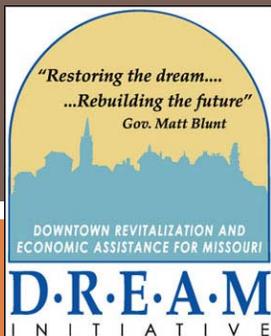


RESIDENTIAL DEMAND ANALYSIS

The Chillicothe Downtown Market Area
City of Chillicothe
Livingston County, Missouri

Prepared by
Missouri Housing Development Commission

Assistance provided by
Peckham Guyton Albers & Viets



Executive Summary



▣ **Market Study Purpose:**

Analyze the potential residential demand in the downtown area of Chillicothe, MO

- Determine if residential development would complement the overall revitalization efforts of the downtown area
- Determine the types of residential market demand that exists
- Detail the depth of the residential market demand
- Provide information regarding existing residential developments
- Provide local demographic and economic data

Executive Summary

- **Downtown Market Area (DMA) is generally considered to be the area as described in the DREAM application**
- **The Analysis includes:**
 - A baseline assessment of current residential options in the DMA
 - An assessment of potential residential development sites in the DMA
 - Demographic and economic analysis of the community
 - Demand analysis of the housing markets
 - Family rental housing
 - Family affordable housing
 - Senior rental housing
 - For sale housing

Downtown Market Area



MO DREAM - City of Chillicothe Residential Demand Analysis

City Facts



Chillicothe, Missouri

- ❑ Located in Livingston County on the northwest side of Missouri
- ❑ Approximately 80 miles northeast of Kansas City & approximately 75 miles east of St. Joseph
- ❑ County Seat
- ❑ Center of government and related services
- ❑ Rural community with an agriculture base
- ❑ Home to new Missouri correctional facility

City Facts (Downtown)

Downtown Chillicothe, Missouri

- ❑ Employment center of County and Municipal Government
- ❑ Downtown square consists predominately of 2 and 3 story brick buildings with retail space on the street level
- ❑ Some upper floor building space on the square is occupied, but much appears vacant
- ❑ A minimal amount of available upper floor space is being used for residential purposes and only one loft style development exists
- ❑ In spite of retail decline, the area appears economically resilient
- ❑ Decline, like most downtown areas, was due to urban sprawl
- ❑ Retail shopping and dining options are limited
- ❑ Large amounts of vacant and underutilized buildings available for development
- ❑ Good pedestrian and vehicular traffic
- ❑ Daytime parking downtown is limited, but plenty of evening options

Demographic Statistics



Population of Chillicothe

- ❑ Estimated 2007 population is 8,596 people
- ❑ Population decreased slightly between 2000 and 2007 and this trend is expected to continue through 2012
- ❑ The median age of the population increased slightly between 2000 and 2007 and is projected to decline slightly through 2012
- ❑ The gender distribution in Chillicothe includes more females (57%) than males (43%)
- ❑ Educational attainment for persons with degrees has remained stable, while attainment for non-degree persons has declined
- ❑ Approximately 49% of the adult population of Chillicothe is married

Demographic Statistics



Households in Chillicothe

- ❑ Estimated number of households in 2007 is 3,675
- ❑ Total number of households has increased slightly since 2000 and is expected to continue over the next five years
- ❑ The average size of households is decreasing, similar to other areas of the State
- ❑ The number of households with income of \$50,000+ is projected to increase by approximately 18.5% between 2007 and 2012
- ❑ The number of households with income of \$100,000+ is projected to increase by approximately 29% between 2007 and 2012

Demographic Statistics



Households in Chillicothe, continued

- The percentage of Hispanic Households is relatively small and is not projected to increase significantly between 2007 and 2012
- The percentage of Female Headed Households is approximately 13% of total households and that number is expected to increase by approximately 6% between 2007 and 2012

Demographic Statistics

Households in Chillicothe, continued

- Approximately 56% of households live in owner occupied units and approximately 32% of households live in renter occupied
- Tenure patterns of the community have been constant
 - Large percentage of owner occupied housing units are 3 bedroom units
 - The majority of renter occupied units leased are 2 bedroom units
- Total number of households is expected to increase despite a decline in population
- The declining growth in Chillicothe is similar to the rest of Livingston County

Housing Statistics

Households in Chillicothe, continued

- ▣ There has been a small increase in households for age groups between 20 to 24, 25 to 34, and 55 to 64 years of age
- ▣ There has been a small decrease in households for age groups between 0 to 19 years and 35 to 54 years of age
- ▣ Majority of housing inventory is owner occupied
- ▣ Approximately 11% of all renter households are severely cost burdened, which is below the 15% of all renter households in the State of Missouri
 - Large family renter households are the most severely rent burdened group at approximately 22%
- ▣ Livingston County has a small net negative migration pattern with all of its surrounding counties in recent years

Housing Statistics



Housing Units

- At the time of this report there are 26 properties listed for sale on the Realtor.com website at asking prices that range from \$12,000 to \$400,000
- Property values have remained stable since market is not overbuilt
- Building permit history indicates that annually between 18 to 58 new homes are built

Employment and Economy

Major Employers

Major Employers - Chillicothe Area		
Employers	Type of Business	Employees
Mo. Department of Corrections	Law Enforcement	400
Chillicothe Schools	Education	325
Hedrick Medical Center	Health Care	300
MidWest Quality Gloves, Inc.	Manufacturing	175
Gear For Sports	Manufacturing	145
Wire Rope Corp of America	Manufacturing	125
Donaldson Company	Manufacturing	120
Lowes Home Improvement Center	Retail	110
Associated Packaging Technologies	Manufacturing	100
Citizen's Bank and Trust	Finance	100
City of Chillicothe	Health Care	78

Source: Neosho Chamber of Commerce

Employment and Economy



City Employment

- Health care, Manufacturing, Retail Trade and Accommodations and Food Service comprise over half of the Chillicothe economy
- Average annual earnings for the top four sectors range from \$12,000 to \$34,000
- Overall, manufacturing jobs have declined within the Chillicothe area, but have increased within the last year
- The new Chillicothe Correctional Center is the largest employer and expects to grow its employee base by 200 individuals

Existing Rental Housing

Market Rate Rental Housing

- Several rental housing options for non-low income households
 - Options include:
 - Walk up apartments
 - Duplexes
 - Older single family homes
 - Mobile homes
 - A few loft style apartments
 - Occupancy is strong with high demand for duplex units
 - Duplex and Fourplex units currently under construction
 - Typical rents
 - 1 bedroom - \$400 to \$500
 - 2 bedroom - \$500 to \$600
 - 3 bedroom - \$700 to \$900

Existing Affordable Housing

Family Affordable Renter Housing

- 6 existing developments with no new construction at this time
 - Most affordable housing developments are reported to have good occupancy, but some soft occupancy exists
 - Most are rent subsidized or at below market rates
 - No new developments currently under construction
 - Typical rents
 - 1 bedroom - \$350 to \$375
 - 2 bedroom- \$400 to \$450
 - 3 bedroom- \$350 to \$500

Existing Senior Affordable Housing

Senior Affordable Renter Housing

- ▣ 4 developments with no new construction at this time
 - All senior affordable housing developments are reported to have good occupancy with waiting lists in some cases
 - The majority of developments are rent subsidized
 - No new developments currently under construction
 - Typical rents
 - 1 bedroom - \$325 to \$350
 - 2 bedroom - \$350 to \$400

Existing Housing



Existing Housing in Chillicothe

- ▣ New construction of single family detached and attached housing
 - West and northern fringes of community
 - \$200,000 to \$400,000

- ▣ Old Elks Building
 - Speculative venture
 - Six condo units

- ▣ The Commons of Chillicothe
 - 128 units for sale
 - \$90,000 to \$130,000

Conclusions



- ❑ Downtown Chillicothe has the potential to create a vibrant residential environment, and creating a twenty-four hour population is key to the resurgence of Downtown.
- ❑ Additional housing in the downtown area would complement downtown revitalization efforts by repopulating the area with permanent consumers that could help to support existing businesses and attract new businesses.
- ❑ Developing upper floor space in existing commercial buildings around the Courthouse Square is a starting point for residential development.
- ❑ Vacant land can accommodate new residential construction.
- ❑ Downtown housing should be marketed to Small households, young professionals, empty nesters, and seniors.
- ❑ Downtown Chillicothe should strive to create an additional 47 housing units in Downtown.

Market Opportunities



Primary Market Area (PMA) for residential demand in the city of Chillicothe as a whole and the downtown market area

- ▣ All of the City of Chillicothe
- ▣ All of Livingston County

Market Opportunities

Assets of Downtown Chillicothe

- ❑ Historic Buildings – signature buildings that may benefit from tax credits and special financing
- ❑ Employment – center of municipal and county government; many other businesses including banks and a medical center
- ❑ Pioneering Commitment – private investors have established businesses and renovated space in older buildings, some for residential purposes
- ❑ Positive Momentum – formation and beautification activities of Main Street program and investment in downtown infrastructure
- ❑ Traffic Flow – Highway 65 runs through the heart of downtown area providing significant consumer exposure
- ❑ Essential Neighborhood Services – grocer, service station, etc. located in relatively close proximity to downtown area
- ❑ Blank Canvas – vacant buildings and land offer opportunities for creative developments
- ❑ Walkability & Accessibility – compact area with friendly street pattern offering ease to and from downtown

Home Ownership Opportunities

Owner Household Demand (2007-2012)

- ▣ 5 households attracted to Downtown Market Area
 - Lofts
 - Townhouses
 - Price range - \$90,000 to \$125,000
- ▣ Target Market
 - Small households
 - Incomes from \$30,000 to \$50,000

Rental Household Opportunities

Market Rate Renter Household Demand (2007-2012)

- ▣ 10 households attracted to Downtown Market Area
 - One bedroom - 4
 - Two bedroom - 4
 - Three bedroom - 2
- ▣ Target Market
 - Young, adult households without children
 - Baby boomers/empty nesters
- ▣ Create a unique housing experience & opportunities

Rental Household Opportunities

Affordable Senior Renter Household Demand (2007-2012)

- ▣ 32 households attracted to Downtown Market Area
 - One bedroom - 6
 - Two bedroom - 26
- ▣ Complement other residential developments
- ▣ Creates social and economic diversity

Housing Production Considerations

Financing Options

- ❑ Federal & State Affordable Housing Tax Credits, Historic Tax Credits, and New Markets Tax Credits
- ❑ MHDC Multifamily Loan Programs
- ❑ Hope VI Main Street Grants
- ❑ Tax Abatement, TIFs, Special Taxing Districts, and State Grant Programs
- ❑ Brownfield Redevelopment Program
- ❑ Industrial Development Bonds
- ❑ Neighborhood Assistance Program
- ❑ MODESA
- ❑ First Time Homebuyer Loan Program
- ❑ HeRO Program
- ❑ Missouri Housing Trust Fund

Contact Information



**The entire Residential Demand Analysis
is available from:**

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