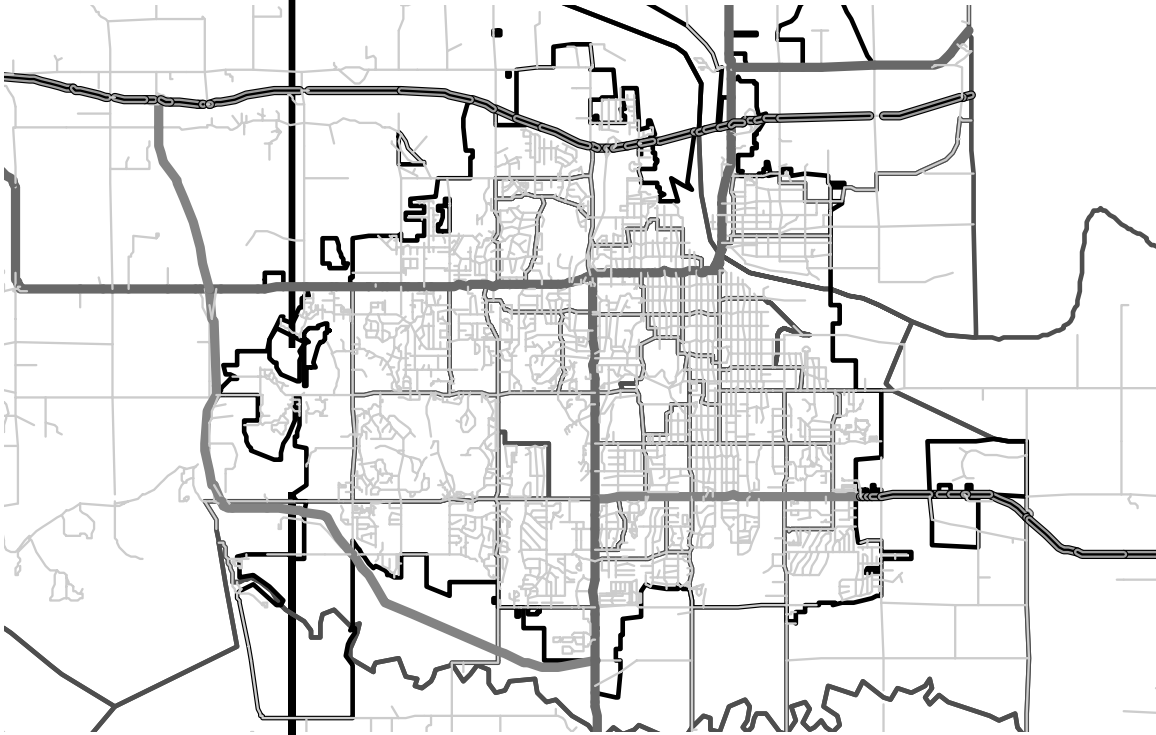


Research Report

# Housing Growth and Decline in the Neighborhoods of Lawrence, Kansas 1990 to 2000



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## *Abstract*

*Data from the U.S. Bureau of the Census have been assembled for neighborhoods of Lawrence to examine the changes in these neighborhoods in terms of population growth, growth in the housing stock, and shifts in the percentage of the housing stock devoted to owner-occupied housing. Lawrence is a growing city with the housing stock growing faster than the population. While this makes more housing choices available to the population, it may be contributing to an internal migration out of older neighborhoods in central and east Lawrence and into western and southeast Lawrence. In response to this internal migration, many of the neighborhoods of central and east Lawrence have witnessed a loss of housing units and a shift away from owner-occupied housing toward rental housing.*

## **Background**

Lawrence is a growing city. As with all growing cities, it is necessary to provide for the growth in the population so that adequate housing is available both to provide units for the new households moving into the city and to provide alternatives for the existing residents who are seeking to move into different units.

In an ideal setting, the growth of the housing stock will meet the needs of the expanding population without disturbing the housing market conditions of the existing residents. This means that the housing stock should grow at a pace commensurate with the population growth. This growth should take the form both of adding units through new subdivisions and renovating units in existing neighborhoods. If the additions to the stock are too few in number, the number of vacant units will fall too low and consumers will have too few choices. If the additions to the stock are too great in number, vacancies will rise and consumers may choose to abandon older neighborhoods for newer ones, creating long-term harm to the value of the housing stock in those older neighborhoods.

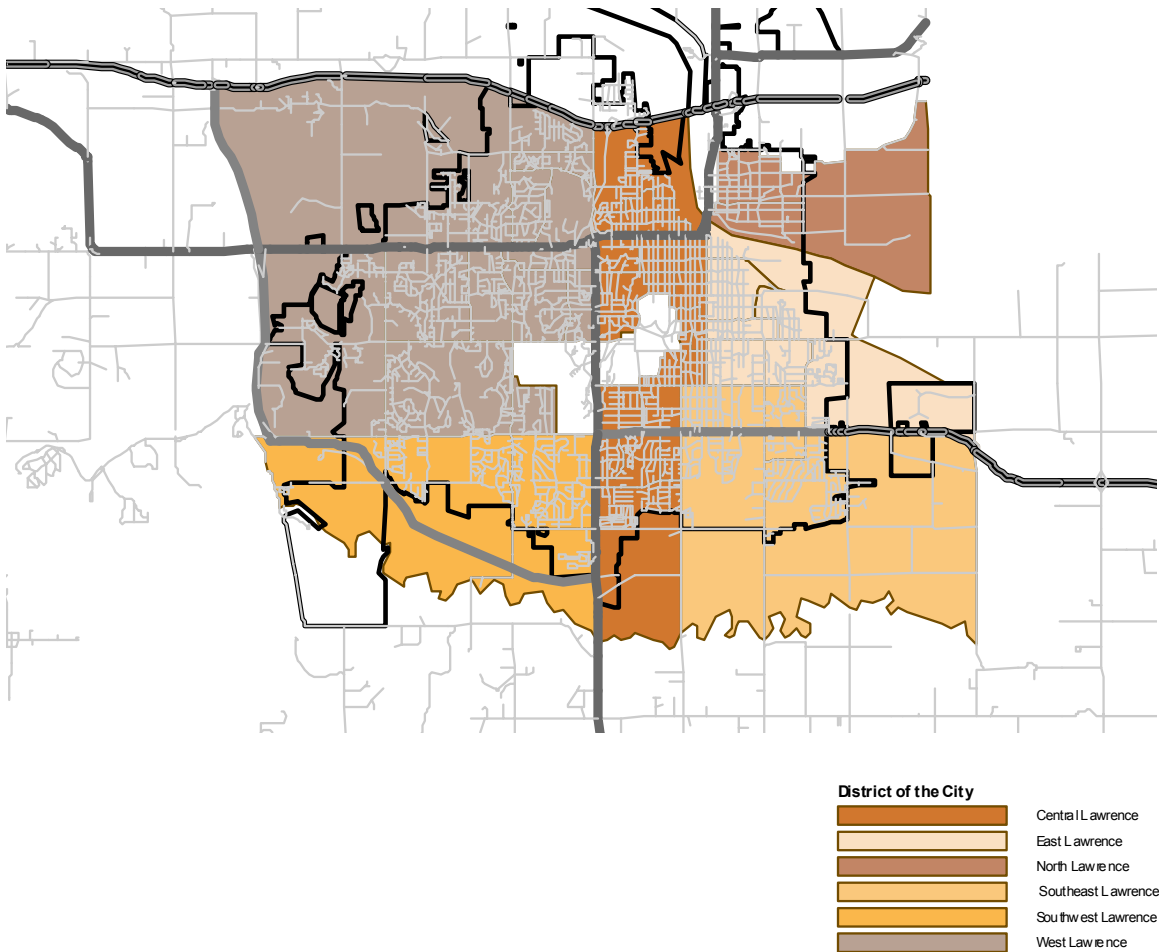
## **Data**

Data have been assembled from the Census of Population and Housing 1990 and 2000. These data reflect the full counts of all households who reside in the City during those years. The data are coded by location in terms of tracts and block groups within each tract. Douglas County has 15 tracts of which 11 are completely or partly inside Lawrence. Tracts usually contain one to six Block Groups, which correspond to neighborhoods. Lawrence has about 40 block groups. Housing and population data have been assembled at the level of these Block Groups with adjustments where the boundaries of the block groups have changed between 1990 and 2000. The boundary changes have made it necessary to combine some block groups so as to make the

geographic boundaries of the area the same over the time period. For most neighborhoods, data are available for both the 1990 and 2000 census. For a few Block Groups in the northwestern part of the City, the boundaries of the Block Groups have changed dramatically making it impossible to compare 1990 figures with 2000 figures.

Map 1 illustrates the Block Groups in the City along with delineation the city limits and the division of the City into districts.

**Map 1. Census Block Groups of Lawrence by Districts of the City**



## Findings

*Population growth.* The City as a whole has been growing. (See Table 1.) The population for Lawrence increased from 66,000 1990 to 80,000 in 2000. This is a 22 percent increase.

Table 1. **Demographic Change in Lawrence, Kansas 1990 to 2000**

Year	Population	Households	Housing Units Total	Housing Units Vacant	Units Built Previous Ten Years		
					Owner	Renter	Total
2000	80,083	31,435	32,792	1,357	3,992	4,313	8,305
1990	65,657	24,522	25,894	1,372			
Change	14,426	6,913	6,898	-15			
Percent Change	22.00%	28.20%	26.60%				

Source: United States Bureau of the Census, Census of Population and Housing, 1990 and 2000.

*Housing stock growth.* The City's housing stock has been growing as well. It grew from 26,000 units in 1990 to 33,000 units in 2000. This is a 27 percent increase. Thus, the stock has grown faster than the population.

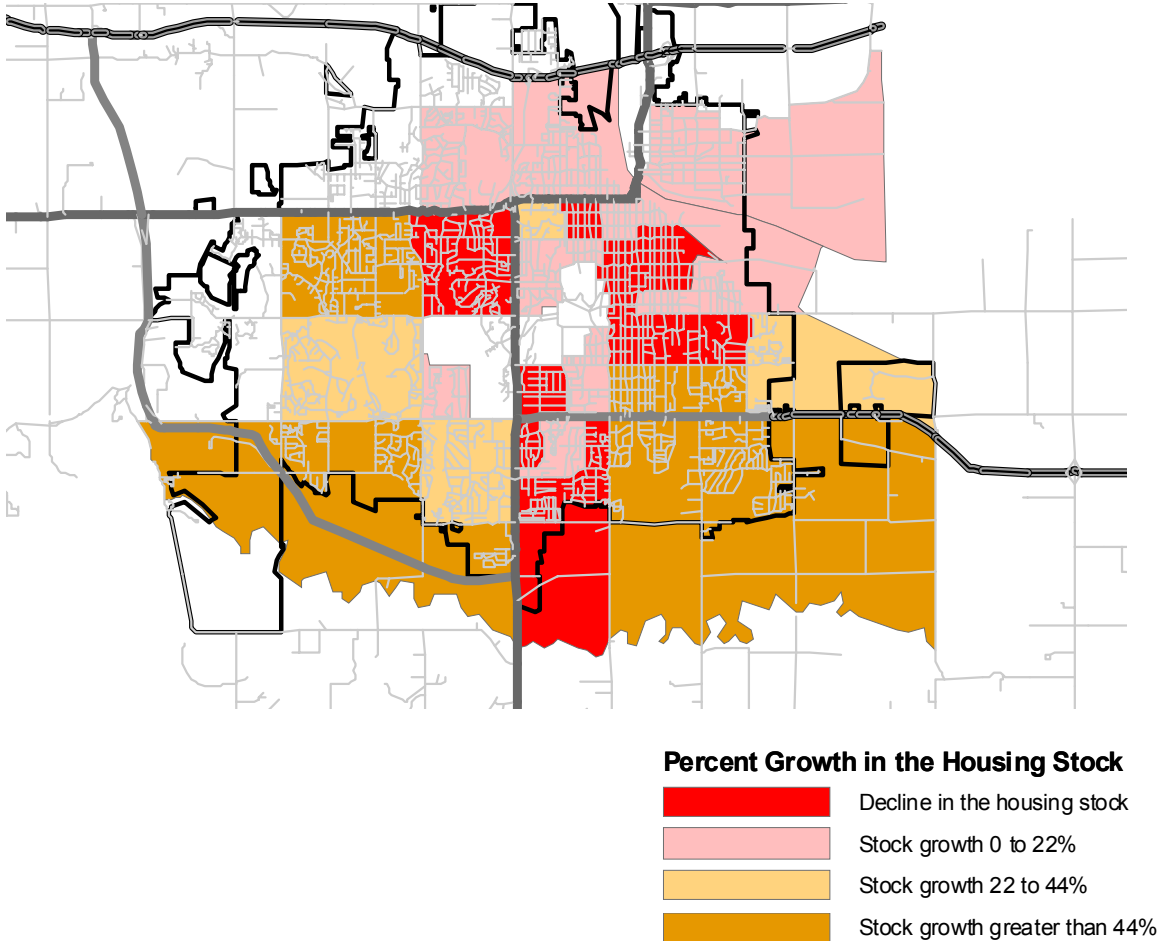
It is important to note that the stock's growth is net growth, that is, new additions minus demolitions. Thus, the 27 percent growth in the stock includes all units built minus all units removed from the stock. Between 1990 and 2000, 8,305 units were built, but 1,407 were either demolished or removed from service, leaving the city with a net gain of 6,898 housing units.

This rapid growth in the stock of housing has made it possible for more and smaller households to form. The number of households rose by 28 percent while the number of vacant units remained stable at just under 1,400 units. The stable number of vacant units means that the vacancy rate is actually falling as the number of vacant units did not grow proportionately with the 27 percent increase in the housing stock.

Growth in the stock beyond growth in the population can be viewed positively in that it provides downward pressure on prices and offers greater choice to consumers. It can be viewed negatively if it is not evenly distributed throughout the City. If the surplus growth is occurring disproportionately in new subdivisions at the perimeter of the City with decline in the older neighborhoods, an internal migration within the City can hurt older neighborhoods by drawing families away.

To examine this point, the changes in the housing stock have been plotted across the City at the block group level. (See Map 2.) The map illustrates that growth in the housing stock is not evenly distributed throughout the City. As would be expected, the housing stock is growing rapidly in the new subdivisions to the west and southeast of the City. However, the stock is either contracting or growing less than the pace of population growth in many neighborhoods, especially in the central and eastern parts of the City. These existing neighborhoods are nearly all fully built out, thus it would be expected that, if they are growing at all, they would be growing at a slow pace. However, in a rapidly growing city such as Lawrence, it is not expected that neighborhoods would actually lose population and units.

**Map 2. Growth or Decline of the Housing Stock in Neighborhoods of Lawrence  
1990 to 2000**



*Share of housing units that are owner occupied.* One of the manifestations of this simultaneous growth and decline in the housing stock of the various neighborhoods has been a shift in the share of the housing occupied by owners and the share occupied by renters.

Across the City, the percentage of the stock occupied by owners has been stable at 46% over the decade. (See table 2.) However, the overall stability in the share of the housing in rental tenure masks significant changes among various neighborhoods. (See Table 3.)

## Housing Growth and Decline in the Neighborhoods of Lawrence, Kansas

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Table 2. **Housing Stock Changes in Lawrence, Kansas 1990 to 2000**

<i>Year</i>	<u>Housing Units</u>		
	Total Occupied	Owner Occupied	Renter Occupied
<i>2000</i>	31,436	14,412	17,023
<i>Percent of Total</i>		45.8%	54.2%
<i>1990</i>	24,522	11,345	13,177
<i>Percent of Total</i>		46.3%	53.7%

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Source: United States Bureau of the Census, Census of Population and Housing, 1990 and 2000.

Notably, the older neighborhoods in the central and eastern parts of the City are experiencing a shift to rental tenure without a commensurate growth in the stock. North Lawrence is relatively stable with less than a two percentage point shift in the share or the stock that is owner-occupied. Southwest Lawrence has experienced a significant shift with a six percentage point increase in the share of the stock that is rental. However, this district grew very rapidly during the decade of the 1990s indicating that the shift reflects the pace at which rental apartments were built compared to the homes for owner occupancy. The rental units were built later causing an increase in the share of rental units. However, this district still is disproportionately low in terms of its share of the housing stock that is in rental tenure. West Lawrence has been rapidly growing, but the growth has seen rental units and units for owner occupancy keep pace with each other.

Table 3. **Population and Housing Growth and Tenure Changes in Districts of Lawrence, Kansas 1990 to 2000**

<i>District of the City</i>	<i>Change in Population</i>	<i>Change in Housing Units</i>	<i>Percent of Units Owner Occupied</i>	<i>Change in Percent Owner Occupied Units</i>
<i>Central Lawrence</i>	-5.7%	2.3%	29.3%	-4.9
<i>East Lawrence</i>	1.2%	4.9%	49.7%	-0.3
<i>North Lawrence</i>	4.2%	9.7%	76.6%	-1.7
<i>Southwest Lawrence</i>	79.8%	91.2%	53.0%	-6.0
<i>West Lawrence</i>	61.6%	59.6%	57.0%	2.2
<i>City as a whole</i>	22.0%	26.6%	45.8%	0.4

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Source: United States Bureau of the Census, Census of Population and Housing, 1990 and 2000.

Some level of decline in a city's housing stock is a natural by-product of the aging of the dwelling units. However, in a rapidly growing community, there is no need to accept any level of deterioration as normal. With rapid growth, a community should be able to maintain the quality of its housing stock by directing some of that growth back into older neighborhoods. The growth in demand that enters the older neighborhoods provides the necessary investment to stabilize the real value of the homes and make needed improvements. Without this new investment, the quality of the older housing stock will decline as the aging process continues.

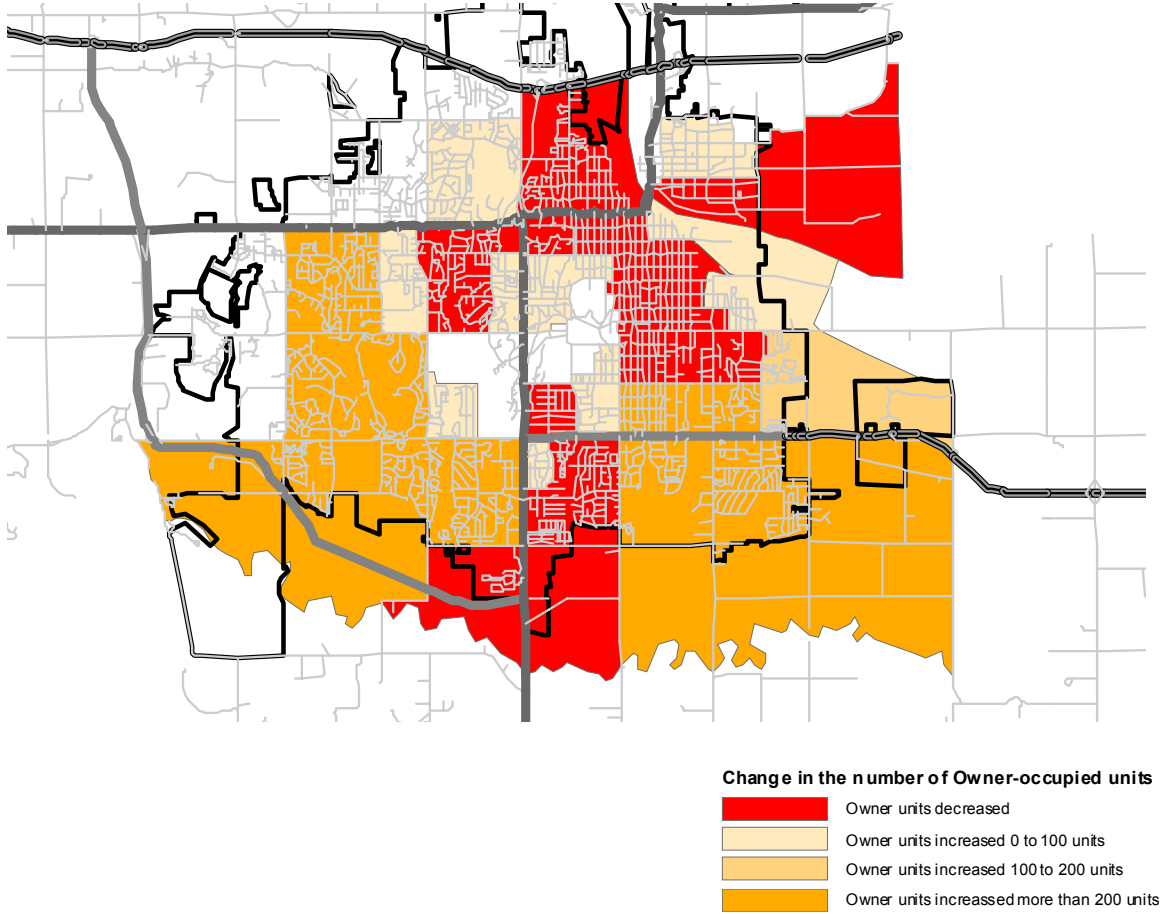
Lawrence is engaged in a growth process that is not well managed. New subdivisions are being developed faster than is necessary to meet the needs of the population growth. This is fostering an out-migration of households from older neighborhoods within the City to these new subdivisions. As these households leave, their units are being converted to rental tenure. This conversion has two negative consequences.

First, often households who do not have children will occupy these units, reducing the demand for schools in the affected neighborhoods. This exacerbates the downward cycle of these neighborhoods. As schools are closed, the neighborhoods become less attractive to families who could provide the investment necessary to stabilize the neighborhood.

Second, as each unit is converted to rental tenure, it removes another unit from the available supply of affordable housing. These units tend to be modestly priced units, making them ideal candidates for low- and moderate-income households who want to own a home but cannot afford the expensive homes being developed in the new subdivisions. However, these units are often more valuable to landlords who seek them for investment purposes as rental properties. While the community needs affordable rental housing as well as affordable housing for owner occupancy, the balance is being lost in some of the neighborhoods of central and eastern Lawrence.

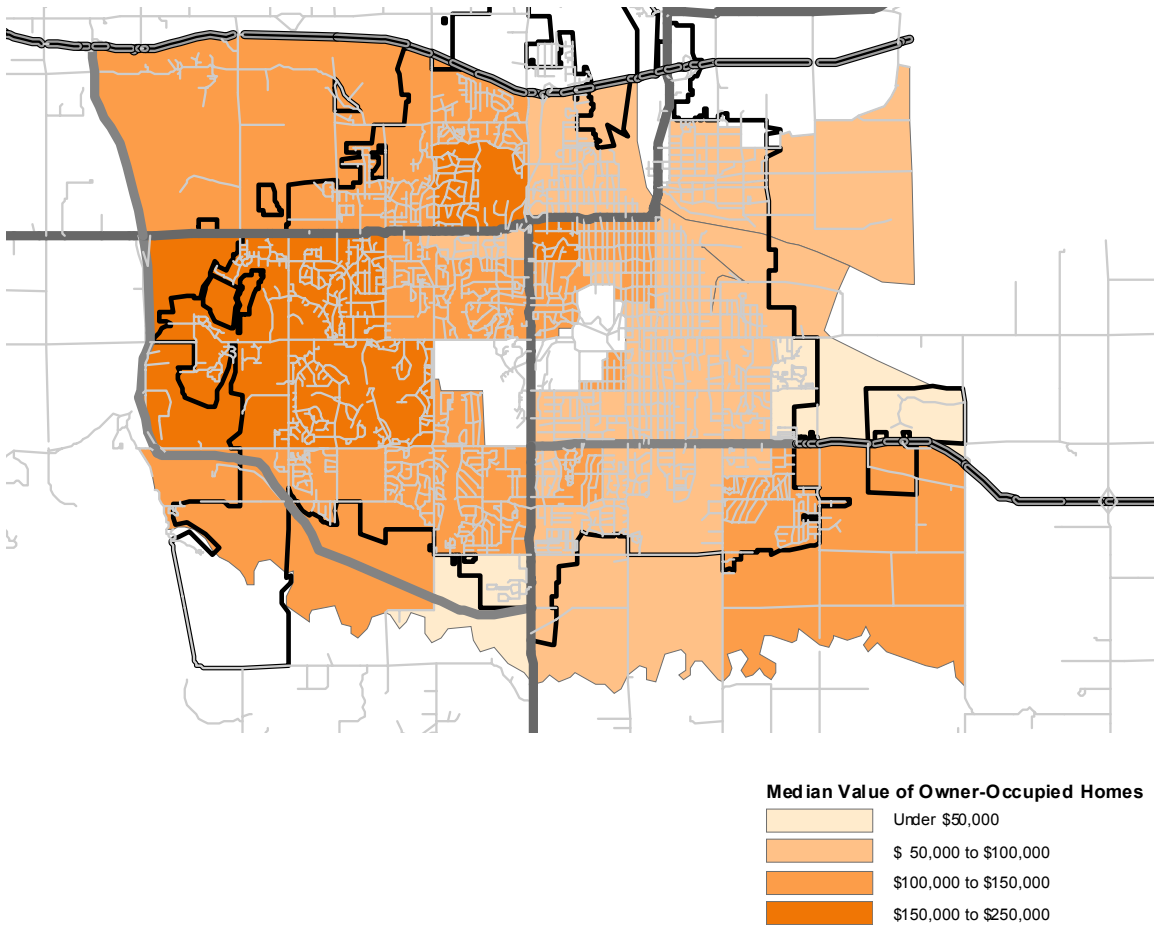
Map 3 illustrates this process by showing the changes in the numbers of the units that are owner-occupied in each neighborhood. The share of units in housing stock that are owner occupied is relatively stable at 46 percent, changing by only one-half of one percent over the decade of the 1990s. However, neighborhoods in the central and eastern parts of the City have experienced significant losses of owner-occupied housing. For these neighborhoods the loss of owner-occupied units is a shift away from a balance of owner-occupied units and renter-occupied units toward a more renter-dominated neighborhood.

Map 3. **Change in the Number of Owner-Occupied Homes  
In Neighborhoods of Lawrence 1990 to 2000**



Map 4 illustrates this process further by showing the median values of owner-occupied units in each neighborhood. This map makes apparent the relationship between the loss of owner-occupied units to these neighborhoods and the lower value of the homes there.

**Map 4. Median Value of Owner-Occupied Homes  
Neighborhoods of Lawrence 2000**



## **Conclusion**

The pattern of growth and decline among the neighborhoods of Lawrence suggest that the City should explore mechanisms that will alter the growth. These mechanisms should:

- Attempt to keep the pace of growth in the housing stock in line with the growth in the population.
- Attempt to direct a greater share of the investment in the housing stock into renovation and improvement of existing homes in the neighborhoods in the central and eastern parts of the City.
- Discourage the conversion of single-family owner-occupied homes into rental tenure in the neighborhoods of the central and eastern parts of the City, preserving these units for occupancy by moderate-income households seeking affordable housing for owner-occupancy.

# Housing Growth and Decline in the Neighborhoods of Lawrence, Kansas

## Appendix 1. Census Data for Lawrence, Kansas

Data for Analysis of Changes in Neighborhood Housing Market Conditions of Lawrence, Kansas 1990 to 2000

Census Tract-Block Group District of City	Change in Population 1990-2000	Percent Change Population 1990-2000	Change in Units 1990-2000	Percent Change Units 1990-2000	Percent Owner Occpd 2000	Percent Owner Occpd 1990	Percent Change Owner Occpd 1990-2000	Change in Rental Units 1990-2000
4.00 - 1&2 Campus	1062	21.7%	195	27.5%	2.5%	3.0%	-0.5%	138
3.00 - 1 Central Lawrence	-72	-3.1%	-5	-0.6%	4.5%	8.7%	-4.2%	70
3.00 - 2 Central Lawrence	100	14.1%	23	5.9%	25.4%	10.4%	15.0%	-39
3.00 - 3&4 Central Lawrence	-45	-1.4%	-22	-1.6%	7.0%	13.4%	-6.3%	96
3.00 - 5 Central Lawrence	-288	-37.5%	18	9.1%	60.0%	63.5%	-3.5%	12
5.01 - 1&2 / 5.02 - 3 Central Lawrence	216	5.4%	159	8.7%	44.2%	48.9%	-4.7%	160
5.02 - 1 Central Lawrence	143	13.5%	185	37.8%	6.8%	19.2%	-12.4%	181
5.02 - 2 Central Lawrence	-109	-10.2%	-25	-5.3%	43.6%	50.8%	-7.2%	34
5.02 - 4 Central Lawrence	-357	-11.2%	98	11.6%	32.7%	34.5%	-1.8%	98
9.01 - 1 Central Lawrence	-45	7.7%	7	3.1%	79.7%	80.5%	-0.8%	4
9.01 - 2 Central Lawrence	-370	-22.7%	-57	-11.5%	48.9%	63.1%	-14.3%	45
9.01 - 3 Central Lawrence	-57	-5.1%	-36	-6.4%	9.7%	23.5%	-13.8%	63
9.01 - 4 Central Lawrence	-175	-8.3%	6	0.6%	19.2%	20.6%	-1.4%	18
9.01 - 5 Central Lawrence	-105	-7.9%	-6	-0.8%	16.7%	12.8%	4.0%	-13
9.02 - 1 Central Lawrence	-366	-15.5%	-105	-11.0%	64.8%	72.2%	-7.4%	48
<b>Central Lawrence</b>	<b>-1440</b>	<b>-5.7%</b>	<b>240</b>	<b>2.3%</b>	<b>29.3%</b>	<b>34.2%</b>	<b>-4.9%</b>	<b>777</b>
2.00 - 1 East Lawrence	-73	-9.3%	60	19.0%	49.4%	43.7%	5.8%	11
2.00 - 2 East Lawrence	20	1.3%	-10	-1.3%	32.3%	35.9%	-3.6%	51
2.00 - 3 East Lawrence	21	2.7%	43	11.7%	36.1%	40.5%	-4.4%	30
2.00 - 4 East Lawrence	-121	-12.0%	-15	-2.9%	45.8%	56.2%	-10.4%	44
2.00 - 5 East Lawrence	-192	-14.3%	-37	-6.9%	54.1%	55.2%	-1.2%	-12
2.00 - 6 East Lawrence	424	43.6%	100	24.2%	88.7%	72.9%	15.8%	-55
<b>East Lawrence</b>	<b>79</b>	<b>1.2%</b>	<b>141</b>	<b>4.9%</b>	<b>49.7%</b>	<b>50.0%</b>	<b>-0.3%</b>	<b>69</b>
1.00 - 2 North Lawrence	137	12.8%	52	11.2%	83.5%	80.3%	3.2%	-3
1.00 - 3 North Lawrence	-58	-7.1%	25	7.6%	66.2%	75.5%	-9.4%	32
<b>North Lawrence</b>	<b>79</b>	<b>4.2%</b>	<b>77</b>	<b>9.7%</b>	<b>76.6%</b>	<b>78.3%</b>	<b>-1.7%</b>	<b>29</b>
10.01 - 1&2, 10.02 - 1&2 Southeast Lawrence	3884	93.4%	1685	126.2%	61.8%	67.3%	-5.5%	694
<b>Southeast Lawrence</b>	<b>3884</b>	<b>93.4%</b>	<b>1685</b>	<b>126.2%</b>	<b>61.8%</b>	<b>67.3%</b>	<b>-5.5%</b>	<b>694</b>
8.01 - 1 Southwest Lawrence	2316	204.6%	977	214.7%	36.2%	52.5%	-16.3%	678
8.02 - 1 Southwest Lawrence	1094	29.5%	461	29.7%	52.0%	48.9%	3.1%	199
8.02 - 2 Southwest Lawrence	412	63.1%	172	63.0%	52.9%	85.8%	-32.9%	140
<b>Southwest Lawrence</b>	<b>3822</b>	<b>69.5%</b>	<b>1610</b>	<b>70.6%</b>	<b>46.2%</b>	<b>54.1%</b>	<b>-7.9%</b>	<b>1017</b>
6.01 - 1 West Lawrence					69.7%			
6.01 - 2 West Lawrence	88	8.8%	78	21.2%	73.8%	83.4%	-9.6%	56
6.01 - 3 West Lawrence	-2	-0.2%	23	4.1%	35.9%	35.0%	0.9%	19
6.01 - 4 West Lawrence	-28	-1.8%	16	2.5%	59.6%	60.0%	-0.5%	15
6.02 - 1 West Lawrence					51.3%			
7.01 - 1 West Lawrence	2760	216.6%	941	214.8%	83.3%	79.4%	3.9%	144
7.02 - 1&2 West Lawrence	2522	293.9%	1159	286.9%	46.0%	54.0%	-8.0%	634
7.02 - 3 West Lawrence	83	8.5%	-16	-3.2%	31.8%	24.0%	7.8%	-25
7.02 - 4 West Lawrence	544	41.7%	261	57.1%	54.0%	74.7%	-20.6%	213
7.97 - 1 West Lawrence	1277	52.4%	478	41.8%	59.9%	50.6%	9.3%	93
7.97 - 2 West Lawrence	40	3.3%	64	12.3%	47.1%	50.8%	-3.7%	56
<b>West Lawrence</b>	<b>7284</b>	<b>61.6%</b>	<b>3004</b>	<b>59.6%</b>	<b>57.0%</b>	<b>54.8%</b>	<b>2.2%</b>	<b>1205</b>

Source: U.S. Bureau of the Census, 1990 Census of Population and Housing, 2000 Census of Population and Housing Data collected at the Block Group level. Some block groups have been combined to maintain common boundaries for 1990 and 2000. Calculations by author.