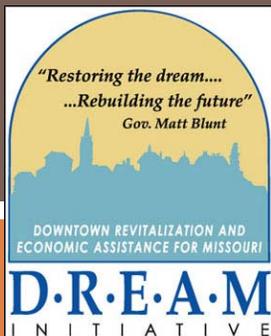


RESIDENTIAL DEMAND ANALYSIS

The Neosho Downtown Market Area
City of Neosho
Newton 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 Neosho, 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
DREAM Boundary
Downtown Study Area
City of Neosho, Missouri



Legend
Study Area



City Facts



Neosho, Missouri

- ▣ Located in Newton County in southwest Missouri
- ▣ Approximately 60 miles southwest of Springfield, MO
- ▣ Sits on the western edge of the Missouri Ozark
- ▣ Center of government and related services
- ▣ Typical small community centered around County government buildings

City Facts (Downtown)

Downtown Neosho, Missouri

- ❑ Employment center of County and Municipal Government
- ❑ Downtown square consists predominately of 2 story brick buildings with retail space on the street level
- ❑ Much of the upper floor space of the buildings on the square is being used for business and residential purposes
- ❑ The downtown area has a mixture of housing options
- ❑ New loft style residential units for rent and ownership are currently under construction at the Sterling Building and the Newton Place Apartments
- ❑ Decline, like most downtown areas, was due to urban sprawl
- ❑ Signs of a renaissance are evident
- ❑ Vacant and underutilized buildings and land in the area provide opportunity for creative developments
- ❑ Lacking signage and a rapid traffic artery for ease of access and egress to and from the downtown square
- ❑ Parking downtown, particularly around the courthouse square, is limited

Demographic Statistics



Population of Neosho

- ▣ Estimated 2007 population is 10,984 people
- ▣ Population increased 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 continue through 2012
- ▣ The gender distribution in Neosho includes more females (53%) than males (47%)
- ▣ Educational attainment has remained stable
- ▣ Approximately 57% of the adult population of Neosho is married

Demographic Statistics



Households in Neosho

- ❑ Estimated number of households in 2007 is 4,292
- ❑ Total number of households has increased slightly since 2000 and is expected to continue over the next five years, creating a greater demand for housing units
- ❑ The average size of households is increasing, unlike other areas of the State
- ❑ The number of households with income of \$50,000+ is projected to increase by approximately 16% between 2007 and 2012
- ❑ The number of households with income of \$100,000+ is projected to increase by approximately 42% between 2007 and 2012

Demographic Statistics



Households in Neosho, continued

- The percentage of Hispanic Households has increased by 47% between 2000 and 2007 and is projected to increase 27% between 2007 and 2012
- Between 2000 and 2007, the estimated growth in the number of Hispanic households exceeds the estimated household growth estimate for the community
- The percentage of Female Headed Households is approximately 25% of total households and is projected to increase 5% between 2007 and 2012

Demographic Statistics

Households in Neosho, continued

- Approximately 60% of households live in owner occupied units and approximately 32% of households live in renter occupied
- 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 person households
- The pace of growth in Neosho is slower than the rest of Newton County suggesting that more households are choosing to live in open country near the city or in rural areas of the County

Housing Statistics

Households in Neosho, continued

- ▣ There has been a large increase in renter occupied units for age groups between ages 65 and 74
- ▣ There has been a decrease in renter occupied units for ages 55 to 64 and 75 years + between 1990 and 2000
- ▣ Majority of housing inventory is owner occupied
 - There is a fair distribution of homeowners above age 35
- ▣ Approximately 10% of all renter households are severely cost burdened, which is below the 15% of all renter households in the State of Missouri
 - Large family households are the most severely rent burdened group at 22%
- ▣ Newton County has a small net positive migration pattern with all of its surrounding counties

Housing Statistics

Housing Units

- The average sales price in 2007 for detached single family homes totaled \$99,667
 - This represents a 12% increase in the average sales price since 2005
 - Current sales have slowed with nationwide trend
- At the time of this report there are 266 properties listed for sale on the Realtor.com website at asking prices that range from \$20,800 to over \$1,000,000
- Building permit history indicates that annually between 48 to 58 new homes are built

Employment and Economy

Major Employers

Major Employers- Neosho Area		
Employers	Type of Business	Employees
La-Z-Boy Midwest	Manufacturing	1,380
Neosho Schools	Education	510
Scholastic, Inc	Call Center	478
Twin Rivers Group, Inc	Food Processing	450
Crowder College	Education	420
Moark Productions	Egg Production	420
Talbott Industries	Manufacturing	350
Freeman Neosho Hospital	Healthcare	280
Brass Eagle Paintball	Manufacturing	250
Crowder Industries	Manufacturing	190
Branco Enterprise, Inc	Building Contractors	180
Sunbeam Products, Inc	Warehouse & Distribution	180
Premier Turbines	Engine Maintenance	177
Community Bank & Trust	Banking	167
Daisy Manufacturing	Manufacturing	150
City of Neosho	Government	140
Koplin Outdoor, Inc	Manufacturing	125
Source: Neosho Chamber of Commerce		

Employment and Economy

City Employment

- Health care, Transportation & Warehousing, and Manufacturing comprise over half of the Neosho economy
- Average annual earnings for the top three sectors range from \$34,800 to \$46,800
- Manufacturing jobs have declined significantly in the Neosho area
- La-Z-Boy (furniture manufacturing plant) is the largest employer with nearly three times the number of employees as the next major employer

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
 - Mobile homes
 - Loft style apartment
 - Occupancy is strong with demand for all bedroom sizes
 - Units at low end of rental ranges are mostly older properties in fair to poor conditions; units at the high end of rental ranges tend to be newer properties of good quality
 - Typical rents
 - 1 bedroom- \$300 to \$600
 - 2 bedroom- \$350 to \$800
 - 3 bedroom- \$450 to \$900

Existing Rental Housing



Market Rate Rental Housing, continued

- ▣ New developments being built/ under consideration
 - Sterling Building
 - Rehab of McGinty Building
 - Development on Doniphan Drive (across from Crowder College)

Existing Affordable Housing

Family Affordable Renter Housing

- 5 existing developments with no new construction at this time
 - All have some sort of rent, interest or tax credit subsidy
 - Typical rents
 - 1 bedroom- \$280 to \$340
 - 2 bedroom- \$310 to \$375
 - 3 bedroom- \$370 to \$425
 - Most affordable housing developments are reported to have good occupancy

Existing Senior Affordable Housing

Senior Affordable Renter Housing

- ▣ 5 developments
 - Including the Newton Place Apartments currently under construction and ready for completion by the end of 2008
- ▣ Majority with good occupancy, but not long waiting lists
 - Typical rents
 - 1 bedroom- \$280 to \$375
 - 2 bedroom- \$360 to \$435
- ▣ In addition there are also 2 senior assisted living facilities and a nursing home

Existing Housing

Existing Subdivisions in Neosho

- ▣ Several new subdivisions being developed around city
 - Homes generally priced from \$125,000 to \$200,000+
 - Mix of duplex and single family homes
 - Neosho Heights Subdivision
 - Ravenhurst Subdivision
 - Royal Crest Subdivision
 - Fox Ridge Subdivision
 - Lane Estates Subdivision
 - Meadows Subdivision
- ▣ Market has slowed in sales of single family homes

Conclusions



- **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**
- **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 baby boomer households looking to downsize and also seek a unique or nostalgic housing situation**
- **There could be demand for live/work space from the art community that has already started to cluster along Main Street**

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**
- **A growing and diverse residential market will help to support and attract existing and new businesses**
- **Developers should take advantage of Big Spring Park and its proximity to Downtown**

Market Opportunities



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

- ▣ All of Newton County

Market Opportunities

Assets of Downtown Neosho

- ▣ Historic Buildings – opportunity to qualify for special tax credits & financing
- ▣ Pioneering Commitment – private investors have already begun transformation by renovating lower and upper levels of buildings
- ▣ Momentum – revitalization efforts are underway and noticeable
- ▣ Blank Canvas – downtown area is a blank canvas that can be moved in various directions to maximize future benefit
- ▣ Employment – Downtown is the government employment center
- ▣ Potential Market Support – large residential population base surrounds downtown and could support revitalization efforts
- ▣ Accessible – friendly street pattern with easy access to and from walkable downtown area

Rental Household Opportunities

Market Rate Renter Household Demand (2007-2012)

- ▣ 27* households attracted to Downtown Market Area
 - One bedroom - 10
 - Two bedroom - 13
 - Three bedroom - 4
- ▣ Target Market
 - Young professionals
 - Baby boomers/empty nesters
 - Small households without children
- ▣ Create a unique housing experience & opportunities

** The Sterling Building will serve some of the projected one and two bedroom unit demand*

Home Ownership Opportunities



Home Ownership Households (2007 to 2012)

- ▣ 9 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

- ❑ Increase flexibility of building & zoning codes & fast track permits
- ❑ Consider economic incentives and professional assistance when possible
- ❑ Create Private/Public partnerships
- ❑ Tax abatement, TIFs & Special Taxing Districts
- ❑ Federal & State Affordable Housing Tax Credits, Historic Tax Credits
- ❑ New Market Tax Credits
- ❑ HOME program
- ❑ First Time Homebuyer Bond Program
- ❑ State Down Payment Assistance Program
- ❑ HOPE VI Main Street Program

Contact Information



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

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