

RESIDENTIAL DEMAND ANALYSIS

The Sikeston Downtown Market Area
City of Sikeston
Scott 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 Sikeston, 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 Sikeston Study Area
City of Sikeston, Missouri

Legend

-  Study Area
-  Paper Street



JANUARY 2009



City Facts



Sikeston, Missouri

- ▣ Located primarily Scott County and partly in New Madrid County, in southeast Missouri .
- ▣ Approximately 150 miles south of St. Louis.
- ▣ Center of government and related services.
- ▣ Agricultural community with several major manufacturing, healthcare, and retail employers.

City Facts (Downtown)

Downtown Sikeston, Missouri

- ❑ Employment center of Municipal Government.
- ❑ Downtown consists predominately of 2 & 3 story brick buildings with retail and office space on the street level.
- ❑ A small portion of the upper floor space of the buildings Downtown is being used for business and residential purposes; most of this upper floor space is vacant or being used for storage.
- ❑ The Downtown area has a variety of rental housing options.
- ❑ Many large and stately homes located north of the Downtown Market Area.
- ❑ Decline of the Downtown was due to sprawl.
- ❑ Many small and medium sized businesses continue to operate Downtown.
- ❑ Many essential businesses located in relatively close proximity to Downtown.
- ❑ Significant amount of vacant upper floor space available for redevelopment.
- ❑ Appears to be economically vibrant for a small rural community.

Demographic Statistics



Population of Sikeston

- ❑ Estimated 2008 population is 17,413 people.
- ❑ Population increased slightly between 2000 and 2008 and this trend is expected to continue through 2013.
- ❑ The average age of the population increased slightly between 2000 and 2008 and is projected to have a small increase through 2013.
- ❑ The gender distribution in Sikeston includes more females (53%) than males (47%).
- ❑ Educational attainment has remained stable.
- ❑ Approximately 43% of the adult population of Sikeston is married.

Demographic Statistics



Households in Sikeston

- ❑ Estimated number of households in 2008 is 7,070.
- ❑ Total number of households has increased slightly since 2000 and is expected to continue over the next five years, although slower, 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 37% between 2008 and 2013.
- ❑ The number of households with income of \$100,000+ is projected to increase by approximately 11.4% between 2008 and 2013.

Demographic Statistics



Households in Sikeston, continued

- The percentage of Hispanic Households is relatively small and is projected to increase 12% between 2008 and 2013.
- The percentage of Female Headed Households is approximately 38% of total households.

Demographic Statistics



Households in Sikeston, continued

- ▣ Approximately 57% of households live in owner occupied units and approximately 43% of households live in renter occupied.
- ▣ Tenure patterns of the community have been constant:
 - Large percentage of owner occupied housing are 3 bedroom units
 - The majority of renter occupied units leased are 2 bedroom units
- ▣ The net migration for Scott County has been negative.

Housing Statistics

Households in Sikeston, continued

- ▣ There has been a small increase in households for age groups between 55 to 64 years and 85 years of age and older.
- ▣ There has been a small decrease in households for age groups between 35 to 44 years, 65 to 74 years, and 75 to 84 years of age.
- ▣ Approximately 19% of all renter households are severely cost burdened, which is above the 15% average of all renter households in the State of Missouri:
 - The most severely cost burdened renter groups in Sikeston appear to be elderly and large family households at 21%.

Housing Statistics

Housing Units

- ▣ The single family housing market in Sikeston has slowed similar to other areas of the country.
- ▣ Cotton Estates has a few homes built, but quite a few vacant lots.
- ▣ Maingate Condominiums has almost half of the units still available:
 - One, two and three bedroom units available for purchase
 - Purchase prices range from \$115,000 to \$155,000
- ▣ Arborwalk Condominiums has more than half of the units still available:
 - Two and three bedroom units available for purchase
 - Purchase prices range from \$150,000 to \$300,000
- ▣ Building permit history indicates that annually between 45 to 60 new homes are built.

Employment and Economy

Major Employers - Sikeston, Missouri Area		
Employers	Type of Business	Employees
Noranda Aluminum	Aluminum Processing	1150
Good Humor-Breyers	Specialty Ice Cream Product	675
Missouri Delta Medical Center	Health Services	640
Sikeston Public Schools	Public Education	550
Wal-Mart	Retail Sales	485
Gates Rubber Company	Rubber Hoses	381
Food Giant, Inc.	Retail Food Sales	255
Ferguson Medical Clinic	Health Services	150
Sikeston Light & Water	Municipal Utilities	145
Tetra Pak, Inc.	Liquid-Tight Packaging	143
Missouri Dept. of Transportation	Regional Headquarters	141

Source: City of Sikeston, Department of Economic Development

Employment and Economy



City Employment

- ❑ Manufacturing, Healthcare, Retail, and Accommodation & Food Service comprise over half of the Sikeston economy.
- ❑ Average annual earnings for these top four sectors range from \$14,000 to \$32,000.
- ❑ Manufacturing jobs have declined slightly in the Sikeston area
- ❑ Noranda Aluminum is the area's largest employer with 1,150 employees.
- ❑ Sikeston also has a large number of jobs in the healthcare industry, which is generally recession proof.

Existing Rental Housing

Market Rate Rental Housing

- Several rental housing options for non-low income households.
 - Options include:
 - Apartments
 - Duplexes
 - Upper floor units
 - Occupancy is good with demand for all bedroom sizes.
 - Typical rents:
 - 1 bedroom- \$300 to \$400
 - 2 bedroom- \$400 to \$500
 - 3 bedroom- \$500 to \$600

Existing Affordable Housing



Family Affordable Renter Housing

- ▣ 3 existing developments with no new construction at this time.
 - Most have some sort of rent subsidy.
 - All are reported to have good occupancy.

Existing Affordable Housing



Senior Affordable Renter Housing

- ▣ 6 existing developments with no new construction at this time.
 - All have some sort of rent subsidy.
 - All are reported to have good occupancy.

Existing Developmental Opportunities

Existing Sites for Redevelopment

▣ 12 potential redevelopment sites

1. 301 N. New Madrid
2. Upper floor of building at Kingshighway and Front Streets.
3. Upper floor of building at NW Corner of Center and New Madrid Streets.
4. Upper floors of buildings located near the intersection of New Madrid and Front Streets.
5. Vacant tract at the NW Corner of North & New Madrid Streets.
6. Vacant tract at the NW Corner of Scott & Front Streets.
7. Vacant tract at the SW Corner of Scott & Front Streets.
8. Vacant tract at the NW Corner of New Madrid & Front Streets.
9. Vacant tract at the SE Corner of Scott & Malone Streets.
10. Vacant tract at the SE Corner of New Madrid & Malone Streets.
11. Vacant tract at the NW Corner of Stoddard & Malone Streets.
12. Vacant tract at the NE Corner of North Street and Allen Boulevard.

Market Opportunities



The Primary Market Area of the Sikeston Downtown Housing Market includes:

- ▣ All of the City of Sikeston
- ▣ Ten mile radius around the City of Sikeston

Market Opportunities

Assets of Downtown Sikeston

- ❑ Government Center – Downtown is the municipal government center.
- ❑ Business Market – Many small and medium sized businesses exist in Downtown.
- ❑ Essential Neighborhood Services – Essential neighborhood services in close proximity to Downtown.
- ❑ Parks and Historical Attraction – Two parks and the historical Train Depot Museum located within Downtown area.
- ❑ Existing Residential Market – Existing residential units in a variety of housing types.
- ❑ Potential Development Space – Numerous amount of vacant upper floor space and vacant lots available for potential residential development.
- ❑ Location – Downtown is centrally located in the community.
- ❑ Commitment – Community committed to improving Downtown as evidenced by the creation of the Historic Midtown Development Group.

Rental Household Opportunities

Market Rate Renter Household Demand (2008-2013)

- ▣ 42 households attracted to Downtown Market Area:
 - One bedroom - 19
 - Two bedroom - 19
 - Three bedroom - 4
- ▣ Target Market:
 - Young professionals
 - Baby Boomers/Empty Nesters
 - Small households without children
- ▣ Existing owners need to improve or readapt vacant building space.

Rental Household Opportunities

Affordable Family Renter Household Demand (2008-2013)

- ▣ 36 households attracted to Downtown Market Area:
 - One bedroom - 16
 - Two bedroom - 11
 - Three bedroom - 9
- ▣ Target Market:
 - Lower income working households.

Rental Household Opportunities

Affordable Senior Renter Household Demand (2008-2013)

- ▣ 36 households attracted to Downtown Market Area:
 - One bedroom - 12
 - Two bedroom - 24
- ▣ Compliment Downtown revitalization efforts.
- ▣ Will add social and economic diversity.

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



- ❑ **Sikeston has several options for Residential Redevelopment throughout Downtown.**
- ❑ **Additional housing in the Downtown area would complement Downtown Revitalization efforts by increasing the 24 hour population.**
- ❑ **Residents would help support existing businesses and attract new businesses.**
- ❑ **Downtown Sikeston could support an additional 114 Residential Units.**

Conclusions



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

- **There is demand from Empty Nesters looking to downsize and seeking unique housing options.**

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

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

Contact Information



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

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