

RESIDENTIAL DEMAND ANALYSIS

The Kennett Downtown Market Area
City of Kennett
Dunklin 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 Kennett, 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

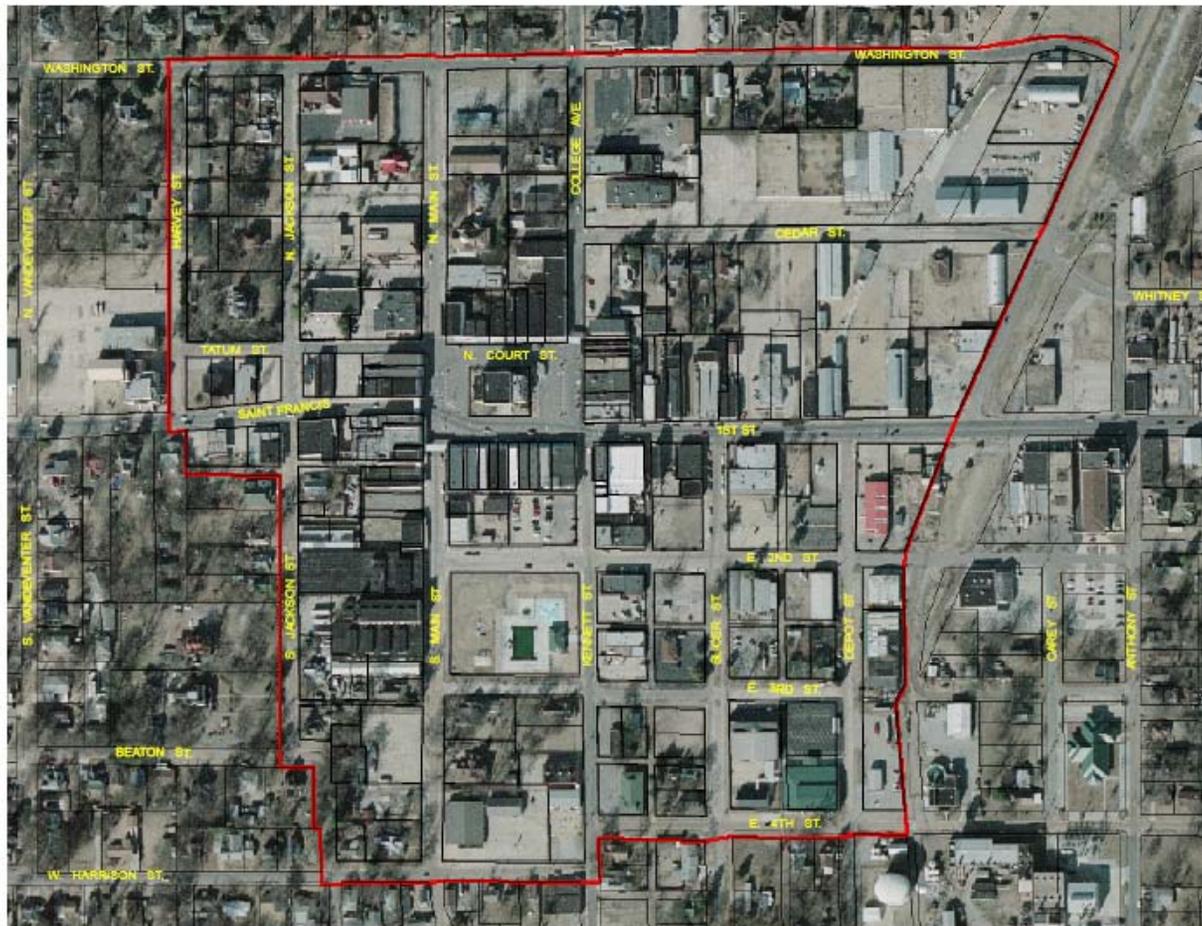
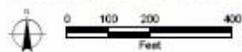


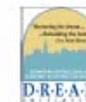
Exhibit 1
Boundary Map
Downtown Study Area
City of Kennett, Missouri

Legend

 Study Area



MO DREAM - City of Kennett Residential Demand Analysis



FEBRUARY
2008



City Facts



Kennett, Missouri

- ▣ Located in Dunklin County in Missouri's bootheel
- ▣ Approximately 100 miles north of Memphis, TN
- ▣ County seat and center of government and related services
- ▣ Major agricultural area for the state
- ▣ Hometown of Sheryl Crow
- ▣ Typical small community centered around County Courthouse

City Facts (Downtown)

Downtown Kennett, Missouri

- ❑ Employment Center of County and Municipal Governments
- ❑ Predominantly one story commercial buildings around the Courthouse
- ❑ Appearance of economic decline due to vacant and underutilized buildings
- ❑ Decline, like most downtown areas, was due to urban sprawl
- ❑ Visual appearance is hurt by uncoordinated building facades, mix of building awnings, and unattractive street wide awnings
- ❑ High vehicular traffic through Downtown is a benefit and a detriment
- ❑ Existing housing consists of clusters of single family homes, small multifamily developments, and recently completed Ely-Walker apartments
- ❑ Entertainment and recreation venues include a movie theatre and the Sheryl Crow Aquatic Center
- ❑ Residential development opportunities may be possible at the Cotton Exchange Bank building and other vacant and underutilized building and land sites
- ❑ Downtown area at present is a blank canvas that offers different possibilities of development for the benefit of the community

Demographic Statistics

Population of Kennett

- ▣ Estimated 2007 population is 10,843 people
- ▣ Population increased slightly between 1990 and 2000, but has been on a declining trend since 2000
- ▣ The median age of the population increased slightly between 1990 and 2007 and is projected to remain stable through 2012, which differs from most areas of the State
- ▣ The gender distribution in Kennett includes more females (54%) than males (46%)
- ▣ Educational attainment has been increasing
- ▣ Approximately 52% of the adult population of Kennett is married

Demographic Statistics

Households in Kennett

- ❑ Estimated number of households in 2007 is 4,647
- ❑ Total number of households has increased slightly since 2000 and is expected to 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 \$50,000+ is projected to increase by approximately 15% between 2007 and 2012
- ❑ The number of households with income of \$100,000+ is projected to increase by approximately 39% between 2007 and 2012

Demographic Statistics

Households in Kennett, continued

- The percentage of Hispanic Households have increased by 79% between 2000 and 2007 and is projected to increase 27% between 2007 and 2012
- The percentage of Female Headed Households is almost 25% of total households and is projected to increase 5% between 2007 and 2012
- Approximately 60% of households live in owner occupied units and approximately 40% of households live in renter occupied units
- Tenure patterns of the community have been constant, but a decrease in owner occupied units and an increase in renter occupied units is expected
 - 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

Housing Statistics

Households in Kennett

- ▣ There has been a large increase in renter occupied units for age groups below 54 and a decrease for ages above 54 between 1990 and 2000
- ▣ Majority of housing inventory is owner occupied
 - There is a fair distribution of homeowners above age 25
- ▣ Approximately 16% of all renter households are severely cost burdened, which is close to the 15% of all renter households in the State of Missouri
 - Large family households are the most severely rent burdened group at 27%
- ▣ Dunklin County generally has negative migration patterns with all of its surrounding counties, with the exceptions of Pemiscot and New Madrid Counties

Housing Statistics

Housing Units

- ▣ The average sales price in 2007 for detached single family homes totaled \$84,986
 - This represents a 16% increase in the average sales price since 2005
 - Current sales have slowed with nationwide trend
- ▣ At the time of this report there are 67 properties listed for sale on the local Multiple Listing Service site, at asking prices that range from \$23,000 to almost \$300,000
- ▣ Building permit history indicates that annually between 10 to 15 new homes are built

Employment and Economy

Major Employers

Major Employers - Kennett Area		
Employers	Type of Business	Employees
Twin Rivers Med Ctr.	Health Care	375
Wal-Mart	Retail	358
Public Schools	Education	300
ARI Industries	Manufacturing	200
NHC HealthCare	Nursing Home	145
Parker-Hannifin	Manufacturing	95
Pepsi Mid-America	Bottling	87
Heritage Nursing Ctr.	Nursing Home	72
ACS	Mail Processing	60
Independence Home	Pharmacy	60
Manac Trailers	Manufacturing	40

Source: Kennett Chamber of Commerce

Employment and Economy



City Employment

- ▣ Health care, Retail Trade & Education comprise over half of the Kennett economy
- ▣ Average annual earnings for the top three sectors range from \$19,400 to \$28,700
- ▣ Manufacturing also has a large presence in the Kennett area

Existing Rental Housing

Market Rate Rental Housing

- ▣ Limited number of rental housing options for non-low income households
 - Lack of quality market rate rental housing pressures higher rents forcing many to move outside the market or reside in overcrowded or substandard housing
 - Mostly older single family homes; some small multifamily developments
 - Many suffer from deferred maintenance and are in no better than fair condition
 - Typical rents
 - 1 bedroom- \$250 to \$400
 - 2 bedroom- \$300 to \$625
 - 3 bedroom- \$500 to \$800

Existing Affordable Housing

Family Affordable Renter Housing

- ▣ 190 units administered by Kennett Housing Authority
- ▣ 5 additional existing affordable housing developments
- ▣ Recently completed development that should serve immediate demand
 - ▣ Ely-Walker Apartments
 - ▣ Forty-six (46) 1 & 2 bedroom units
 - ▣ Reduced rents due to financing structure
 - ▣ Typical rents- \$325 to \$500
- ▣ All affordable housing developments are reported to have good occupancy

Existing Senior Affordable Housing

Senior Affordable Renter Housing

- ▣ 110 units administered by Kennett Housing Authority
- ▣ 3 additional existing senior affordable developments
- ▣ Strong occupancy & demand
 - No senior affordable units under construction
 - Cotton Boll Commons is the most recent senior affordable development
 - Thirty-nine (39) 1 & 2 bedrooms
 - Most units are rent subsidized
 - Typical rents- \$300 to \$375

Existing Housing



Existing Subdivisions in Kennett

- ▣ Several new subdivisions being developed around city
 - Homes generally priced from \$150,000 to \$300,000
- ▣ Lack of starter homes tends to increase the demand for market rate rental properties
- ▣ Market has slowed in sales of single family homes

Conclusions

- Housing options are limited in the downtown area
- Existing affordable housing developments have good occupancy
- Market rate housing options for non-low income households are limited
- The newly completed Ely-Walker development has helped begin the process of repopulating the downtown area
- The momentum created by the Ely-Walker project should continue with other residential developments in downtown
- Loft style residential conversions which have helped the renaissance of other downtown areas will be limited in Downtown Kennett due to the limited number of multi-story buildings
- Buildings like the Cotton Exchange Bank and other vacant and underutilized buildings and land should be considered for redevelopment
- The repopulation of downtown will help support existing downtown businesses and attract new businesses
- Revitalized downtown areas generally contain residential units that offer a unique type of housing alternative
- The primary demand for downtown urban units is from young professionals and empty nesters/baby boomers
- The downtown area, at this time is a blank canvas that can accommodate a combination of residential, entertainment, and dining options for the benefit of the community

Market Opportunities



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

- ▣ All of Dunklin County
- ▣ All of Pemiscot County

Market Opportunities

Assets of Downtown Kennett

- ▣ Historic Buildings – Cotton Exchange Bank building and others
- ▣ Potential Residential Sites – vacant & underutilized buildings & land
- ▣ Employment – Downtown is the government employment center
- ▣ Sheryl Crow Affiliation– hometown of superstar who supports community with her financial resources
- ▣ Accessible – access to & from in all directions & walk able downtown
- ▣ High Traffic Volume Area –significant east/west traffic arteries
- ▣ Blank Canvas – downtown area is a blank canvas that can be moved in various directions to maximize future benefit

Rental Household Opportunities

Market Rate Renter Household Demand (2007-2012)

- ▣ 16 households attracted to Downtown Market Area
 - One bedroom - 8
 - Two bedroom - 7
 - Three bedroom - 1
- ▣ Target Market
 - Young professionals
 - Baby boomers/empty nesters
 - Small households without children
- ▣ Create a unique housing experience & opportunities

Affordable Rental Household Opportunities

Affordable Rental Housing key role in igniting residential interest

- ▣ 86 households attracted to Downtown Market Area
 - Family Rental Housing - 52
 - Senior Rental Housing - 34
- ▣ 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

Affordable Family Renter Households (2007 to 2012)

- ▣ 52* households attracted to Downtown Market Area
 - One bedroom- 26
 - Two bedroom- 18
 - Three bedroom- 8

**Ely-Walker Apartments*

- Currently 46 units in lease up
- Should meet overall demand for family affordable housing in the downtown area

Affordable Opportunities



Senior Affordable Renter Households (2007 to 2012)

- ▣ 34 households attracted to Downtown Market Area
 - Mostly 2 bedrooms
 - Ely-Walker Apartments attracting some seniors
- ▣ Renovations to downtown square will make area appealing to seniors

Home Ownership Opportunities



Home Ownership Households (2007 to 2012)

- ▣ 5 new units created for buyers
 - Priced from \$75,000 to \$150,000
- ▣ Target Market
 - Young professionals
 - Baby boomers/ empty nesters
- ▣ Create a unique housing experience & opportunities

Housing Production Considerations

Financing Options

- ❑ City owned land donated or sold below market rate
- ❑ City can provide parking to lower developer cost
- ❑ Increase flexibility of building & zoning codes & fast track permits
- ❑ Assist developers with remediation and development costs
- ❑ Use power of eminent domain to assist with land assemblage
- ❑ 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:**

Johnny Dalton
Kennett Community Development Corporation
203 College Avenue
Kennett, MO 63857
(573) 888-4631