,596	1.0%

Source: U.S. Census Bureau 5-Year ACS, 2022

Table 6. Living Arrangements Adults 18 Years and Over

Living Arrangement Adults 18 and Over	Adults 18 and Over	Adults 18 and Over (%)
Lives with married or unmarried partner	1,923,024	57.0%
Lives alone	513,752	15.2%
Lives with other relative(s)	418,252	12.4%
Lives with parent(s)	364,485	10.8%
Lives with other nonrelative(s)	151,284	4.5%

Source: U.S. Census Bureau 5-Year ACS, 2022

Labor force participation has changed 1.3% from 2018 to 2023 in the 16- to 34-year-old bracket. Individuals aged 35 to 64 had a greater change in labor force participation (1.6%). Labor force participants 65 and older decreased 1.8%. The decrease in labor force participation could be due to senior citizens retiring or leaving the workforce, or because more younger workers are entering the labor force.

Table 7. Kentucky Labor Force Participation, 2018 & 2023

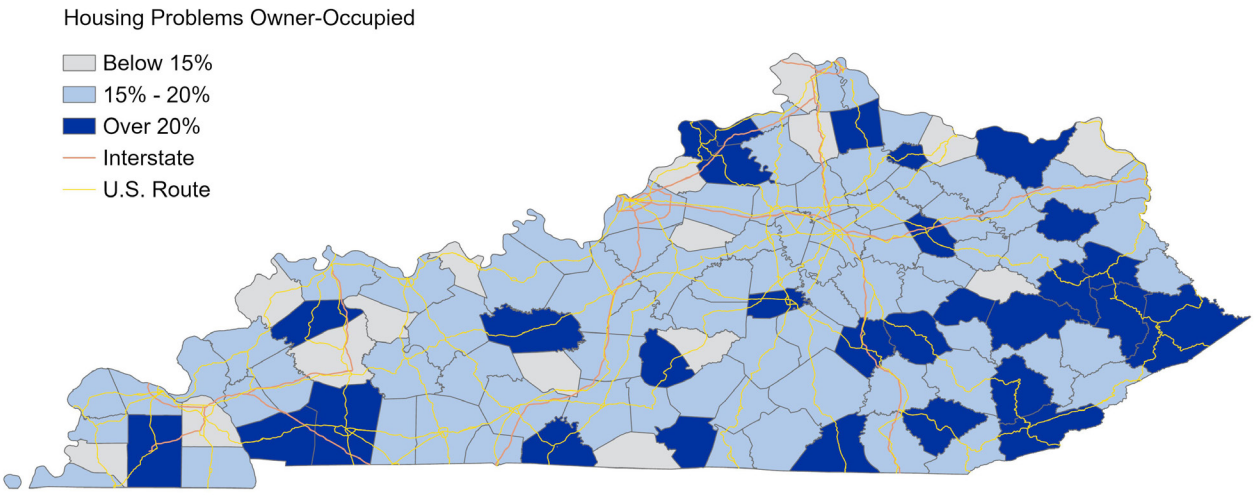
Labor Force Participation	2018	2023	Percent Change, 2018 - 2023
Population 16 - 34	69.9%	70.9%	1.3%
Population 35 - 64	76.1%	77.3%	1.6%
Population 65 and Older	19.6%	19.2%	-1.8%

Source: U.S. Bureau of Labor Statistics, 2018 & 2023

Comprehensive Housing Affordability Strategy (CHAS) data were recently released for 2024 and are based on 2017-2021 ACS 5-year estimates. There are four individual housing problems tabulated by CHAS: lacking complete plumbing facilities, lacks complete kitchen facilities, overcrowded, and cost burdened. A home is considered to have complete plumbing facilities if it has a flush toilet, hot and cold water, and a tub or shower; complete kitchen facilities require a sink with a faucet, a stove or range, and a refrigerator.[6] If any of the facilities are not present in the home, it lacks complete plumbing facilities or kitchen facilities, respectively. When a household spends more than 30% of its income on housing expenses, it is considered to be cost-burdened.[7] Overcrowding is defined as a living situation with more than one occupant per room.[8]

Nearly 25% of all occupied housing units in Kentucky have at least one of the four housing problems. Over 17% of owner-occupied housing units have at least one housing problem, and 40.2% of renter-occupied housing units have at least one housing problem. Figures 14 and 15 illustrate where Kentuckians are more likely to experience at least one of the four housing problems, for owner-occupied households and for renter-occupied housing units. Leslie (29.9%), Cumberland (28.9%), Carrol (24.0%), Lee (23.8%), and Floyd (23.8%) counties have the highest percentage of owner-occupied housing units with at least one housing problem. Counties with the lowest percentage of problem stricken owner-occupied housing units include Monroe (10.6%), Union (11.6%), Taylor (11.7%), Marshall (11.9%), and Hancock (12.0%). Southeastern Kentucky appears to have the largest grouping of counties with more owner-occupied housing problems.

Figure 14. Percent of Owner-occupied Housing Units Experiencing Housing Problems

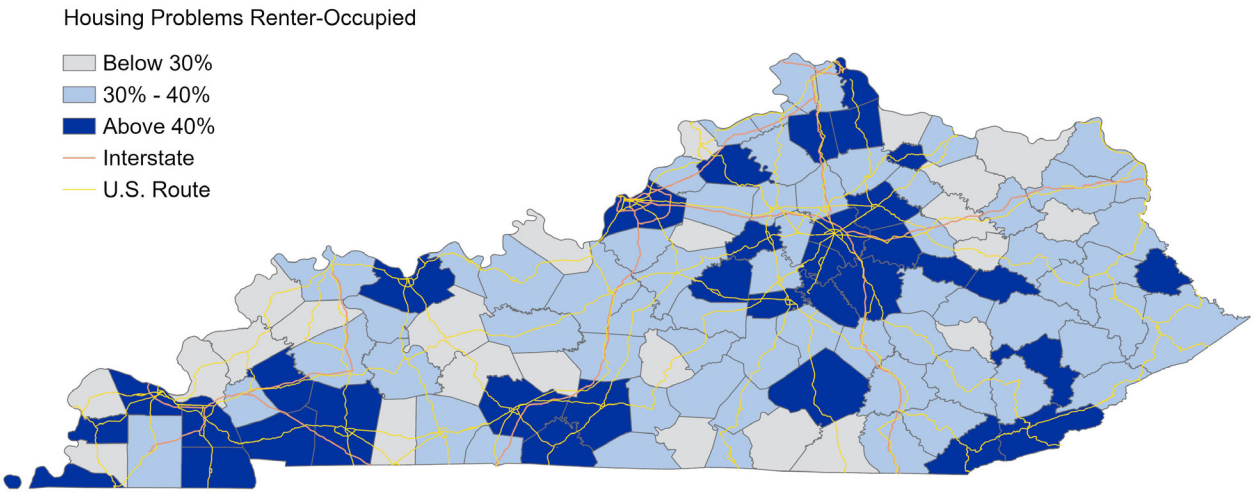


Sources: Comprehensive Housing Affordability Strategy, 2024; U.S. Census Bureau 5-Year ACS, 2021

[6] CHAS definition for complete plumbing facilities can be found here: https://www.census.gov/library/working-papers/2015/acs/2015_Raglin_01.html
[7] Census definition of cost-burdened households can be found here: https://www.census.gov/data/academy/webinars/2024/exploring-the-diversity-of-census-bureau-data/measuring-housing-affordability.html
[8] CHAS definition of overcrowding available here: https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html

Counties with the lowest percentage of renter-occupied units with housing problems include Edmonson (16.8%), Menifee (17.0%), Owsley (19.4%), Webster (20.7%), and Bath (22.2%). Higher percentages of renter-occupied housing units with at least one housing problem are found in Wolfe (54.7%), Anderson (54.1%), Robertson (53.7%), Fulton (53.0%), and Powell (51.5%) Counties. One of the larger clusters of counties with higher percentages of renter-occupied problem units is located in Central Kentucky ranging from Bourbon to Garrard and stretching from Wolfe to Washington Counties.

Figure 15. Percent of Renter-occupied Housing Units Experiencing Housing Problems



Sources: Comprehensive Housing Affordability Strategy, 2024; U.S. Census Bureau 5-Year ACS, 2021

CONCLUSION

Housing in Kentucky is still a major issue needing a solution, likely through public policy and legislative intervention. Renters are disproportionately affected by severe housing problems, compared to homeowners, with the most prominent problem being cost-burdened. Adequate housing inventory should improve quality of life in such a way that Kentuckians are not cost-burdened, may choose their location based on convenience and amenities, and avoid living in units with severe housing problems. Communities should plan for adequate housing added to the inventory that satisfies the needs of the consumer, which are not uniform among cities, counties, or the state. Policy makers and local officials should use available tools to assess specific housing needs for their communities, reviewing building permit approval process for new home construction, taking stock of current inventory and condition and age of structures, and forecasting population change in order to know quantity and types of homes needed.

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