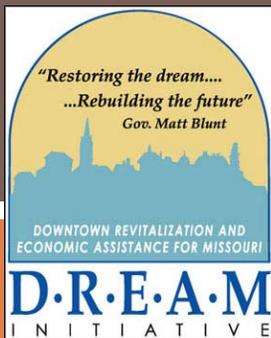


RESIDENTIAL DEMAND ANALYSIS

The Hannibal Downtown Market Area
City of Hannibal
Marion County, Missouri

Prepared by
Missouri Housing Development Commission

Assistance provided by
Peckham Guyton Albers & Viets



Executive Summary



- ▣ **Market Study Purpose:** Quantify the potential residential demand in the downtown area of Hannibal, 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 to be the area as described in the DREAM application

- The Analysis includes:
 - Demographic and economic analysis of the community
 - Demand analysis of the housing markets
 - Family rental housing
 - Senior rental housing
 - Family affordable housing
 - For sale housing

City of Hannibal Facts



- ▣ Located in Marion County
- ▣ Approximately 115 miles northwest of St. Louis
- ▣ Boyhood home of Mark Twain
- ▣ County seat and center of government and related services
- ▣ Along Mississippi River
- ▣ Part of the famous 50 Miles of Art

Downtown Market Area Description



Downtown - Hannibal, Missouri

- ▣ Location of Mark Twain's boyhood home; numerous businesses targeted for tourists
- ▣ Many multistory buildings with second story space that appears to be vacant
- ▣ Employment center of municipal and county governments
- ▣ Walkable area; proximal to Mississippi River
- ▣ Renovated hotel which now serves as senior housing development

Demographic Statistics



Population of Hannibal

- ▣ Estimated 2007 population is 17,632 people
- ▣ Population has decreased slightly since 1990 and is expected to continue this pattern in the next 5 years
- ▣ Median age of Hannibal population is increasing with state and national trends
- ▣ The gender distribution in Hannibal includes slightly more females (53%) than males (47%)

Demographic Statistics

Households in Hannibal

- ▣ Estimated number of households in 2007 is 7,023
- ▣ Total number of households is expected to slightly increase over the next five years, creating a greater demand for housing units
- ▣ The average size of households is decreasing, creating a greater demand for smaller housing units
- ▣ The number of households with income of \$60,000+ is projected to increase by about 18% between 2007 & 2012
- ▣ The number of households with income of \$100,000+ is projected to increase by about 25% between 2007 & 2012

Demographic Statistics



Households in Hannibal, continued

- ▣ The percentage of Hispanic Households has increased by 43% between 2000 & 2007 and is projected to increase 14% between 2007 & 2012
- ▣ The percentage of Female Headed Households has increased by 18% between 2000 & 2007 and is projected to increase 15% between 2007 & 2012

Demographic Statistics

Households in Hannibal, continued

- ▣ Tenure patterns of the community have been stable and are expected to continue
 - Large percentage of owner occupied housing units are by 2 person households
 - The majority of renter occupied units are leased to 1 & 2 person households

- ▣ There has been a large increase in renter occupied units for the age group between 45 & 54 between 1990 & 2000

Housing Statistics

Households in Hannibal, continued

- ▣ Majority of housing inventory is owner occupied
 - There is a fair distribution of homeowners above age 25
- ▣ Approximately 14% of all renter households are severely cost burdened compared to the State at 15%
 - Single person households are the largest group at 18%
 - Elderly households are severely cost burdened at 7%
 - Small family households (2-4 persons) are also severely cost burdened at 14%

Housing Statistics

Housing Units

- ▣ Estimated 7,947 units in the 2000 Census
- ▣ Majority of structures were single family unit structures
- ▣ Less than 25% of structures are multi-family units
- ▣ Only 10% of structures were built post 1990
- ▣ The average sales price in 2007 for detached single family homes totaled \$90,444
 - This represents a 10% increase in the average sales price since 2003

Gross Rents (2000)

- ▣ Approximately 31% of households spend more than 30% of their income on rent

Employment and Economy

Major Employers

Major Employers - Hannibal Area		
Employers	Type of Business	Employees
Hannibal Regional Hospital	Healthcare	855
General Mills	Manufacturing	800
Intermet (Monroe and Palmyra, Missouri)	Manufacturing	700
Public Schools	Education	530
Dura Automotive Systems (Hannibal, Ralls County)	Manufacturing	175
Watlow (Hannibal, Ralls County)	Manufacturing	425
Wal-Mart Super Center	Retail	400
Buckhorn Rubber Products (Hannibal, Ralls County)	Manufacturing	210
Hannibal Clinic Operations	Healthcare	300
BASF (Palmyra, Missouri)	Manufacturing	245
City of Hannibal	Government	225
Continental Cement	Manufacturing	220
Bleigh Construction	Construction	225
Hannibal-LaGrange College	Education	175

Source: Hannibal Chamber of Commerce and City of Hannibal

Employment and Economy



City Employment

- ▣ Manufacturing, Healthcare, Accommodations & Food Service & Retail Trade comprise over half of the Hannibal economy
- ▣ Average annual earnings for the top four sectors range from \$11,520 to \$49,752
- ▣ Hannibal's manufacturing employment has been stable contrary to state and national trends
- ▣ Health Care & Social Assistance has the largest number of jobs in Marion County

Existing Rental Housing



Market Rate Rental Housing

- ▣ Strong occupancy & demand for multifamily units
 - Many have waiting lists

- ▣ Excess demand for smaller rental developments
 - Single family homes
 - Duplexes

Existing Senior Affordable Housing

Senior Affordable Renter Housing

- ▣ Strong occupancy & demand
 - Renovated Mark Twain Hotel
 - 34 units
 - Currently in lease up
 - Development is 75% leased

Existing Affordable Housing



Family Affordable Renter Housing

- ▣ Strong occupancy & demand
 - Many have waiting lists
 - Hannibal Housing Authority Apartments
 - 142 units
 - Occupancy generally 100%
 - Majority of the units are located at Munger and Atoka

Existing Housing

Existing Subdivisions in Hannibal

- ▣ Sales increased dramatically in 2006; pace continued into 2007
- ▣ A few new units currently under construction
 - Most are single family homes; some duplex style units
 - Generally priced from \$167,000 to \$1,000,000+
- ▣ Downtown market primarily single family homes
 - 80+ years old
 - Well constructed of average design
 - Many suffer from physical deterioration and deferred maintenance
- ▣ Little to no condo/ loft developments

Conclusions



- ❑ **There is a shortage of available housing in and around the downtown area**
- ❑ **The large inventory of vacant and underutilized upper floor space in downtown area provides an opportunity for unique housing options**
- ❑ **A growing and diverse residential market will help to support and attract existing and new businesses**

Conclusions



- ❑ **Home ownership should be encouraged within the downtown area with the development of small homes, townhomes, condos and lofts which will help stabilize the area**
- ❑ **Developers should take advantage of the majestic river view with vertical developments**
- ❑ **Curing the eyesores along Broadway will have the greatest impact in terms of revitalization**

Conclusions



- ❑ **There could be demand from young, small households looking for a unique housing option not available in other parts of the City**
- ❑ **There could be demand from Empty Nesters looking to downsize**
- ❑ **There could be demand for live/work space from the art community that has already started to cluster along Main Street**

Conclusions



- **All of the other housing markets show good occupancy, which means that any housing developed in the downtown area should draw some interest simply based on the shortage of supply**

Market Opportunities

- Primary Market Area (PMA) for residential demand in the city of Hannibal as a whole and the downtown market area
 - All of Marion County
 - Portions of surrounding counties
 - Ralls County, Missouri
 - Pike County, Missouri
 - Lewis County, Missouri
 - Monroe County, Missouri
 - Adams County, Illinois
 - Pike County, Illinois

Market Opportunities



- Assets of Downtown Hannibal
 - Historic attractions and tourism- Mark Twain
 - Potential Residential Sites – vacant buildings & land
 - Employment – Downtown is the government employment center
 - Niche Shopping- number of antique stores, gift shops & specialty stores
 - Natural Asset- located along Mississippi River with magnificent views

Market Opportunities



- Assets of Downtown Hannibal, continued
 - Walkability- compact with a friendly street pattern
 - Accessible – access to & from easy in all directions
 - Gathering place- riverfront is the site of many major community events

Affordable Rental Household Opportunities

- Affordable Rental Housing key role in igniting residential interest
 - 81 households attracted to Downtown Market Area
 - Senior rental housing – 40
 - Family rental housing – 41
 - Potential to attract new business & eventually owner occupied residences
 - Any new residential development that is affordable & of good quality should enjoy high market demand

Affordable Opportunities

- Senior Affordable Renter Households (2007 to 2012)
 - 40 households attracted to Downtown Market Area
 - Mostly 2 bedrooms
 - High demand
 - Short supply

- Affordable Family Renter Households (2007 to 2012)
 - 41 households attracted to Downtown Market Area
 - One bedroom- 21
 - Two bedroom- 14
 - Three bedroom- 6

Rental Household Opportunities

- Market Rate Renter Household Demand (2007-2012)
 - 30 households attracted to Downtown Market Area
 - One bedroom – 14
 - Two bedroom – 12
 - Three bedroom – 4
 - Target Market
 - Young professionals
 - Empty Nesters
 - Small households without children
 - Will play a key role in attracting more moderate & upper income households as market gains momentum

Home Ownership Opportunities

- Home Ownership Households (2007 to 2012)
 - Annual demand from 10 homebuyer households
 - Priced from \$90,000 to \$225,000
 - Target market
 - Young professionals
 - Empty Nesters
 - Lofts and attached style homes
 - High quality units as downtown housing market matures
 - Initial demand will be slow, but will grow as revitalization continues

Housing Production Considerations



□ Financing Options

- City owned land sold below market rate
- City can use power of eminent domain to condemn property
- City can assist with land assemblage by working with multiple land owners
- City can help to absorb some of the site costs
- City can provide parking to lower development cost
- Increase flexibility of building & zoning codes & fast track permits

Housing Production Considerations



- Financing Options, continued
 - ▣ Create Private/Public partnerships
 - ▣ Tax abatement, TIFs, & Special Taxing Districts
 - ▣ Federal & State Affordable Housing Tax Credits, Historic Tax Credits
 - ▣ New Market Tax Credits

Contact Information



The entire Residential Demand Analysis is available from the City of Hannibal.

Contact: