

RESIDENTIAL DEMAND ANALYSIS

WEST PLAINS DOWNTOWN MARKET AREA

CITY OF WEST PLAINS, MISSOURI
HOWELL COUNTY

November, 2007



D·R·E·A·M
I N I T I A T I V E

ACKNOWLEDGMENTS



DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR
MISSOURI (DREAM) PROGRAM SPONSORS:



PLANNING CONSULTANT



PREPARED BY
MISSOURI HOUSING DEVELOPMENT COMMISSION

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USPAP REQUIRED INFORMATION

The following information is required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

Intended Use of Report

The intent of this report is to assist the community of West Plains in its effort to revitalize its downtown area through the DREAM Initiative by analyzing the possible demand for housing that would support that effort.

Intended Users of Report

The intended users of this report are Missouri Housing Development Commission (Employer), the City of West Plains, Peckham, Guyton, Albers & Viets, Missouri Development Finance Board, and Missouri Department of Economic Development.

Analysis, Recommendation, or Opinion to be Developed

The analysis, recommendations, or opinions will include the following:

- A review of previous housing market studies or consumer surveys;
- Identification of existing housing inventory and competitive locations;
- Demographic analysis for the area;
- Economic profile of the market;
- Opinion of present and future housing demands;
- Recommendations regarding the number and type of housing units that should be provided to support the overall goal of downtown revitalization.

Effective Date of the Report

The effective date of the report is November 9, 2007.

Physical, Legal, and Economic Characteristics of the Market Area

The physical, legal, and economic characteristics of the market area are as described in the DREAM application submitted by the community and as further delineated in this report.

Extraordinary Assumptions

In preparing this report and any recommendations, or opinions, the appraiser has relied on various physical, economic, and demographic data and information from various sources that the appraiser believes to be credible and reliable. The use of information obtained from the various sources is critical to the preparation of the report and the appraiser believes that the information has resulted in a credible analysis.

Scope of Work

The scope of work necessary to prepare this report is as follows:

- Physical survey of the area that is the subject of the report;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Obtain and review general and historical information about the market;
- Obtain and review any housing related studies prepared for the market;
- Obtain and review any current information regarding activities in the market that could affect the marketability of housing;
- Obtain and analyze demographic information for the primary and secondary market areas;
- Prepare a target market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households;
- Estimate the current and future household demand in the primary market area that would be attracted to housing options in the West Plains, Missouri market area;
- Prepare a recommendation or opinion of the type and number of housing units that would complement the West Plains downtown revitalization efforts.

SECTION I

EXECUTIVE SUMMARY

The purpose of this market study is to quantify the potential residential demand in the downtown area of West Plains, Missouri that would complement the overall revitalization efforts of the downtown area; the type of residential demand that exists and the depth of the market demand. A map of the designated area is included on page 9 of this report as *Exhibit 1*. The analysis will consider the projected change in the number of households in the market, migration patterns of new households to the market, and the mobility patterns of existing households. The analysis will determine what types of housing may be underserved in the market, the estimated number of units that are projected to meet the needs, and if the housing will complement the downtown revitalization area.



Some of the conclusions of the report are as follows:

- A baseline assessment of the current residential conditions in and around the downtown revitalization area is that most of the residential inventory is comprised of single family homes, high-rise senior developments, small rental developments, and residential units occupied by owners and tenants on the upper floors of some of the commercial buildings in the downtown square area.
- The production of new residential units in the downtown revitalization area would not seem to have much of an impact on the downtown revitalization efforts because the area at present seems to be very stable. In addition, there is very little available land and buildings available for residential development in the downtown area. Unlike many downtown areas around the state and country that were adversely affected by urban sprawl, that does not appear to be the case with downtown West Plains. Consequently there is no great need to bring residents and businesses back because it appears that they never left.
- The improvement of the existing single family housing stock in and around the downtown area would benefit the downtown revitalization efforts by curing deteriorated housing conditions, which should improve property values and the tax base of the community.

- All of the existing rental housing types throughout the city; market rate family, affordable family, and affordable senior, all have good market demand and a shortage of available units. For that reason the city should encourage and help to facilitate the production of rental housing for all household types to serve some of the pent up demand.
- An increase of available housing units could positively impact the population growth of the city. Demographic data indicates that although the population of the city has declined the number of households is increasing.
- HISTA (Households by Income, Size, Tenure, and Age) demographic data, which was used for this report indicates that between 2007 and 2012 the number of owner households in Howell County is projected to increase by approximately 434 households or 87 households per year. Because West Plains has an estimated 29% of the households in Howell County it can be inferred that the number of owner households in West Plains should increase by approximately 25 households per year between 2007 and 2012, based on current home production and sales levels. Production levels that are higher than normal could increase the number of potential home owners attracted to the West Plains market.
- HISTA data also indicates that between 2007 and 2012 the number of renter households in Howell County is projected to increase by approximately 149 households or 30 households per year. Because West Plains has an estimated 29% of the households in Howell County it can be inferred that the number of renter households in West Plains should increase by approximately 9 households per year between 2007 and 2012, based on current rental unit production levels. Production levels that are higher than normal could increase the number of renters attracted to the West Plains market.
- Internal Revenue Service Migration Data indicates that Howell County had negative net migration in 2002, but since then has experienced positive net migration numbers that have increased every year. Howell County has a positive migration record with all of the surrounding counties, save one. Over the last few years Howell County has consistently lost a significant amount of households to nearby Greene County. The reason for this loss is likely improved job opportunities in Springfield, Missouri.

The conclusions of this report suggest that the West Plains housing market is currently stable and well balanced, with moderate growth expected. This situation has occurred in part, due to citizen involvement and a desire to restore and readapt downtown structures. Over fifteen building restorations are due primarily to two dedicated individuals. Given no immediate housing needs to address, the City of West Plains should turn to preventative measures in relation to housing codes to ensure future housing stability.

As the City enjoys the current situation, it cannot count on continued involvement and restorative efforts of a few private individuals. The City has been very fortunate, but even these individuals have limits. In addition, many of the buildings in downtown West Plains appear in good condition, but are deteriorating greatly. The rear facing of numerous structures are unsafe and unsightly, providing a very unwelcoming feeling just off of the main streets.

It is critical that West Plains ensures its ordinances, codes, and design guidelines are adequate and enforced, yet flexible to take advantage of changes in the market. Firm enforcement will ensure housing and building stock improvements and will precipitate rising property values. As buildings are improved, they will likely be improved to the best condition in which they have ever been. Code enforcement is the only tool the City has to ensure the longevity of this condition. Quality developers will respond to a diligent City government as it will represent a decrease in investment risk as the neighboring property owners are expected to adhere and enhance their properties as well.

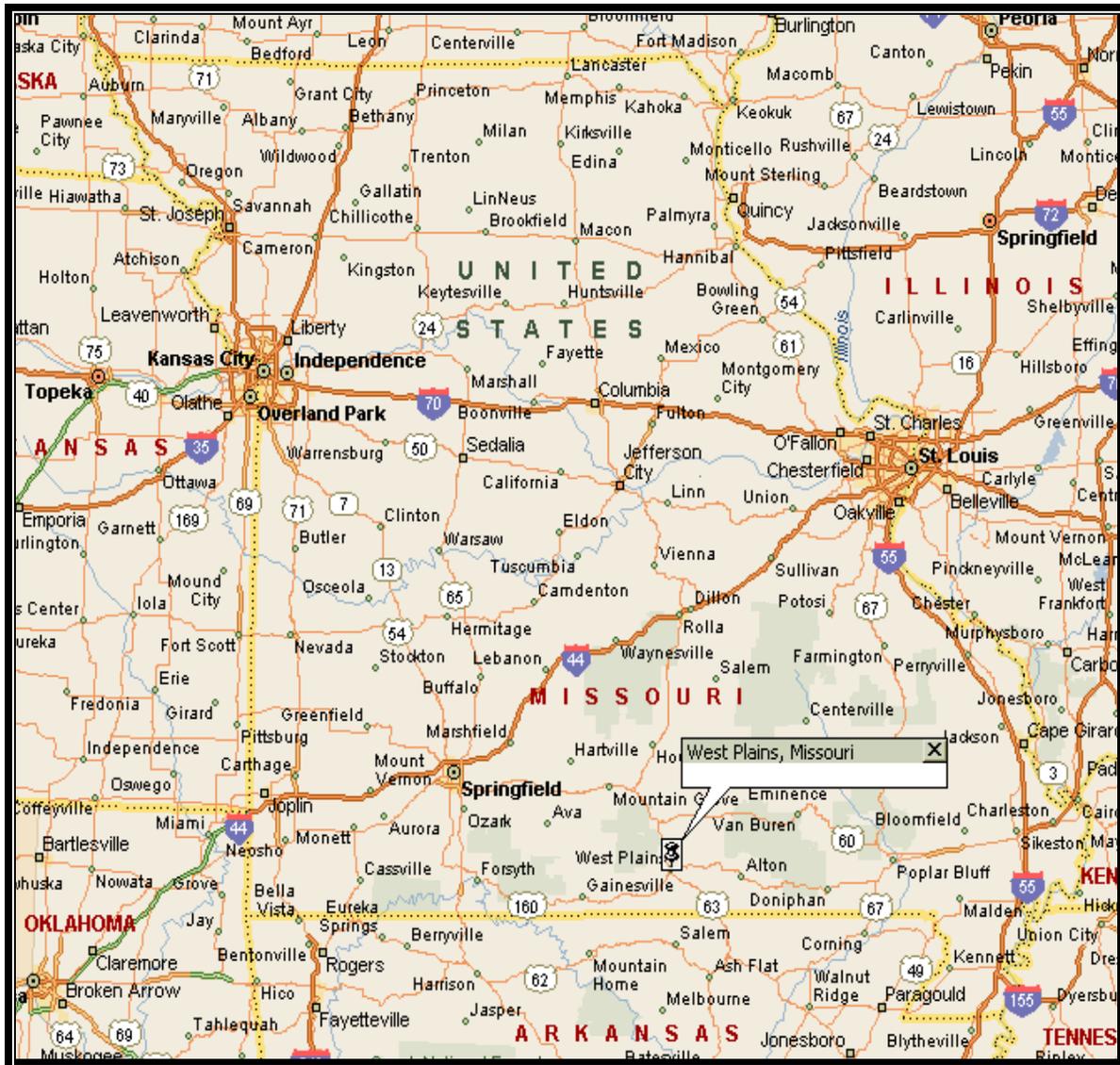
A specific area in which the City should review improvements to its municipal code has to do with aesthetics such as requiring window treatments on vacant buildings, signage, trash enclosures, or entire building maintenance. These enhancements can help eliminate or minimize the detrimental "vacant space look".

Encouraging new developers and existing property owners to take advantage of available financial mechanisms, credits, and grants should enhance rental housing opportunities and continue to facilitate the re-use of upper floor buildings as office or residential units. The City or Chamber of Commerce should familiarize itself with the programs available and seek to be an advocate for developers through its DREAM community status.

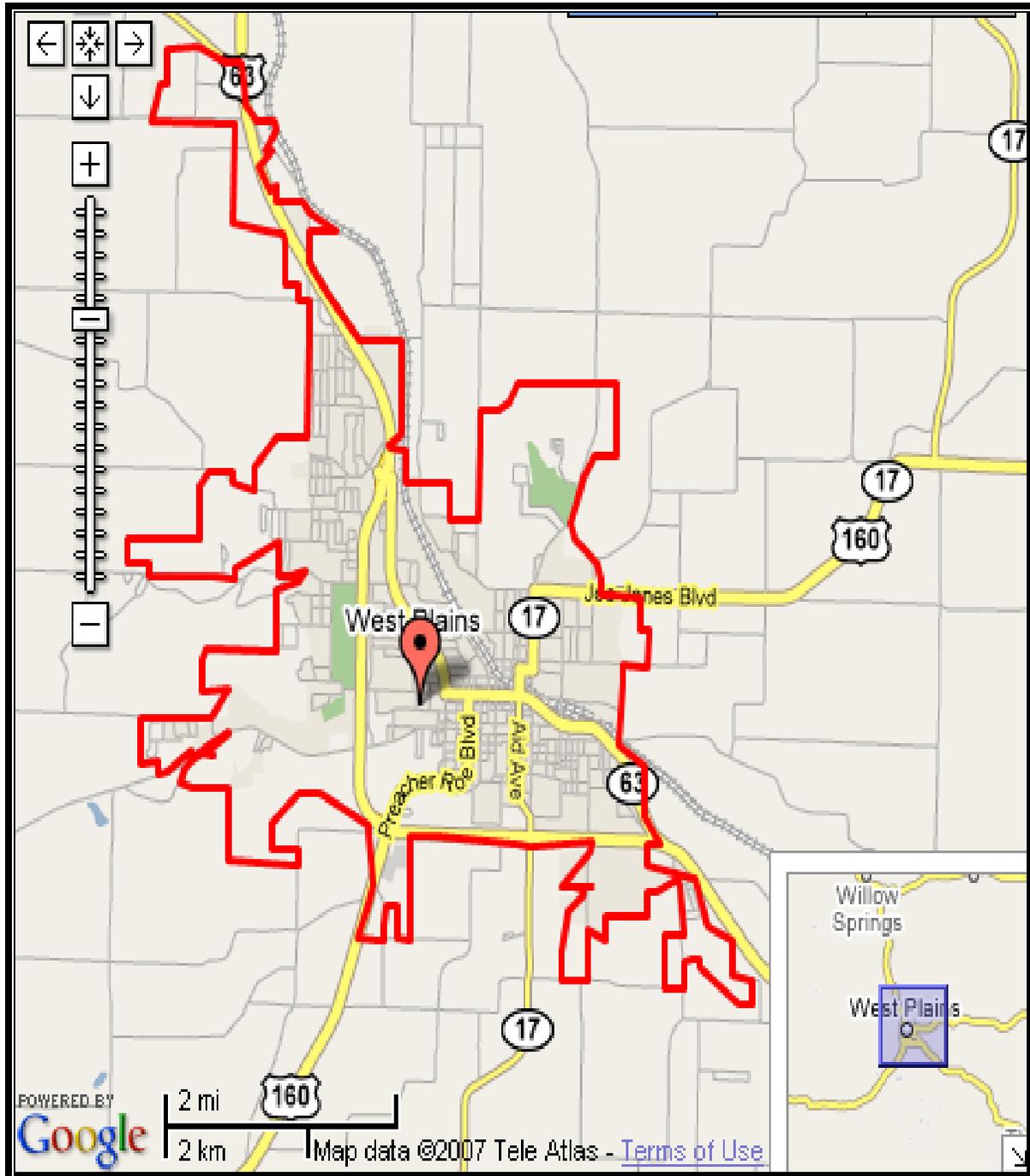
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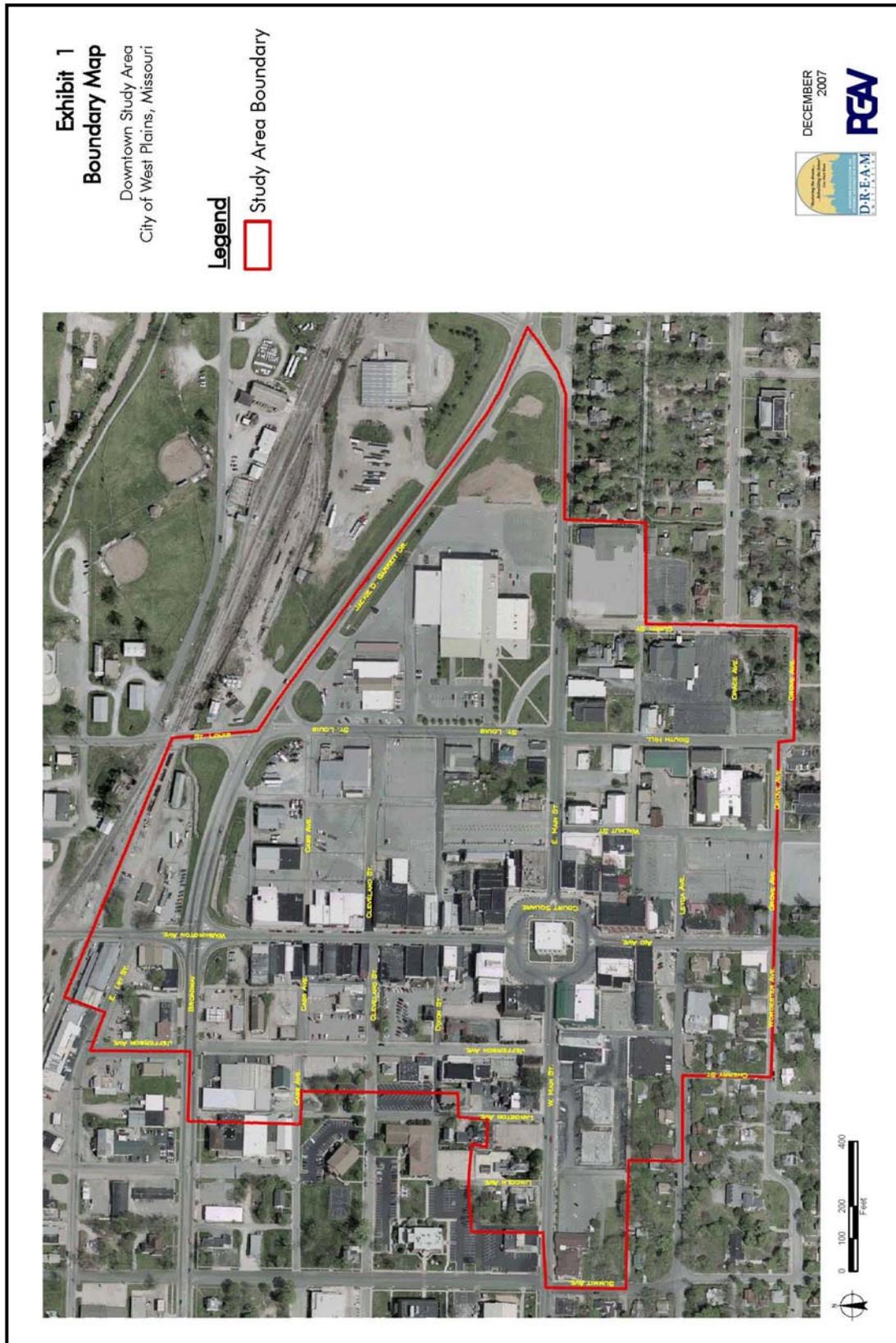
SECTION II AREA OF STUDY

The area of study is a section of the downtown area of West Plains, Howell County, Missouri.



The following map shows the municipal boundaries of West Plains.





The downtown area of West Plains like many smaller communities is centered on a town square, which has the Howell County Courthouse as the centerpiece. Most of the buildings in the downtown square area appear to be occupied with businesses on the street level. Many also have residential space on the upper floors. Many of the businesses in the downtown square appear to be related to banking, real estate, or legal, but there are also many small retail and restaurant uses.

The land uses in the downtown area that are outside of the downtown square are dominated by the Missouri State University Campus, which is located west of the square and the West Plains Civic Center, which is used for various sporting, civic, and entertainment uses, which is located east of the square. Also mixed into the area are numerous small businesses, single family homes, and some rental developments.

At the present time the downtown area appears to be very stable and improving, which is evidenced by the high commercial business occupancy and the work in progress on some of the buildings. Throughout the area though are buildings that still could be improved. The housing stock in the area is older and many dwellings suffer from deterioration and deferred maintenance. Also, there are some commercial buildings along Washington Avenue, just north of the downtown square that could be improved.

And while the downtown area appears to be the center of government and business, and the location of higher education in West Plains, it does not appear to be a primary eating or entertainment area, and does not appear to have much economic activity in the evening hours. Other areas of the community seem to serve those needs.

The purpose of this report is to determine what role housing can play in the downtown revitalization efforts. In the following sections the current housing options in the downtown area will be noted, some of the housing options throughout the community will be noted, opinions of additional housing needs will be determined, and an opinion of the type and number of residential housing units that should be considered in the downtown area to help the revitalization efforts will be presented.

EXISTING DOWNTOWN HOUSING

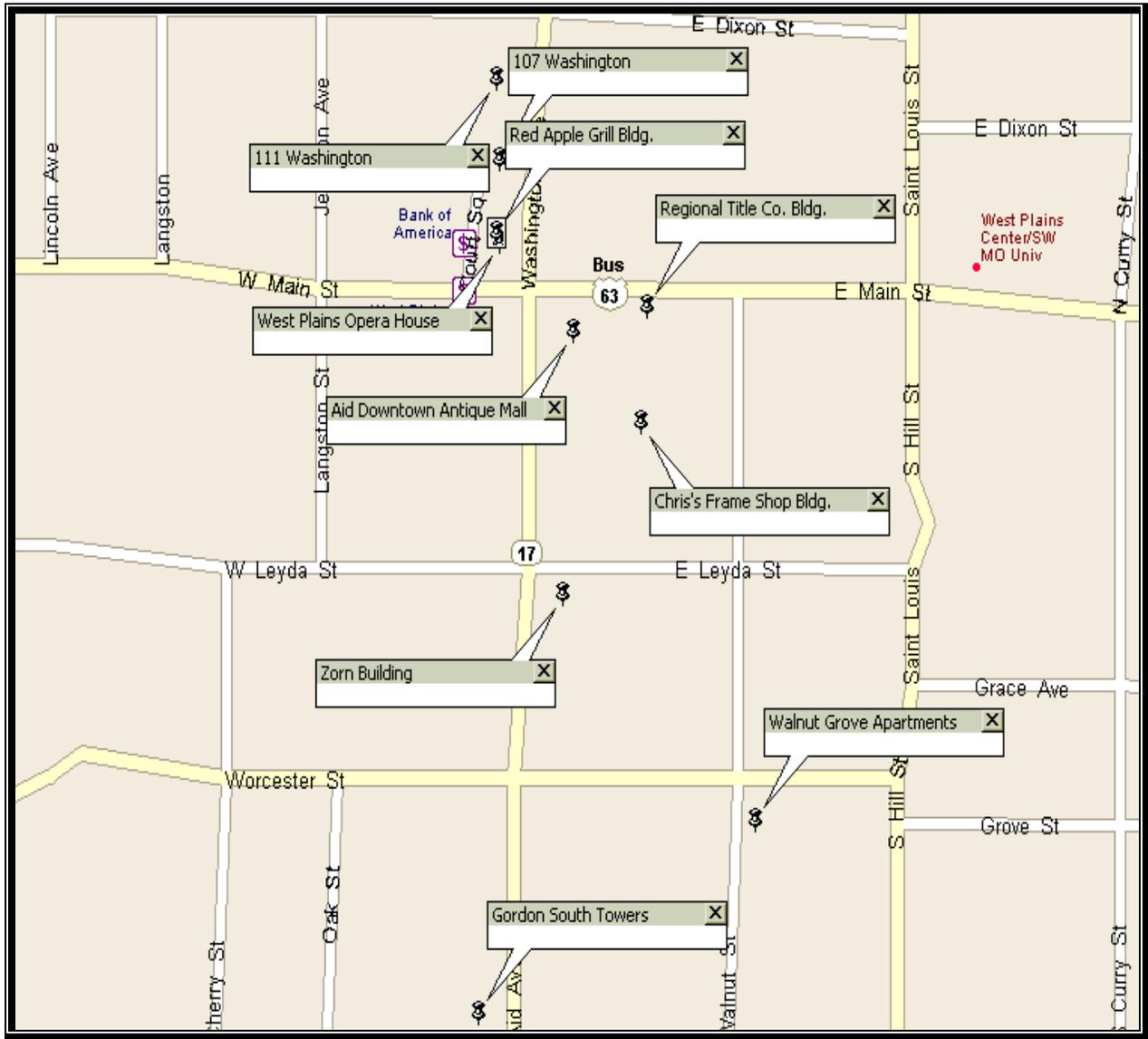
A survey was made of the existing housing options in the targeted downtown revitalization area. The results of the survey were that there is a small number of single family homes scattered throughout the area, most occupied by homeowners, and some occupied as rentals, a couple of senior affordable housing developments, a small market rate rental development on West Main Street, and a number of residential units above the commercial buildings on and near the downtown square, some of which are occupied by tenants, and some that are owner occupied. Following is information regarding some of those units.

Surveyed Housing Options in the West Plains Downtown Market Area								
#	Apartment	Location	Units	Tenancy	Financed	Avg. Rent	Occupancy	Contact
1	Walnut Grove	300 Walnut	73	Senior	HA	Income	Good	Reba Williams
	Apartments			Affordable		Based		
This is a high-rise senior affordable housing development with subsidized rents. (Occupancy was obtained from a recent market study submitted to MHDC that indicated Reba Williams as the source)								
2	Gordon South Towers	Prospect at Aid	94	Senior	HA	Income	Unk.	Reba Williams
				Affordable		Based		
This is a high-rise senior affordable housing development with subsidized rents.								
3	West Main Apartments	West Main at Summit	10	Family	Conv.	\$ 500	Good	Paula Grisham
				Market				417-256-7179
This is one of the newer rental developments in the community that was initially developed to serve the student market. Although some of the occupants are students, the majority of tenants are non-students. Contact indicated that the units have a lot of interest.								
4	Aid Downtown Antique	1 Court Square	4	Family	Conv.	\$ 1,250	Good	Toney Aid
	Mall Building			Market				417-256-6487
These units are located on the upper floors of a commercial building that is used as an antique mall on the lower level. The owner indicated that what was to be five units is now three units because of the decision to enlarge the units. One unit is occupied and the other two are still undergoing renovation. These units appear to be high end units.								

Surveyed Housing Options in the West Plains Downtown Market Area								
#	Apartment	Location	Units	Tenancy	Financed	Avg. Rent	Occupancy	Contact
5	Red Apple Grill	42 Court Square		Family	Conv.	N/A	N/A	None
	Building			Market				
It has been reported that the owner of the business on the street level has a residence on the upper floor.								
6	Regional Title Co.	East Main at Walnut		Family	Conv.	N/A	N/A	Unk.
	Building			Market				
It has been reported that the second floor of this building is either owner occupied or tenant occupied								
7	Chris's Frame Shop	#1 Evans Arcade		Family	Conv.	N/A	N/A	None
	Building	Court Square		Market				
It has been reported that the owner of the business on the street level has a residence on the upper floor.								
8			1	Family	Conv.	\$ 500	Good	Toney Aid
	111 Washington	111 Washington		Market				417-256-6487
This is a large rental unit on the upper floor of a commercial building just off the square.								
9			1	Family	Conv.	\$ 585	Good	Toney Aid
	107 Washington	107 Washington		Market				417-256-6487
This is a large rental unit on the upper floor of a commercial building just off the square.								
10				Family	Conv.	N/A	N/A	None
	Zorn Building	Aid and Leyda		Market				
It has been reported that the upper floor of this commercial building is residential space that is owner occupied								
11	West Plains Opera			Family	Conv.	Unk.	Unk.	Unk.
	House	37 Court Square		Market				
It has been reported that the upper floor of this commercial building is residential space that is either owner or tenant occupied								

Other properties include single unit apartments at 1 Luster Arcade, 42 Court Square, 301 Washington Avenue, 211 West Main, 3 Court Square and a house at 117 Langston.

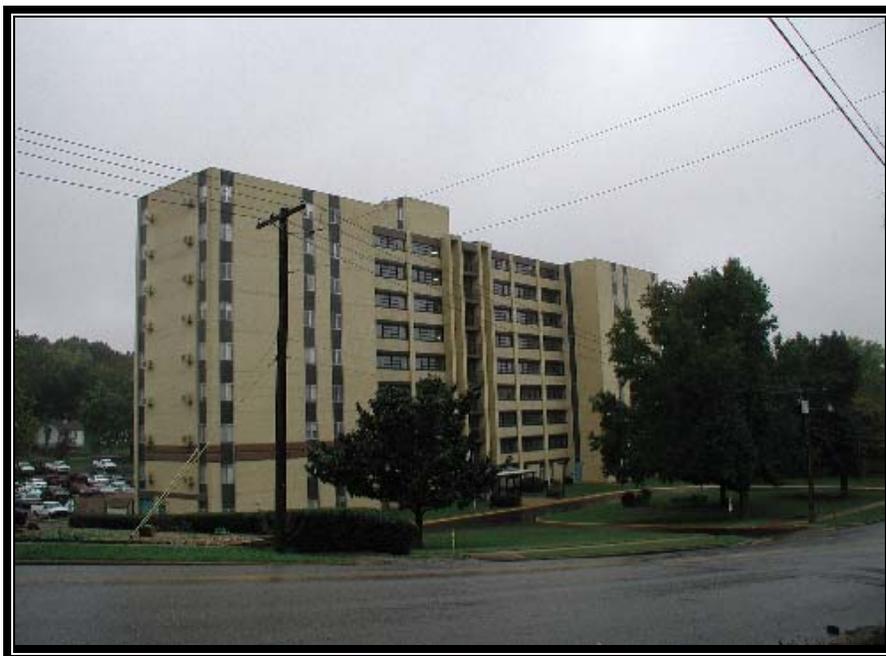
Map of Existing Downtown Housing



Photos of Existing Downtown Housing



1- Walnut Grove Apartments



2- Gordon South Apartments



3- West Main Apartments



4- Aid Downtown Antique Mall Building



4- Aid Downtown Antique Mall Building Rear View



5- Red Apple Grill Building



6- Regional Title Insurance Building



7- Chris's Frame Shop Building



8 and 9- 107 and 111 Washington



10- Zorn Building



11- West Plains Opera House

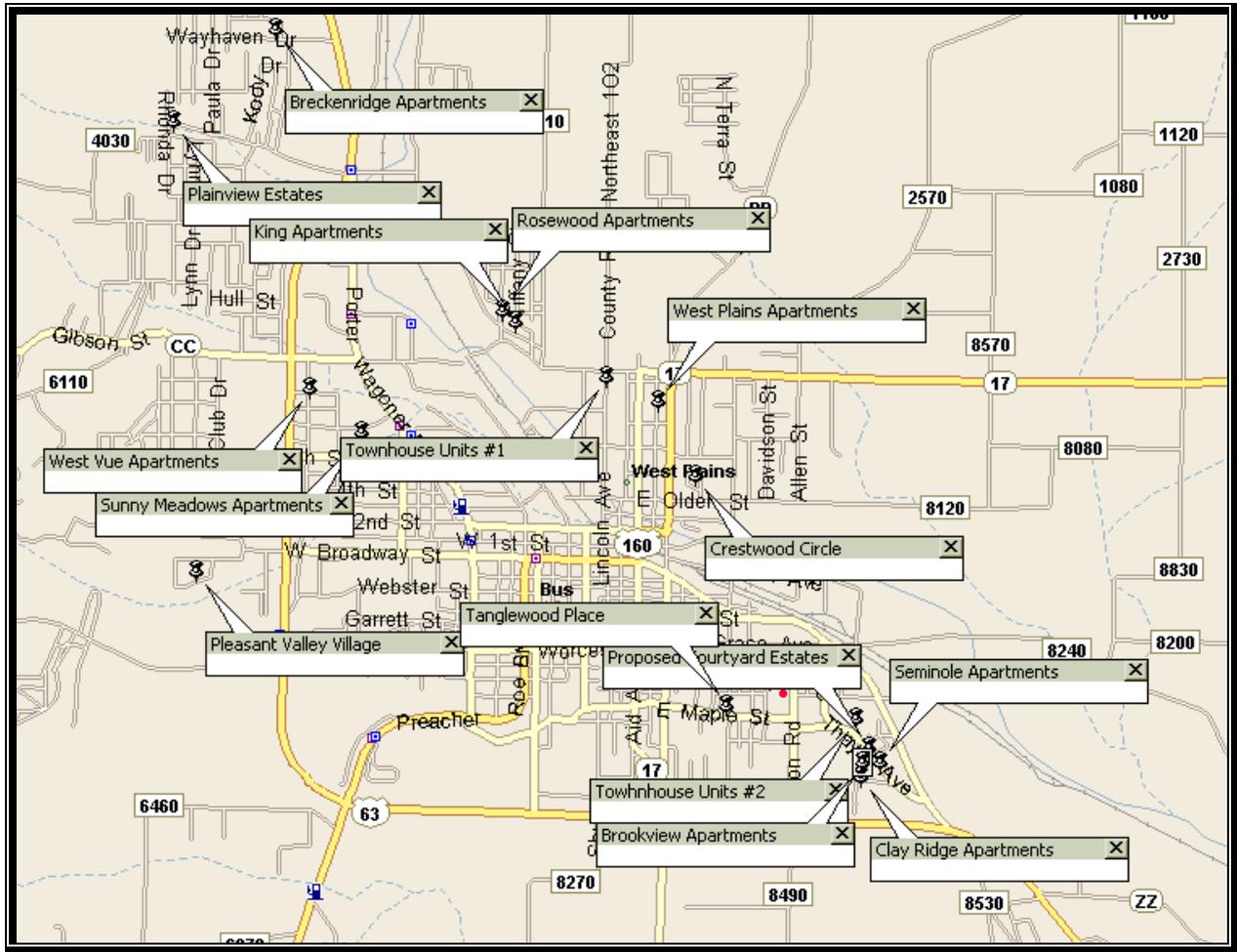
OTHER RENTAL HOUSING OPTIONS

Following is a list of other rental developments located in West Plains. Most have good occupancy and excess demand, which is evidenced by waiting lists and the new units currently under construction at one of the developments.

Rental Housing Options in West Plains Outside the Downtown Market Area								
#	Apartment	Location	Units	Tenancy	Financed	Avg. Rent	Occupancy	Contact
18	West Plains Apartments	1214 Jackson	32	Family	Tax Credit	\$517- \$579	Good	Wendy Carter
					Affordable			
This is a family tax credit development that has good occupancy and a waiting list.								
19	Brookview Apartments	Seminole at Chippewa	24	Family	Rural Dev.	\$270- \$310	Fair	Alice Pyier
					Affordable			
This development was financed through Rural Development for limited income households. It currently has some vacancies, but generally is at capacity. The vacancies could be due to internal issues rather than market conditions.								
20	Rosewood	125 Good Hard Dr.	12	Family	Conv.	\$375	Good	
					Market			
Rental agent indicated that occupancy is good and that vacant units rent quickly. They also indicated that the demand is from other parts of the county outside of West Plains.								
21	Unnamed	700 Missouri	10	Family	Conv.	\$375	Good	Owner
					Market			
The owner indicated that they do not maintain a waiting list, but the units have good demand based on inquiries.								
22	Breckenridge Apartments	2400 McFarland Dr.	113	Family	Conv.	\$400- \$500	Good	Linda
					Market			
This is the largest market rate rental development in the market. The demand is strong enough to support 32 additional units, which are currently under construction. Management indicated that about half of the demand for the units is from outside of West Plains.								

Rental Housing Options in West Plains Outside the Downtown Market Area								
#	Apartment	Location	Units	Tenancy	Financed	Avg. Rent	Occupancy	Contact
23	Sunny Meadows	Near Tio Dr.		Family	Conv.	\$350	Good	417-257-0916
	Apartments		Market					
The analyst was unable to contact management/owner of this development for further information. A tenant indicated that they thought all of the units were full and provided the rent estimate.								
24	Tanglewood Place	700 East	12	Family	Conv.	\$450	Good	Judy Walsh
		Maple St.		Market			417-256-1041	
These units were originally developed as affordable housing, but have since converted to market rate. A market study indicated that in September the owner reported a waiting list of 10.								
25	Seminole Apartments	892 S. Thayer		Family	Tax Credit	\$275-	Good	Emogene
			Affordable			\$315	417-256-1595	
This is a limited income development with good occupancy and a small waiting list.								
26	King Apartments	Goodhard Dr.	47	Family	Conv.	\$325-	Good	Judy North
			Market			\$400	417-256-1041	
This is a rental development of trailers that appear to have been permanently affixed. It appears to be well maintained. Recent occupancy information was not available.								
27	Clay Ridge Apartments	Seminole at	44	Family	Conv.	\$325	Fair	Kevin
		Chippewa		Market			McCracken	
The owner indicated that the units have good demand, but many of the applicants have problems with the credit or background checks								
28	Courtyard Estates	411 Thayer	36	Senior	Tax Credit	\$395	N/A	N/A
			Affordable					
This is a proposed senior development that has not yet been approved for funding.								

Map of Rental Housing Options in West Plains Outside the Downtown Area



Photos of Rental Housing Options Outside the Downtown Area



12- Plainview Estates



13- Crestwood Circle



15- Townhouse Units near Thayer and Aldridge



16- West Vue Apartments



17- Pleasant Valley Village



18- West Plains Apartments



19- Brookview Apartments



20- Rosewood Apartments



22- Breckenridge Apartments



22- Breckenridge Apartments (new construction)



23- Sunny Meadow Apartments



24- Tanglewood Place Apartments



25- Seminole Apartments



26- King Apartments



27- Clay Ridge Apartments



28- Proposed Site for Senior Tax Credit Development

SECTION III

DEMOGRAPHIC AND HOUSING STATISTICS

In this section of the report is population, household, income, and housing demographic data in the market area of West Plains, Missouri. The following information was obtained from the United States Census Bureau, U.S. Department of Agriculture, the West Plains County Board of Realtors, and several national proprietary data providers, including Claritas.

Table 1----Total Population

The table illustrates total population in West Plains from 2000 through 2012.

Total Population - West Plains						
Year	West Plains	Annual Change %	Howell County	Annual Change %	Missouri	Annual Change %
2000	10,866		37,238		5,595,211	
2007	11,364	0.8%	38,954	0.8%	5,870,906	0.8%
2012	11,739	0.7%	40,264	0.7%	6,053,252	0.6%

Source: Claritas, MHDC

The population of West Plains is estimated and projected to increase at about the same pace as Howell County and the State of Missouri.

Table 2----Population by Age

The table illustrates population by age in West Plains from 2000 through 2012.

Population By Age Group - West Plains						
Age Cohort	2000	Percent	2007	Percent	2012	Percent
0-17	2,700	25%	2,778	24%	2,883	25%
18-24	947	9%	936	8%	1020	9%
25-34	1,351	12%	1,501	13%	1,368	12%
35-54	2,588	24%	2,766	24%	2,911	25%
55-64	972	9%	1,014	9%	1,108	9%
65-74	1,039	10%	1,062	9%	1,100	9%
75-84	889	8%	899	8%	874	7%
85+	380	3%	408	4%	475	4%

Source: Claritas, MHDC

The table indicates that the largest age cohorts in the community are 0-17 years of age and 35-54 years of age. These age groups are expected to remain the largest through 2011.

Table 3----Median Age of Population

The table illustrates the median age in West Plains from 2000 through 2012.

Total Population Median Age - West Plains	
Year	Median Age
2000	38.0
2007	38.3
2012	39.1

Source: Claritas, MHDC

The table illustrates that between 2000 and 2012 the median age of the population in West Plains is expected to increase.

Table 4----Population by Gender

The table below illustrates population by gender in West Plains from 2000 through 2012.

Population By Gender - West Plains						
Gender	2000	Percent	2007	Percent	2012	Percent
Male	4,948	46%	5,246	46%	5,457	46%
Female	5,918	54%	6,118	54%	6,282	54%

Source: Claritas, MHDC

The table illustrates that the past population gender distribution that includes a majority of females is expected to remain the same through 2012.

Table 5----Total Households

The table below illustrates total households in West Plains from 2000 through 2012.

Total Households - West Plains		
Year	Households	Annual Change
2000	4,518	
2007	4,712	0.7%
2012	4,855	0.6%

Source: Claritas, MHDC

The table indicates that between 2000 and 2012 the trend in West Plains is expected to show an increase in the number of households.

Table 6----Average Household Size

The table below illustrates average household size in West Plains from 2000 through 2012.

Average Household Size - West Plains	
Year	Average
2000	2.29
2007	2.29
2012	2.30

Source: Claritas, MHDC

Average household size is a statistical average calculated by dividing the number of persons living in households by the number of households (which is the same as occupied housing units). The table illustrates that the average size of households in the city is estimated and projected to remain stable through 2012.

Table 7----Households by Size

The table below illustrates households by size in West Plains from 2000 through 2012.

Households By Size - West Plains						
Household Size	2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent
1 Person	1,451	32.1%	1,507	32.0%	1,547	31.9%
2 Persons	1,576	34.9%	1,638	34.8%	1,681	34.6%
3 Persons	668	14.8%	709	15.0%	738	15.2%
4 Persons	537	11.9%	558	11.8%	579	11.9%
5 Persons	201	4.4%	212	4.5%	219	4.5%
6 Persons	55	1.2%	57	1.2%	61	1.3%
7+ Persons	30	0.7%	31	0.7%	30	0.6%
Total	4,518	100%	4,712	100%	4,855	100%

Source: Claritas, MHDC

The table shows that in West Plains the trend in household size is estimated and projected to remain stable through 2012.

Table 8----Households by Tenure Patterns

The table below is an estimate of the current tenure patterns of occupied housing units in West Plains.

2007 Est. Tenure of Occupied Housing Units		
Owner	2,908	62%
Renter	1,804	38%

Source: Claritas, MHDC

The table indicates that like most communities, the majority of occupied units in West Plains are owner occupied units.

Table 9----Households by Income Distribution

The table below illustrates households by income distribution in West Plains from 2000 through 2012.

Household Income Distribution - West Plains						
Income Cohort	2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	1,465	32.4%	1,168	24.8%	1,044	21.5%
\$15,000-\$24,999	866	19.2%	907	19.2%	899	18.5%
\$25,000-\$34,999	705	15.6%	708	15.0%	682	14.0%
\$35,000-\$49,999	666	14.7%	741	15.7%	772	15.9%
\$50,000-\$74,999	462	10.2%	649	13.8%	751	15.5%
\$75,000-\$99,999	179	4.0%	235	5.0%	298	6.1%
\$100,000-\$149,999	107	2.4%	191	4.1%	251	5.2%
\$150,000-\$249,999	37	0.8%	65	1.4%	96	2.0%
\$250,000-\$499,999	20	0.4%	29	0.6%	36	0.7%
\$500,000 or more	11	0.2%	19	0.4%	26	0.5%
Total	4,518	100%	4,712	100%	4,855	100%

Source: Claritas, MHDC

Table 10----Cost Burdened Households

The table illustrates the percentage of cost burdened households as of the last census (2000). A household is severely rent burdened if their total housing cost exceeds 50% of their income.

Cost Burdened Households (2000) - West Plains			
	Renter	Owner	Renter & Owner
Total	1,728	2,732	4,460
Cost Burdened >30%	31.0%	19.9%	24.2%
Severely Cost Burdened >50%	10.9%	7.0%	8.5%

Elderly 1 & 2 Persons	354	1108	1,462
Cost Burdened >30%	28.5%	19.0%	21.3%
Severely Cost Burdened >50%	9.6%	6.7%	7.4%

Single Person Non-Elderly	477	345	822
Cost Burdened >30%	43.6%	32.5%	38.9%
Severely Cost Burdened >50%	21.8%	15.7%	19.2%

Small Fam 2-4 Persons	751	1,172	1,923
Cost Burdened >30%	27.7%	16.1%	20.6%
Severely Cost Burdened >50%	6.7%	4.6%	5.4%

Large Fam 5+ Persons	146	107	253
Cost Burdened >30%	12.3%	29.9%	19.7%
Severely Cost Burdened >50%	0.0%	7.5%	3.2%

Source: 2000 Chas Data

The table indicates that 11% of all renter households in West Plains are severely cost burdened. The severely cost burdened rate for all renter households in Missouri for the same period was 14.8%. The most severely cost burdened renter group appears to be single person renter households, but that could be misleading since the rental market is heavily influenced by college students.

Table 11----Units in Structure

The table below illustrates the percentage of residential units in structures in West Plains as of the last census (2000).

Units in Structure (2000) - West Plains		
Type	Number	Percentage
1, detached	3,709	74.3%
1, attached	43	0.9%
2	224	4.5%
3 or 4	192	3.8%
5 to 9	164	3.3%
10 to 19	26	0.5%
20 or more	202	4.0%
Mobile home	431	8.6%
Total	4,991	100%

Source: U.S. Census Bureau

The table shows that as of the last census in 2000 in West Plains 74% of the residential structures were detached single family units. The balance of the structures was spread across the other residential construction types, including 9% mobile homes.

Table 12----Year Structure Built

The table below illustrates the timeframe in which residential structures were built in West Plains as of the last census (2000).

Year Structure Built (2000) - West Plains		
Year	Number	Percentage
1999 to March 2000	89	1.8%
1995 to 1998	498	10.0%
1990 to 1994	441	8.8%
1980 to 1989	842	16.9%
1970 to 1979	917	18.4%
1960 to 1969	562	11.3%
1940 to 1959	1,027	20.6%
1939 or earlier	615	12.3%

Source: U.S. Census Bureau

The preceding table shows that as of the last census in 2000 in West Plains about 80% of the residential structures were built prior to 1990.

Table 13----Tenure by Bedrooms (Owner Occupied)

The table below illustrates the number and percentage of owner occupied units at the various bedroom sizes in West Plains as of the last census (2000).

Tenure By Bedrooms (2000) – West Plains		
Owner Occupied		
Bedrooms	Households	Percentage
No Bedroom	-	0.0%
1	55	2.0%
2	567	20.7%
3	1,552	56.6%
4	482	17.6%
5 or more	84	3.1%

Source: U.S. Census Bureau

The table above indicates that the majority of the owner occupied homes in West Plains were three bedroom homes.

Table 14----Tenure by Bedrooms (Renter Occupied)

The table below illustrates the number and percentage of renter occupied units at the various bedroom sizes in West Plains as of the last census (2000).

Tenure By Bedrooms (2000) – West Plains		
Renter Occupied		
Bedrooms	Households	Percentage
No Bedroom	32	1.8%
1	372	21.3%
2	782	44.8%
3	520	29.8%
4	40	2.3%
5 or more	-	0.0%

Source: U.S. Census Bureau

The table above indicates that the majority of renter occupied units in West Plains are two-bedroom units and that there are a significant number of three bedroom renter occupied units in the market.

Table 15----Affordable Housing Program Maximum Incomes and Rents

The table below illustrates the maximum income and rents for the HOME and Housing Tax Credit programs for West Plains County

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Howell County												
2007 Median Income	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
\$36,300	50%	15,700	17,900	20,150	22,400	24,200	26,000	392	420	503	582	650
	60%	18,840	21,480	24,180	26,880	29,040	31,200	471	504	604	699	780
								HUD Fair Market Rents				
								345	396	501	621	879

Source: HUD, IRS, MHDC

Table 16----Gross Rent as a Percentage of Monthly Household Income

The table below illustrates the gross rent as a percentage of monthly housing cost in West Plains as of the last census (2000).

Gross Rent as % of Monthly Household Income (2000) - West Plains	
Status	Percentage
Less than 15 percent	17.8%
15 to 19 percent	11.1%
20 to 24 percent	14.0%
25 to 29 percent	15.6%
30 to 34 percent	6.8%
35 percent or more	27.4%
Not computed	7.5%

Source: U.S. Census Bureau

The table shows that as of the last census in 2000 in West Plains approximately 34% of households had gross rent that was more than 30% of their income.

Table 17----Building Permits

The table below illustrates the number of residential housing permits issued in West Plains between 2003 and 2006.

Building Permits - West Plains				
Units in Bldg.	Units			
	2006	2005	2004	2003
1	49	117	95	56
2	18	0	0	8
3 to 4	4	0	0	4
5+	0	0	0	0
Total	71	117	95	68

Source: U.S. Census Bureau

The above table indicates that building increased dramatically in West Plains in 2004, continued on a strong pace in 2005, and declined significantly in 2006.

Table 18----Multiple Listing Service Sales Statistics

Real Estate Sales Statistics - City of West Plains		
Residential Detached and Attached		
Year	Number	Avg. Price
2007*	260	\$118,302
2006	357	\$110,325
2005	327	\$102,088

*To Date

Source: West Plains Board of Realtors

The preceding real estate sales information was obtained from the West Plains County Board of Realtors. The multiple listing statistics indicate that over the last two years West Plains has averaged approximately 342 real estate sales of attached and detached single family homes. The pace appears to have declined slightly in 2007 based on information to date.

Sales prices for single family homes in the West Plains market have increased annually by approximately 7-8% over the last 3 years.

HISTA DEMOGRAPHIC DATA

Claritas, Inc., a leading national demographic data provider, working with another company, Ribbon Demographics, has recently developed a unique data product that is designed specifically for housing analysis. The product is called HISTA. HISTA breaks households down by income, household size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data. It eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

Following are the HISTA tables for Howell County for 2007 and 2012 and for owner households and renters. They will be used for the rental housing demand analysis. The tables contain current household estimates for Howell County by tenure (renter or homeowner), income, and household size, for age groups 18-54, 55-61, and aged 62+. The same type of tables is shown based on year 2012 household projections. The differences in the number of households in each of the categories provide a good indication of future potential residential growth or housing demand.

Some of the conclusions of the HISTA data are as follows:

- Between 2007 and 2012 the number of owner households in Howell County is projected to increase by approximately 434 households or 87 households per year. Because West Plains has an estimated 29% of the households in Howell County it can be inferred that the number of owner households in West Plains should increase by approximately 25 households per year between 2007 and 2012, based on current home production and sales levels. Production levels that are higher than normal could increase the number of potential home owners attracted to the West Plains market.
- Between 2007 and 2012 the number of owner households in Howell County with incomes of \$30,000 + is projected to increase by 842 households, or 12%.
- Between 2007 and 2012 the number of owner households in Howell County with incomes of \$60,000 + is projected to increase by 692 households, or 27%.
- The 2007 percentage breakdown of owner households by size is estimated to be:
 - One person – 21%
 - Two-person – 40%
 - Three-person – 18%
 - Four-person – 14%
 - Five+ -person – 8%

The percentages are not projected to change significantly between 2007 and 2012

- The 2007 percentage breakdown of owner households by age is estimated to be:
 - Under Age 55 – 52.1%
 - Aged 55-61 – 13.4%
 - Aged 62+ - 34.5%

In 2012 it is projected that owner households under age 55 will decrease slightly and those in the age cohorts 55-61 and 62+ will increase slightly.

- Following are the estimated and projected percentage breakdowns of owner and renter households in 2007 and 2012:
 - Owner Households 2007 – 11,450 (74%)
 - Renter Households 2007 – 4,116 (26%)
 - Owner Households 2012 – 11,884 (74%)
 - Renter Households 2012 – 4,265 (26%)
- Between 2007 and 2012 the number of renter households in Howell County is projected to increase by approximately 149 households or 30 households per year. Because West Plains has an estimated 29% of the households in Howell County it can be inferred that the number of renter households in West Plains should increase by approximately 9 households per year between 2007 and 2012, based on current rental unit production levels. Production levels that are higher than normal could increase the number of renters attracted to the West Plains market.
- Between 2007 and 2012 the number of renter households in Howell County with incomes of \$30,000 + is projected to increase by 248 households, or 22%.
- Between 2007 and 2012 the number of renter households in Howell County with incomes of \$60,000 + is projected to increase by 124 households, or 38%.
- The 2007 percentage breakdown of renter households by size is estimated to be:
 - One person – 38%
 - Two-person – 25%
 - Three-person – 15%
 - Four-person – 11%
 - Five+-person – 11%

The percentages are not projected to change significantly between 2007 and 2012

- The 2007 percentage breakdown of renter households by age is estimated to be:
 - Under Age 55 – 69.4%
 - Aged 55-61 – 6.3%
 - Aged 62+ - 24.3%

In 2012 it is projected that renter households under age 55 will decrease slightly and those in the age cohorts 55-61 and 62+ will increase slightly.

Table 19----PMA Owner Households (Under Age 55 Years) - 2007 Estimates

Owner Households Under Age 55 Years <i>Current Year Estimates - 2007</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	152	72	38	17	47	326
\$10,000-20,000	144	162	118	110	74	608
\$20,000-30,000	151	230	150	241	165	937
\$30,000-40,000	113	264	265	220	120	982
\$40,000-50,000	40	213	261	219	76	809
\$50,000-60,000	57	118	222	171	67	635
\$60,000+	47	375	557	461	218	1,658
Total	704	1,434	1,611	1,439	767	5,955

Source: Claritas, Ribbon Demographics

Table 20----PMA Owner Households (Aged 55-61) - 2007 Estimates

Owner Households						
Aged 55-61 Years						
Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	94	62	6	0	2	164
\$10,000-20,000	74	104	4	2	14	198
\$20,000-30,000	46	180	33	8	0	267
\$30,000-40,000	34	117	50	15	12	228
\$40,000-50,000	22	100	28	6	12	168
\$50,000-60,000	26	86	18	2	0	132
\$60,000+	32	260	43	24	19	378
Total	328	909	182	57	59	1,535

Source: Claritas, Ribbon Demographic

Table 21----PMA Owner Households (Aged 62+) - 2007 Estimates

Owner Households						
Aged 62+ Years						
Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	388	87	10	0	0	485
\$10,000-20,000	426	401	36	6	2	871
\$20,000-30,000	242	486	19	20	5	772
\$30,000-40,000	147	420	63	7	15	652
\$40,000-50,000	27	356	30	17	5	435
\$50,000-60,000	34	106	45	28	12	225
\$60,000+	80	351	51	31	7	520
Total	1,344	2,207	254	109	46	3,960

Source: Claritas, Ribbon Demographic

Table 22----PMA Renter Households (Under Age 55 Years) - 2007 Estimates

Renter Households						
Under Age 55 Years						
Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	289	108	101	43	30	571
\$10,000-20,000	258	224	132	143	82	839
\$20,000-30,000	112	147	127	76	90	552
\$30,000-40,000	41	91	50	58	40	280
\$40,000-50,000	43	40	57	38	36	214
\$50,000-60,000	20	35	41	29	25	150
\$60,000+	36	61	34	23	97	251
Total	799	706	542	410	400	2,857

Source: Claritas, Ribbon Demographics

Table 23----PMA Renter Households (Aged 55-61) - 2007 Estimates

Renter Households						
Aged 55-61 Years						
Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	27	8	0	0	3	38
\$10,000-20,000	47	27	12	0	2	88
\$20,000-30,000	15	32	14	0	0	61
\$30,000-40,000	4	4	20	0	15	43
\$40,000-50,000	2	7	0	0	0	9
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	8	12	0	0	0	20
Total	103	90	46	0	20	259

Source: Claritas, Ribbon Demographics

Table 24----PMA Renter Households (Aged 62+) - 2007 Estimates

Renter Households						
Aged 62+ Years						
Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	335	28	0	0	2	365
\$10,000-20,000	267	91	12	3	0	373
\$20,000-30,000	29	48	17	0	0	94
\$30,000-40,000	13	12	0	0	0	25
\$40,000-50,000	4	27	11	4	19	65
\$50,000-60,000	14	4	7	0	0	25
\$60,000+	20	23	0	0	10	53
Total	682	233	47	7	31	1,000

Source: Claritas, Ribbon Demographics

Table 25----PMA Owner Households (Under Age 55 Years) - 2012 Projections

Owner Households						
Under Age 55 Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	141	57	33	13	38	282
\$10,000-20,000	124	120	92	88	58	482
\$20,000-30,000	143	190	130	200	142	805
\$30,000-40,000	118	245	244	204	112	923
\$40,000-50,000	39	193	259	222	69	782
\$50,000-60,000	61	114	221	168	65	629
\$60,000+	58	448	675	562	263	2,006
Total	684	1,367	1,654	1,457	747	5,909

Source: Claritas, Ribbon Demographics

Table 26----PMA Owner Households (Aged 55-61) - 2012 Projections

Owner Households						
Aged 55-61 Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	101	54	6	0	3	164
\$10,000-20,000	72	86	3	2	13	176
\$20,000-30,000	44	163	33	7	0	247
\$30,000-40,000	38	125	58	16	11	248
\$40,000-50,000	23	100	41	15	11	190
\$50,000-60,000	21	95	28	2	0	146
\$60,000+	41	350	54	28	29	502
Total	340	973	223	70	67	1,673

Source: Claritas, Ribbon Demographics

Table 27----PMA Owner Households (Aged 62+) - 2012 Projections

Owner Households						
Aged 62+ Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	351	75	9	0	0	435
\$10,000-20,000	407	337	31	4	2	781
\$20,000-30,000	286	515	21	20	6	848
\$30,000-40,000	154	410	64	7	19	654
\$40,000-50,000	41	438	36	21	7	543
\$50,000-60,000	54	134	69	30	14	301
\$60,000+	132	477	74	48	9	740
Total	1,425	2,386	304	130	57	4,302

Source: Claritas, Ribbon Demographics

Table 28----PMA Renter Households (Under Age 55 Years) – 2012 Projections

Renter Households						
Under Age 55 Years						
<i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	294	96	91	37	27	545
\$10,000-20,000	251	192	118	125	66	752
\$20,000-30,000	120	137	126	76	85	544
\$30,000-40,000	51	89	52	62	48	302
\$40,000-50,000	54	40	56	39	41	230
\$50,000-60,000	25	41	46	31	35	178
\$60,000+	55	78	50	29	128	340
Total	850	673	539	399	430	2,891

Source: Claritas, Ribbon Demographics

Table 29----PMA Renter Households (Aged 55-61) – 2012 Projections

Renter Households						
Aged 55-61 Years						
<i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	26	9	0	0	3	38
\$10,000-20,000	50	24	13	0	2	89
\$20,000-30,000	19	33	16	0	0	68
\$30,000-40,000	6	5	28	0	15	54
\$40,000-50,000	6	9	0	0	0	15
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	12	17	0	0	0	29
Total	119	97	57	0	20	293

Source: Claritas, Ribbon Demographic

Table 30----PMA Renter Households (Aged 62+) – 2012 Projections

Renter Households						
Aged 62+ Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ -Person Household	Total
\$0-10,000	333	25	0	0	2	360
\$10,000-20,000	269	85	11	4	0	369
\$20,000-30,000	41	55	21	0	0	117
\$30,000-40,000	16	15	0	0	0	31
\$40,000-50,000	7	33	17	6	22	85
\$50,000-60,000	25	6	9	0	0	40
\$60,000+	33	32	0	0	14	79
Total	724	251	58	10	38	1,081

Source: Claritas, Ribbon Demographics

IRS MIGRATION DATA

The migration tables that follow indicate that Howell County attracts households from bordering counties, but not in numbers significant enough to indicate that they would have much of an impact on the West Plains housing market. Several property managers of rental developments in West Plains indicate that much of the demand for their units generally comes from households within the city and from other smaller communities in Howell County. Many of the households from the smaller communities within this area could be drawn to housing options in West Plains because of its employment opportunities, the depth, variety, and affordability of its housing market, proximity to desirable neighborhood services and amenities, and its close proximity to major highways.

Taxpayer migration data is a very helpful tool in determining the origin of households that are likely to move to the market area. The data is maintained at the county level by the Internal Revenue Service and provides a clear representation of mobility patterns. Following are tables that show the migration patterns into and out of Howell County, and the net migration totals for Howell County.

Migration data indicates that Howell County had negative net migration in 2002, but since then has experienced positive net migration numbers that have increased every year. Howell County has a positive migration record with all of the surrounding counties, but has continually lost population to Greene County, which contains Springfield, the largest and closest metropolitan area to West Plains.

Table 31----West Plains County In-Migration

Gross Annual Household In-Migration								
Howell County, Missouri								
County of Origin	2002		2003		2004		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	886	100%	889	100%	890	100%	896	100%
Total In-Migration Same								
State	451	51%	427	48%	445	50%	466	52%
Total In-Migration Out of								
State	435	49%	462	52%	445	50%	430	48%
Oregon County, Mo	59	7%	61	7%	55	6%	62	7%
Greene County, Mo	49	6%	41	5%	61	7%	53	6%
Texas County, Mo	47	5%	47	5%	52	6%	45	5%
Ozark County, Mo	42	5%	31	3%	28	3%	37	4%
Shannon County, Mo	37	4%	48	5%	40	4%	35	4%
Wright County, Mo	26	3%	23	3%	20	2%	18	2%
Douglas County, Mo	23	3%	12	1%	21	2%	18	2%
St. Louis County, Mo	16	2%	12	1%	11	1%	9	1%
Fulton County, Ar	13	1%	15	2%	11	1%	11	1%
All Other Counties	574	64%	599	67%	591	66%	608	68%

Source: Internal Revenue Service

Table 32----West Plains County Out-Migration

Gross Annual Household Out-Migration								
Howell County, Missouri								
Destination County	2002		2003		2004		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	906	100%	832	100%	770	100%	711	100%
Total Out-Migration Same								
State	522	58%	478	57%	477	62%	412	58%
Total Out-Migration Out of								
State	384	42%	354	43%	293	38%	299	42%
Oregon County, Mo	41	5%	36	4%	41	5%	36	5%
Greene County, Mo	110	12%	93	11%	90	12%	81	11%
Texas County, Mo	43	5%	38	5%	44	6%	38	5%
Ozark County, Mo	27	3%	29	3%	29	4%	32	5%
Shannon County, Mo	35	4%	24	3%	39	5%	27	4%
Wright County, Mo	32	4%	30	4%	23	3%	3	0%
Douglas County, Mo	5	1%	13	2%	14	2%	4	1%
St. Louis County, Mo	3	0%	13	2%	10	1%	2	0%
Fulton County, Ar	10	1%	12	1%	10	1%	5	1%
All Other Counties	600	66%	544	65%	470	61%	483	68%

Source: Internal Revenue Service

Table 33----West Plains County Net-Migration

Net Annual Household Migration				
Howell County, Missouri				
County	2002	2003	2004	2005
	Number	Number	Number	Number
Oregon County, Mo	18	25	14	26
Greene County, Mo	-61	-52	-29	-28
Texas County, Mo	4	9	8	7
Ozark County, Mo	15	2	-1	5
Shannon County, Mo	2	24	1	8
Wright County, Mo	-6	-7	-3	15
Douglas County, Mo	18	-1	7	14
St. Louis County, Mo	13	-1	1	7
Fulton County, Ar	3	3	1	6
All Other Counties	-26	55	121	125
Net Migration	-20	57	120	185

Source: Internal Revenue Service

SECTION IV

EMPLOYMENT AND ECONOMY

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, the areas major employers, area employment, unemployment, and labor force trends.

MHDC has obtained economic information from the Missouri Department of Economic Development, Bureau of Labor Statistics, U.S. Census Bureau, and the West Plains, Missouri Chamber of Commerce.

Local Area Employment

Table 34----State of Missouri – Unemployment Rate

Local Area Unemployment Statistics - Howell County					
Year	Labor Force	Employment	Unemployment	Rate	Missouri Rate
2005	19,442	18,508	934	4.8%	5.4%
2004	19,108	18,082	1,026	5.4%	5.8%
2003	18,837	17,787	1,050	5.6%	5.6%
2002	18,493	17,566	927	5.0%	5.2%
2001	18,732	17,889	843	4.5%	4.5%
Local Area Unemployment Statistics - West Plains					
Year	Labor Force	Employment	Unemployment	Rate	Missouri Rate
2005	5,242	5,039	203	3.9%	5.4%
2004	5,146	4,923	223	4.3%	5.8%
2003	5,071	4,843	228	4.5%	5.6%
2002	4,984	4,783	201	4.0%	5.2%
2001	5,054	4,871	183	3.6%	4.5%

Source: Missouri Department of Economic Development

The preceding tables indicate that unemployment rates in Missouri began to increase in 2002 and continued to increase until 2005. The unemployment rates of Howell County and West Plains also began to increase in 2002, but unlike the state, showed declines in 2004 and 2005.

Table 35----West Plains Area Major Employers

Major Employers - West Plains Area		
Employers	Type of Business	Employees
Air Evac Lifeteam	Air Ambulance	500*
Ozarks Medical Center	Hospital	1,100
Regal Beloit	Electric Motors	650
DRS Systems & Electronics	DOD Contractor	510
West Plains Public Schools	Education	500
Armstrong/Bruce Hardwood	Flooring	410
Invensys Controls	Gas Jvalves & Controld	364
Caterpillar, Inc.	High Pressure Hose	252
Missouri State University	Education	110
Arlee Home Fashions	Pillows	100

* Company has total of 1500 emp., but only 500 in West Plains

Source: West Plains Chamber of Commerce

Table 36----Area Employment by Category

The following table shows the dispersion of employees by industry within West Plains.

West Plains Area Employment by Category				
	2003		2002	
	Count	Share	Count	Share
Total Employers	498		476	
* All Jobs	7,837	100.00%	7,709	100.00%
* All Jobs (Private Sector Only)	6,766	86.30%	6,647	86.20%
* All Primary Jobs (Worker's highest paying job)	7,467	95.30%	7,343	95.30%
* All Primary Jobs (Private Sector Only)	6,434	82.10%	6,327	82.10%
Baseline Count of Jobs				
	2003		2002	
	Count	Share	Count	Share
All Jobs (Private Sector Only)	6,766	100.00%	6,647	100.00%
Jobs by Worker Age				
	2003		2002	
	Count	Share	Count	Share
* Age 30 or younger	1,918	28.30%	1,905	28.70%
* Age 31 to 54	3,882	57.40%	3,801	57.20%
* Age 55 or older	966	14.30%	941	14.20%
Jobs by Earnings Paid				
	2003		2002	
	Count	Share	Count	Share
* \$1,200 per month or less	2,717	40.20%	2,650	39.90%
* \$1,201 to \$3,400 per month	3,417	50.50%	3,454	52.00%
* More then \$3,400 per month	632	9.30%	543	8.20%
Jobs by Industry Type (2-digit NAICS)				
	2003		2002	
	Count	Share	Count	Share
* Agriculture, Forestry, Fishing and Hunting	6	0.10%	8	0.10%
* Mining	31	0.50%	32	0.50%
* Utilities	0	0.00%	0	0.00%
* Construction	128	1.90%	115	1.70%
* Manufacturing	1,699	25.10%	1,826	27.50%
* Wholesale Trade	298	4.40%	279	4.20%

Jobs by Industry Type (2-digit NAICS) – Con't	2003		2002	
	Count	Share	Count	Share
* Retail Trade	874	12.90%	896	13.50%
* Transportation and Warehousing	117	1.70%	71	1.10%
* Information	205	3.00%	193	2.90%
* Finance and Insurance	177	2.60%	153	2.30%
* Real Estate and Rental and Leasing	90	1.30%	76	1.10%
* Professional, Scientific, and Technical Services	303	4.50%	141	2.10%
* Management of Companies and Enterprises	27	0.40%	0	0.00%
* Administration & Support, Waste Management and Remediation	254	3.80%	258	3.90%
* Educational Services	19	0.30%	4	0.10%
* Health Care and Social Assistance	1,822	26.90%	1,882	28.30%
* Arts, Entertainment, and Recreation	30	0.40%	35	0.50%
* Accommodation and Food Services	534	7.90%	531	8.00%
* Other Services (excluding Public Administration)	152	2.20%	147	2.20%
* Public Administration	0	0.00%	0	0.00%

Source: Missouri Department of Economic Development

The table is the latest data that could be obtained at the city level and indicates that slightly more than half of the employment in West Plains is in manufacturing and healthcare.

Table 37----Area Employment by Category

Average Annual Earnings By Industry - Howell County					
NAICS	Industry Jobs	Earnings (\$)			
		2001	2002	2003	2004
11	Agriculture, Forestry, Fishing and Hunting	17,862	15,645	17,511	16,644
21	Mining	21,000	20,133	22,653	23,838
22	Utilities	32,205	35,331	36,174	38,130
23	Construction	21,102	23,934	23,814	24,612
31-33	Manufacturing	23,241	23,808	24,522	25,836
42	Wholesale Trade	30,030	29,568	30,297	33,024
44-45	Retail Trade	17,538	17,871	18,384	19,104
48-49	Transportation and Warehousing	24,075	24,288	25,806	27,816
51	Information	17,046	18,264	20,754	29,487
52	Finance and Insurance	25,089	27,036	28,425	29,622
53	Real Estate and Rental and Leasing	35,004	17,478	19,029	20,808
54	Professional, Scientific, and Technical Services	24,534	24,543	26,046	29,388
55	Management of Companies and Enterprises	-	18,666	31,266	37,830
56	Admin. & Support, Waste Mgmt. and Remediation	13,152	13,557	13,719	14,034
61	Educational Services	25,506	25,944	26,865	26,619
62	Health Care and Social Assistance	24,090	25,602	26,430	27,777
71	Arts, Entertainment, and Recreation	12,309	11,247	14,337	14,343
72	Accommodation and Food Services	9,729	10,023	9,996	10,401
81	Other Services (excluding Public Administration)	14,838	15,411	16,446	17,019
92	Public Administration	26,256	26,592	27,084	27,366

Source: Missouri Department of Economic Development

The table indicates that the average annual earnings for the job sectors that comprise the largest share of the economy of West Plains (healthcare and manufacturing) were within a range from approximately \$25,836 to \$27,777 in 2004.

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SECTION V

REVIEW OF PREVIOUS HOUSING MARKET STUDIES

The analyst was unaware of any housing market studies or other reports with significant housing related information that has been prepared for the City of West Plains.

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SECTION VI

POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

The purpose of this study is to determine if any significant residential development would benefit the downtown revitalization efforts. Generally the increase of residential units in older downtown areas is a benefit because it helps to increase the tax base due to structure improvements and purchasing power of the area due to the increase in households with discretionary incomes to spend. It also helps to create an evening presence to the area that allows businesses to keep longer hours, which should increase their revenue. In most cases of downtown decline the downtown areas have gone through a period of abandonment and have many vacant buildings and few businesses and residents. This does not appear to be the case of the downtown area of West Plains.

The downtown area of West Plains appears to be very vibrant and active, with very few vacant buildings and quite a few businesses and residents. There does not appear to be much space for new residential development in downtown, nor does there appear to be a significant benefit to trying to increase the residential numbers of the area.

West Plains is the county seat of government, with the Howell County Courthouse dominating the downtown square. The business of the county and city governments, and the activities of Missouri State University and the West Plains Civic Center, which are also located in the downtown area, have kept the downtown area economically vibrant and attractive to local investors, who have played a large role in improving and maintaining many of its buildings. It has been reported that many of the owners of businesses in the downtown area also reside on the upper floors of the buildings in which their businesses are located.

The only residential housing need that was observed that could help the downtown revitalization efforts would be home improvements to some of the residences in the downtown area that are currently suffering from deferred maintenance and functional obsolescence. Repairs and weatherization would improve the marketability of the downtown housing stock, and help to increase property values, and the real estate tax base.

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SECTION VII

ASSUMPTIONS AND LIMITING CONDITIONS

1. The area description supplied to the appraiser is assumed to be correct;
2. No survey of the area has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Area dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to properties in the area, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property in the area is assumed to be under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions to the subsoil or structures which would render the properties more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the area, was not observed by the appraiser.

However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The conclusions in this report are predicated on the assumption that there are no such materials on or in the area that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and demand conclusions in this report are null and void should any hazardous material be discovered;

8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of demand based upon any subsequent environmental impact studies, research, or investigation;

9. It is assumed that there is full compliance with all applicable federal, state. And local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the demand estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended users without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. The liability of the appraiser is limited to the intended users only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended users, they shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions;
15. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

SECTION VIII

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no (or the specified) present or prospective interest in the market that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the within the market of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the market that is the subject of this report.
- **Robert Odell** provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

By: **Steve Sillimon**-Certified General Real Estate Appraiser # RA003250
Missouri Housing Development Commission
November 9, 2007