

RESIDENTIAL DEMAND ANALYSIS

The Kirksville Downtown Market Area
City of Kirksville
Adair County, Missouri

Prepared by
Missouri Housing Development Commission

Assistance provided by
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Executive Summary



▣ **Market Study Purpose:**

Analyze the potential residential demand in the downtown area of Kirksville, 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 Kirksville Residential Demand Analysis

City Facts



Kirksville, Missouri

- ❑ Located in Adair County in northeast Missouri
- ❑ Approximately 35 miles south of the Iowa border
- ❑ Home to Truman State University & A.T. Still University
- ❑ Home to Northeast Regional Medical Center
- ❑ Center of government and related services
- ❑ Rural community whose economy is heavily influenced by universities and regional medical center

City Facts (Downtown)

Downtown Kirksville, Missouri

- ❑ Truman State University and A.T. Still University in close proximity
- ❑ Employment center of County and Municipal Government
- ❑ Downtown square consists predominately of 2 & 3 story brick buildings with retail space on the street level
- ❑ Some of the upper floor space of the buildings on the square is being used for business and residential purposes; most of this upper floor space is vacant or being used for storage
- ❑ Cinema and several eating establishments provide evening activity
- ❑ Majority of existing housing are rental units that serve student and faculty
- ❑ There has been conversion of upper floor space to loft style developments
- ❑ Few vacant tracts of land available for development
- ❑ Traffic arteries in place for ease of access and egress to and from the downtown square
- ❑ Significant amount of vacant upper floor space available for redevelopment
- ❑ Economically vibrant small community

Demographic Statistics



Population of Kirksville

- ❑ Estimated 2008 population is 16,644 people
- ❑ Population decreased slightly between 2000 and 2008 and this trend is expected to continue through 2013
- ❑ The average age of the population increased very slightly between 2000 and 2008 and is projected to remain stable through 2013
- ❑ The gender distribution in Kirksville includes more females (54%) than males (46%)
- ❑ Approximately 22% of the adult population of Kirksville is married

Household Demographic Statistics

- ❑ Estimated number of households in 2008 is 6,511
- ❑ Total number of households has decreased slightly since 2000 and is expected to continue over the next five years, yet still creating a greater demand for housing units
- ❑ 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 9% between 2008 and 2013
- ❑ The number of households with income of \$100,000+ is projected to increase by approximately 29% between 2008 and 2013

Household Demographic Statistics

- ❑ The percentage of Hispanic Households is relatively small and is projected to increase 11% between 2008 and 2013
- ❑ The percentage of Female Headed Households is approximately 40% of total households
- ❑ Approximately 52% of households live in renter occupied units
- ❑ The high percentage of renter occupied units is reflective of the transient student population of the University
- ❑ 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

Household Demographic Statistics

- Approximately 29% of all renter households are severely cost burdened, which is above the 15% of all renter households in the State of Missouri
 - Single person non-elderly households are the most severely rent burdened group at 36%
- There has been a small increase in households for age groups between ages 25 and 34
- There has been a decrease in households under 25 years of age
- Adair County has a small net negative migration pattern with all of its surrounding counties

Housing Statistics



Housing Units

- ❑ The typical price range for detached single family homes around the downtown area range from \$40,000 to \$90,000
- ❑ At the time of this report there are 264 properties listed for sale on the Realtor.com website at asking prices that range from \$20,000 to \$1,750,000
- ❑ Building permit history indicates that annually between 35 to 49 new homes are built

Employment and Economy

Major Employers

Major Employers - Kirksville, Missouri Area		
Employers	Type of Business	Employees
Truman State University	Liberal Arts & Sciences University	800
Northeast Regional Health System	Health Care/Hospital	700
A.T. Still University of Health Sciences	Medical Education College	450
Adair Foods	Packaged Meat Products	400
Wal-Mart Super Center	Retail - General Merchandise	396
Kirksville R-III Public School District	K-12, Technical & Adult Education	386
Maritz Research	Market Research	322
Preferred Family Healthcare	Mental Health/Substance Abuse	311
Hollister, Inc.	Medical Device Manufacturing	244
Sodexo	Truman Campus Food Service	225
Hy-Vee Food and Drug	Grocery, Drug Store, Floral Shop	200

Source: Kirksville Chamber of Commerce

Employment and Economy



City Employment

- ▣ Education, Health care, and Retail Trade comprise over half of the Kirksville economy
- ▣ Average annual earnings for the top three sectors range from \$21,000 to \$36,000
- ▣ Manufacturing jobs have declined significantly in the Kirksville area over the past 2 years
- ▣ Truman University is the largest employer with Northeast Regional Health System the second largest

Existing Rental Housing

Market Rate Rental Housing

- Several rental housing options for non-low income households
 - Options include:
 - Garden style apartments
 - Duplexes
 - Older single family homes
 - Occupancy is strong with demand for all bedroom sizes
 - Some new development under construction
 - Typical rents
 - Studio - \$300 to \$350
 - 1 bedroom- \$300 to \$450
 - 2 bedroom- \$350 to \$550
 - 3 bedroom- \$500 to \$1,000

Existing Rental Housing



Student Housing

- ▣ Combined enrollment at universities approximately 6,000
 - There are approximately 3,000 on-campus, residential housing units
 - No plans to build on campus housing
 - Half of students reside off campus
 - A slight decline in enrollment occurred at Truman State University from 2007 to 2008

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
 - Travelers Apartments was recently approved for rehabilitation financing
 - Typical rents
 - 1 bedroom- \$300 to \$375
 - 2 bedroom- \$325 to \$400
 - 3 bedroom- \$360

Existing Senior Affordable Housing



Senior Affordable Renter Housing

- ▣ 5 developments with no new construction at this time
 - Most senior affordable housing developments are reported to have good occupancy
 - Majority of typical rents are income based

Market Opportunities

Assets of Downtown Kirksville

- ▣ Major Anchors – A.T. Still and Truman State University are in close proximity to downtown
- ▣ Government Center – center of municipal and county government
- ▣ Existing Residential Market – significant amount of residential units already exist so area will not need to reinvent itself
- ▣ Stable Area – most of the street level commercial space, as well as most of the upper floor space is occupied
- ▣ Momentum – revitalization efforts are underway and noticeable
- ▣ Neighborhood Diversity – currently serves needs of large student population, visitors, and local residents

Market Opportunities

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

- ▣ All of Adair County
- ▣ All of the City of Kirksville

It would be beneficial for Downtown revitalization in Kirksville to increase the number of residential units...

- ▣ These new units should be targeted towards
 - Student Population
 - Young married households with no children
 - Maturing families looking for owner occupied housing
 - Empty-nesters

Rental Household Opportunities

Market Rate Renter Household Demand (2008-2013)

- ▣ 82 households attracted to Downtown Market Area
 - One bedroom - 54
 - Two bedroom - 23
 - Three bedroom - 5
- ▣ Target Market
 - College students
 - Moderate and upper income professionals
 - Baby boomers/empty nesters
- ▣ Create a unique housing experience & opportunities

Rental Household Opportunities

Affordable Family Renter Household Demand (2008-2013)

- ▣ 33* households attracted to Downtown Market Area
 - One bedroom - 20
 - Two bedroom - 12
 - Three bedroom - 1
- ▣ Target Market
 - College students
 - Lower income seniors
 - Young, lower income working households

**Demand will be served by the renovation of the Travelers Hotel*

Rental Household Opportunities

Affordable Senior Renter Household Demand (2008-2013)

- ▣ 30 households attracted to Downtown Market Area
 - One bedroom - 6
 - Two bedroom - 24
- ▣ Catalyst for other residential developments
- ▣ Creates social and economic diversity

Potential Development Sites



Vacant Schools

- ▣ 411 E. McPherson
- ▣ 509 E Harrison
- ▣ Corner of Filmore & Halliburton

Other Buildings

- ▣ NE Corner of Jefferson & Franklin Streets
- ▣ SW corner of Franklin & McPherson
- ▣ Cochran Building – Main & Harrison
- ▣ Upper Floors at SW corner of Marion & Washington

Vacant Lots

- ▣ Corner of Michigan & Orchard
- ▣ NW Corner of Main & Missouri

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

Conclusions



- **Additional housing in the downtown area would complement downtown revitalization efforts by repopulating the area**
- **Permanent consumers that could help to support existing businesses and attract new businesses**
- **There is demand from young, small households looking for a unique housing option not available in other parts of the City**
- **There could be demand from baby boomer households looking to downsize and also seek a unique or nostalgic housing situation**

Conclusions



- **There could be demand for live/work space from the University and hospital community**

- **These new residential units should be marketed to the following segments:**
 - **Young Professionals**
 - **Empty Nesters**
 - **Small Households without Children**
 - **University Faculty**
 - **Students**

Conclusions



- ❑ **These new residential units should be marketed to the following segments:**
 - ❑ **Young Professionals**
 - ❑ **Empty Nesters**
 - ❑ **Small Households without Children**
 - ❑ **University Faculty**
 - ❑ **Students**

- ❑ **Downtown has a few vacant lots and vacant upper floor space available for potential residential development.**

- ❑ **Downtown is centrally located within the region, with good vehicular and pedestrian access.**

Conclusions



- ▣ **Downtown Kirksville can support an additional 145 housing units.**
- ▣ **There is the potential household demand for the following housing types:**
 - ▣ **Market Rate Rental – 82**
 - ▣ **Non-Student (24 units)**
 - ▣ **Affordable Family Rental – 33**
 - ▣ **Affordable Senior Rental - 30**

Contact Information



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

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