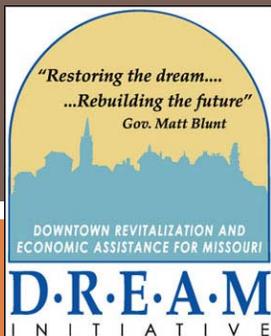


RESIDENTIAL DEMAND ANALYSIS

The St. Joseph Downtown Market Area
City of St. Joseph
Buchanan County, Missouri

Prepared by
Missouri Housing Development Commission
October 2007

Assistance provided by
Peckham Guyton Albers & Viets



Executive Summary



- Market Study Purpose: Quantify the potential residential demand in the downtown area of St. Joseph, 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
 - Market rate rental housing
 - Affordable rental housing
 - Senior rental housing
 - For sale housing

Executive Summary



- ▣ Recent downtown residential development projects mirror state and national trends in downtown revitalization efforts
 - Low to moderate units often lead housing redevelopment/rehabilitation
 - Demonstrate adaptive reuse of former industrial buildings
- ▣ Affordable projects “benchmark” demand
 - Lofts at Landmark and 4th Street Lofts have demonstrated “downtown” housing demand

Executive Summary

- Data suggests an existing imbalance between affordable and market rate
 - Current “mix” approximately 65%-70% affordable with 30%-35% market rate
- The “Tipping Point”
 - Market-rate residential opportunities **surpass** affordable opportunities
 - Market Rate: projected 65 - 70% of future housing units downtown
 - Low to Moderate Income: projected 30 - 35% of future housing units downtown
- New opportunities for the public and private sectors in downtown housing development

City Facts



- St. Joseph, Missouri
 - Located in Buchanan County along the Missouri River
 - Approximately 35 minutes north of KCI Airport
 - County seat and central service provider for six-county area of northwest Missouri and northeast Kansas
 - Excellent accessibility to Interstate 29
 - Rich and vivid history with such notable characters as Jesse James and enterprises as the Pony Express

DMA Description



- Downtown - St. Joseph, Missouri
 - Existing revitalization effort underway
 - Many architecturally significant buildings, many of which are underutilized
 - Employment center of municipal and county governments
 - Location of several large, service oriented firms
 - Currently lacking retail and residential land uses

Demographic Statistics



- Population of St. Joseph (2006)
 - Approximately 71,186 people
 - Slightly decreasing at a rate of -0.6% per year
 - Age of population is getting older

Demographic Statistics

- Households in St. Joseph (2006)
 - ▣ Approximately 29,608 households
 - ▣ Total number of households is increasing
 - ▣ The average size of households is decreasing, creating a greater demand for smaller housing units
 - ▣ Distribution of homeowners is even at all ages above 25 years with a decline in young family owner households
 - ▣ Household incomes are rising
 - By 2011, 50% of households are projected to exceed \$40,000

Demographic Statistics



- Households in St. Joseph (2006), continued
 - ▣ Tenure patterns of the community have been constant and are projected to continue
 - ▣ Majority of housing inventory is owner-occupied
 - ▣ Very low percentage of homeowners are considered severely cost-burdened
 - ▣ Less than 16% of renters are considered severely cost-burdened; largest group is the elderly

Housing Statistics



- Housing Units (2000 census)
 - Approximately 31,700 units
 - Majority of structures were detached, single-family units
 - Balance of the structures were spread across the other residential construction types
 - High percentage of structures were built before 1990

Housing Statistics



- Gross Rents (2000)
 - ▣ Majority of rental units had a gross rent of \$500 or less
 - ▣ Approximately 55% of rental units had a gross rent between \$300 to \$500

Employment and Economy

□ St. Joseph Area Major Employers

Major Employers - St. Joseph Area		
Employers	Type of Business	Employees
Heartland Health	Health Services	2,900
Public School District	Education	1,650
American Family Insurance	Insurance	841
Altec Industries	Utility Equipment	840
City of St. Joseph	Government	655
Boehringer Ingelheim, etc.	Animal Pharmaceuticals	607
Western Diag. and Corr. Ctr.	Corrections	590
Systems and Services	Loan Servicing	584
Johnson Controls	Automotive	554
Missouri Western State Univ.	Education	550
Sara Lee	Meat	540
Wal-Mart	Retail	509
MODot	Government	420

Source: St. Joseph Missouri Chamber of Commerce

Employment and Economy



- City Employment
 - ▣ Manufacturing, Healthcare, Retail and Accommodation and Food Services comprise over half of the St. Joseph economy
 - ▣ Average annual earnings for the top four sectors range from \$41,000 to \$12,500

Existing Rental Housing

- Market Rate Rental Households
 - Limited number of units in the Downtown Market Area
 - Most existing units on the upper floors of the commercial storefront buildings
 - Units are in fair to poor condition
 - One successful existing development (new)
 - 415 North 3rd Street
 - Recently improved using historic tax credits
 - Loft style development in high demand

Existing Affordable Housing

- Affordable Renter Households
 - Several developments in Downtown Market Area
 - Loft style developments in existing multi-story buildings
 - Good occupancy rates and excess demand
 - San Regis Apartments
 - 45-unit development that is being rehabilitated
 - On the NE fringe of the Downtown Market Area

Existing Senior Housing

- Senior Renter Households
 - Several developments within Downtown Market Area
 - Newer, affordable senior units have good occupancy and demand
 - Many older affordable developments have declining marketability
 - Age of development
 - High rise construction not preferred
 - Accepting non-elderly tenants to boost occupancy
 - Currently no senior affordable units under construction

Existing Housing

- Owner Households within Buchanan County
 - Single family homes
 - Average sales price- \$110,000
 - Sales prices have increased by a total of approximately 17% over last 5 years
 - Attached residential units
 - Average sales price- \$161,000
 - Sales prices have increased by a total of approximately 35% over last 5 years

Market Rate, For Sale Housing

- Owner Households
 - Very few condos
 - Prices range
 - Low of \$40,000
 - High of \$300,000
 - Potential “for sale” loft units
 - 62 existing market rate rental units
 - Available for purchase after 5-year historic credit occupancy requirements satisfied

Summary of Existing Housing

Existing structures are being underutilized

- ▣ Opportunities available for loft style development
- ▣ Redevelopment will create retail and business opportunities

Market senior developments near capacity, but opportunity for affordable senior development

- ▣ Will diversify Downtown Market Area
- ▣ Will increase demand for retail and services

Increased home ownership within Downtown Market Area important for revitalization to be a success

Market Opportunities



- Primary Market Area (PMA) for residential demand in the city of St. Joseph as a whole and the downtown market area
 - All of Buchanan and Andrew Counties in Missouri
 - Eastern portion of Doniphan County in Kansas

Market Renter Opportunities

- Market Rate Renter Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 659 attracted to the city of St. Joseph
 - **130 units attracted to Downtown Market Area**
 - Many architecturally significant, underutilized buildings would allow for “loft” style units
 - One bedroom units
 - Young professionals or singles
 - Generally childless
 - Two bedroom units
 - Young retirees
 - Empty nesters

Affordable Housing Opportunities

- Affordable Renter Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 369 attracted to city of St. Joseph
 - **125 units attracted to Downtown Market Area**
 - Including approximately 40 units
 - Served by San Regis Apartments
 - Located at 10th and Faraon on the fringe of DMA
 - Currently undergoing renovation
 - Majority will be singles or childless couples not needing close proximity to schools or green space

Senior Affordable Opportunities

- Senior Affordable Renter Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 200 units attracted to the city of St. Joseph
 - **60 units attracted to Downtown Market Area**
 - Close proximity to services and amenities
 - Prefer the high quality of new units
 - Need affordable rents

Owner Household Opportunities

- Potential Owner Households (2007 to 2012)
 - Attracted from Primary Market Area
 - 460 units attracted to the city of St. Joseph
 - **250-275 units attracted to Downtown Market Area**
 - Target market
 - Moderate income singles
 - Moderate income couples
 - Empty nesters
 - Price points
 - \$150,000 to \$230,000
 - Catalyst for further permanent residential investment

Contact Information



- The entire Residential Demand Analysis is available from the City of St. Joseph.

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