



HOUSING PRODUCTION IN RURAL AMERICA

Where Have We Been,
and Where Are We Now?

By Keith Wiley and Lance George



THE NEED to address the nation's housing shortage is one policy issue that garners widespread support from across the spectrum. Housing production ultimately impacts housing affordability, which is undeniably one of the greatest economic concerns in our nation today.

Many rural communities struggle with demographic and economic decline, resulting in an old and often inadequate housing supply. At the same time, other rural communities are growing, especially after the Covid pandemic, adoption of remote work, and increased retirements and housing demand in amenity-rich areas, causing significant housing affordability problems as production tries to keep up with demand. Housing production is an important aspect and catalyst for future growth and prosperity in any community, whether building new homes as a way to improve a declining town's aging housing stock, or meeting the housing demands of workers in a recreational destination community where affordable homes are in short supply.

The State of Housing Production in Rural America

In rural America there are approximately 60 million people and 29 million homes, of which 23.6 million are occupied. To provide a base understanding of housing production in rural America, HAC compared housing data from 2013 and 2023. The analysis defines "rural" counties as those with 50 percent or more of their population classified as "rural" using HAC's rural and small town typology.

Housing Growth Has Been Paltry in Most Rural Areas.

Between 2013 and 2023, rural counties experienced an estimated 1 percent overall increase in their housing

stock compared to a 10 percent increase for non-rural counties. The rural housing stock increased from an estimated 25.2 million units in 2013 to 25.4 million units in 2023, representing 246,053 additional homes. To put this into perspective, Virginia's housing stock grew by 273,452 units during the same period. These numbers highlight how limited housing production was in rural communities when considered in the aggregate. Relatively low housing production in rural areas generally mimicked population growth, which also was limited in rural communities.

Rural Housing Markets Have Been Especially Impacted by the Loss of Housing Stock.

Measuring the change in housing units includes two components: 1) new homes – housing units added between 2013 and 2023; and 2) lost stock – the decrease in homes built in earlier periods. This basic analysis reveals that rural counties experienced a relatively minor increase in new homes constructed over the 10-year period. But simultaneously, there was a substantial reduction in the existing rural housing stock. Homes built before 2013 declined by 6.5 percent in rural counties, compared to only a 1.6 percent decline for non-rural counties. This 1.62 million rural housing unit decline offset many of the 1.87 million new homes constructed or placed, resulting in the 246,053 net increase in rural homes. This analysis underscores the importance of existing homes and their maintenance to the overall housing supply. Housing preservation efforts can be critical to a housing market, preventing significant decline and possibly serving as a catalyst for future growth.

Change in Housing Units by Rural Status, 2013-2023



¹ Raquel Harati, Dan Emmanuel, Katie Renzie, and Andrew Aurand, *The Gap: A Shortage of Affordable Homes* (Washington, DC: National Low Income Housing Coalition, 2025), <https://nlihc.org/gap/>. ² Kevin Park, *Moving to the Country: Unpacking the Persistent Increase in Rural Housing Demand Since the Pandemic* (Washington, DC: Fannie Mae, 2024), <https://www.fanniemae.com/research-and-insights/publications/housing-insights/unpacking-persistent-increase-rural-housing-demand-pandemic/>. ³ Shannon Pettypiece, "The Affordable Housing Shortage is Reshaping Parts of Rural America," *NBC News*, November 29, 2024, <https://www.nbcnews.com/politics/economics/affordable-housing-shortage-reshaping-parts-rural-america-rcna181700/>. ⁴ What is Rural? Housing Assistance Council, Rural Data Central, accessed September 12, 2025, <https://ruraldatacentral.org/Content/WhatIsRural/>. ⁵ Kenneth Johnson, "Rural America Lost Population Over the Past Decade for the First Time in History," *Carsey School of Public Policy, University of New Hampshire*, February 22, 2022, <https://carsey.unh.edu/publication/rural-america-lost-population-over-past-decade-first-time-history>.

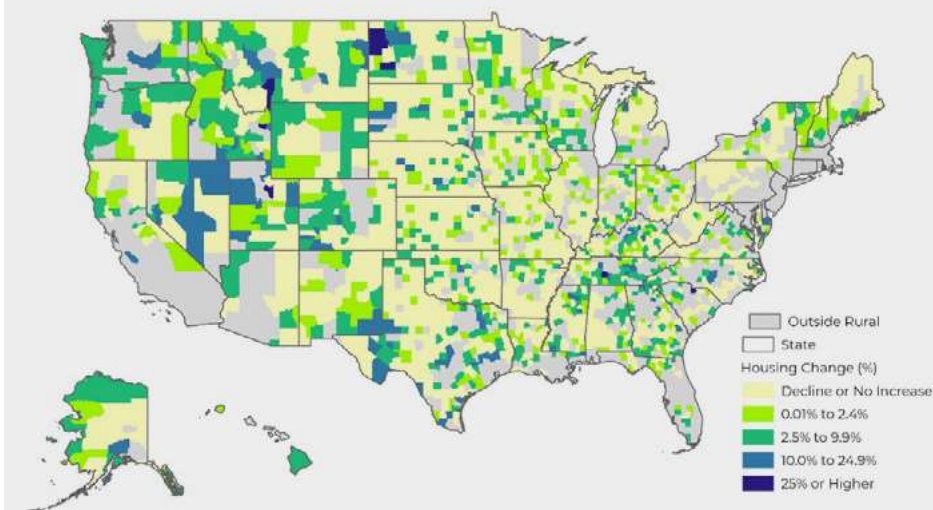
Most Rural Areas Experienced Decline in Their Housing Stock, But Rural Markets are Not a Monolith Either.

The majority (1,312) of the nation's 2,202 rural counties experienced a drop or no growth in their housing stock between 2013 and 2023. Approximately 87 percent of these rural housing-decline counties also lost population in the same period, and nearly one-third of rural counties with housing decline were also in persistent poverty status or in a "high-need" rural region. In some respects, housing markets in these counties reflect larger demographic and economic conditions that may contribute to the reduced numbers of homes.

A loss of habitable housing units can have a negative impact on future growth and housing production. While this narrative is often invoked for large towns or cities, it also happens in rural places like the town of Kit Carson, Colorado (population 210). Kit Carson has experienced significant population loss over the decades which has resulted in about one out of every five homes being vacant and in a state of disrepair. The town is undertaking efforts to improve the stock of quality housing to entice people to move in and change the demographic and economic trajectory of the community.

Approximately 890 rural or largely rural counties experienced growth in their housing stock between 2013 and 2023. The housing supply grew by 5 percent or more in 303 rural counties, with 190 reaching or exceeding 7.5 percent growth. The rural counties with a 5 percent or higher increase in housing units are primarily located in natural resource-rich areas, at the exurban fringe, or in retirement or high amenity destinations, or are part of a rapidly growing region such as the Rocky Mountain West. In these growing markets, home-price increases and housing affordability challenges are often acute. For

Housing Change in Rural Counties, 2013-2023



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⁶ A persistent poverty county, according to the Federal Housing Finance Agency's Duty to Serve (DTS) definition, is a county that has experienced a poverty rate of 20 percent or higher for each of the last three decades. High-needs rural regions are Middle Appalachia, the Lower Mississippi Delta, the U.S.-Mexico Border Colonias, and Native American Lands (operationalized for this analysis as counties with at least one census tract that consists of 75 percent or more federal Tribal trust lands). The following DTS website provides details on the persistent poverty and high need areas: <https://www.fhfa.gov/data/duty-to-serve/eligibility-data/>. ⁷ Nigel G. Griswold and Patricia E. Norris, *Economic Impacts of Residential Property Abandonment and the Genesee County Land Bank in Flint, Michigan* (East Lansing, MI: Land Policy Institute, Michigan State University, 2007), https://www.canr.msu.edu/planning/uploads/landpolicy/LPI_Genesee.pdf. ⁸ Kevin Simpson, "Saving Kit Carson: Inside One Rural Colorado Town's Battle to Stay Alive and Revitalize Its Community," *Colorado Sun*, July 21, 2025, <https://coloradosun.com/2025/07/20/kit-carson-housing-population-decline-revitalization/>. ⁹ Susan Shain, "Has Montana Solved Its Housing Crisis?" *High Times*, November 22, 2023, <https://www.hcn.org/issues/55-12/housing-has-montana-solved-its-housing-crisis/>.

example, numerous popular-press articles have highlighted the dramatic increase in home values in Montana, which began during the Covid pandemic period. Home prices increased by up to 60 percent in just two years, encouraging several legislative efforts to expand the housing supply and bring down prices.

McKenzie County, North Dakota is an example of a county that has experienced significant growth in population over the last decade due to oil production. The county's population nearly doubled between 2013 and 2023. (It still has a relatively sparse population – under 15,000.) McKenzie County's dramatic growth led to an inflation adjusted increase in median home values of 38 percent between 2013 and 2023, which was higher than the 23 and 31 percent increases for places outside metropolitan areas and the U.S., respectively.

Considerations for Building More Homes in Rural America

HAC's analysis on the rural housing stock shows that rural communities, like the nation as a whole, have been adversely impacted by insufficient production of new homes. In rural communities, however, this building deficit is further compounded by the loss of existing housing units. One of the most glaring results of this dual-faceted trend is the burgeoning and seemingly unabated affordability crisis that financially imperils so many rural households today.

And yet, we have just scratched the surface with this review. Housing production does not exist in a vacuum. Factors across the spectrum such as lending interest rates, increasing supply and building material costs, labor availability, the presence of local housing organizations and providers,

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and the capacity to build housing are all elements integral to the production of new housing.

Demand side dynamics are an equally important element of the equation to develop strategies and solutions for more affordable housing. The health and dynamism of local rural economies and household demographics need to be considered in assessing and planning for rural housing production. Every rural community needs to evaluate its housing stock, strengths, and deficiencies individually. But larger demographic trends for rural communities need to be considered in these assessments. The size and composition of rural households continue to evolve, with smaller families and an increasing number of single occupancy homes. In concert with this dynamic, rural America is older than the nation as a whole, and an aging population will significantly impact every rural community's housing system. These trends exacerbate an already underlying gap in housing options for older residents.

At the other end of the age spectrum, young people are increasingly shut out of housing options once considered a standard step in the American housing system, due to limited affordable options. These factors, among many

others, increasingly coalesce to impact not only housing dynamics but also demographic drivers such as delayed household formation, pent up demand, and outmigration that continue to perpetuate the cycle of limited housing availability in many rural communities. There are myriad other demand-side factors that also exacerbate and hinder the availability and production of housing in rural locales including population loss and stagnant local economies.

The supply and demand dynamics for rural housing are both complex and have manifested themselves over decades, making them particularly difficult to address in both the immediate and long terms. But rural communities are equally dynamic, determined, and resilient. Rural residents and stakeholders know best what their housing production and futures should be. It's up to policymakers and economic leaders to help facilitate the needs and aspirations of local residents for new, and affordable, homes for rural people and their communities.

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