

DOWNTOWN  
REVITALIZATION &  
ECONOMIC  
ASSISTANCE FOR  
MISSOURI

JULY 2009

# RESIDENTIAL DEMAND ANALYSIS

FINAL SURVEY  
FINDINGS & RESULTS

Sikeston, Missouri





# ACKNOWLEDGMENTS



## DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR MISSOURI (DREAM) PROGRAM SPONSORS:



## PLANNING CONSULTANT



PREPARED BY



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## **REPORT PREPARATION INFORMATION**

### **CONSULTING REPORT PREPARATION**

This consulting report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the standards adopted by the National Council of Affordable Housing Market Analyst (NCHMA).

### **IDENTIFICATION OF THE MARKET ANALYST**

Steve Sillimon, the market analyst, is the staff appraiser for the Missouri Housing Development Commission.

### **INTENDED USE OF REPORT**

The intent of this report is to assist the community of Sikeston in its effort to revitalize its downtown area through the DREAM Initiative by analyzing the possible demand for housing that would support that effort.

### **THE IDENTITY OF THE CLIENT AND THE INTENDED USERS OF REPORT**

The client of the report is the Missouri Housing Development Commission, the appraiser's employer, and the intended users are the City of Sikeston; Scott County, Missouri; and parties interested in the possible development of residential housing units in the downtown area of Sikeston, Missouri.

### **ANALYSIS, RECOMMENDATION, OR OPINION TO BE DEVELOPED**

The analysis, recommendations, or opinions will include the following:

- A review of previous housing market studies or consumer surveys;
- Identification of Primary and Secondary Market Areas
- Identification of existing housing inventory and competitive locations;
- Demographic analysis for the area;
- Economic profile of the market;
- Opinions regarding the household demand for residential units in the Downtown Market Area of Sikeston that could complement the downtown revitalization efforts.

## **IDENTIFICATION OF THE SUBJECT AREA**

The area that is the subject of this report is the downtown market area of the City of Sikeston, within the specific geographic boundaries as described within this report.

## **EFFECTIVE DATE OF THE REPORT**

The effective date of the report, as prepared by the Missouri Housing Development Commission, is May 21, 2009.

## **EXTRAORDINARY ASSUMPTIONS**

In preparing this report the appraiser has relied on various physical, economic, and demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information to be to be credible, reliable, and critical to the preparation of this report. The use of this information will affect the assignment results.

## **SCOPE OF WORK**

The scope of work necessary to prepare this report is as follows:

- Physical survey of the area that is the subject of the report;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Obtain and review general and historical information about the market;
- Obtain and review any housing related studies prepared for the market;
- Obtain and review any current information regarding activities in the market that could affect the marketability of housing;
- Obtain and analyze demographic information for the primary and secondary market areas;
- Estimate the current and future household demand in the primary market area that would be attracted to housing options in the downtown Sikeston market area;
- Prepare a target market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households.

**INFORMATION USED, METHODS AND TECHNIQUES EMPLOYED, AND REASONING THAT SUPPORTS THE CONCLUSIONS**

The information used in the report comes from local sources, market surveys; and public and proprietary information. The techniques employed in the report are industry standard demand analysis techniques based on estimating the number of target households that can be captured in the downtown housing market. The reasoning that will support the conclusions is based on the benefit that additional residential housing can make to the downtown revitalization effort.

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## SECTION I

### EXECUTIVE SUMMARY AND CONCLUSION(S)

Some of the conclusions of the report are as follows:

- A baseline assessment of the current residential housing options in the downtown revitalization area of Sikeston was made. The conclusion of the assessment is that there is a variety of residential housing options on the east side of the downtown revitalization area, which is primarily a residential neighborhood that contains single family homes that are owner and renter occupied, a few garden style apartments, and some duplexes. On the western side of the downtown revitalization area, which is primarily a commercial district, there are a very limited number of rental residential units on the upper floors of the commercial buildings.
- Some of the residential units on the east side of the downtown revitalization area suffer from deferred maintenance and many are in fair to poor condition.
- Some of the residential units in the downtown area have been converted to office use. Most appear to be well done and do not adversely impact the marketability of the area.
- In addition to the various types of rental units and house to office conversions the downtown area of Sikeston has a significant number of large stately homes that are probably some of the nicest homes in the community. These homes make a very positive impact on the downtown area.
- Like many downtown areas around the country the downtown area of Sikeston has gone through a period of transition as some businesses have moved to other locations in the city. Although it has gone through a downward economic transition the downtown area appears to be relatively stable.
- The loft style condo market that has helped to revive downtown areas in other parts of the country and state has not formed yet in the Sikeston market. The analyst was unaware of any loft style units in the downtown area that are owner occupied.
- Even though the downtown area appears to be relatively stable, the production of additional residential units in the area would complement the downtown revitalization efforts by increasing the 24 hour people presence and the customer base for existing and prospective businesses in the downtown area.
- New and rehabilitated residential units for young working households and seniors should be considered on available vacant or underutilized sites in and around the downtown area, and on the vacant lower and upper floors of downtown commercial buildings.

- Demographic data indicates that between 2008 and 2013 the number of households in Sikeston is expected to increase by approximately 100 households. That estimate is based on historical birth, death and migration records, and the current state of the community. It is possible that the addition of new, good quality housing in the downtown area, including unique loft style units, could accelerate the population increase of the community by attracting new households that could be interested in a unique urban-style neighborhood.
- A survey of the existing market rate and affordable rental housing developments in Sikeston indicates that most have good occupancy. The opportunity exists to serve some of the excess demand with new or rehabilitated rental units in the downtown area.
- Quantitative demand analyses were prepared for various types of housing to estimate the level of market demand that exists in the downtown revitalization area. The intent of the demand analyses is to provide the City of Sikeston, builders, and developers with an idea of the potential market demand for new residential units that could be produced in the downtown revitalization area. The results of the downtown residential demand analyses for the various housing types are as follows:

<u>Housing Type</u>	<u>Potential Household Demand</u>
Market Rate Rental	42
Affordable Family Rental	36
Affordable Senior Rental	<u>36</u>
Total Household Demand	114

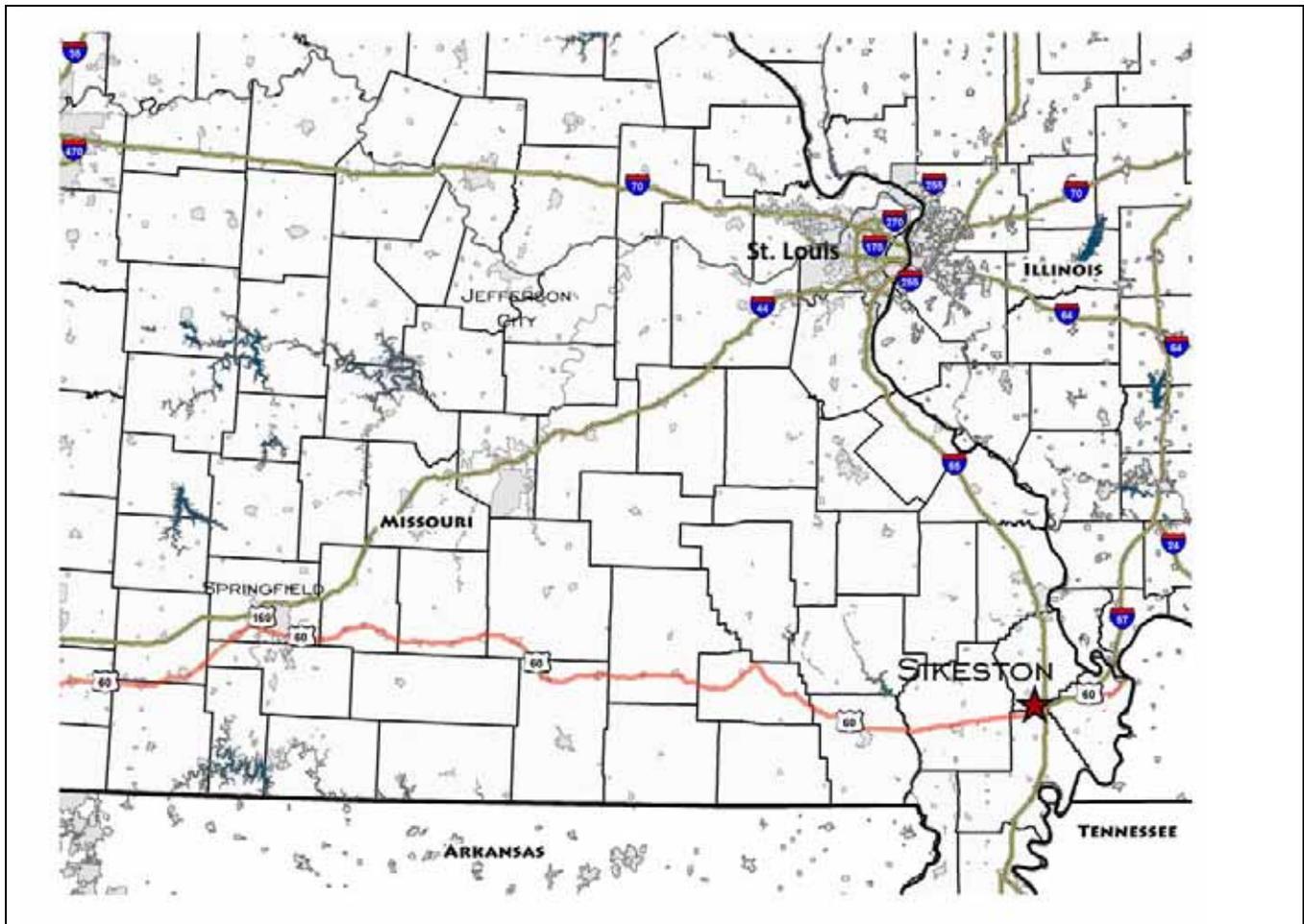
- Because of the state and federal subsidies that are available and the pool of experienced developers that are experienced with the various subsidy programs it will probably be easier to produce the affordable family and senior units than the market rate rental units. The key step is to start the momentum of residential development in the downtown market that could induce other developments, including the owners of the large amount of vacant upper floor space. New residential development in the market should also motivate owners of existing homes and rental units on the east end of the downtown area to make needed repairs and other improvements to their properties.

## SECTION II

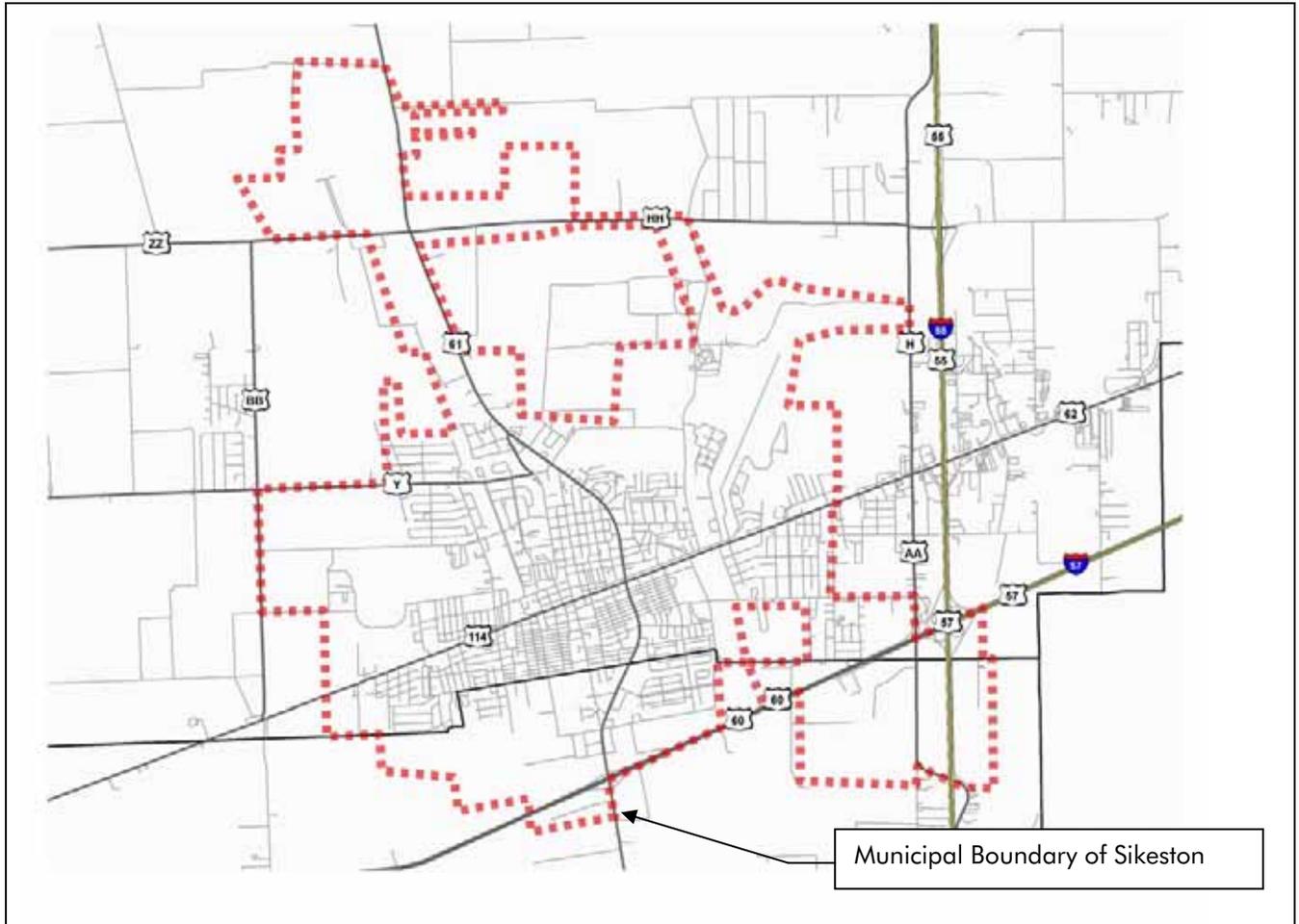
### MARKET AREA DESCRIPTION

The area of study is the downtown area of Sikeston, Scott County, Missouri. The following maps show the location of the city within the state (Map #1), the primary arterial roads through the city (Map #2), and the specific boundaries of the Dream Initiative Study Area that is the subject of this report (Map #3).

**Map #1: Location Map**



**Map #2: Primary Arterial Roads**



**Map #3: Study Area**



**OVERVIEW**

Sikeston is located in the southern section of Scott County and a small portion of the northern section of New Madrid County, Missouri. The city was founded in 1860 and is the primary city of the Sikeston Micropolitan Statistical Area.

When the first settlers to the area arrived they found a wild landscape of swamps, marshes, and bayous. In the early 20<sup>th</sup> Century the Little River Drainage District was formed to convert the wetlands into some of the area's most fertile farmland. Today the area has many fields of cotton, corn, soybeans, wheat, and vegetables. In addition to the agricultural economy the Sikeston area also has several major manufacturing, healthcare, and retail employers

The downtown area of Sikeston is centrally located in the community. The boundaries of the DREAM downtown revitalization area are Tanner and North Streets to the north, Trotter and Greer Streets to the south, Moore and Prairie Avenues to the east, and Stoddard Street to the west. Malone Avenue is the primary east/west traffic artery though the community, and runs through the south side of the downtown area.

Like many downtown areas, Sikeston's is the center of local government. The municipal government offices are located at 105 E. Center, at the southeast corner of Center and New Madrid Streets. The U.S. Post Office is located at 120 E. North Street. The downtown area also contains various businesses that are associated with government (attorney's offices, title companies, etc.), other small businesses including restaurants, antique shops, beauty and barber shops, clothing stores, etc., and various community venues such as a library, parks and churches. The Sikeston Depot Museum, a train depot built in 1916 and on the National Register of Historical Places, is now used as a cultural center and museum. It is located within the downtown revitalization area near Malone and New Madrid.

Most of the buildings in the downtown area are generally two and three story brick buildings with retail and office space on the street level. A small portion of the upper floor space of the commercial buildings in the downtown area appears to be used for residential purposes, but most is vacant or used for storage.

Sikeston's downtown area was the major shopping district in the community until the city began to grow and more businesses, including Wal-Mart, began to sprout up in other areas of the city. Although most retail and service businesses are located in other areas of the community, some small businesses continue to operate downtown and appear to generate some pedestrian traffic in the downtown area. Some vacancies were noted, but overall the downtown area seems to have good occupancy and appears to be economically vibrant for a small rural community.

### EXISTING DOWNTOWN HOUSING

The DREAM Downtown Revitalization Area of Sikeston has a large concentration of different types of residential land uses east of Kingshighway and north of Center. Within this area are large stately homes, small homes, many in various stages of disrepair, garden apartments, and duplexes. In the area west of Kingshighway and south of Center, where most of the downtown commercial buildings are located, there are a few residential units on the upper floors of some of the commercial buildings. Following are some of the different types of existing types of housing options in the downtown area.







**TRAFFIC ARTERIES**

Kingshighway and North New Madrid Streets are the primary north/south traffic arteries and Center, Front, and Malone Streets are the primary east/west traffic arteries through the downtown area. Front Street is a one way street going west.

**EXISTING LAND USES**

The existing land uses in the downtown area is a mixture of government, retail, office, service, and residential land uses. The east side of the downtown revitalization area is a residential neighborhood.

The downtown area of Sikeston has a significant number of single family homes that have been converted into office use. Most appear to blend into the neighborhood and do not look out of place.

There is a mixture of small industry type of land use on Center Street between Moore and Ranney.



**ADJACENT AREAS**

Land uses adjacent to the downtown revitalization area are predominately residential.

**PARKING**

An observation of the parking situation in the downtown area during workday business hours was made. Other than around the City Municipal Building, there appeared to be adequate parking in the downtown area. There are large parking lots at North Street and New Madrid and the train depot on Front Street.



**RETAIL SHOPPING**

The downtown area has a few retail stores that market men’s and women’s clothing, sporting goods, Christian books, antiques, musical instruments, art and art supplies, etc.

**ENTERTAINMENT**

No entertainment venues were noted in the downtown area, but the community does have two golf courses, a bowling alley, swimming pools, tennis courts, and a movie theater.

**DINING ESTABLISHMENTS**

The downtown area had three dining establishments that were noted. Kirbys is a hamburger shop, Susie’s offers fine dining, and Jeremiahs is a bar and grill.



**PARKS AND RECREATION**

The city of Sikeston has numerous parks, including Legion Park, Malone Park, and Norton Park, which are located in the downtown revitalization area. American Legion Park is used for many community activities. Malone Park is the community’s oldest Park. Norton Park is a small pocket park. The YMCA is located just to the northeast of the downtown area.



**American Legion Park**



**Malone Park**



**YMCA  
602 Tanner Street**

## SCHOOLS

Educational facilities in Sikeston include the public high, middle, and elementary schools, as well as 3 private elementary grade schools, one of which is located downtown. Sikeston also has a career and technical center.

## PUBLIC TRANSPORTATION

Sikeston is not served by a local public transportation system. The city does have taxi service. Travel services via train and air service is located in the nearby communities of Cape Girardeau and St. Louis. Sikeston does have Greyhound bus service.

## DOWNTOWN AREA PHOTOGRAPHS



Entrance sign to Downtown on Malone Street.

Columns of a former church on New Madrid Street.



Sikeston City Hall – 105 E. Center Street



**Historic Train Depot in Downtown Sikeston.**

**Looking east down the north side of Front Street from New Madrid Street.**



**Looking east down the north side of Front Street From Scott Street.**

**Looking east down Front Street from Stoddard Street.**





Looking east down North Street from near Scott Street.

Looking east down Malone Street from Stoddard Street.



Looking west at buildings on the north side of Front Street from Kingshighway.

Looking east down the north side of Malone Street near Ranney.





**Business along Front Street in Downtown Sikeston.**

**Looking east down Center Street from Scott Street.**



**Buildings on the west side of New Madrid between Center and North Streets.**

**Buildings on the east side of Kingshighway between Center and Front Streets.**





**Buildings on the north side of Front Street between New Madrid and Scott Streets.**

**Buildings along the east side of New Madrid Street between Center and Front Streets.**



**Buildings along the north side of Center Street between New Madrid and Kingshighway Streets.**

**Buildings along the west side of New Madrid Street between Center and Front Streets.**





**Sikeston Public Library  
121 E. North Street**

**Looking west down the south side of  
Center Street from Kingshighway.**



**St. Francis Xavier Parish at Stoddard and  
Front Streets.**

**Building at southwest corner of Front Street  
and Kingshighway.**





Looking east down Center Street from New Madrid.

Looking west towards the intersection  
of Prairie and Center Streets.



Looking west down the south side of Malone Street  
from near Prairie Street.

### DOWNTOWN AREA STRENGTHS AND WEAKNESSES

From a market perspective the Sikeston downtown market area has some positive attributes. Some of them include the following:

- **Government Center:** The downtown area is the municipal center of government, which brings employees and people conducting business (potential consumers) to the area on a daily basis throughout the work week.
- **Expanding Business Market:** The downtown area already has many small and medium sized businesses and are experiencing new businesses move into the area. Much of the street level commercial space around the downtown area is occupied.
- **Essential Neighborhood Services:** Many essential neighborhood services like a grocer, hardware store, gas station, eating establishments are located in relatively close proximity the downtown area.

- **Parks and Historical Attraction:** There are two parks (Malone Park and American Legion Park) and the historical Train Depot Museum in the downtown area.
- **Existing Residential Market:** The downtown revitalization area already has a significant number of residential units in the form of single family homes, garden and townhouse style apartments, and a small number of apartments on the upper floors of downtown commercial buildings. That indicates that there is already an established residential market in the area.
- **Some of the largest and most stately homes in the community area located in the downtown revitalization area.**
- **Potential Development Space:** The downtown revitalization area appears to have a significant amount of vacant upper floor space and vacant lots that have the potential to be used for residential development.
- **Location:** The downtown area is centrally located in the community, which makes it easily accessible from all areas of the community.
- **Commitment:** The community appears to be committed to improving the downtown area, which is evidenced by the creation of the Historic Midtown Development Group, which is comprised of individuals and businesses in the community that have actively and regularly taken steps to enhance and preserve the downtown area.

From a market perspective current weaknesses of the downtown Sikeston market area also exist. They include the following:

- **Lack of an Economic Magnet:** The downtown area appears to lack a major economic, cultural, or entertainment destination or cluster that would draw either local consumers or tourists to the area on a consistent basis.
- **Deteriorated Buildings:** Some buildings in the downtown area are deteriorated and create an eyesore that could adversely affect the appeal and impression of the downtown area.
- **Limited Rent Potential:** The low market rents in the area make it difficult to support financing necessary to facilitate the rehabilitation of upper floor space for residential uses.
- **The close proximity of active railroad tracks on the south side of the downtown revitalization area could be an audible nuisance that could adversely affect the residential development potential near that area of downtown.**

## SECTION III

### ECONOMIC PROFILE

#### OVERVIEW

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, the areas major employers, area employment, unemployment, and labor force trends. MHDC has obtained economic information from the Missouri Department of Economic Development, Bureau of Labor Statistics, U.S. Census Bureau, and the Sikeston, Missouri Chamber of Commerce.

#### Major Employers

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

Some of the jobs in the Sikeston market are in the manufacturing sector, which currently has slowed due to the economy. Sikeston also has a significant number of jobs in healthcare, which generally has been a recession proof sector.

Orgill, Inc. has a new distribution center under construction in Sikeston that is scheduled to be completed by August, 2009. The plant is projected to employ approximately 200 individuals when it opens.

The Veteran’s Administration announced in December of 2008 the approval for a new Veteran’s Clinic to be located in Sikeston. The clinic will create new jobs in the area, but the number is unknown.

**Employment Categories and Wages**

Average Employment and Wages - Scott County, Missouri								
Industry	2007*		2006		2005		2004	
	Avg. Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	209	\$1,831	209	\$1,753	202	\$1,643	185	\$1,648
21 - Mining	N/A	\$2,767	N/A	\$2,311	N/A	\$2,150	N/A	N/A
22 - Utilities	129	\$4,064	128	\$4,319	129	\$3,868		
23 - Construction	731	\$2,987	760	\$2,813	781	\$2,681	795	\$2,578
31 - Manufacturing	2,547	\$2,654	2,825	\$2,596	2,742	\$2,623	2,479	\$2,531
42 - Wholesale trade	840	\$3,401	787	\$3,671	804	\$3,586	879	\$3,026
44 - Retail Trade	1460	\$1,980	1445	\$1,882	1395	\$1,869	1374	\$2,011
48 - Transportation and warehousing	845	\$2,982	866	\$2,880	827	\$2,670	786	\$2,718
51 - Information	252	\$2,354	178	\$2,384	161	\$2,232	166	\$1,927
52 - Finance & Ins.	472	\$3,284	461	\$3,208	432	\$3,215	411	\$3,053
53 - Real estate	182	\$1,919	122	\$1,756	133	\$2,025	138	\$1,952
54 - Professional and technical services	326	\$2,678	322	\$2,438	279	\$2,202	263	\$2,053
55 - Mgmt. (companies)	139	\$2,918	161	\$2,881	188	\$2,841	212	\$3,061
56 - Administrative, etc.	450	\$2,511	452	\$2,317	522	\$2,115	553	\$2,152
61 - Educational	1070	\$2,523	1064	\$2,445	1034	\$2,428	1065	\$2,313
62 - Health care, social	2594	\$2,640	2548	\$2,505	2548	\$2,311	2611	\$2,247
71 - Arts, etc.	46	\$1,784	45	\$1,760	44	\$1,760	49	\$1,626
72 - Accom. & food svcs	1133	\$1,148	1,049	\$1,079	1,124	\$1,070	1,167	\$1,060
81 - Other services	532	\$1,873	513	\$1,765	485	\$1,621	468	\$1,561
Public Administration	722	\$2,640	719	\$2,574	722	\$2,480	715	\$2,416

\*Information available to date  
Source: U.S. Census Bureau

The largest employment trades in the county area are manufacturing, healthcare, and retail trade. The average monthly wages in Scott County in 2007 for those trades was \$2,654 for manufacturing, \$2,640 for healthcare and \$1,980 for retail trade.

The number of employees in the healthcare and retail trades in the county has generally been stable over the last few years. The number of employees in the manufacturing trade increased by approximately 350 employees between 2004 and 2006, but declined in 2007 by approximately 280.

**Labor Force and Unemployment**

Local Area Employment - Scott County					
Year	Labor Force	Employment	Unemployment	Unemployment Rate	Missouri Unemployment Rate
2002	20,741	19,617	1,124	5.4%	5.2%
2003	20,699	19,539	1,160	5.6%	5.6%
2004	20,760	19,524	1,236	6.0%	5.8%
2005	20,491	19,341	1,150	5.6%	5.3%
2006	20,641	19,575	1,066	5.2%	4.8%
2007	20,008	18,854	1,154	5.8%	5.0%

Source: Department of Economic Development

The unemployment rate for Scott County has generally been close to the overall unemployment rate for the State of Missouri.

**Commuting Patterns**

Commuting Patterns						
State/County	Total Workers 16+ in 2000	Workers Commuting Outside Place of Residence 2000	Percent of Total Workers 2000	Percent of Total Workers 1990	Change 1990-2000 Number of Workers	Change 1990-2000 Percent of Workers
Missouri	2,629,296	877,655	33.4	31.2	146,250	2.2
Scott	17,934	6,663	37.2	33.9	1,037	3.2
Mississippi	5,283	1,866	35.3	25.8	487	9.5
New Madrid	1,987	2,682	33.6	27.9	591	5.7
Stoddard	12,784	3,774	29.5	22.2	1,218	7.4
Cape Girardeau	34,235	3,368	9.8	10.4	276	(0.6)
Bollinger	5,273	3,256	61.7	52.0	1,143	9.8
Wayne	4,551	1,953	42.9	23.5	1,050	19.4

Source: Office of Social and Economic Data Analysis and U.S. Census Data

The table indicates that as of year 2000 approximately 37% of the residents of Scott County commuted outside of the county for employment. That amount was similar to nearby counties and was just slightly above the rate for the state as a whole.

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## SECTION IV

### DEMOGRAPHIC PROFILE

#### Population

Total Population						
Year	Sikeston	Change %	Scott County	Change %	Missouri	Annual Change %
2000	16,992		40,422		5,595,211	
2008	17,413	2.5%	40,826	1.0%	5,870,906	4.9%
2013	17,506	0.5%	41,203	0.92%	6,053,252	3.1%

Source: Claritas, MHDC

The population estimates obtained from Claritas shows a growth trend that is expected to continue at least through 2013.

#### Population Change Comparison 2000 - 2008

Population Change Comparison 2000-2007				
Community	Population		Change	% Change
	2000	2007		
Sikeston	16992	17343	51	2%
Caruthersville	6760	6237	-523	-8%
Charleston	4732	5190	458	10%
Dexter	7356	7704	348	5%
Kennett	11260	10749	-511	-5%

Source: US Census Bureau

\*Estimate

**Population By Age**

Population By Age Group						
Sikeston, Missouri						
Age Cohort	2000	Percent	2008	Percent	2013	Percent
0-20	5,344	31%	5,255	30%	5,252	30%
21-24	802	5%	838	5%	936	5%
25-34	2,108	12%	2,247	13%	2,114	12%
35-44	2,338	14%	2,143	12%	2,135	12%
45-54	2,243	13%	2,296	13%	2,117	12%
55-64	1,524	9%	1,986	11%	2,151	12%
65-74	1,273	7%	1,251	7%	1,411	8%
75-84	1,009	6%	937	5%	892	5%
85+	351	2%	460	3%	498	3%

Source: Claritas, MHDC

**Average Age of Population**

Total Population Average Age	
Sikeston, Missouri	
Year	
2000	37.3
2008	38.1
2013	38.4

Source: Claritas

The table illustrates that the average age of the population increased slightly between 2000 and 2008 and is expected to continue to increase slightly between 2008 and 2013.

**Population by Gender**

Population By Gender						
Sikeston, Missouri						
Gender	2000	Percent	2008	Percent	2013	Percent
Male	7,850	46%	8,153	47%	8,249	47%
Female	9,142	54%	9,260	53%	9,257	53%

Source: Claritas, MHDC

The table illustrates that the past population gender distribution that included a majority of females is expected to remain the same through 2013.

**Educational Attainment**

2008 Est. Population Age 25+ Educational Attainment		
Sikeston, Missouri		
Type	Population	Percentage
Less than 9th grade	1297	11%
Some High School, no diploma	1655	15%
High School Graduate (or GED)	4232	37%
Some College, no degree	2217	20%
Associate Degree	271	2%
Bachelor's Degree	1062	9%
Master's Degree	392	3%
Professional School Degree	165	1%
Doctorate Degree	29	0%

Source: Claritas

**Marital Status**

2008 Est. Population Age 15+ by Marital Status		
Sikeston, Missouri		
Type	Population	Percentage
Total, Never Married	3253	18%
Married, Spouse present	6818	39%
Married, Spouse absent	680	4%
Widowed	1343	8%
Divorced	1482	8%
Males, Never Married	1593	9%
Previously Married	760	4%
Females, Never Married	1660	9%

Source: Claritas

**Total Households**

Total Households				
Sikeston, Missouri				
Year	Sikeston	Change %	Scott County	Change %
2000	6,779		15,626	
2008	7,070	4.3%	16,074	2.9%
2013	7,167	1.4%	16,327	1.6%

Source: Claritas, MHDC

The number of households in Sikeston is estimated to have increased between 2000 and 2008. The increase in the number of households is expected to continue through 2013, however, the increase will be slower. The projected increase will only be 1.4% from 2008 to 2013.

**Average Household Size**

Average Household Size	
Sikeston, Missouri	
Year	Average
2000	2.45
2008	2.40
2013	2.38

Source: Claritas

**Households By Age**

Households by Age of Householder						
Sikeston, Missouri						
Age Cohort	2000	Percent	2008	Percent	2013	Percent
Under 25	434	6%	450	6%	466	7%
25-34	1,098	16%	1,166	16%	1,110	15%
35-44	1,331	20%	1,222	17%	1,223	17%
45-54	1,292	19%	1,326	19%	1,231	17%
55-64	941	14%	1,220	17%	1,344	19%
65-74	809	12%	794	11%	906	13%
75-84	677	10%	633	9%	607	8%
85+	197	3%	259	4%	280	4%

Source: Claritas, MHDC

**Households By Size**

Households By Size						
Sikeston, Missouri						
Household Size	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
1 Person	1,936	28.6%	2,088	29.5%	2,149	30.0%
2 Persons	2,198	32.4%	2,287	32.3%	2,326	32.5%
3 Persons	1,186	17.5%	1,251	17.7%	1,262	17.6%
4 Persons	885	13.1%	893	12.6%	888	12.4%
5 Persons	372	5.5%	359	5.1%	357	5.0%
6 Persons	138	2.0%	142	2.0%	144	2.0%
7+ Persons	64	0.9%	50	0.7%	41	0.6%
Total	6,779	100%	7,070	100%	7,167	100%

Source: Claritas, MHDC

**Household Type and Presence of Own Children**

2008 Est. Household Type, Presence Own Children		
Sikeston, Missouri		
Type	Households	Percentage
Single Male Householder	686	10%
Single Female Householder	1402	20%
Married-Couple Family, own children	1391	20%
Married-Couple Family, no own children	1948	28%
Male Householder, own children	119	2%
Male Householder, no own children	111	2%
Female Householder, own children	843	12%
Female Householder, no own children	379	5%
Nonfamily, Male Householder	108	2%
Nonfamily, Female Householder	83	1%

Source: Claritas

The largest household type in Sikeston is estimated to be married couples with no children.

**Hispanic Households**

Hispanic Households	
Sikeston, Missouri	
Year	Number
2008	257
2013	287

Source: Claritas

The table indicates that the number of Hispanic households in Sikeston is relatively small and is not projected to increase significantly between 2008 and 2013.

**Tenure By Occupancy of Housing Units**

Tenure by Occupancy of Housing Units				
Sikeston, Missouri				
Bedrooms	2000	%	2008	%
Owner Occ.	3827	56%	4061	57%
Renter Occ.	2948	44%	3009	43%

Source: Claritas

**Tenure by Bedroom Size (Owner Occupied)**

Tenure By Bedrooms (2000)		
Owner Occupied		
Sikeston, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	53	1.4%
2	732	19.1%
3	2,307	60.3%
4	544	14.2%
5 or more	191	5.0%

Source: U.S. Census Bureau

**Tenure by Household Size (Renter Occupied)**

Tenure By Bedrooms (2000)		
Renter Occupied		
Sikeston, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	647	21.9%
2	1,378	46.7%
3	785	26.6%
4	112	3.8%
5 or more	26	0.9%

Source: U.S. Census Bureau

**Households by Income Distribution**

Households by Household Income						
Sikeston, Missouri						
Income Cohort	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	1,829	27.0%	1,613	22.8%	1,471	20.5%
\$15,000-\$24,999	1,152	17.0%	1,057	15.0%	1,008	14.1%
\$25,000-\$34,999	917	13.5%	1,015	14.4%	935	13.0%
\$35,000-\$49,999	1,080	16.0%	1,061	15.0%	1,080	15.1%
\$50,000-\$74,999	1,007	14.9%	1,173	16.6%	1,236	17.2%
\$75,000-\$99,999	482	7.1%	549	7.8%	621	8.7%
\$100,000-\$149,999	226	3.3%	484	6.8%	622	8.7%
\$150,000-\$249,999	69	1.0%	100	1.4%	157	2.2%
\$250,000-\$499,999	7	0.1%	15	0.2%	31	0.4%
\$500,000 +	1	0.0%	3	0.0%	6	0.1%
Total	6,770	100.0%	7,070	100.0%	7,167	100.0%

Source: Claritas, MHDC

The previous table indicates that in 2008 approximately 84% of the households in Sikeston were estimated to have household incomes of less than \$75,000. Approximately 8% of households were estimated to have incomes between \$75,000 and \$100,000, and approximately 8% were estimated to have incomes in excess of \$100,000.

**Gross Rent as a % of Monthly Household Income**

Gross Rent as % of Monthly HH Income (2000)		
Sikeston, Missouri		
Status	Number	Percentage
Less than 15 percent	652	22%
15 to 19 percent	365	12%
20 to 24 percent	336	11%
25 to 29 percent	368	12%
30 to 34 percent	187	6%
35 percent or more	888	30%
Not computed	149	5%

Source: U.S. Census Bureau

Approximately 30% of renter households in Sikeston have a gross rent (rent+utilities) that exceeds 35% of their monthly household income.

**Area Maximum Affordable Housing Income and Rents**

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Scott County												
2007 Median Income	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
\$44,600	50%	16,350	18,700	21,000	23,350	25,200	27,100	408	438	525	606	677
	60%	19,620	22,440	25,200	28,020	30,240	32,520	490	525	630	728	813
								HUD Fair Market Rents				
								415	416	521	650	768

Source:  
HUD, IRS,  
MHDC

The table above illustrates the maximum income and rents for the HOME and Housing Tax Credit programs for Scott County.

**Cost Burdened Households**

Cost Burdened Households (2000) - Sikeston, Missouri			
	Renter	Owner	Renter & Owner
<b>Total</b>	2,893	3,760	6,653
Cost Burdened >30%	34.2%	14.3%	23.0%
Severely Cost Burdened >50%	18.5%	5.4%	11.1%
<b>Elderly 1 &amp; 2 Persons</b>	542	1223	1,765
Cost Burdened >30%	38.7%	15.6%	22.7%
Severely Cost Burdened >50%	21.0%	3.8%	9.1%
<b>Single Person Non-Elderly</b>	709	446	1,155
Cost Burdened >30%	30.0%	25.3%	28.2%
Severely Cost Burdened >50%	15.2%	9.9%	13.2%
<b>Small Fam 2-4 Persons</b>	1336	1,848	3,184
Cost Burdened >30%	35.2%	10.2%	30.6%
Severely Cost Burdened >50%	18.6%	3.8%	10.0%
<b>Large Fam 5+ Persons</b>	306	243	549
Cost Burdened >30%	31.7%	17.7%	25.5%
Severely Cost Burdened >50%	20.9%	8.2%	15.3%

Source: 2000 Chas Data

Cost Burdened Households (2000) - Missouri			
	Renter	Owner	Renter & Owner
<b>Total</b>			
Cost Burdened >30%	30.9%	16.7%	20.9%
Severely Cost Burdened >50%	14.8%	6.2%	8.8%
<b>Elderly 1 &amp; 2 Persons</b>			
Cost Burdened >30%	39.4%	17.4%	22.0%
Severely Cost Burdened >50%	18.4%	7.3%	9.6%
<b>Single Person Non-Elderly</b>			
Cost Burdened >30%	31.5%	26.3%	29.2%
Severely Cost Burdened >50%	15.7%	10.6%	13.4%

Small Fam 2-4 Persons			
Cost Burdened >30%	27.1%	14.0%	17.2%
Severely Cost Burdened >50%	12.7%	4.6%	6.5%
Large Fam 5+ Persons			
Cost Burdened >30%	26.4%	15.7%	18.3%
Severely Cost Burdened >50%	12.6%	5.1%	6.9%

Source: 2000 Chas Data

The Sikeston Cost Burdened table indicates that approximately 19% of all renter households in Sikeston were severely rent burdened in 2000. The severely rent burdened rate for all renter households in Missouri for the same period was 14.8%. The most severely cost burdened renter groups in Sikeston appear to be elderly and large family households at 21%.

### Migration Patterns

Following are tables that show the migration patterns into and out of Scott County and the net migration totals between 2004 and 2007.

Gross Annual Household In-Migration								
Scott County, Missouri								
County of Origin	2007		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	932	100%	929	100%	930	100%	927	100%
Total In-Migration Same State	668	72%	652	70%	632	68%	650	70%
Total In-Migration Out of State	264	28%	277	30%	298	32%	277	30%
Cape Girardeau	233	25%	264	28%	218	23%	224	24%
New Madrid	100	11%	89	10%	115	12%	93	10%
Mississippi	81	9%	79	9%	83	9%	87	9%
Stoddard	69	7%	67	7%	48	5%	66	7%
St. Louis	29	3%	22	2%	16	2%	19	2%
Butler	16	2%	14	2%	17	2%	18	2%
Dunklin	16	2%	17	2%	14	2%	10	1%
Bollinger	14	2%	9	1%	16	2%	17	2%
Jefferson	10	1%	9	1%	13	1%	9	1%
All Other Counties	364	39%	359	39%	390	42%	384	41%

Source: Internal Revenue Service

Gross Annual Household Out-Migration								
Scott County, Missouri								
Destination County	2007		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	950	100%	990	100%	928	100%	977	100%
Total Out-Migration Same State	645	68%	708	72%	670	72%	726	74%
Total Out-Migration Out of State	305	32%	282	28%	258	28%	251	26%
Cape Girardeau	249	26%	286	29%	269	29%	303	31%
New Madrid	70	7%	73	7%	65	7%	74	8%
Mississippi	54	6%	71	7%	85	9%	69	7%
Stoddard	69	7%	63	6%	63	7%	82	8%
St. Louis	31	3%	33	3%	29	3%	24	2%
Butler	14	1%	14	1%	13	1%	15	2%
Dunklin	9	1%	11	1%	9	1%	13	1%
Bollinger	10	1%	19	2%	11	1%	15	2%
Jefferson	9	1%	9	1%	9	1%	13	1%
All Other Counties	435	46%	411	42%	375	40%	369	38%

Source: Internal Revenue Service

Net Annual Household Migration				
Scott County, Missouri				
County	2007	2006	2005	2004
	Number	Number	Number	Number
Cape Girardeau	-16	-22	-51	-79
New Madrid	30	16	50	19
Mississippi	27	8	-2	18
Stoddard	0	4	-15	-16
St. Louis	-2	-11	-13	-5
Butler	2	0	4	3
Dunklin	7	6	5	-3
Bollinger	4	-10	5	2
Jefferson	1	0	4	-4
All Other Counties	-71	-52	15	15
Net Migration	-18	-61	2	-50

Source: Internal Revenue Service

The migration tables indicate that from 2004 to 2007 Scott County attracted a little over 900 new households annually, but still lost more households than it gained, for a net migration loss in each year over that period.

**Units In Structure**

Units in Structure (2000)		
Sikeston, Missouri		
Type	Number	Percentage
1, detached	5,473	73.7%
1, attached	220	3.0%
2	658	8.9%
3 or 4	257	3.5%
5 to 9	343	4.6%
10 to 19	87	1.2%
20 or more	97	1.3%
Mobile Home	290	3.9%
Total	7,425	100.0%

Source: U.S. Census Bureau

**Year Structure Built**

Year Structure Built (2000)		
Sikeston, Missouri		
Year	Number	Percentage
1999 to March 2000	88	1.2%
1995 to 1998	294	4.0%
1990 to 1994	379	5.1%
1980 to 1989	1,106	14.9%
1970 to 1979	1,711	23.0%
1960 to 1969	1,281	17.3%
1950 to 1959	1,937	26.1%
1939 or earlier	629	8.5%

Source: U.S. Census Bureau

**Building Permits**

Building Permits - Sikeston, Missouri				
Units in Bldg.	Units			
	2007	2006	2005	2004
1	39	50	40	50
2	6	0	6	10
3 to 4	0	0	0	0
5 +	0	0	0	0
Total	45	50	46	60

Source: US Census Bureau

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## SECTION V

### REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES

The City of Sikeston does not have any studies that specifically mention plans related to housing in the downtown area.

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## SECTION VI

### EXISTING HOUSING

#### SINGLE FAMILY HOUSING

As of the writing of this report (Spring 2009), the single family housing market in Sikeston is slow, which is similar to markets in other parts of Missouri and the United States. An indication of how the market has slowed is the current state of some of the for sale developments in the community.

Cotton Estates is a relatively new subdivision at the south end of the community that only has a few homes that have been built, but what appears to be quite a few vacant developed lots.



Maingate Condominiums, which is located at 1300 N. Main, is a 58 unit development that began marketing approximately six years ago. One, two, and three bedroom units range in price from \$115,000 to 155,000. At the current time about half of the units are still available for purchase.



Arborwalk Condominiums, which is located on Auburn Drive near Delta Pine Lane, is a 9 unit development that began marketing approximately 3 years ago. Two and three bedroom units range in price from \$150,000 to \$300,000. At the current time more than half of the units are still available for purchase.

No loft style ownership units were found in the downtown area on the upper floors of the commercial buildings. Loft style ownership units appear to be a market that has not yet formed in Sikeston. If it will form it will probably start with business owners that may decide to reside in the upper floors over their businesses.

### DOWNTOWN AREA HOUSING

A survey was made of the existing housing options in the downtown area of Sikeston. Following is basic information regarding the properties:



#### **Theshegra Apartments**

308 Prairie Street  
Sikeston, Missouri  
573-545-4276

Owner declined to provide information

#### **Cypress Village Apartments**

235 N. Prairie Street  
Sikeston, Missouri  
573-472-2587

Rent and unit information could not be obtained.





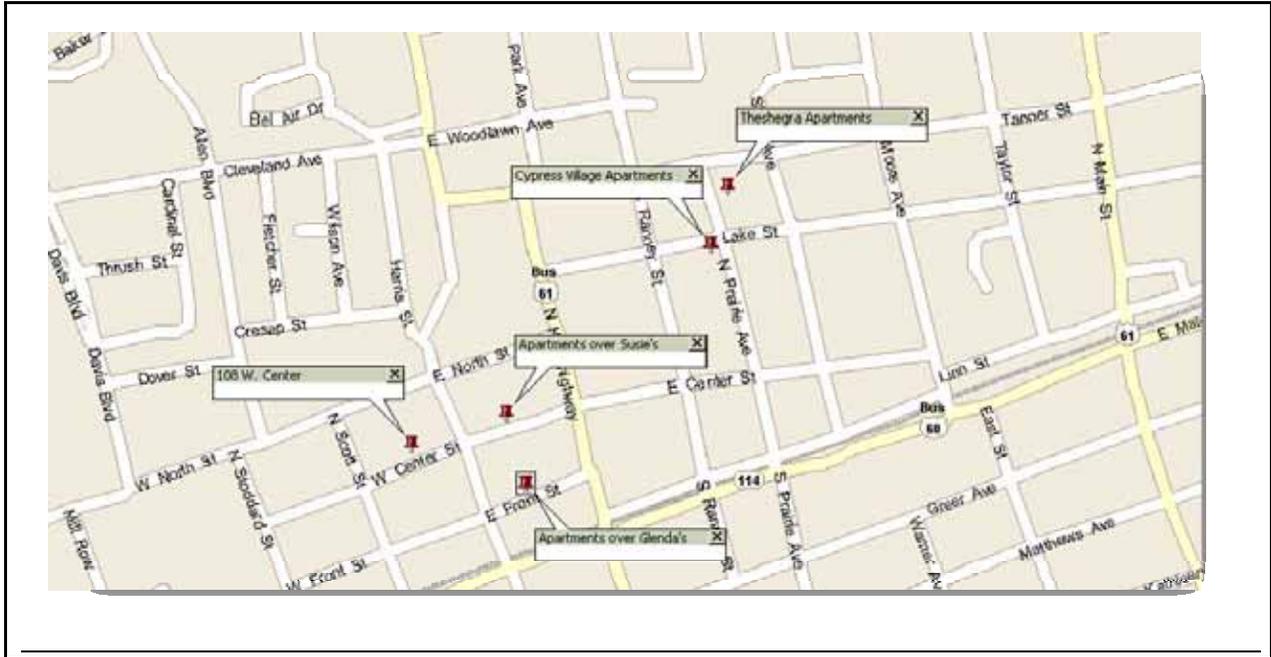
**Apartments over Susie's**  
112-118 Center Street  
Sikeston, Missouri  
573-471-1729  
4 units  
2 1Br units @\$400/month  
1 2Br unit @\$500/month  
1 3Br unit @\$600/month  
Good Occupancy

**Apartments over Glenda's**  
106 E. Front Street  
Sikeston, Missouri  
573-471-4291  
3 units  
1-0Br unit @\$340/month  
2-1Br unit @\$380-\$410/month  
Good occupancy



**Upper Floor Apartments**  
108 W. Center Street  
Sikeston, Missouri  
Unit and rent information could not be  
obtained.

**Map #4: Downtown Apartment Locations**



In addition to the garden style apartments and upper floor units there are a number of small duplexes in the downtown area.

Typical Rent Range

It was not possible to obtain information for all of the downtown area rentals, but from the information that was provided it appears that units in the area tend to rent from a low of around \$350/month to a high of approximately \$600/month.

Occupancy

It was not possible to obtain information for all the downtown area rentals, but all of the units on the upper floors of the commercial buildings were reported to have good occupancy.

Under Construction/Consideration

The surveyor did not note any upper floor units or other types of rental units in the downtown area that are under construction or being renovated.

**MARKET RATE RENTAL HOUSING**

A survey was made of market rate rental housing options in Sikeston. Following are some of the market rate rental housing options that are representative of the market rate rental housing options in Sikeston. Unfortunately because these are generally small rental developments, generally with no staffed rental office, and many times with no contact phone number, or are owned by private owners that are reluctant to return phone calls or provide information, no current rent information could be obtained for most of the properties. In some cases, information from older market studies that have been submitted to MHDC has been shown.



**Colonial Park Apartments**  
819 Davis Street  
Sikeston, Missouri  
573-472-0012  
18 Units  
4-1Br units @\$400/month  
14-2Br units @425/month  
Gas heat incl. in rent  
Good occupancy

**Virginia Pines**  
600 Pine Street  
Sikeston, Missouri  
573-472-0769  
75 Units  
1-Br units @\$425/month  
2-Br units @\$485/month  
3-Br units @\$525/month  
Good occupancy



**Twin Oaks Apartments**  
600 S. New Madrid  
Sikeston, Missouri  
573-471-1505  
40 1Br units @\$325/month  
Good occupancy and waiting list



**205 & 207 Kate Street**  
Sikeston, Missouri  
573-471-3787  
3-Br units @\$550-\$600/month  
Good occupancy

**Wakefield Townhouses**  
810 West Wakefield  
Sikeston, Missouri  
573-481-9746  
20 Units  
4-1Br units @\$400/month  
16-2Br units @\$600/month  
Good occupancy



**Kennedy Plaza Apartments**  
101 Kennedy Drive  
Sikeston, Missouri  
573-471-3787  
25 Units  
1Br units @\$400/month  
2Br units @\$480-\$500/month  
Good occupancy

**214 David Drive**  
Sikeston, Missouri  
8-2Br units @\$450/month  
Information from sales listing





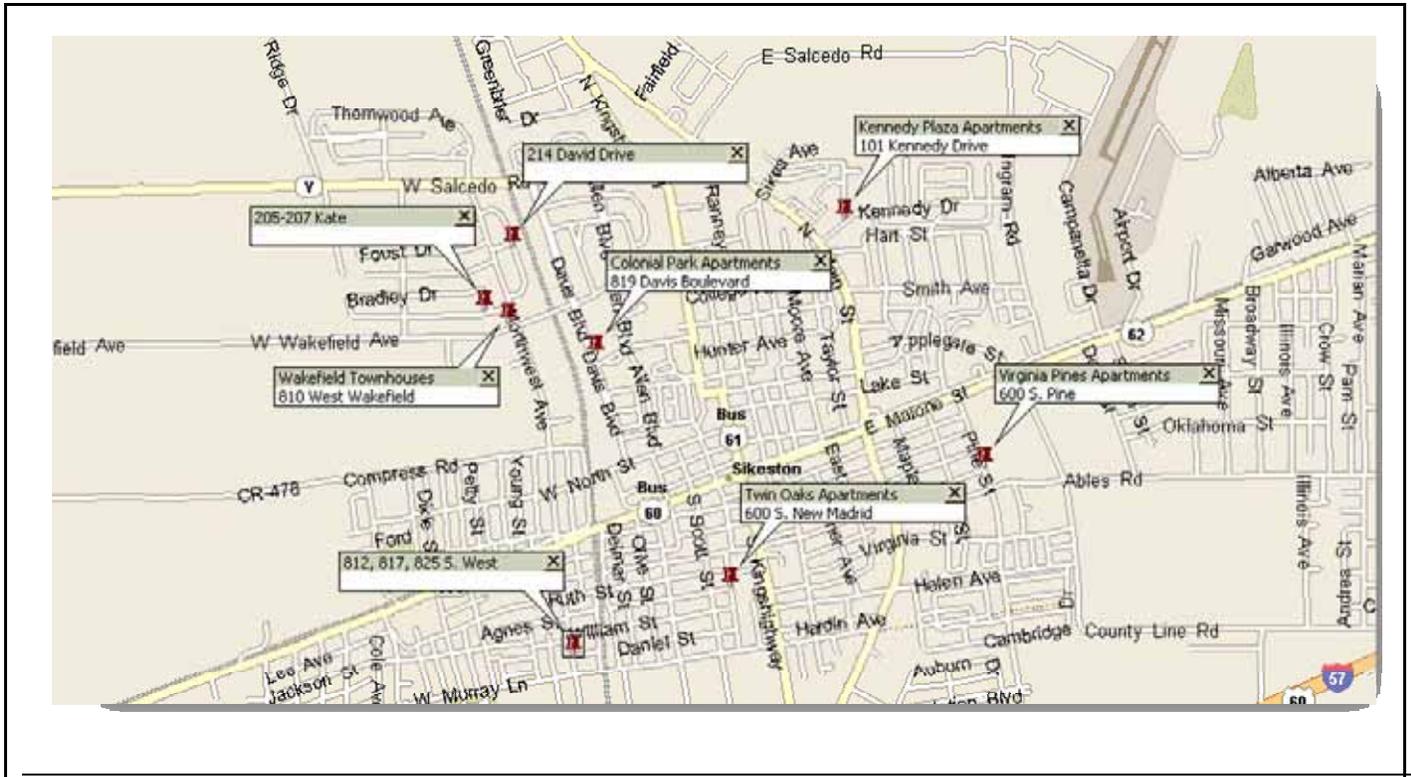
**812 A&B Montgomery**  
Sikeston, Missouri  
2-2Br units @\$475/month  
Information from sales listing

**817 S. West**  
Sikeston, Missouri  
6-2Br units @\$400/month  
Information from sales listing



**825 S. West**  
Sikeston, Missouri  
6-1Br units @\$295/month  
Information from sales listing

Map #5: Apartment Location (Beyond Downtown)



Typical Rent Range

Typical rent ranges for market rate rental units were approximately \$300 to \$400/month for 1Br units, \$400 to \$500/month for 2Br units, and \$500-\$600/month for 3Br units.

Occupancy

Two signs that the occupancy of market rate rental units is pretty good is the lack of “For Rent” signs that were noticed in the community and the small number of rental units that are currently being advertised in the local newspaper.

Under Construction/Consideration

The surveyor did not note any new market rate rental developments that are under construction or under consideration.

### SENIOR AFFORDABLE RENTAL HOUSING

A survey was made of senior affordable rental housing options in Sikeston. Following is basic information regarding the developments:



#### **Sikeston Housing Authority**

Scattered Sites  
Sikeston, Missouri  
573-471-3012  
67 Units  
28-0Br  
36-1Br  
3-2Br

All units are rent subsidized.  
Some units are being rehabbed.  
Good occupancy with waiting list.

#### **Westridge Senior Apartments**

3016 John R. Boulevard  
Sikeston, Missouri  
573-380-9620  
20 Units  
16-1Br @ \$275/month  
4-2Br @ \$350/month  
Good occupancy



#### **Wendall Apartments**

101 Cresap  
Sikeston, Missouri  
573-471-3755  
75 1Br Units  
All units are rent subsidized.  
Occupancy is good with waiting list.

#### **Sikeston Apartments I**

118 N. 2<sup>nd</sup> Street  
Sikeston, Missouri  
573-471-3755  
32 1Br Units  
Units are rent subsidized.  
Good occupancy with waiting list.





**Kathleen Manor Apartments**  
117 New Madrid  
Sikeston, Missouri  
573-471-3755  
26 1Br Units  
Units are rent subsidized.  
Good occupancy

**Stratford Manor Apartments**  
Highway H  
Miner, Missouri  
573-683-4513  
20 1Br Units  
Most units are rent subsidized.  
Good occupancy



Typical Rent Range

The amount of the tenant portion of rent for most of the affordable senior units in Sikeston is limited to 30% of household income. The remaining portion is a project based rent subsidy.

Occupancy

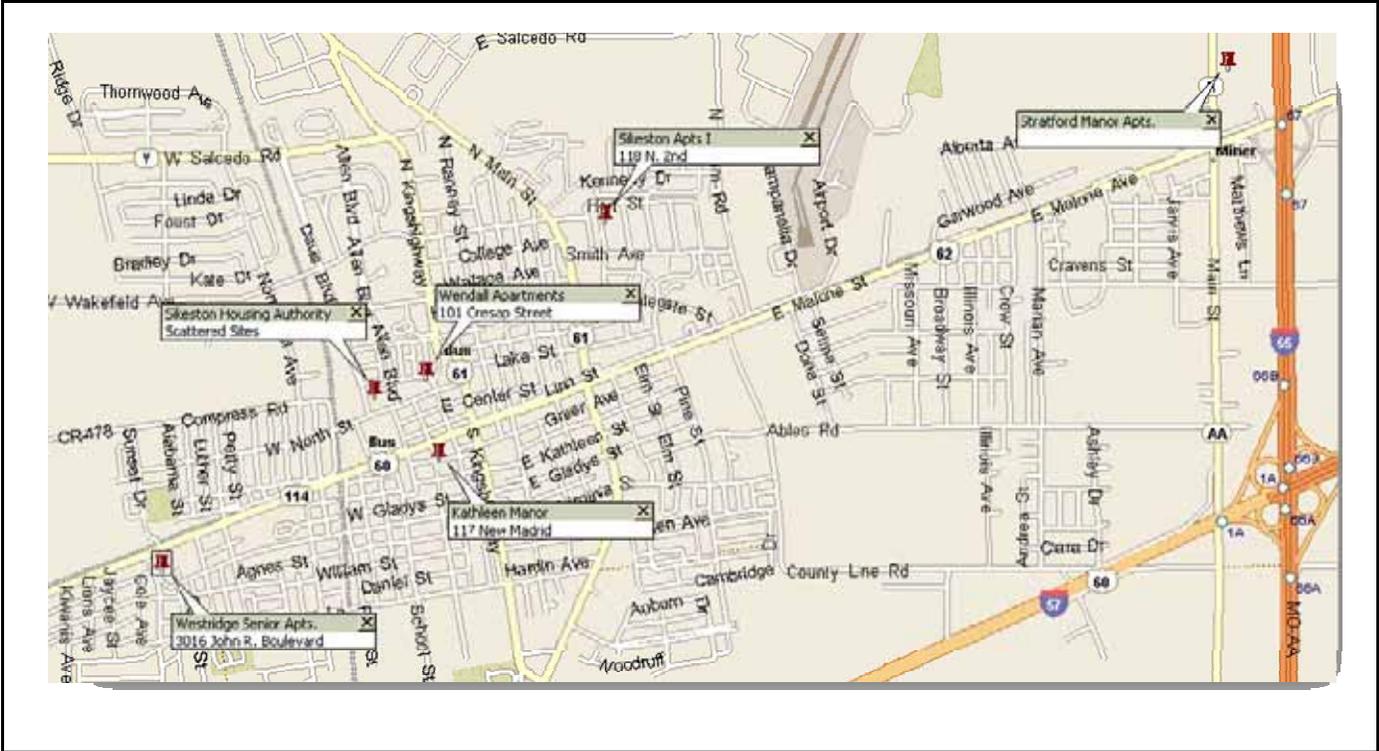
All of the affordable senior housing developments are reported to have good occupancy.

Under Construction/Consideration

At the current time there are no affordable senior developments under construction or consideration in Sikeston that the analyst is aware of.

Following is a map of the location of the affordable senior rental developments in Sikeston:

**Map #6: Affordable Senior Rental Apartments**



**FAMILY AFFORDABLE RENTAL HOUSING**

A survey was made of affordable family rental housing options in Sikeston. Following is basic information regarding the developments:



**Sikeston Housing Authority**

Scattered Sites  
Sikeston, Missouri  
573-471-3012  
178 Units

26-1Br  
82-2Br  
70-3Br  
All units are rent subsidized.  
Some units are being rehabbed.  
Good occupancy with waiting list.



**Scott Manor Apartments**

808 West Gladys  
Sikeston, Missouri  
573-471-3272  
72 Units  
8-1Br Units @ \$416/month  
48-2Br Units @ \$445/month  
16-3Br Units @ \$474/month  
Some units are rent subsidized  
Good occupancy with waiting list

**Sikeston Apartments II**

225 Welter Drive  
Sikeston, Missouri  
573-471-2422  
20-2Br Units @ \$653/month maximum  
Some units are rent subsidized  
Good occupancy



Typical Rent Range

Some units at all of the affordable family rental developments have rent subsidy, where tenants are required to pay at least 30% of their income and the rent subsidy makes up the difference. All of the units at the Sikeston Housing Authority development are rent subsidized.

Occupancy

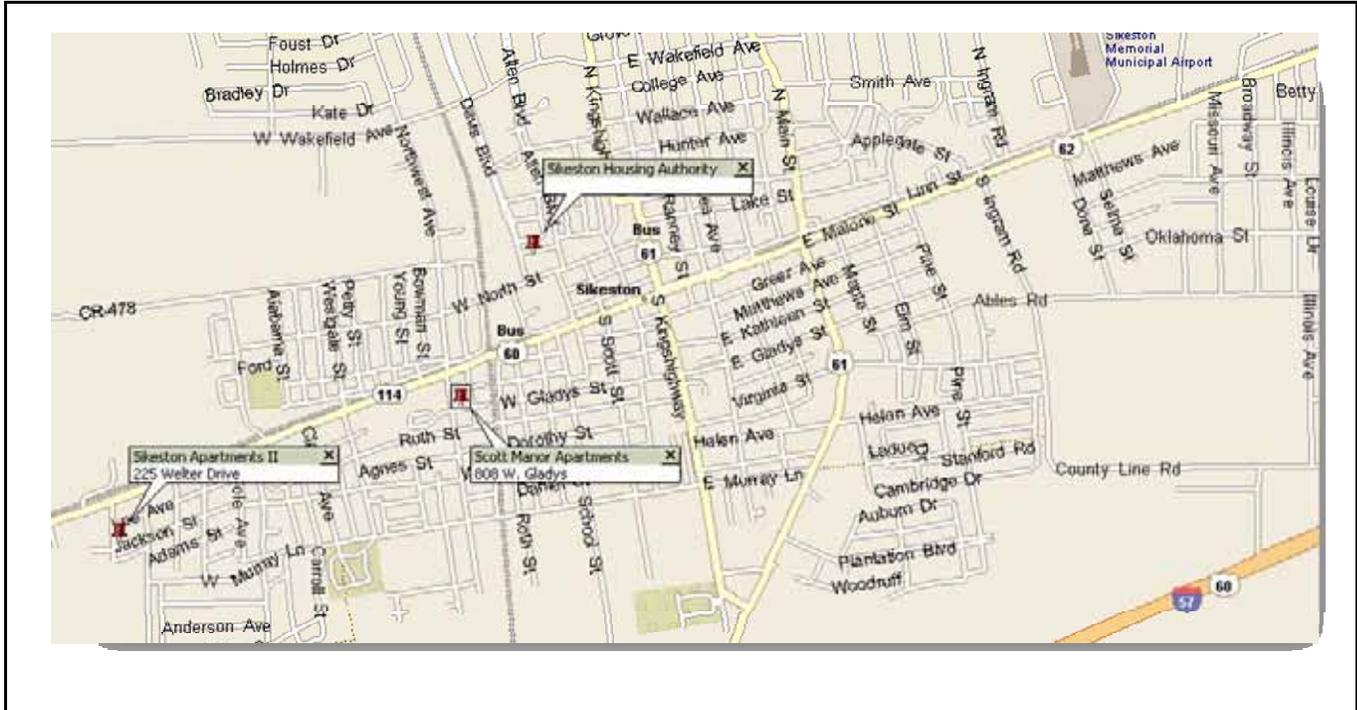
All of the affordable family developments in Sikeston generally have good occupancy.

Under Construction/Consideration

The analyst is unaware of any affordable housing family apartments that are currently under construction or consideration.

Following is a map of the location of the affordable family rental developments in Sikeston:

**Map #7: Affordable Family Rental Apartments**



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## SECTION VII

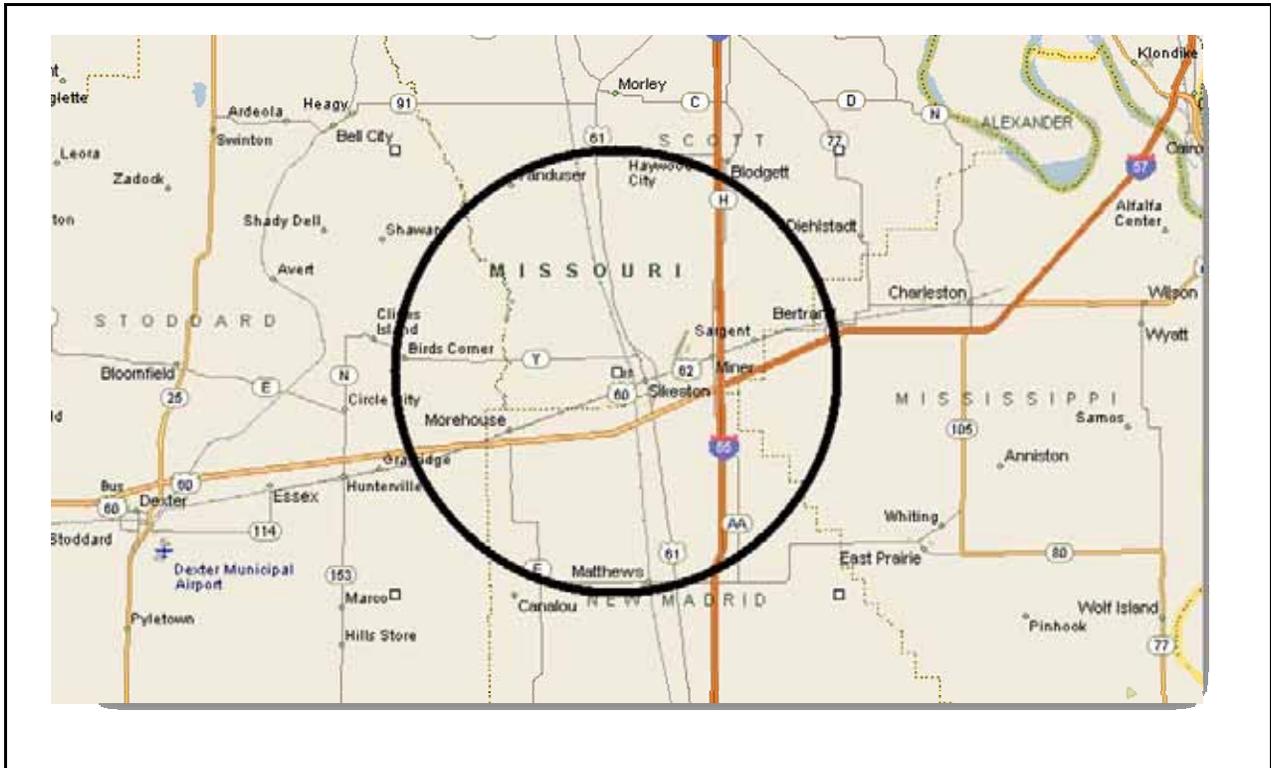
### IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

The primary market area is considered to be the area that the majority of the market demand for downtown housing in Sikeston is expected to be drawn from. This is an area that extends from the outer boundaries of the downtown area for miles, and includes many nearby communities and rural areas where households reside that would possibly consider available housing options in the downtown market area of Sikeston. After surveying the area and taking into consideration the opinions of local market participants, it is the opinion of the analyst that the primary market area of the Sikeston downtown housing market is all of the City of Sikeston and an area that extends approximately 10 miles around the City of Sikeston.

#### PRIMARY MARKET AREA

The following map shows the area that is considered to be the primary market area for purposes of this report.

**Map #8: Primary Market Area (10 mile radius)**

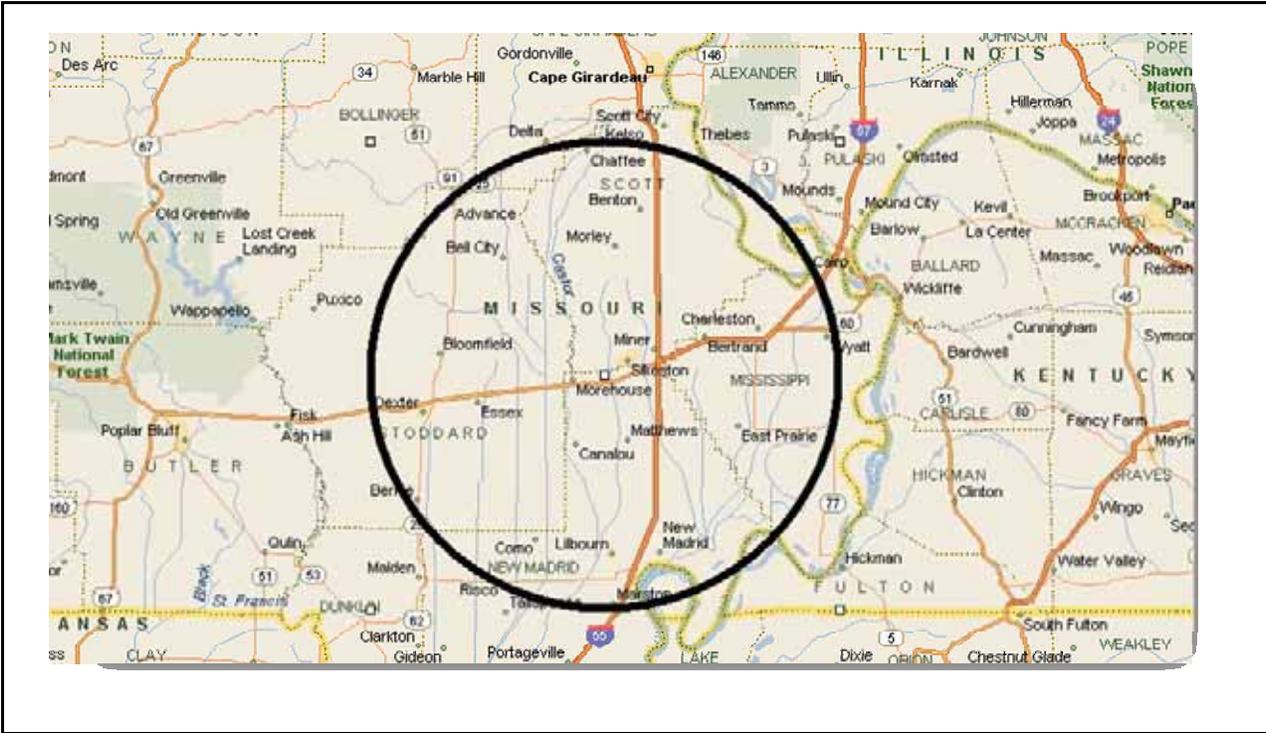


## SECONDARY MARKET AREA

The secondary market area of Sikeston is the area surrounding the primary market area that also contains households that could be attracted to residential housing in the downtown area of Sikeston. The number of households in this secondary market area will be significantly less than the primary market area, but will still make up part of the overall housing demand and should be considered.

The following map shows the area that is considered to be the secondary market area for purposes of this report.

**Map #9: Secondary Market Area (25 mile radius)**



## SECTION VIII

### POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

#### OVERVIEW

The purpose of this study is to determine if residential development would benefit the downtown revitalization efforts in Sikeston, the household type(s) that would comprise the likely residential market for downtown housing, the type of housing that could be in demand, and the estimated number of households from the overall market that can be captured for residential units in the Downtown Market Area.

Many older downtown areas have suffered from urban sprawl as new apartments, residential subdivisions, shopping centers and commercial strip malls have been developed outside of the central business district. As tenant and homeowner households, and business consumers became attracted to the housing and shopping destinations outside of the downtown area, the housing and retail demand in downtown areas across the country decreased dramatically. The result in many cases has been empty and underutilized buildings. This appears to be the case in Sikeston. Although much of the downtown space is occupied with businesses and a few residential units on the upper floors of the downtown commercial buildings, there is a significant amount of space that is currently vacant.

#### Would additional residential units in the downtown area complement the efforts to revitalize the downtown area of Sikeston?

In many urban communities across the country the revitalization of downtown areas has involved an increase in the population of permanent residents in the downtown area. Permanent residents give the downtown a neighborhood energy that has many positive social and economic benefits. From a social point of view high density downtown housing promotes greater interaction as people are more likely to take advantage of the walkable urbanity that the downtown offers. It can offer a quality of life not found in other areas of the community, especially if the downtown area offers a concentrated mix of dining, entertainment, and retail venues. From an economic point of view an increase in the population of the downtown area can provide a dedicated customer base for existing and new businesses. It can have a positive impact on the demand, value, and consequently the tax base of real estate in the downtown area. It can motivate existing downtown property owners to improve their property and cure some of the eyesores in the downtown area that are vacant or deteriorated buildings.

Smaller communities like Sikeston, although not located in a large urban area, should also benefit from an increase in the permanent population in the downtown area. The results may not be as dramatic, but any increase in the permanent population in the downtown area should make a positive contribution to the downtown revitalization effort.

### What types of housing should be considered in the Sikeston Downtown Market Area?

When thinking about the impact of demographic structures and changes in housing demand, it is important to watch trends with respect to three critical age groups, which tend to represent the three major stages of a household's life cycle:

- 25-34- includes mostly young, married households, with no children, demanding mostly rental housing and smaller, lower-priced, single-family units or apartments (this is referred to as the *pre-nest* stage of the life cycle)
- 35-54- encompasses launching and maturing (move-up) families, demanding mostly owner-occupied housing and larger, higher-quality, single-family units, depending on income (this is referred to as the *full-nest* stage)
- 55 and older- includes older households, demanding mostly owner-occupied housing and smaller, single-family units, condominiums, or apartments, depending on income (this is referred to as the *empty-nest* stage)

The type of housing units that should be added to the housing inventory in the downtown area of Sikeston that should complement the downtown revitalization efforts should be units that will be marketable generally to households with no children. The downtown area is really not an ideal neighborhood for households with children because of the high amount of vehicular traffic, the high amount of possible pedestrian traffic, and the lack of play areas. Generally young singles and couples with no children and older adults 55 and older that may be looking to downsize their housing situation, or who may be attracted to new housing options will create most of the market demand for downtown housing.

Young adult households could create a market for new, substantial, or moderately rehabbed units. Older adults most likely will only be drawn to new downtown housing options that are new or substantially updated to almost new conditions.

Young adult households that will still be very mobile and in the prime of their income earning capacity will add energy to the downtown area. An increase in their numbers could help to reinforce the downtown area as the community's gathering place. More of their presence would encourage a pedestrian friendly place that could be very unique in the community.

Older households, some of which may be retired, could also contribute to the area by adding a social diversity that is not currently present in the area. Older individuals could also take advantage of the pedestrian friendly aspects of the area and the many shopping opportunities, such as the grocer, pharmacy, hardware store, etc, that are located just a couple of blocks west of the downtown area.

So the type of housing options that should be increased in the downtown area to complement the downtown revitalization efforts should be either market rate or affordable housing generally for households with no children or older households age 55 and older.

**Where are the households that form the potential market for housing in the Sikeston Downtown Market Area likely to come from?**

The demand for units in the downtown area will come from households that live in and around Sikeston, some of which are presently residing in housing that may be overcrowded, in substandard condition, or more expensive than they can easily afford. Some may come from households with more housing than they want at this stage in their life. And some of the demand could come from local households that could be attracted to the loft style rental apartments that will be unique to the downtown area.

**Where are the potential locations for new residential units in the downtown revitalization area?**

The downtown area of Sikeston has many potential locations where residential units can be produced. The locations include the vacant lower and upper floor space of downtown area commercial buildings and the vacant tracts of land in the downtown area.

Following are some of the potential development sites:

**#1**

301 N. New Madrid



**#2**

Upper floor of building at Kingshighway and Front Streets.

**#3**

Upper floor of building at northwest 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 northwest corner of North and New Madrid Streets.



**#6**

Vacant tract at the northwest corner of Scott and Front Streets.



**#7**

Vacant tract at the southwest corner of Scott and Front Streets.

**#8**

Vacant tract at the northwest corner of New Madrid and Front Streets.



**#9**

Vacant tract at the southeast corner of Scott and Malone Streets.

**#10**

Vacant tract at the southeast corner of New Madrid and Malone Streets.



**#11**

Vacant tract at the northwest corner of Stoddard and Malone Streets.

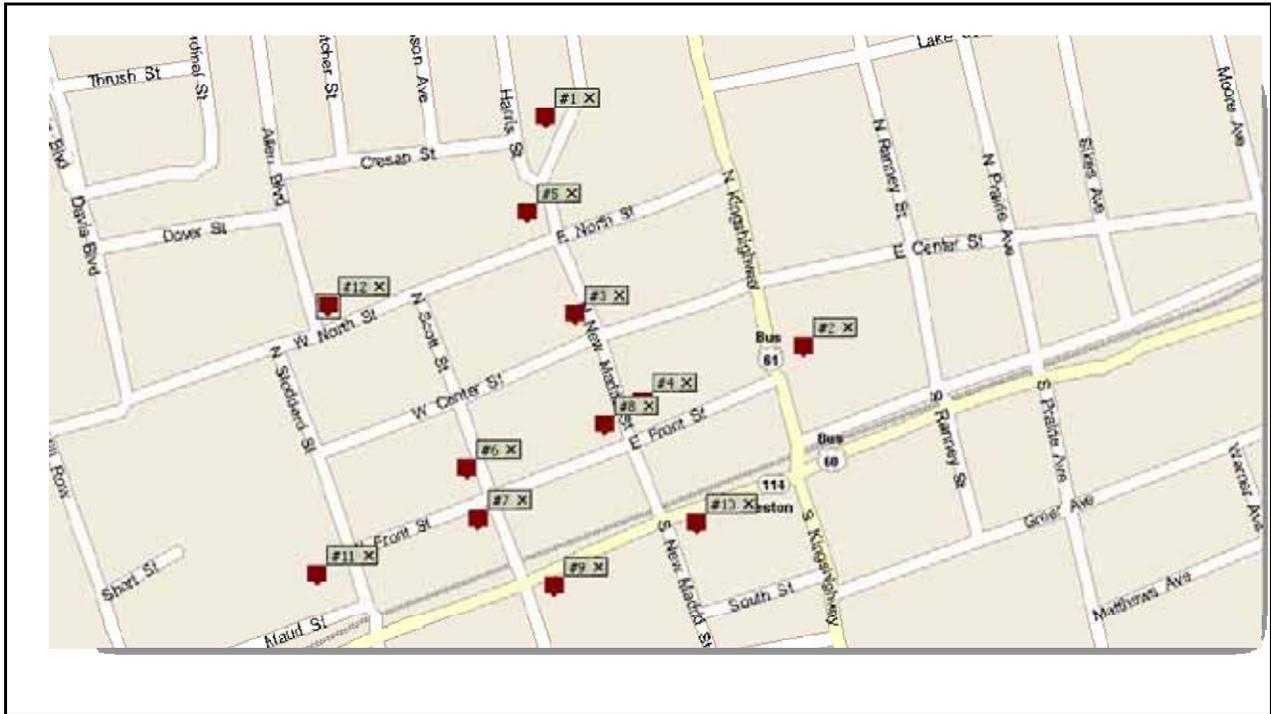


#12

Vacant tract at the northeast corner of North Street and Allen Boulevard.

Following is a map that shows the locations of the potential development locations.

**Map #10: Potential Development Locations**



The potential development space can easily be identified in the downtown area, but it will be difficult to develop the space due to economic constraints. Because of the limited income potential of the households in the market the rental income that can support acquisition, rehabilitation, and new construction will also be limited. The only type of developments that may be feasible may be owner live/work space, where the owner with a business on the lower level will improve and occupy the upper floor space as their personal residence, affordable housing developments that can attain feasibility through the use of local, state, and federal subsidies, or developments undertaken by local citizens with strong financial capacity, a strong bond with the community, and the patience to be the catalytic foundation for future residential and commercial growth.

Some buildings in the downtown area are of a size that may require a professional real estate developer and several sources of subsidy funding. In many small communities across Missouri, these types of rehabs were only feasible because of federal and state historic tax credits for preservation. Rehabilitation costs for qualified buildings could be entitled to a 20% Federal Historic Tax Credit and a 25% Missouri Historic Tax Credit. In order to be eligible the building either has to be listed on the National Register of Historic Places or be a contributing element of a historic district that is listed on the National Register of Historic Places. In Missouri the application for a building or district is made through the Missouri Department of Natural Resources.

**What is the estimated number of households that could create residential household demand in Sikeston Downtown Market Area?**

In order to estimate the number of households that could create residential housing demand in the Sikeston downtown market area it will first be necessary to estimate demand for the Sikeston residential market as a whole. The next step would be to apply a downtown capture rate to the total number of households that form the Sikeston residential demand. The downtown capture rate represents the percentage of households in the Sikeston residential market that could create the residential demand in the downtown market area.

Claritas, Inc., a leading national demographic data provider, working with another company, Ribbon Demographics, has recently developed a unique data product that is designed specifically for housing analysis. The product is called HISTA. HISTA breaks households down by income, household size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data. It eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

On the following pages are the HISTA (Households by Income, Size, Tenure, and Age) tables for the primary market area, which includes the City of Sikeston and an area that extends approximately 5 miles around Sikeston. The HISTA data will be used for the potential residential demand analysis that follows.

**Owner And Renter Households 2008**

Owner Households Under Age 55 Years <i>Current Year Estimates - 2008</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	117	38	11	32	4	202
\$10,000-20,000	76	103	79	40	19	317
\$20,000-30,000	112	126	139	85	51	513
\$30,000-40,000	82	122	136	106	61	507
\$40,000-50,000	50	168	151	146	78	593
\$50,000-60,000	23	123	231	131	88	596
\$60,000+	48	474	458	480	220	1,680
<b>Total</b>	<b>508</b>	<b>1,154</b>	<b>1,205</b>	<b>1,020</b>	<b>521</b>	<b>4,408</b>

Owner Households Aged 55-61 Years <i>Current Year Estimates - 2008</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	73	42	0	0	3	118
\$10,000-20,000	93	21	12	4	1	131
\$20,000-30,000	63	86	7	7	2	165
\$30,000-40,000	42	93	12	20	4	171
\$40,000-50,000	28	89	37	11	14	179
\$50,000-60,000	6	111	34	0	0	151
\$60,000+	35	297	122	0	40	494
<b>Total</b>	<b>340</b>	<b>739</b>	<b>224</b>	<b>42</b>	<b>64</b>	<b>1,409</b>

Owner Households Aged 62+ Years <i>Current Year Estimates - 2008</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	333	52	6	5	2	398
\$10,000-20,000	383	258	10	3	4	658
\$20,000-30,000	133	244	47	54	7	485
\$30,000-40,000	75	271	40	20	5	411
\$40,000-50,000	56	166	23	36	1	282
\$50,000-60,000	40	91	38	0	13	182
\$60,000+	55	370	124	26	4	579
<b>Total</b>	<b>1,075</b>	<b>1,452</b>	<b>288</b>	<b>144</b>	<b>36</b>	<b>2,995</b>

Renter Households Under Age 55 Years Current Year Estimates - 2008						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	234	159	139	75	48	655
\$10,000-20,000	185	110	138	133	78	644
\$20,000-30,000	167	141	122	110	71	611
\$30,000-40,000	100	86	120	114	63	483
\$40,000-50,000	48	75	96	83	44	346
\$50,000-60,000	13	48	51	29	28	169
\$60,000+	26	77	117	47	82	349
<b>Total</b>	<b>773</b>	<b>696</b>	<b>783</b>	<b>591</b>	<b>414</b>	<b>3,257</b>

Renter Households Aged 55-61 Years Current Year Estimates - 2008						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	65	13	0	8	0	86
\$10,000-20,000	42	29	6	1	2	80
\$20,000-30,000	26	17	4	0	0	47
\$30,000-40,000	12	16	4	12	1	45
\$40,000-50,000	15	8	2	2	2	29
\$50,000-60,000	3	13	6	0	6	28
\$60,000+	16	35	0	7	16	74
<b>Total</b>	<b>179</b>	<b>131</b>	<b>22</b>	<b>30</b>	<b>27</b>	<b>389</b>

Renter Households Aged 62+ Years Current Year Estimates - 2008						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	285	28	0	0	3	316
\$10,000-20,000	202	41	13	0	0	256
\$20,000-30,000	52	20	9	0	4	85
\$30,000-40,000	13	36	12	0	0	61
\$40,000-50,000	13	13	0	0	0	26
\$50,000-60,000	46	6	15	0	0	67
\$60,000+	32	26	9	0	0	67
<b>Total</b>	<b>643</b>	<b>170</b>	<b>58</b>	<b>0</b>	<b>7</b>	<b>878</b>

**Owner and Renter Households 2013**

Owner Households Under Age 55 Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	100	26	9	24	4	163
\$10,000-20,000	62	76	60	29	15	242
\$20,000-30,000	90	92	105	62	39	388
\$30,000-40,000	75	99	116	94	57	441
\$40,000-50,000	43	128	117	120	62	470
\$50,000-60,000	23	109	218	132	81	563
\$60,000+	<u>59</u>	<u>534</u>	<u>531</u>	<u>556</u>	<u>261</u>	<u>1,941</u>
<b>Total</b>	<b>452</b>	<b>1,064</b>	<b>1,156</b>	<b>1,017</b>	<b>519</b>	<b>4,208</b>

Owner Households Aged 55-61 Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	76	36	0	0	3	115
\$10,000-20,000	94	20	11	4	1	130
\$20,000-30,000	60	65	4	6	3	138
\$30,000-40,000	54	93	12	16	6	181
\$40,000-50,000	35	67	37	13	10	162
\$50,000-60,000	10	110	39	0	0	159
\$60,000+	<u>49</u>	<u>365</u>	<u>165</u>	<u>0</u>	<u>52</u>	<u>631</u>
<b>Total</b>	<b>378</b>	<b>756</b>	<b>268</b>	<b>39</b>	<b>75</b>	<b>1,516</b>

Owner Households Aged 62+ Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	302	41	5	4	1	353
\$10,000-20,000	347	201	9	3	3	563
\$20,000-30,000	162	269	47	75	7	560
\$30,000-40,000	86	263	37	20	6	412
\$40,000-50,000	91	205	31	43	2	372
\$50,000-60,000	42	101	44	0	17	204
\$60,000+	<u>90</u>	<u>485</u>	<u>169</u>	<u>40</u>	<u>5</u>	<u>789</u>
<b>Total</b>	<b>1,120</b>	<b>1,565</b>	<b>342</b>	<b>185</b>	<b>41</b>	<b>3,253</b>

Renter Households Under Age 55 Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	228	131	121	67	43	590
\$10,000-20,000	186	94	124	120	72	596
\$20,000-30,000	153	116	102	92	64	527
\$30,000-40,000	118	85	132	112	66	513
\$40,000-50,000	44	61	88	73	39	305
\$50,000-60,000	18	53	53	30	29	183
\$60,000+	42	90	150	58	103	443
<b>Total</b>	<b>789</b>	<b>630</b>	<b>770</b>	<b>552</b>	<b>416</b>	<b>3,157</b>

Renter Households Aged 55-61 Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	73	14	0	9	0	96
\$10,000-20,000	43	28	7	2	1	81
\$20,000-30,000	29	14	4	0	0	47
\$30,000-40,000	13	12	3	12	1	41
\$40,000-50,000	22	8	3	2	3	38
\$50,000-60,000	4	12	5	0	9	30
\$60,000+	28	53	0	10	22	113
<b>Total</b>	<b>212</b>	<b>141</b>	<b>22</b>	<b>35</b>	<b>36</b>	<b>446</b>

Renter Households Aged 62+ Years <i>Five Year Projections - 2013</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	284	24	0	0	2	310
\$10,000-20,000	215	36	11	0	0	262
\$20,000-30,000	70	21	11	0	5	107
\$30,000-40,000	18	34	16	0	0	68
\$40,000-50,000	24	22	0	0	0	46
\$50,000-60,000	34	9	18	0	0	61
\$60,000+	53	38	19	0	0	110
<b>Total</b>	<b>698</b>	<b>184</b>	<b>75</b>	<b>0</b>	<b>7</b>	<b>964</b>

## HOME OWNERSHIP HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential homeownership demand in the downtown area of Sikeston over the next few years. Generally the demand for homeownership in reviving downtown areas follows a period of time in which renter households reestablish the area as a desirable place to live by creating a rental market. Once the area proves itself to be a desirable and safe place to live it should attract households with sufficient credit, net worth, and desire to make a long term investment in the area.

In the case of Sikeston, the downtown home ownership market for loft style condos and townhouses has not yet developed, and it may never develop. Some of the things that make homeownership of loft style condos popular in the downtown areas of larger urban communities are generally not present in smaller rural communities like Sikeston. The downtown areas of larger urban communities generally have a significant number of jobs still within the downtown central business district and a variety of eating, drinking, and entertainment venues make the area attractive to young professional households. Sikeston also seems to have many affordable single family homes in desirable neighborhoods that would strongly compete with downtown loft style condos.

Another factor regarding homeownership demand in the downtown area that must be considered is the nationwide downturn in housing, which has adversely affected property values and limited mortgage financing options for prospective homebuyers. For those reasons no homeownership demand analyses was prepared for the downtown revitalization area.

## MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential market rate rental housing demand in the downtown area of Sikeston over the next few years. The largest amount of the market rate rental housing demand is expected to come from young working households (age 25-34), generally with no children, or a very limited number of children.

The demographic data that will be used in this analysis does segment renter households in the Sikeston market by age, but not specifically by the age range of 25 to 34. It does segment renter households of the age of 55 or less. Because the majority of renter households in most communities in Missouri are younger than 35 years old, for purposes of this analysis it will be assumed that the target age group of age 25 to 34 will represent at least 85% of the estimated and projected demographic data totals.

Following is the quantitative analysis of the potential market rate rental housing demand for households that could be attracted to market rate rental housing in the downtown area of Sikeston:

<b>Market Rate Family Rental Potential Demand Analysis</b>				
<b>PMA Qualified Household Demand (2008)</b>		<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
1	Gross Rent (includes utility costs paid by tenants)	\$ 450	\$ 575	\$ 725
2	Percentage of Income to Housing	25%	25%	25%
3	Minimum Income (Affordability)	\$ 21,600	\$ 27,600	\$ 34,800
4	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2008)	635	625	445
5	Percentage of Annual Turnover of Existing HH	25%	25%	20%
6	<b>PMA Qualified Household Demand (2008)</b>	<b>159</b>	<b>156</b>	<b>89</b>
7	<b>SMA Qualified Household Demand (2008)</b>	<b>32</b>	<b>31</b>	<b>18</b>
8	<b>PMA and SMA Market Rate Rental Potential Household Demand (2008)</b>	<b>191</b>	<b>188</b>	<b>107</b>
<b>PMA Qualified Households (2013)</b>		<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
9	Gross Rent (includes utility costs paid by tenants)	\$ 497	\$ 635	\$ 800
10	Percentage of Income to Housing	25%	25%	25%
11	Minimum Income (Affordability)	\$ 23,846	\$ 30,470	\$ 38,419
12	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2013)	629	612	409
13	Percentage of Annual Turnover of Existing HH	25%	25%	20%
14	<b>PMA Qualified Household Demand (2013)</b>	<b>157</b>	<b>153</b>	<b>82</b>
15	<b>SMA Qualified Household Demand (2013)</b>	<b>31</b>	<b>31</b>	<b>16</b>
16	<b>PMA and SMA Market Rate Rental Potential Household Demand (2013)</b>	<b>189</b>	<b>184</b>	<b>98</b>

17	<i>PMA and SMA Qualified Household Growth/Decline (2008-2013)</i>	-2	-4	-9
18	<i>Sikeston Market Rate Family Rental Demand</i>	190	187	105
19	<i>Downtown Sikeston Market Area Capture Rates</i>	10%	10%	5%
		1BR	2BR	3BR
20	<i>Downtown Sikeston Market Rate Family Rental Demand</i>	19	19	4

Line 6 is a current estimate (2008) of the total number of existing income qualified households that form the potential rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the estimated annual turnover rate of renter households, and the HISTA data.

Line 7 is a current estimate of the total number of income qualified households that form the potential housing demand from the secondary market area. The estimate was made by considering that 10% to 15% of the demand for rental housing developments could come from the secondary market area.

Line 8 is an estimate of the potential rental housing demand in the market area in 2008.

Line 14 is a projection (2013) of the total number of income qualified households that could form the potential rental housing demand from the primary market area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the estimated annual turnover rate of renter households, and the HISTA data.

Line 15 is a projection of the total number of income qualified households that form the potential rental housing demand from the secondary market area. The projection was made by considering that 10% to 15% of the demand for rental housing units could come from the secondary market area.

Line 16 is a projection of the potential rental housing demand in the market area in 2013.

Line 17 is a projection of household growth/decline between 2008 and 2013.

Line 18 is the average annual potential demand that is calculated by considering the current demand in 2008 and the annual growth or decline between 2008 and 2013.

Line 19 is the estimated capture rates for the downtown Sikeston market area. It is an estimate of the percentages of households in the primary and secondary market areas that would consider rental units in the downtown Sikeston market area by bedroom size.

Line 20 is an annual projection of the number of households that are expected to be in the market area between 2008 and 2013 that could be attracted to market rate rental units in the downtown Sikeston market area. This is a point in time estimate and could change based on changes in the supply housing between this point in time and 2013.

Market Rate Rental Housing

<u>Bedroom Size</u>	<u>Potential Household Demand</u>
One Bedroom .....	19
Two Bedrooms .....	19
Three Bedrooms.....	4
Total .....	42

**AFFORDABLE FAMILY RENTAL HOUSING DEMAND ANALYSIS**

The purpose of this analysis is to quantify the potential affordable family rental housing demand in the downtown area of Sikeston over the next few years. In many downtown areas in the midst of a revitalization process, rental housing starts the repopulation of the area by offering housing options to the pioneering households. In many unproven markets affordable rental housing is one of the first types of new housing that is developed because the various subsidy programs help to ensure project feasibility in risky markets.

In the case of Sikeston there is already an active rental market in the downtown area, so it won't be necessary for affordable housing to try and "jumpstart" the market. Good quality, affordable family housing units could complement the downtown revitalization efforts by providing workforce housing for lower income households.

Following is the quantitative analysis and an explanation of the process used in the analysis:

Affordable Family Rental Potential Demand Analysis				
<b>PMA Qualified Household Demand (2008)</b>		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 400	\$ 525	\$ 625
2	Percentage of Income to Housing	35%	35%	35%
3	Minimum Income (Affordability)	\$ 13,714	\$ 18,000	\$ 21,429
4	Maximum Income (Tax Credit Limits)	\$ 21,030	\$ 25,200	\$ 31,380
5	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2008)	215	149	183
6	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>20%</u>
7	<b>PMA Qualified Household Demand (2008)</b>	54	37	37

8	<b>SMA Qualified Household Demand (2008)</b>	11	7	7
9	<b>PMA and SMA Affordable Family Rental Potential Hshld Demand (2008)</b>	65	45	44
10	<b>PMA Qualified Household Demand (2013)</b>	1BR	2BR	3BR
11	Gross Rent (includes utility costs paid by tenants)	\$ 442	\$ 580	\$ 690
12	Percentage of Income to Housing	35%	35%	35%
13	Minimum Income (Affordability)	\$ 15,141	\$ 19,872	\$ 23,657
14	Maximum Income (Tax Credit Limits)	\$ 23,217	\$ 27,821	\$ 34,644
15	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2013)	221	134	186
16	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>20%</u>
17	<b>PMA Qualified Household Demand (2013)</b>	55	34	37
18	<b>SMA Qualified Household Demand (2013)</b>	11	7	7
19	<b>PMA and SMA Affordable Family Rental Potential Hshld Demand (2013)</b>	66	40	45
20	<b>PMA and SMA Qualified Household Growth/Decline (2008-2013)</b>	2	-5	1
21	<b>Sikeston Affordable Family Rental Demand</b>	1BR 65	2BR 44	3BR 44
22	<b>Downtown Sikeston Market Area Capture Rates</b>	25%	25%	20%
23	<b>Downtown Sikeston Affordable Family Rental Demand</b>	1BR 16	2BR 11	3BR 9

Line 7 is a current estimate (2008) of the total number of existing limited income households that form the potential affordable rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, estimated annual turnover rate of renter households, and the HISTA data.

Line 8 is a current estimate of the total number of limited income households that form the potential affordable housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for affordable rental housing developments typically comes from the secondary market area.

Line 9 is an estimate of the potential affordable housing demand in the market area in 2008.

Line 17 is a projection (2013) of the total number of limited income households that form the potential affordable rental housing demand from the primary market area. The projection was determined by considering gross market rents (including utility costs), the level of income to housing costs, the maximum income limits, estimated annual turnover rate of renter households, and the HISTA data.

Line 18 is a projection of the total number of limited income households that form the potential affordable housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for affordable rental housing developments typically comes from the secondary market area.

Line 19 is a projection of the potential affordable housing demand from households in the market area in 2013.

Line 20 is a projection of qualified household growth/decline between 2008 and 2013.

Line 21 is an annual projection of the number of qualified households that are expected to be in the market area between 2008 and 2013 that could be attracted to affordable rental units in the Sikeston market area.

Line 22 is the estimated capture rates for the downtown Sikeston market area. It is an estimate of the percentages of qualified households in the market areas that would consider affordable rental units in the downtown Sikeston market area by bedroom size.

Line 23 is an annual projection of the number of qualified households that are expected to be in the market areas between 2008 and 2013 that could be attracted to affordable rental units in the downtown Sikeston revitalization area.

**Affordable Family Rental Housing**

<u>Bedroom Size</u>	<u>Potential Household Demand</u>
One Bedroom .....	16
Two Bedrooms .....	11
Three Bedrooms.....	9
Total .....	36

### AFFORDABLE SENIOR RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable senior rental housing demand in the downtown area of Sikeston over the next few years. It has been stated earlier that in many downtown areas in the midst of a revitalization process, rental housing starts the repopulation of the area by offering housing options to the pioneering households. In many unproven markets affordable rental housing is one of the first types of new housing that is developed because the various subsidy programs help to ensure project feasibility in risky markets.

In the case of Sikeston there is already an active rental market in the downtown area, so it won't be necessary for affordable housing to try and "jumpstart" the market. Good quality, affordable senior housing units could complement the downtown revitalization efforts by adding social and economic diversity to the area.

Following is the quantitative analysis and an explanation of the process used in the analysis:

Affordable Senior Rental Potential Demand Analysis		
<u>PMA Qualified Household Demand (2008)</u>		
		1BR/2BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 450
2	Percentage of Income to Housing	50%
3	Minimum Income (Affordability)	\$ 10,800
4	Maximum Income (Tax Credit Limit)	\$ 22,440
5	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2008)	241
6	Percentage of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	10%
7	Number of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	24
8	Appropriate Sized, Income Qualified, <u>Owner Households, Age 62+ (2008)</u>	680
9	Percentage of Existing Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
10	Number of Existing Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	34
11	<u>PMA Qualified Household Demand (2008)</u>	58
12	<u>SMA Qualified Household Demand (2008)</u>	12

13	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2008)	70
	PMA Projected Qualified Household Growth 2008-2013	1BR/2BR
14	Gross Rent (includes utility costs paid by tenants)	\$ 497
15	Percentage of Income to Housing	50%
16	Minimum Income (Affordability)	\$ 11,923
17	Maximum Income (Tax Credit Limit)	\$ 24,774
18	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2013)	247
19	Percentage of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	10%
20	Number of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	25
21	Appropriate Sized, Income Qualified, <u>Owner</u> Households, Age 62+ (2013)	651
22	Percentage of Projected Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
23	Number of Projected Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	33
24	PMA Qualified Household Demand (2013)	57
25	SMA Qualified Household Demand (2013)	11
26	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2013)	69
27	PMA and SMA Qualified Household Growth/Decline (2008-2013)	-1
28	Sikeston Affordable Senior Rental Potential Demand	70
29	Downtown Sikeston Market Area Capture Rate	50%
30	Downtown Market Area Affordable Senior Rental Potential Demand	36

Line 11 is a current estimate (2008) of the total number of existing senior households that forms the potential senior rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, the estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, and the HISTA data.

Line 12 is a current estimate of the total number of existing senior households that form the potential affordable rental housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 13 is an estimate of the potential affordable senior rental housing demand from households in the market areas in 2008.

Line 24 is a projection (2013) of the total number of existing senior households that form the potential senior rental housing demand from the primary market area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, the estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, and the HISTA data.

Line 25 is a projection of the total number of existing senior households that form the potential affordable rental housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 26 is a projection of the potential affordable senior rental housing demand from households in the market areas in 2013.

Line 27 is a projection of qualified household growth/decline between 2008 and 2013.

Line 28 is an annual projection of the number of qualified senior households that are expected to be in the market area between 2008 and 2013 that could be attracted to affordable senior rental units in the Sikeston market area.

Line 29 is the estimated capture rate for the Downtown Sikeston market area. It is an estimate of the percentage of qualified senior households in the market areas that would consider affordable rental units in the downtown Sikeston market area by bedroom size. Because the occupancy levels at the existing affordable senior developments in Sikeston is strong it is reasonable to assume that any new, high quality senior affordable units that would become available in the Sikeston market, and in particular the downtown area, should be able to capture a significant portion of the available household demand.

Line 30 is a projection of the number of qualified senior households that are expected to be in the market areas between 2008 and 2013 that could be attracted to affordable senior rental units in the Sikeston downtown revitalization area. This is a point in time estimate and could change based on changes in the affordable senior housing supply and demand between this point in time and 2013.

Affordable Senior Rental Housing

<u>Bedroom Size</u>	<u>Potential Household</u>
<u>Demand</u>	
One Bedroom .....	12
Two Bedrooms .....	24
Total .....	36

QUANTITATIVE DEMAND ANALYSIS CONCLUSIONS

Sikeston Downtown Area Housing Demand

<u>Housing Type</u>	<u>Potential Household</u>
<u>Demand</u>	
Home Ownership .....	0
Market Rate Rental.....	42
Affordable Family Rental .....	36
Affordable Senior Rental.....	36

The conclusion of the analyses is that after considering the primary and secondary market areas from where households could reasonably be expected to be drawn from to housing in the downtown area of Sikeston, the number of units shown above for each of the various housing types is a conservative estimate of the potential household demand for additional units in the downtown area.

Various vacant building space and vacant land have been identified in the downtown area. If it is possible to produce units that would be financially feasible it would be beneficial to the downtown revitalization process to increase the population density in the downtown area with market rate family, or affordable family and senior rental housing. Rental units can be the catalyst for further commercial and residential expansion, possibly including homeownership options.

Because of the state and federal subsidies that are available and the pool of experienced developers that are experienced with the various subsidy programs it will probably be easier to produce the affordable family and senior units than the market rate rental units. The key step is to start the momentum of residential development in the downtown market that could induce other developments, including the owners of the large amount of vacant upper floor space. New residential development in the market should also motivate owners of existing homes and rental units on the east end of the downtown area to make needed repairs and other improvements to their properties.

## SECTION IX

### DOWNTOWN RESIDENTIAL IMPLEMENTATION STRATEGY

Following are some of the strategies and financial programs that should be considered in order to implement downtown residential development:

- Consider a multifunctional downtown for Sikeston, where housing will complement other uses, such as employment, shopping, culture, entertainment, government, and possibly tourist attractions.
- Identify and give high priority to catalyst projects that have the ability to energize the downtown area. The renovation of Legion Square and the Depot site could serve as such catalyst projects. These projects should build upon the recent streetscape improvements in downtown Sikeston.
- In order to develop residential momentum in the downtown area early focus should be on the production of quality rental units. Sikeston already has the advantage of an existing downtown rental market. It could be beneficial to grow the market and add new households to the area.
- Identify all available building and land space that could accommodate new residential units in the downtown area and consult with the owners regarding their plans for the use, improvement, or sale of the building or land. The upper floors of many of the buildings in downtown Sikeston have the potential to be converted into unique rental housing space, unlike any units that currently exist in the community.
- Identify builders, developers, and investors that would be willing to participate in the production or improvement of residential space in the downtown area. Request developer lists from agencies like Missouri Housing Development Commission. Contact companies in the development industry and make them aware of the opportunities that may exist to produce housing in the downtown area of Sikeston.
- In addition to the renovation of existing buildings, consider new residential structures. As identified in Section VIII, downtown Sikeston has a few vacant parcels. These parcels have the potential to become new housing units with modern floor plans and amenities. Such housing choices would appeal to home buyers concerned with the maintenance of older buildings.
- Encourage building designs and improvements that are comparable and/or complimentary to the existing architectural building designs in the downtown area.
- Review all applicable zoning and building codes to ensure that they do not provide barriers to downtown residential development

- Provide technical assistance and financial incentives where possible to support downtown residential development. The proposed downtown revolving loan program to assist owners with repairs to their buildings in the downtown area is a good example of the types of initiatives the community may have to make to make improvements financially feasible. Consideration should also be given to seeking historic designations to buildings or areas in downtown that could make much needed historic tax credits available to finance development costs.
- Identify and try to mitigate all adverse conditions, such as the lack of parking, traffic patterns, etc., that may adversely affect the downtown residential market.
- Encourage existing property owners in the downtown area to properly maintain their property through code enforcement.
- Continue the downtown Sikeston streetscape improvement program implemented in 2008. The improved sidewalks, street lights, landscaping, and site furniture enhances the image of downtown.
- Try to attract and maintain commercial businesses in and around the downtown area that will serve the needs of the local downtown neighborhood.

In order to fund larger developments or projects that may require expensive historic renovation costs it may be necessary to utilize various government subsidy and incentive programs. Some of the financial programs and incentives that could help to produce downtown residential housing include the following:

- Historic Federal and State Tax Credit – These are one time federal and state tax credits that help to raise development equity through the sale of the tax credits to investors.
- Federal and State Affordable Housing Tax Credit – These are 10 year federal and state tax credits that help to raise development equity through the sale of tax credits to investors for affordable housing developments.
- Federal and State New Markets Tax Credit – This is a federal and state tax program that was intended to increase businesses and jobs in areas of low income concentration.
- Missouri Housing Development Commission Multifamily Loan Programs – The Commission administers both federal and state funds that can be used as loans or grants for the production of affordable housing.
- Hope VI Main Street Grants – This is a HUD administered grant program specifically designed to foster residential production in downtown areas. Initial tenants must be low income, but subsequent tenants can be non-low income.
- 353 Property Tax Abatement – This is a 25 year tax abatement program that reduces the property taxes over a 25 year period for developments located in blighted areas.

- Tax Increment Financing – This program allow for the future real property taxes generated by a new development to be used to help to retire the debt required to finance the improvement.
- Brownfield Redevelopment Program – Is intended to provide incentives for the redevelopment of commercial/industrial sites that may have contamination caused by hazardous substances.
- Community Development Block Grant Program (CDBG) – This is a grant program to local communities to improve local facilities and to develop greater capacity for growth.
- Community Development Corporation (CDC) Grant Program – This is a state program where the Department of Economic Development will issue grants to a CDC to cover expenses directly linked to administering neighborhood initiatives.
- Enterprise Zone Tax Benefit – This is a state tax program that is designed to provide tax incentives to businesses that are creating new jobs.
- Industrial Development Bonds – Provides funding through the sale of tax exempt bonds for projects.
- Neighborhood Assistance Program – This is a program administered by Missouri Department of Economic Development that provides state tax credits to donors who make donations to local neighborhood project.
- MODESA – This is a program administered by Missouri Department of Economic Development that is intended to help facilitate the redevelopment of downtown areas by diverting taxes from community projects to help pay for related infrastructure costs.
- Neighborhood Preservation Act – This is a state tax credit that is provided to a home owner or developer that either rehabilitates or builds a home that will be located in a distressed community.
- First Place Loan Program – This is a low interest loan and down payment assistance program designed for first time homebuyers.
- HeRO Program – This is a program administered by Missouri Housing Development Commission that provides home repair grants for owner occupied homes.
- Missouri Housing Trust Fund – This is a program administered by MHDC that provides funding for a variety of housing needs, such as homeless prevention, rehab or new construction of rental housing, rental assistance and home repair.
- Community Improvement Districts – This is a program that creates special districts that are able to assess special tax assessments to fund infrastructure and other improvements that would benefit the property owners in the district.

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## SECTION X

### ASSUMPTIONS AND LIMITING CONDITIONS

1. The area description supplied to the appraiser is assumed to be correct;
2. No survey of the area has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Area dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to properties in the area, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property in the area is assumed to be under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions to the subsoil or structures which would render the properties more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the area, was not observed by the appraiser.

However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The conclusions in this report are predicated on the assumption that there are no such materials on or in the area that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and demand conclusions in this report are null and void should any hazardous material be discovered;

8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of demand based upon any subsequent environmental impact studies, research, or investigation;

9. It is assumed that there is full compliance with all applicable federal, state. And local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the demand estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended users without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. The liability of the appraiser is limited to the intended users only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended users, they shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions;
15. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

## SECTION XI

### APRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no interest in the market that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the within the market of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the market that is the subject of this report.
- **Robert Odell** provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

By: **Steve Sillimon**-Certified General Real Estate Appraiser # RA003250  
Missouri Housing Development Commission  
May 21, 2009