

RESIDENTIAL DEMAND ANALYSIS

The Cape Girardeau Downtown Market Area
City of Cape Girardeau
Cape Girardeau County, Missouri

Prepared by
Missouri Housing Development Commission

Assistance provided by
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Executive Summary

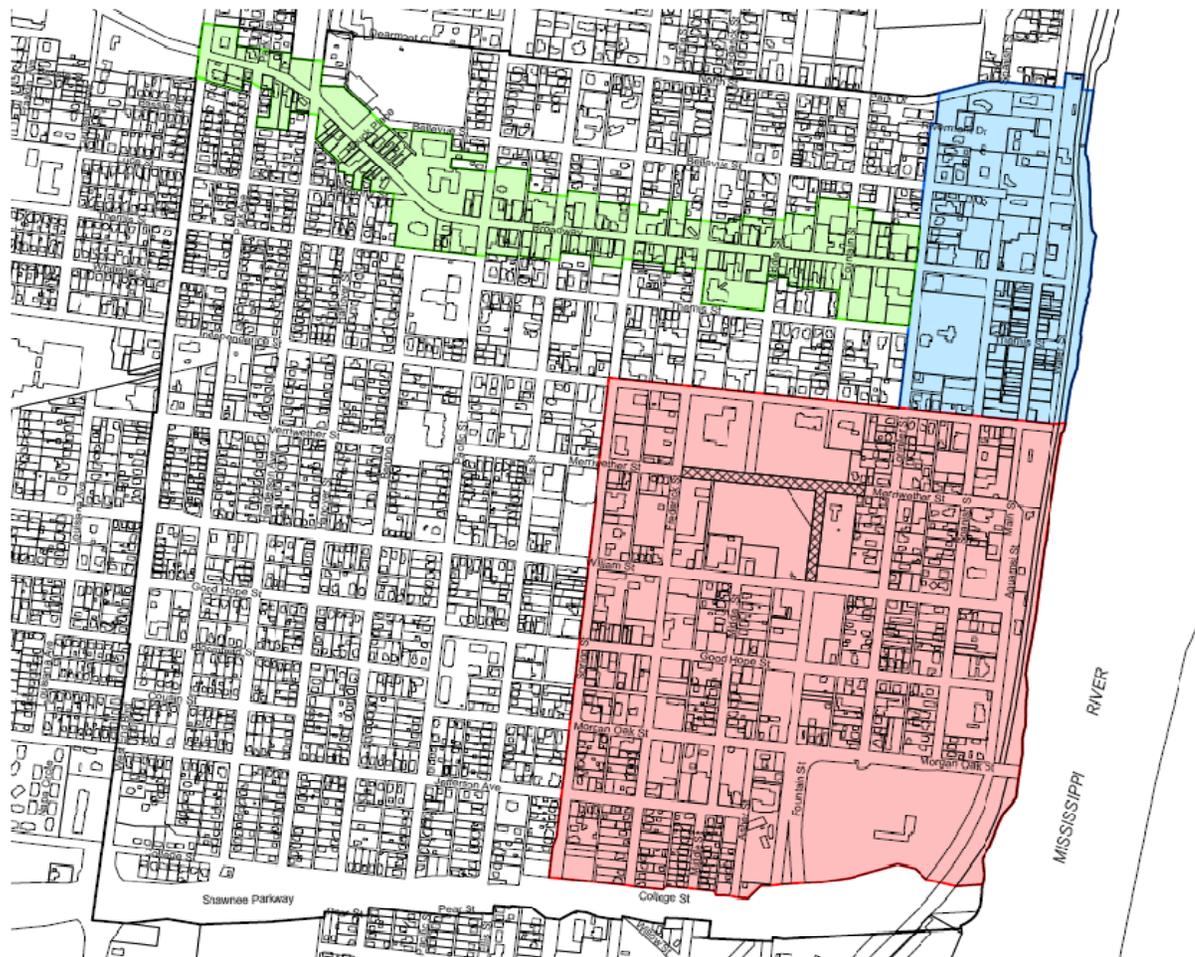


- Market Study Purpose: Quantify the potential residential demand in the downtown area of Cape Girardeau, MO
 - ▣ Complement the overall revitalization efforts of the area
 - ▣ Determine the type of residential demand that exists
 - ▣ Detail the depth of the market demand

Executive Summary

- Downtown Market Area (DMA) is generally considered:
 - ▣ North- North Street
 - ▣ South- Shawnee Parkway
 - ▣ East- Mississippi River
 - ▣ West- West End Boulevard
- The Analysis includes:
 - ▣ Demographic and economic analysis of the community
 - ▣ Demand analysis of the housing markets
 - For sale housing
 - Market rental housing
 - Senior rental housing
 - Family affordable housing

Downtown Market Area



Study Area Boundary Map
Downtown Study Area
City of Cape Girardeau, Missouri

Legend

- Downtown Study Area
- Broadway Planning Area
- Good Hope / Haarg Planning Area
- Riverfront District Planning Area
- ▨ Paper Streets



City Facts



- Cape Girardeau, Missouri
 - ▣ Located in Cape Girardeau County between banks of Mississippi River and Interstate 55
 - ▣ 100 miles south of St. Louis, MO
 - ▣ Rich in history
 - ▣ Regional hub
 - Education (home to Southeast Missouri State University)
 - Commerce
 - Medical care

DMA Description



- Downtown - Cape Girardeau, Missouri
 - ▣ Three distinct commercial districts
 - Riverfront/ Main Street Area
 - Upper Broadway Area
 - Good Hope Area

DMA Description

- Downtown - Cape Girardeau, Missouri
 - ▣ Riverfront/ Main Street Area
 - Original downtown area
 - Present uses include
 - Small retail shops, offices, restaurants & bars
 - Small number of single family homes
 - Small rental developments
 - Duplex & loft style ownership
 - Rental units on upper units of some commercial buildings
 - Attributes
 - Proximity to river (spectacular views)
 - Many architecturally significant older buildings
 - Attracts most tourists

DMA Description

- Downtown - Cape Girardeau, Missouri
 - Upper Broadway Area
 - Original theater district
 - Present uses include
 - Small retail shops, offices, and eateries
 - Some bars along Broadway
 - Single family homes
 - Single family homes converted to multi unit rentals
 - Small rental developments
 - Attributes
 - Proximity to Southeast Missouri State University campus
 - Recently renovated Marquette Hotel for office space

DMA Description

- Downtown - Cape Girardeau, Missouri
 - Good Hope Area
 - Former commercial area
 - Present uses include
 - Some “Mom and Pop” type small businesses
 - Many single family homes
 - Small rental developments
 - Attributes
 - River Campus to Southeast Missouri State University
 - Students
 - Artists
 - West entrance onto Bill E. Emerson Memorial Bridge

Demographic Statistics

- Population of Cape Girardeau (2006)
 - Approximately 35,394 people
 - Population growth stable
 - Age of population is getting older

Demographic Statistics

- Households in Cape Girardeau (2006)
 - Approximately 15,366 households
 - Total number of households is increasing
 - The average size of households is decreasing, creating a greater demand for smaller housing units
 - Distribution of homeowners is fair at all ages above 25 years
 - Decline in young family owner households

Demographic Statistics

- Households in Cape Girardeau (2006), continued
 - Wide distribution of households at various income levels
 - Income levels are rising
 - By 2011, approximately 60% of households are projected to exceed \$30,000
 - Income levels of \$75,000+ projected to continue an upward trend
 - Income of \$100,000+ projected to increase by more than 100%

Demographic Statistics

- Households in Cape Girardeau (2006), continued
 - ▣ Tenure patterns of the community have been constant and are expected to continue
 - ▣ Majority of housing inventory is owner occupied
 - ▣ Very low percentage of homeowners are considered severely cost burdened
 - ▣ Approximately 18.5% of renters are considered severely cost burdened
 - Elderly renter households
 - Single person renter households

Housing Statistics



- Housing Units (2000 census)
 - Approximately 15,818 units
 - Majority of structures were detached single family units
 - Balance of the structures were spread across the other residential construction types
 - High percentage of structures were built before 1990

Housing Statistics

□ Housing Units (2006)

□ Average sales price for single family detached home was \$142,366

□ Single family home sales prices have increased annually by approximately 5% over the last 5 years

Housing Statistics



- Gross Rents (2000 census)
 - Majority of rental units had a gross rent \$500 or less
 - Approximately 43% had a gross rent of \$300 to \$500
 - HUD Fair Market Rents
 - Studios- \$353
 - One bedroom units- \$412

Employment and Economy

Major Employers - Cape Girardeau Area		
Employers	Type of Business	Employees
St. Francis Medical Center	Hospital	2,012
Southeast Missouri Hospital	Hospital	2,000
Procter and Gamble	Paper Products	1,300
Southeast Missouri State University	Education	1,250
Cape Girardeau Public Schools	Education	713
Rubbermaid	Closet Accessories	530
Wal-Mart Supercenter	Retail	460
The Lutheran Home	Health/Retirement	394
Thorngate	Sportswear	375
Nordenia	Film Packaging	375
VIP Industries	Packaging	360
City of Cape Girardeau	Government	365
Blue Cross and Blue Shield	Insurance	358

Source: Cape Girardeau Chamber of Commerce

Employment and Economy



□ City Employment

- Healthcare comprises over a third of the Cape Girardeau economy; next largest sectors are retail and accommodation and food service
- Average annual earnings for the top three sectors range from \$13,500 to \$37,000
- City unemployment rates mirror state trends; county rates are better than city and state
- Regional “Hub” for employment, healthcare, services and retail goods

Existing Housing



- Owner Households
 - ▣ Most of the newly developed subdivisions are in the northern and southwest areas of the city
 - Most range between \$175,000 to \$300,000
 - Many are being built in the \$500,000+ to serve the needs of upper income buyers

New Owner Occupied Housing

- Owner Households
 - ▣ Existing condo/loft developments
 - Price range
 - Low of \$156,000
 - High of \$247,000
 - Limited efforts in downtown area
 - Upscale development at Main and Good Hope
 - North Water Street units
 - 20 North Main units
 - Interest in the trend, but limited product
 - Young professionals
 - Empty nesters

Existing Rental Housing

- Market Rate Rental Households
 - Significant amount of market rate rental housing
 - Large portion occupied by students
 - Various forms available
 - Apartments
 - Duplexes
 - Single family homes
 - Converted single family homes
 - High occupancy rates and some waiting lists

Existing Senior Housing



- Senior Affordable Renter Households
 - ▣ Several existing developments to the south and southwest of downtown market area
 - ▣ West Court Manor
 - 48 units currently under construction
 - Majority of units already leased

Existing Affordable Housing



- Family Affordable Renter Households
 - ▣ Several existing developments to the south and southwest of the downtown market area
 - ▣ High occupancy rates and generally well managed

Summary of Existing Housing

- **Limited amount of high quality housing in downtown market area for upper income levels**
 - High quality
 - Architecturally appealing
 - Good condition
 - Prime location (river view)
 - Latest amenities and equipment
 - Upper income
 - Young professionals
 - Empty nesters
- **Full occupancy and some waiting lists for existing units**
 - Market rate family
 - Limited income family
 - Limited senior rental housing

Existing Housing

□ Sample of apartments in Cape Girardeau

Apartment	Location	Units	Tenancy	Avg. Rent	Occupancy
Napa Ridge	Jefferson and Louisiana	38	Family/ Limited Income	\$409 to \$463	Good
Sundance	900 Hackberry	48	Family/ Limited Income	\$400 to \$475	Good
Fort Hope	801 Good Hope	44	Family/ Limited Income	\$240 to \$355	Good
Heritage Manor	1224 Linden	44	Senior/ Limited Income	\$300 to \$375	Good
Cape Gardens	611 S. West End Blvd.	60	Senior/Limited Income	Section 8	Good
Broadway	1230 West Cape Rock	81	Family/ Market	\$400 to \$500	Good
Cape LaCroix	430 S. Spring	341	Family/ Limited Income	\$530 to \$620	Good
Boulevard	Independence and S. West End Blvd.	69	Family/ Market	\$195 to \$250	Good
Pear Tree	2037 Pear Tree Court	72	Family/ Market	\$525	Good

Market Opportunities



- Primary Market Area (PMA) for residential demand in the city of Cape Girardeau as a whole and the downtown market area
 - ▣ All of Cape Girardeau County
 - ▣ All of Scott County

Owner Household Opportunities

- Potential Owner Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 690 attracted to new units in the city of Cape Girardeau
 - **60 units attracted to Downtown Market Area**
 - Target market
 - Young professionals with few or no children
 - Empty nesters
 - Price points
 - \$100,000 to \$310,000
 - Good package of amenities
 - Upper Income Households currently have limited options in Downtown Market Area

Senior Affordable Opportunities

- Senior Affordable Renter Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 90 attracted to city of Cape Girardeau
 - 48 units by West Court Manor
 - **90 new units in Downtown Market Area**
 - Market for affordable senior developments is strong
 - Trend is expected to continue as the number of seniors grow

Market Rental Opportunities

- Market Rate Rental Units (2007 to 2012)
 - Attracted from Primary Market Area
 - 660 attracted to city of Cape Girardeau
 - **100 units attracted to Downtown Market Area**
 - High quality housing
 - Attractive to upper income levels
 - Upper Income Households currently have limited options in Downtown Market Area

Family Affordable Opportunities

- Family Affordable Renter Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 300 attracted to city of Cape Girardeau
 - **40 new units in Downtown Market Area**
 - Number of households increasing as households become smaller
 - Fill need or units lost
 - Demolition
 - Poor physical condition
 - Conversion to ownership
 - Lack of affordability

Opportunity Buildings/Areas

- Potential Downtown Housing Development Sites
 - Louis B. Schultz Elementary School
 - Vacant tracts of land
 - Along Main Street between Park and Mill Streets
 - Along Good Hope Street near Middle Street
 - Upper floors of commercial buildings
 - Main Street
 - Spanish Street
 - Water Streets
 - On scattered in-fill lots throughout the area

Contact Information



- The entire Residential Demand Analysis is available from the City of Cape Girardeau.

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