

DOWNTOWN
REVITALIZATION &
ECONOMIC
ASSISTANCE FOR
MISSOURI

Strafford, Missouri

RESIDENTIAL DEMAND ANALYSIS

DOWNTOWN
MARKET AREA

GREENE COUNTY
DECEMBER 2010



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ACKNOWLEDGMENTS



CITY OF STRAFFORD, MISSOURI

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



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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 standards adopted by the National Council of Affordable Housing Market Analyst (NCHMA).

IDENTIFICATION OF THE MARKET ANALYST

Steve Sillimon, Market Analyst, is the staff appraiser for the Missouri Housing Development Commission.

INTENDED USE OF REPORT

The intended use of this report is to assist Strafford in its effort to revitalize its Downtown through the DREAM Initiative by analyzing 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 (appraiser's employer), and the intended users are the City of Strafford, Greene County, Missouri and parties interested in development of residential housing units in Downtown Strafford, Missouri.

ANALYSIS, RECOMMENDATION, OR OPINION TO BE DEVELOPED

The analysis, recommendations, or opinions will include:

- 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 profile for the area;
- Economic profile of the market;
- Opinions regarding the household demand for residential units in the Downtown market area of Strafford that could complement Downtown revitalization efforts.

IDENTIFICATION OF THE SUBJECT AREA

- The subject of this report is the DREAM Downtown market area of the City of Strafford, within the specific geographic boundaries as described within this report.

EFFECTIVE DATE OF THE REPORT

The effective date of the report is July 7, 2010.

EXTRAORDINARY ASSUMPTIONS

In preparing this report the appraiser has relied on physical, economic, demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information 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

Following is the scope of work that was performed to complete this report.

- Physical survey of the study area;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Review of general and historical information about the market;
- Review of housing related studies prepared for the market;
- Review of current information regarding activities in the market that could affect the marketability of housing;
- Analysis of demographic information for the primary and secondary market areas;
- Estimate of the current and future household demand in the primary and secondary market areas that could be attracted to housing options in the Downtown market area;
- Quantitative market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households, if applicable.

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 Downtown revitalization efforts.

SECTION I

CONCLUSIONS AND RECOMMENDATIONS

- Stafford is a small “bedroom” community with a population of approximately 2,200 persons that is located about 5 miles northeast of the major metropolitan area of Springfield, Missouri. This location allows Stafford’s residents access to all the services and amenities of the larger city of Springfield, while still enjoying the charm of a small town.
- The largest employer in Stafford is the local school district and many of its residents commute to larger nearby communities for employment. Stafford is actively trying to bring more jobs to the community and is in the approval process for a 100+ acre industrial park.
- A baseline assessment of current Downtown housing uses was made. The survey indicated that there is a variety of ownership and rental housing uses in and around Downtown that ranges from single family homes, duplexes, and small apartment developments.
- The Downtown exhibits blight conditions, which is evidenced by some vacant and in some cases dilapidated commercial buildings with dual frontage along Old Route 66 and Pine Street. Some of the buildings were damaged by an EF-3 Tornado that hit the community in January, 2008.
- In years past the economy of Downtown Stafford benefited from its location along the famed Highway Route 66, which was the primary east to west route across the United States, during the time of large scale migration from the east to California. Many Downtown businesses were dependent on the traveling customers along the historic route. All that changed with the building of Interstate 44 just to the north of Downtown. Although travelers continue to stop at the truck stops located around Exit 88 and Interstate 44 for gas and other services, Downtown doesn’t capitalize from these customers.
- The Downtown primarily serves local residents. In addition to City Hall, and the police and fire departments, there is also a pharmacy, restaurant, banks, an auto dealership, photography studio, hair salon, barber shop, thrift store, law offices, insurance offices, real estate offices, a video store, gas stations and convenience stores, churches, a hotel, and a public library. The elementary, middle, and high schools are all located within walking distance of Downtown.
- Stafford would benefit from the addition of new residential units, which would bring more residents/consumers to the market. New residents/consumers would help to increase the demand products and services, which would help to support new and existing businesses in the market.
- The real estate market in Stafford appears to be improving from the economic downturn that affected real estate markets nationally. Evidence of the recovery is new construction of homes in existing subdivisions and real estate sales activities that are starting to pick up, according to local real estate brokers.

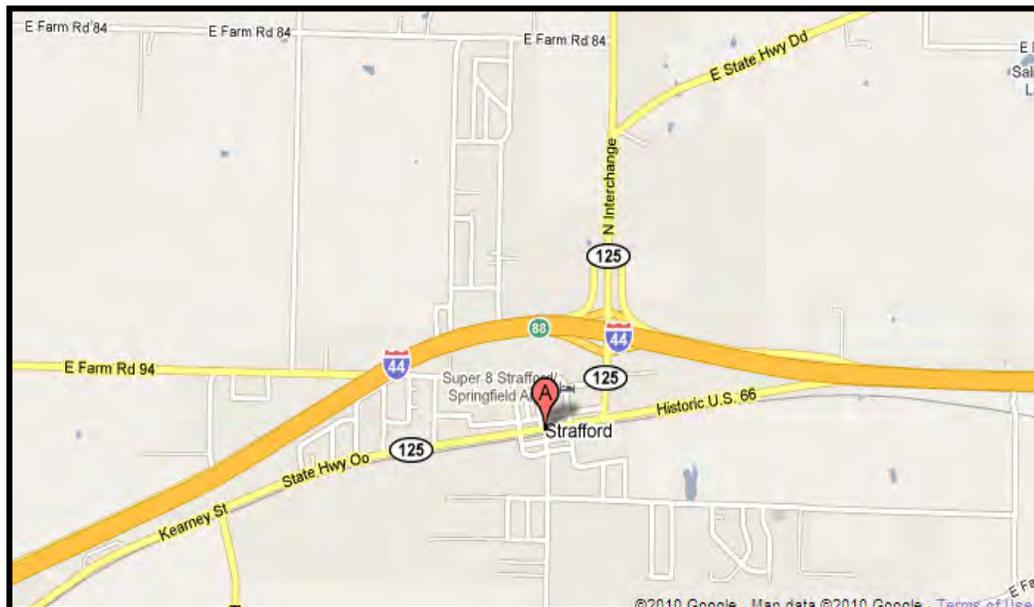
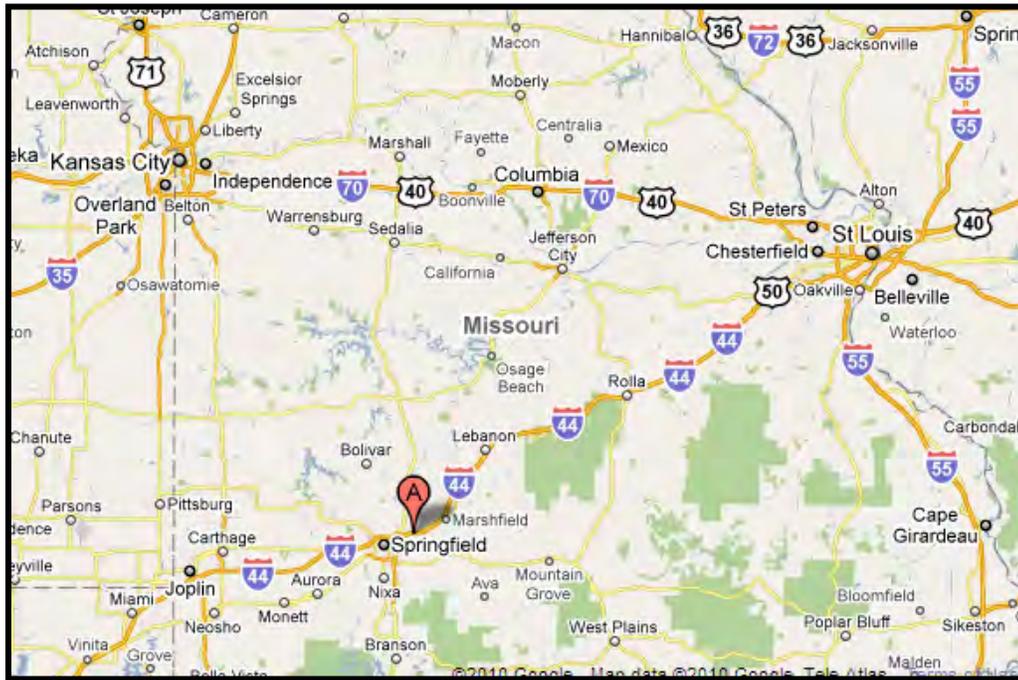
- Unlike most Downtowns, Strafford's has very few multi-story buildings, which eliminates the possibility of upper-floor space of downtown commercial buildings being readapted for residential use.
- Strafford does have several unimproved parcels of land around Downtown and the community that could be used to accommodate new residential units.
- Demographic data indicates that between 2009 and 2014 the number of households in Strafford is expected to increase by close to 100 households. That estimate is based on present conditions and the current pace of residential new construction. A more accelerated residential production pace could result in a greater increase in household growth than is currently estimated.
- Generally the profiles of households that create the demand for housing in downtowns are young professionals with no children. In the case of Strafford's downtown, which has more of a neighborhood feel because of the lack of multi-story buildings, and which is also located in close proximity to the elementary, middle, and high schools, it should have appeal to households with children as well.
- A survey of the existing rental housing options in Strafford was made. The result is that most of the market rate rental housing developments have good occupancy and all of the affordable housing developments have good occupancy and waiting lists. Some of the demand that cannot be served by the existing rental developments could create the demand for new housing in or near Downtown.
- A demand analysis was prepared for various housing types to determine the level of market demand that exists in the downtown market area from the primary and secondary market areas. The intent of the demand analysis is to provide builders and developers an idea of the depth and breadth of the market demand for new housing that could be produced in the downtown market area of Strafford. The results of the downtown residential demand analysis for the various housing types are as follows:

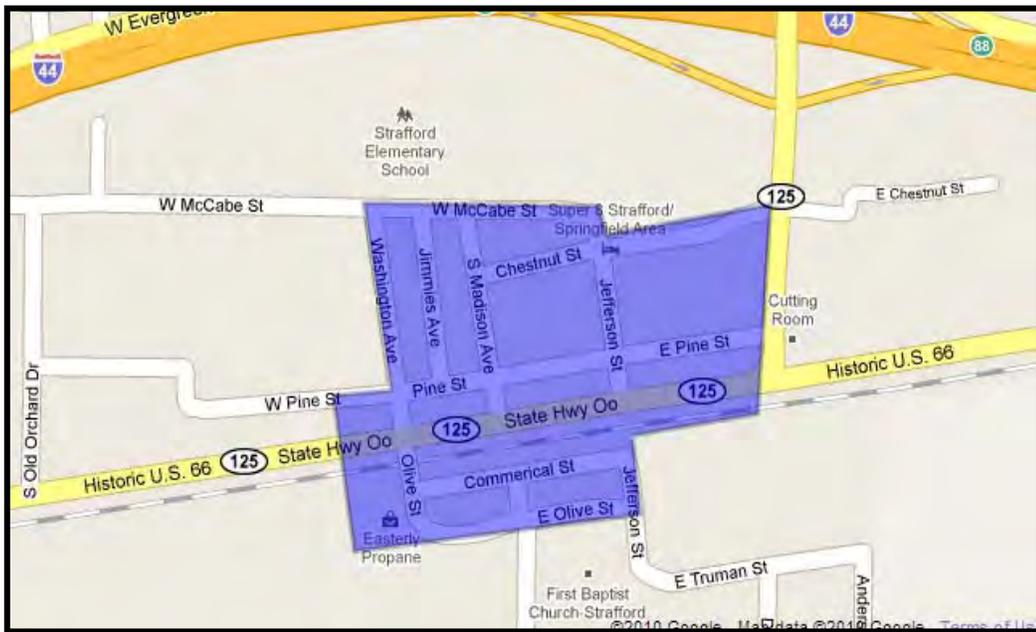
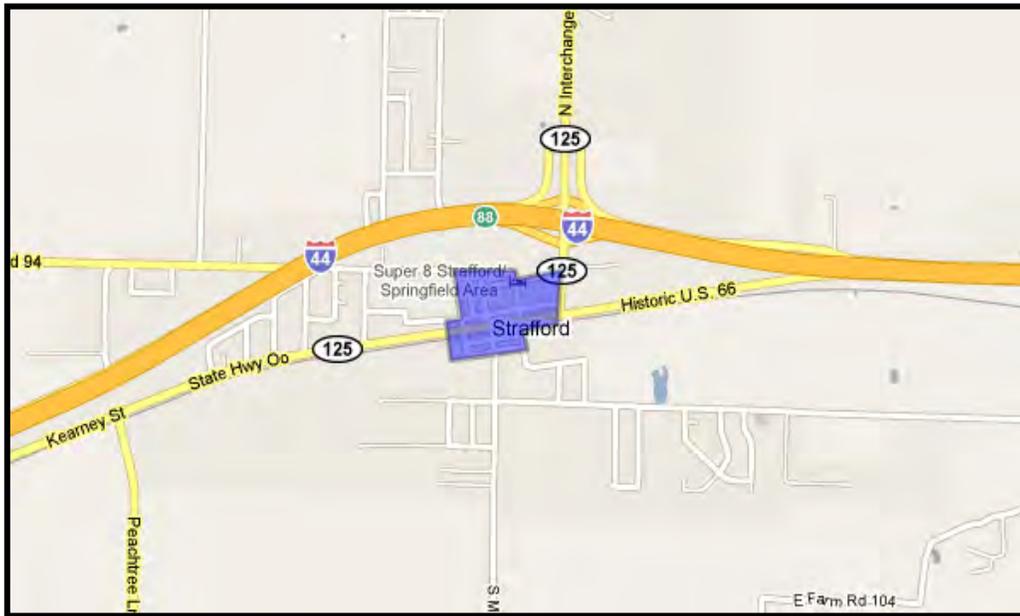
<u>Housing Type</u>	<u>Potential Household Demand</u>
Homeownership Housing	8
Market Rate Rental Housing	33
Affordable Senior Rental Housing	16
Affordable Family Rental Housing	24
Total	81

SECTION II

MARKET AREA DESCRIPTION

The area of study is Downtown Strafford, in Greene County, Missouri. The following maps show the location of the City within the State of Missouri, the primary traffic arteries through the City, the general area within the city, and the DREAM study area that is the subject of this report.





OVERVIEW



Strafford, which is a small community located in Greene County, just to the northeast of Springfield, Missouri, was incorporated as a village in 1861. The community got its start after the Civil War with the construction of a railroad line between St. Louis and San Francisco. The men who helped to build those tracks named the community. Today those tracks are still active carrying freight in the area.

The community, which is also along the Trail of Tears (the route used for the relocation of Cherokee Indians by the government) and the famous Route 66, is located at the intersection of Interstate 44 and Highway 125.

Today, Strafford is generally a bedroom community to nearby Springfield, Missouri. In its heyday, its economy was fueled by retail sales along Route 66, especially during the period in our nation's history when large numbers of households were migrating across country from east to California. When the nation's interstate system was created, travel along Route 66 diminished, along with the retail business it fueled. Today, the largest employer in Strafford is the public school district.

Downtown Strafford is centrally located in the community. The boundaries of the DREAM Downtown Revitalization Area are generally North Street to the north, Grover and Broad Streets to the south, College Street to the east, and Washington and Warren Streets to the west.

Like many downtowns, Strafford's is the center of local government. The Strafford City Hall is located Downtown at 126 S. Washington Street. Also located downtown are the Strafford Police Department, Strafford Fire Department, and the U.S. Post Office.

In addition to the government uses, Strafford's Downtown also contains places of worship, a few small retail and service businesses, and a few low density residential uses. The Strafford elementary, middle, and high schools are located in the Downtown area, just outside of the DREAM Study Area boundaries.

The primary business arteries in Downtown are Pine Street and Old Route 66, which are contiguous east/west streets. Most of the businesses along these streets either have or had dual entrances. The entrances on Pine Street were the original entrances, and the entrances on Old

Route 66 were added during the height of travel along Route 66, as people migrated from the east to California. Local residents generally used the Pine Street entrances and travelers along Route 66 were attracted to the entrances on that side.

Unlike most other downtowns which have multi-story buildings with commercial uses on the street level and residential on the upper levels, Downtown Strafford has only a few buildings with more than one story. Also unlike many downtowns, Strafford's buildings are of various ages, architectural styles and have varying facades, which affects the visual appeal. The poor condition of many of the buildings, infrastructure problems with the streets and sidewalks, and exposed power lines contribute negatively to Downtown's appearance.

There are some newer and/or rehabbed buildings in Downtown that house City Hall and the Chamber of Commerce, a couple of banks, a new school auditorium, some convenience stores, and some attached residential units on Olive Street.

Most of the DREAM Downtown Study Area is located north of Old Route 66, but a small part of it is located south of Old Route 66 and the railroad tracks containing some businesses and rental housing. The Downtown also has a few vacant tracts of land that have the potential for development.

TRAFFIC ARTERIES

The primary traffic arteries into Downtown are Old Route 66, which runs east and west and is located on the south side of the DREAM Downtown area and State Highway 125, which runs north and south and is located on the eastern boundary of the DREAM Downtown study area. Most Downtown businesses are located in buildings with frontage on the north side of Old Route 66 and the south side of Pine Street, another east/west artery. Interstate 44 is located a few blocks to the north of the DREAM Downtown study area.

EXISTING LAND USES

The land use in the footprint of the DREAM Downtown Study Area is predominately commercial and civic, with some residential and institutional land use. Most buildings are occupied, but some are vacant. Most land is improved, but there are a few vacant tracts of land in Downtown. Most land in the Downtown is zoned GC-General Commercial, but some is zoned R-2-Urban Residential. A small portion is zoned for government, parks, and education uses.

ADJACENT AREAS

Land uses adjacent to the DREAM Downtown Study Area are education and schools to the north, residential and railroad tracks to the south, commercial businesses to the east and residential to the west.

PARKING

Parking in Downtown is predominately diagonal. Some residents feel there is not enough parking downtown to facilitate business growth.

RETAIL SHOPPING

Retail shopping in Downtown is limited to a thrift store, pharmacy, car lot, gas station/convenience store, and a video store.

ENTERTAINMENT

No entertainment venues are located in Downtown and very few entertainment venues are located in this bedroom community. Most residents look to the larger nearby communities of Springfield and Branson for entertainment.

DINING ESTABLISHMENTS

Dining establishments in Downtown are limited to CC's Kuntry Fried Café at the northeast corner of Pine and Madison Streets.

PARKS AND RECREATION

There are no public parks in the Downtown area. The closest park is the Howard Smith Community Park on East Bumgarner Boulevard.

SCHOOLS

Stafford's elementary, middle, and high school are located just north of the Downtown study area on McCabe Street.

HISTORIC DESIGNATIONS

There are no buildings in Downtown that have been formally designated as historic.

PUBLIC TRANSPORTATION

Stafford does not have a public transportation system. They are served by taxi service from nearby Springfield.

DOWNTOWN ORGANIZATIONS

Stafford Chamber of Commerce (417-839-2152)

DOWNTOWN AREA STRENGTHS AND WEAKNESSES

From a residential market perspective Downtown has positive attributes, including:

- Government Center: Downtown 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.

- Existing Residential Market: Downtown already has some residential units, so the residential market in Downtown does not have to be created.
- Potential Development Space: There are vacant tracts of land located within and in close proximity to Downtown that could accommodate residential development.
- Schools: Strafford's elementary, middle, and high schools are located just north of Downtown.
- Rapid Transit: Rapid transportation arteries like Interstate 44, Old Route 66, and State Highway 125 are located in close proximity to Downtown.
- Proximity to Typical Neighborhood Amenities and Services: Because of the small size of the community any new residential units in Downtown would be located in relatively close proximity to most typical neighborhood services and amenities (grocer, gas, pharmacy, dining options, places of worship).

From a residential market perspective current weaknesses of Downtown also exist, including:

- Appearance: The lack of cohesiveness in terms of building designs, the vacant buildings, the condition of streets and sidewalks, and the overhead power lines, adversely affect the appearance of Downtown.
- Competition: The Strafford market has a few housing options outside of the Downtown area that would compete with any new residential units in the Downtown area.

Following are Downtown area photos:



Strafford City Hall

United States Post Office



Strafford Police Department



Family Pharmacy on Pine Street





Empire and O'Bannon Banks near Pine Street
and South State Highway 125

Joe's Diner at northeast corner of
McCabe and Jefferson



CC's Kuntry Fried Café at northeast corner of
Pine and Madison Streets

Stafford Chamber of Commerce at
northeast corner of Old Route 66 and
Washington Streets





Looking east down Pine Street from Washington Street



Looking east down Pine Street from Madison Street



Looking west down Pine Street from Jefferson Street

Looking west down Old Route 66 from near State Highway 125





Looking east down Old Route 66 from near
Madison Street

Looking north down Washington Street
from Old Route 66



Railroad tracks just south of Old
Route 66

Newer strip commercial mall on the west
side of State Highway 125 near Chestnut





**Buildings on the south side of Pine Street near
Jefferson Street**

**Buildings on the south side of railroad
tracks, east of Madison Street**



**Looking west at businesses at northwest corner
of Old Route 66 and Jefferson Street**

**Buildings near the corner of Old Route
66 and Madison Street**





Businesses at the northeast corner of the intersection of State Highway 125 and Old Route 66

Businesses at the northwest corner of the intersection of State Highway 125 and Old Route 66



Buildings on the south side of Pine Street between Washington and Madison Streets (since removed; site is now vacant)

Harter House Supermarket on Old Route 66





Looking west down Pine Street from
Washington Street

Stafford Middle School on McCabe Street,
just north of the DREAM Downtown Study
Area



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SECTION III

REVIEW OF PREVIOUS DOWNTOWN MARKET STUDIES

The City of Strafford has a Downtown Revitalization Plan that was prepared in the Fall of 2007 by students from Missouri State University in Springfield. The purpose of the Plan was to address the challenges and issues facing Downtown Strafford and offer recommendations to revitalize their central business district. Following are some excerpts from that plan. There did not appear to be anything in the plan that directly related to housing in Downtown.

- The Downtown area has several parcels of land that are currently vacant and some improved parcels that might be suitable for redevelopment.
- Electricity is supplied to the area via a web of overhead wires and poles.
- There is a limited amount of business along Pine Street and old Route 66.
- The landscape consists of minimal sidewalks and inadequate street lighting.
- The facilities and streetscape have minimal coordination of structure design, color distribution, or character.
- There is a lack of retail variety and insufficient advertising Downtown.
- The public feels that Downtown has a shortage of available parking.
- One of the leading problems in Downtown Strafford is the divided frontage that exists between the Pine Street area and the Highway 125 corridor.

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SECTION IV

ECONOMIC PROFILE

OVERVIEW

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, 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 Strafford Area Chamber of Commerce and Industry.

Major Employers

Major Employers - Strafford, Missouri Area	
Employers	Type of Business
Strafford R-VI Schools	Public School
Strafford Care Center	Nursing Home
T/A Travel Center of the Ozarks	Truck Stop
Harter House Super Market	Grocery
Camping World RV Store	Retail
McDonalds	Fast Food
Jump-Big 'K' Truck Stop & Convenience Store	Convenience Store
Immigration Custon Enforcement	Immigration
Fedex National LTL	Shipping
Transland Freight Lines	Trucking
ABF Freight Systems	Trucking

Source: Strafford Area Chamber of Commerce and Industry

Strafford is located approximately 5 miles east of Springfield and is part of the Springfield Metropolitan Statistical Area. Although it has some employers, many residents depend on employment in the larger neighboring community of Springfield.

Strafford is currently in the approval process for 100+ acre industrial park that is expected to bring new industries and jobs to the community.

Employment Categories and Wages

Average Employment and Wages -Greene County, Missouri								
Industry	2009*		2008		2007		2006	
	Avg. Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	140	\$1,805	206	\$1,944	236	\$1,833	235	\$1,828
21 - Mining	78	\$2,746	74	\$3,342	76	\$3,045	79	\$3,197
22 - Utilities	712	\$6,147	715	\$5,970	701	\$5,835	697	\$5,488
23 - Construction	6,875	\$3,256	7,687	\$3,425	7,912	\$3,296	7,959	\$3,099
31 - Manufacturing	14,268	\$6,211	15,690	\$4,328	15,866	\$4,022	15,038	\$4,069
42 - Wholesale trade	9,427	\$3,686	9,794	\$4,039	10,020	\$4,080	10,042	\$3,842
44 - Retail Trade	18,828	\$2,084	19,550	\$2,198	19,522	\$2,207	19,492	\$2,170
48 - Transportation and warehousing	7,726	\$2,793	7,903	\$3,072	7,706	\$3,042	7,618	\$2,999
51 - Information	3,346	\$2,946	3,596	\$3,215	3,499	\$3,236	3,548	\$3,168
52 - Finance & Ins.	7,942	\$3,687	7,994	\$3,728	10,223	\$4,174	12,439	\$4,154
53 - Real estate	2,261	\$2,380	2,409	\$2,467	2,452	\$2,438	2,399	\$2,352
54 - Professional and technical services	5,185	\$3,606	5,246	\$3,893	5,108	\$3,865	4,976	\$3,731
55 - Mgmt. (companies)	3,163	\$3,909	3,431	\$3,855	3,465	\$3,736	3,055	\$3,944
56 - Administrative, etc.	8,340	\$2,145	9,324	\$2,396	9,169	\$2,387	8,472	\$2,326
61 - Educational	12,477	\$2,667	9,342	\$2,773	9,164	\$2,616	8,890	\$2,533
62 - Health care, social	29,945	\$3,529	27,853	\$3,582	26,051	\$3,373	25,670	\$3,343
71 - Arts, etc.	1,770	\$2,071	2,080	\$2,150	2,029	\$2,148	1,996	\$2,042
72 - Accom. & food srvc	12,901	\$1,189	13,877	\$1,240	13,883	\$1,211	13,450	\$1,166
81 - Other services	4,721	\$1,995	5,155	\$2,099	5,194	\$2,098	5,208	\$2,061
Public Administration	3,796	\$3,275	3,820	\$3,265	3,680	\$3,201	3,547	\$3,068

*Most up-to-date information available at time of study
Source:U.S. Census Bureau

The largest employment trade in Greene County is Healthcare. The next largest employment trades are retail trade, manufacturing, education, and food services.

Labor Force and Unemployment

Local Area Employment -Greene County					
Year	Labor Force	Employment	Unemployment	Missouri Unemployment Rate	
				Unemployment Rate	Missouri Unemployment Rate
2009	139,722	128,786	10,936	8.3%	5.2%
2008	138,977	132,071	6,906	5.0%	5.6%
2007	141,200	135,694	5,506	3.9%	5.8%
2006	138,549	133,388	5,161	3.7%	5.3%
2005	136,390	130,702	5,688	4.2%	4.8%
2004	134,040	127,882	6,158	4.6%	5.0%

Source: Department of Economic Development

The unemployment rate for Greene County has consistently been better than the state as a whole, until 2009. In 2009 the unemployment rate for Green County was significantly higher than the year before and the state as a whole.

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
Greene	119,180	8,320	7.0	6.2	2,097	0.8
Polk	11,741	4,406	37.5	30.5	1,652	7.0
Webster	13,511	7,498	55.5	49.6	2,611	5.9
Christian	27,421	17,644	64.3	59.8	8,232	4.5
Lawrence	15,679	7,368	47.0	40.3	2,123	6.7
Dade	3,392	1,475	43.5	39.3	274	4.1
Dallas	6,425	3,418	53.2	44.5	1,247	8.7

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

The table indicates that compared to other surrounding counties, Greene County has a very low rate of individuals that commute outside of the county for employment. Many individuals that reside in counties near Greene County commute into Greene County for employment. Many of the residents of Strafford commute to the larger nearby community of Springfield for jobs.

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SECTION V

DEMOGRAPHIC PROFILE

Population

Total Population						
Year	Stafford	Change %	Greene County	Change %	Missouri	Annual Change %
2000	1,845		240,391		5,595,211	
2009	2,216	20.1%	269,679	12.2%	5,870,906	4.9%
2014	2,428	9.6%	287,225	6.5%	6,053,252	3.1%

Source: Claritas, MHDC

The information in the table above shows that the populations of Stafford and Greene County have been increasing and are projected to continue increasing through 2014. This is a positive indicator of the probable need for additional housing units to serve the growing population.

Population by Age

Population By Age Group						
Stafford, Missouri						
Age Cohort	2000	Percent	2009	Percent	2014	Percent
0-20	595	32%	740	33%	829	34%
21-24	105	6%	109	5%	106	4%
25-34	315	17%	329	15%	308	13%
35-44	263	14%	332	15%	381	16%
45-54	240	13%	245	11%	286	12%
55-64	137	7%	207	9%	233	10%
65-74	79	4%	123	6%	147	6%
75-84	73	4%	76	3%	93	4%
85+	38	2%	55	2%	45	2%

Source: Claritas, MHDC

The table above shows that 21% of the population of Stafford is within the ages of 21 and 34, the prime age range of households that are the most active in terms of housing.

Average Age of Population

Total Population Average Age	
Strafford, Missouri	
Year	Average Age
2000	34.1
2009	34.7
2014	35.0

Source: Claritas

The table illustrates that the average age of the population increased between 2000 and 2009 and is expected to continue to increase between 2009 and 2014.

Population by Gender

Population By Gender						
Strafford, Missouri						
Gender	2000	Percent	2009	Percent	2014	Percent
Male	897	49%	1,090	49%	1,189	49%
Female	948	51%	1,126	51%	1,239	51%

Source: Claritas, MHDC

The table illustrates that the past population gender distribution, which includes a very slight majority of females, is expected to continue at least through 2014.

Educational Attainment

2009 Est. Population Age 25+ Educational Attainment		
Strafford, Missouri		
Type	Population	Percentage
Less than 9th grade	96	7%
Some High School, no diploma	234	17%
High School Graduate (or GED)	543	40%
Some College, no degree	318	23%
Associate Degree	39	3%
Bachelor's Degree	102	7%
Master's Degree	17	1%
Professional School Degree	11	1%
Doctorate Degree	7	1%

Source: Claritas

Marital Status

2009 Est. Population Age 15+ by Marital Status		
Stafford, Missouri		
Type	Population	Percentage
Total, Never Married	311	14%
Married, Spouse present	918	40%
Married, Spouse absent	97	4%
Widowed	92	4%
Divorced	229	10%
Males, Never Married	167	7%
Previously Married	121	5%
Females, Never Married	144	6%
Previously Married	200	9%

Source: Claritas

Total Households

Total Households				
Stafford, Missouri				
Year	Stafford	Change %	Greene County	Change %
2000	683		98,003	
2009	852	24.7%	113,256	15.6%
2014	945	10.9%	122,046	7.8%

Source: Claritas, MHDC

The number of households in Stafford increased between 2000 and 2009 and the trend is expected to continue through 2014. Between 2009 and 2014 the number of households in Stafford is expected to increase by almost 100 households. Similar to the growth in population, this is an indicator of probable future housing needs.

Average Household Size

Average Household Size	
Stafford, Missouri	
Year	Average
2000	2.62
2009	2.53
2014	2.51

Source: Claritas

Households by Age of Householder

Households by Age of Householder						
Strafford, Missouri						
Age Cohort	2000	Percent	2009	Percent	2014	Percent
Under 25	45	7%	63	7%	69	7%
25-34	163	24%	177	21%	169	18%
35-44	148	22%	187	22%	215	23%
45-54	138	20%	143	17%	169	18%
55-64	85	12%	137	16%	156	17%
65-74	51	7%	86	10%	104	11%
75-84	38	6%	38	4%	46	5%
85+	15	2%	21	2%	17	2%

Source: Claritas, MHDC

Households by Size

Households By Size						
Strafford, Missouri						
Household Size	2000		2009		2014	
	Number	Percent	Number	Percent	Number	Percent
1 Person	155	22.7%	211	24.8%	240	25.4%
2 Persons	218	31.9%	271	31.8%	300	31.7%
3 Persons	138	20.2%	173	20.3%	192	20.3%
4 Persons	102	14.9%	122	14.3%	133	14.1%
5 Persons	52	7.6%	57	6.7%	62	6.6%
6 Persons	13	1.9%	15	1.8%	16	1.7%
7+ Persons	5	0.7%	3	0.4%	2	0.2%
Total	683	100%	852	100%	945	100%

Source: Claritas, MHDC

Household Type and Presence of Own Children

2009 Est. Household Type, Presence Own Children		
Stafford, Missouri		
Type	Households	Percentage
Single Male Householder	73	9%
Single Female Householder	138	16%
Married-Couple Family, own children	240	28%
Married-Couple Family, no own children	222	26%
Male Householder, own children	32	4%
Male Householder, no own children	16	2%
Female Householder, own children	75	9%
Female Householder, no own children	27	3%
Nonfamily, Male Householder	16	2%
Nonfamily, Female Householder	13	2%

Source: Claritas

Hispanic Households

Hispanic Households	
Stafford, Missouri	
Year	Number
2009	12
2014	17

Source: Claritas

Tenure By Occupancy of Housing Units

Tenure by Occupancy of Housing Units				
Stafford, Missouri				
Bedrooms	2000	%	2009	%
Owner Occ.	480	70%	600	70%
Renter Occ.	203	30%	252	30%

Source: Claritas

Tenure by Bedroom Size (Owner Occupied)

Tenure By Bedrooms (2000)		
Owner Occupied		
Strafford, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	14	3.0%
2	60	12.7%
3	357	75.6%
4	39	8.3%
5 or more	2	0.4%

Source: U.S. Census Bureau

Tenure by Household Size (Renter Occupied)

Tenure By Bedrooms (2000)		
Renter Occupied		
Strafford, Missouri		
Bedrooms	Households	Percentage
No BR.	5	2.5%
1	53	26.4%
2	92	45.8%
3	50	24.9%
4	1	0.5%
5 or more	-	0.0%

Source: U.S. Census Bureau

Households by Income Distribution

Households by Household Income						
Strafford, Missouri						
Income Cohort	2000		2009		2014	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	121	17.5%	110	12.9%	110	11.6%
\$15,000-\$24,999	95	13.7%	95	11.2%	97	10.3%
\$25,000-\$34,999	114	16.5%	105	12.3%	100	10.6%
\$35,000-\$49,999	190	27.5%	172	20.2%	171	18.1%
\$50,000-\$74,999	112	16.2%	226	26.5%	266	28.1%
\$75,000-\$99,999	39	5.6%	81	9.5%	101	10.7%
\$100,000-\$149,999	17	2.5%	58	6.8%	83	8.8%
\$150,000-\$249,999	3	0.4%	3	0.4%	14	1.5%
\$250,000-\$499,999	1	0.1%	2	0.2%	3	0.3%
\$500,000 +	0	0.0%	0	0.0%	0	0.0%
Total	692	100.0%	852	100.0%	945	100.0%

Source: Claritas, MHDC

The table indicates that in 2009 approximately 83% of the households in Strafford were estimated to have household incomes of less than \$75,000. Approximately 9.5% of households were estimated to have incomes between \$75,000 and \$100,000, and approximately 7.5% 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 (1999)		
Strafford, Missouri		
Status	Number	Percentage
Less than 15 percent	37	18%
15 to 19 percent	44	22%
20 to 24 percent	32	16%
25 to 29 percent	15	7%
30 to 34 percent	15	7%
35 percent or more	47	23%
Not computed	11	5%

Source: U.S. Census Bureau

Approximately 30% of renter households in Strafford have a gross rent (rent + utilities) that exceeds 30% of their monthly household income. This figure is heavily influenced by the large number of student households in Strafford.

Area Maximum Affordable Housing Income and Rents

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Greene County												
	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
	50%	18,000	20,550	23,150	25,700	27,750	29,800	450	481	578	668	745
	60%	21,600	24,660	27,780	30,840	33,300	35,760	540	578	694	801	894
								HUD Fair Market Rents				
								399	471	602	858	980

Source: HUD, IRS, MHDC

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

Cost Burdened Households

Cost Burdened Households (2000) - Strafford, Missouri			
	Renter	Owner	Renter & Owner
Total	245	766	1,011
Cost Burdened >30%	35.1%	24.0%	26.7%
Severely Cost Burdened >50%	14.7%	7.7%	9.4%
Elderly 1 & 2 Persons	45	88	133
Cost Burdened >30%	26.7%	36.4%	33.1%
Severely Cost Burdened >50%	8.9%	18.2%	15.1%
Single Person Non-Elderly	68	79	147
Cost Burdened >30%	38.2%	34.2%	36.1%
Severely Cost Burdened >50%	20.6%	5.1%	12.3%
Small Fam 2-4 Persons	108	275	383
Cost Burdened >30%	29.6%	16.0%	19.8%
Severely Cost Burdened >50%	13.0%	5.8%	7.8%
Large Fam 5+ Persons	24	79	103
Cost Burdened >30%	66.7%	27.8%	36.9%
Severely Cost Burdened >50%	16.7%	5.1%	7.8%

Source: 2000 Chas Data

Cost Burdened Households (2000) - Missouri			
	Renter	Owner	Renter & Owner
Total			
Cost Burdened >30%	30.9%	16.7%	20.9%
Severely Cost Burdened >50%	14.8%	6.2%	8.8%
Elderly 1 & 2 Persons			
Cost Burdened >30%	39.4%	17.4%	22.0%
Severely Cost Burdened >50%	18.4%	7.3%	9.6%
Single Person Non-Elderly			
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 Cost Burdened table for Strafford indicates that approximately 15% of all renter households in Strafford were severely rent burdened in 2000. The severely rent burdened rate for all renter households in Missouri for the same period was also at 15%. The most severely cost burdened renter group in Strafford appear to be elderly at 18%.

Migration Patterns

Following are tables that show the migration patterns into and out of Greene County and the net migration totals between 2005 and 2008.

Gross Annual Household In-Migration								
Greene County, Missouri								
County of Origin	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	8,373	100%	8,367	100%	8,677	100%	7,882	100%
Total In-Migration Same State	4,991	60%	4,862	58%	4,991	58%	4,509	57%
Total In-Migration Out of State	3,382	40%	3,505	42%	3,686	42%	3,373	43%
Christian County, MO	1,146	14%	1,144	14%	1,155	13%	1,065	14%
Webster County, MO	447	5%	372	4%	452	5%	357	5%
Polk County, MO	298	4%	300	4%	281	3%	255	3%
Lawrence County, MO	231	3%	268	3%	236	3%	200	3%
Taney County, MO	201	2%	170	2%	182	2%	151	2%
Jackson County, MO	180	2%	161	2%	155	2%	147	2%
Stone County, MO	167	2%	150	2%	171	2%	176	2%
Dallas County, MO	152	2%	123	1%	135	2%	124	2%
St. Louis County, MO	146	2%	167	2%	140	2%	147	2%
All Other Counties	5,405	65%	5,512	66%	5,770	66%	5,260	67%

Source: Internal Revenue Service

Gross Annual Household Out-Migration								
Greene County, Missouri								
Destination County	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	7,819	100%	7,212	100%	7,094	100%	6,938	100%
Total Out-Migration Same State	4,409	56%	4,211	58%	4,177	59%	4,041	58%
Total Out-Migration Out of State	3,410	44%	3,001	42%	2,917	41%	2,897	42%
Christian County, MO	1,287	16%	1,296	18%	1,231	17%	1,249	18%
Webster County, MO	430	5%	396	5%	347	5%	369	5%
Polk County, MO	259	3%	237	3%	283	4%	220	3%
Lawrence County, MO	201	3%	164	2%	197	3%	164	2%
Taney County, MO	132	2%	128	2%	144	2%	133	2%
Jackson County, MO	186	2%	193	3%	174	2%	144	2%
Stone County, MO	128	2%	107	1%	142	2%	132	2%
Dallas County, MO	113	1%	129	2%	107	2%	105	2%
St. Louis County, MO	167	2%	170	2%	156	2%	169	2%
All Other Counties	4,916	63%	4,392	61%	4,313	61%	4,253	61%

Source: Internal Revenue Service

Net Annual Household Migration				
Greene County, Missouri				
County	2008	2007	2006	2005
	Number	Number	Number	Number
Christian County, MO	-141	-152	-76	-184
Webster County, MO	17	-24	105	-12
Polk County, MO	39	63	-2	35
Lawrence County, MO	30	104	39	36
Taney County, MO	69	42	38	18
Jackson County, MO	-6	-32	-19	3
Stone County, MO	39	43	29	44
Dallas County, MO	39	-6	28	19
St. Louis County, MO	-21	-3	-16	-22
All Other Counties	489	1,120	1,457	1,007
Net Migration	554	1,155	1,583	944

Source: Internal Revenue Service

The migration tables indicate that from 2005 to 2008 more households moved into Greene County than those that moved out of the County. Other than neighboring Christian County and the metro areas of Kansas City and St. Louis, Greene County has a positive net migration record with all of its neighboring counties.

Units in Structure

Units in Structure (2000)		
Strafford, Missouri		
Type	Number	Percentage
1, detached	499	70.0%
1, attached	14	2.0%
2	42	5.9%
3 or 4	61	8.6%
5 to 9	13	1.8%
10 to 19	2	0.3%
20 or more	-	0.0%
Mobile Home	82	11.5%
Total	713	100.0%

Source: U.S. Census Bureau

Year Structure Built

Year Structure Built (2000)		
Strafford, Missouri		
Year	Number	Percentage
1999 to March 2000	16	2.2%
1995 to 1998	189	26.5%
1990 to 1994	103	14.4%
1980 to 1989	76	10.7%
1970 to 1979	167	23.4%
1960 to 1969	76	10.7%
1950 to 1959	62	8.7%
1939 or earlier	24	3.4%

Source: U.S. Census Bureau

Building Permits

Building Permits - Strafford, Missouri				
Units in Bldg.	Units			
	2008	2007	2006	2005
1	5	26	41	55
2	0	0	0	0
3 to 4	0	0	0	0
5 +	0	0	0	0
Total	5	26	41	55

Source: US Census Bureau

Building permit records indicate that Strafford had an active single family home construction market prior to 2008. Like most of the country Strafford's single family construction market was considerably slowed in 2008.

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SECTION VI

EXISTING HOUSING

DOWNTOWN HOUSING

Existing housing in Downtown is comprised of a small number of owner occupied single family homes and some attached rental units of duplex and four-plex design. The single family homes in the Downtown appear to be older than 75 years. The attached duplex and four-plex units appear to be no more than 15 years old. All together there are approximately 20 residential units within the footprint of the DREAM Downtown Study Area.

Unlike most downtown areas, Strafford's has very few multi-story buildings. In most downtowns with multi-story buildings, some either at one time, or presently, contained residential units on the upper floor(s). This upper floor space when vacant has the potential to be used for residential purposes in an effort to repopulate the downtown. Since this situation does not exist in Downtown Strafford any new housing will have to be produced either on the ground floor of existing vacant buildings, or on vacant land, if zoning is permissible.

Following are examples of the existing housing in the Downtown.



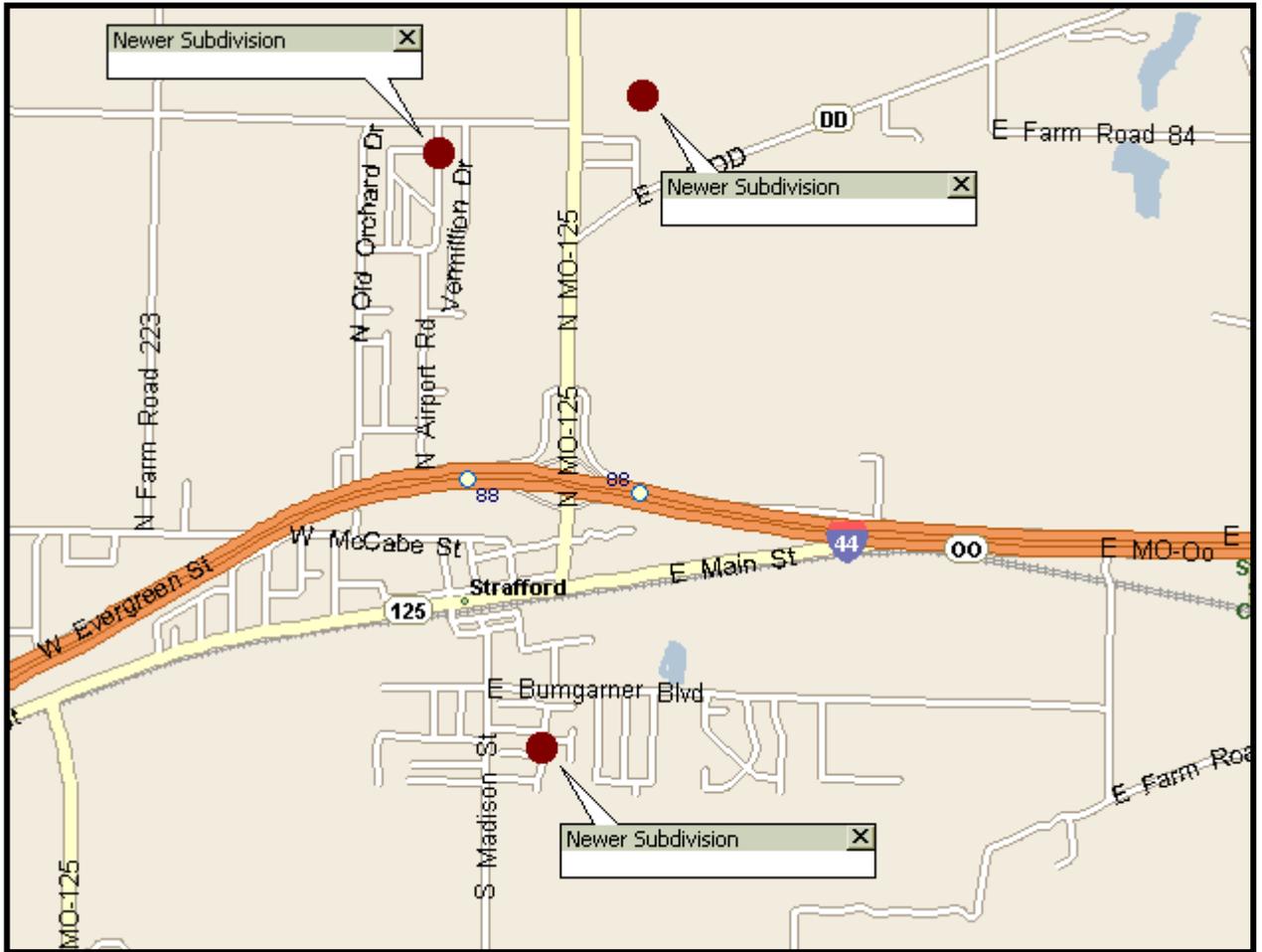


SINGLE FAMILY HOUSING

Presently the single family housing market in Stafford is slow, which is similar to markets in other parts of Missouri and the United States. Before the slow down, Stafford was a fairly active market, which is evidenced by the new homes that were built in some of the newer subdivisions in the city.

There are currently 69 properties listed for sale in the Stafford Area Realtor.com site. They range from an asking price of around \$30,000 to as high as \$850,000 for homes just outside the city with acreage. New Starter homes in some of the newer subdivisions in Stafford have asking prices at around \$100,000.

Following is a map that shows the location of some of the newer subdivisions in Stafford.



All of the subdivisions noted on the preceding map have quite a few lots remaining.

MARKET RATE RENTAL HOUSING

A survey was made of market rate rental housing in Strafford. Following are a few of the housing options that are representative of the market rate rental housing options in Strafford.



Unnamed apartments near 200 block of South Oakcliff Ave.



4-Plex apartments on Olive Street

Duplex apartments on Olive Street



Apartments at Old Route 66 and Oakcliff Drive

Duplexes at Pine and Old Orchard Streets





Rental units on North Airport Road

Typical Rent Range

The typical rent for market rate rental units ranges from a low of approximately \$300 to a high of around \$750. The low side of the range is smaller units and units that have physical or functional obsolescence. The high side of the range is generally larger units and units that are newer or were updated recently.

Occupancy

The overall occupancy rate in the Strafford rental market is good. Most owners and managers indicated that their units are generally full and that they have no problem filling vacancies.

Under Construction/Consideration

The surveyor is unaware of any new market rate rental developments that are under construction or under consideration.

Following is a map that shows the location of the market rate developments that were surveyed.



SENIOR AFFORDABLE RENTAL HOUSING

A survey was made of senior affordable rental housing options in Strafford. Following is basic information regarding the development surveyed:



Strafford Senior Citizens
244 W. Pine Street
Strafford, Missouri
16 1Br Units

Typical Rent Range

Rents for the units generally range from around \$360 to \$380. Most units are occupied by residents with rent subsidy.

Occupancy

The Strafford Senior Complex has good occupancy and a waiting list.

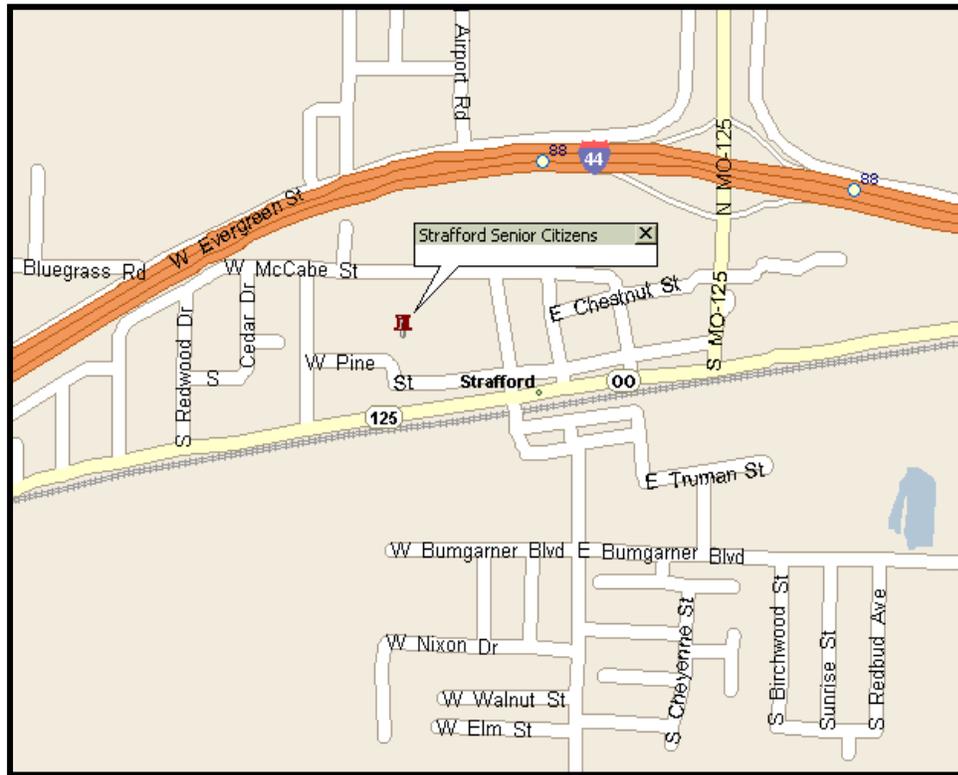
Under Construction/Consideration

The analyst is unaware of any senior housing developments that are under construction or under consideration in the Strafford area.

Senior Affordable Housing Supply and Demand

The tight occupancy and wait list indicates that there is an unsatisfied demand for affordable senior housing units.

Following is a map that shows the approximate location of the affordable senior housing development in Strafford.



FAMILY AFFORDABLE RENTAL HOUSING

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



Madison Square
115 E. Commanche Court
Strafford, Missouri
24 3Br units

Strafford Arms
221 W. Pine Street
Strafford, Missouri
12 units total
6 1Br units
6 2Br units





Strafford Arms II
216 W. Pine Street
Strafford, Missouri
12 units total
6 1Br units

Typical Rent Range

Rents for affordable family units at the surveyed developments generally are within a range of approximately \$350 to \$500.

Occupancy

The Strafford Arms developments currently have vacancies due to units in need of repairs, but a representative of the developments indicated that there are prospective tenants waiting for the units to come back on line. The Madison Square development is at 100% occupancy with a waiting list.

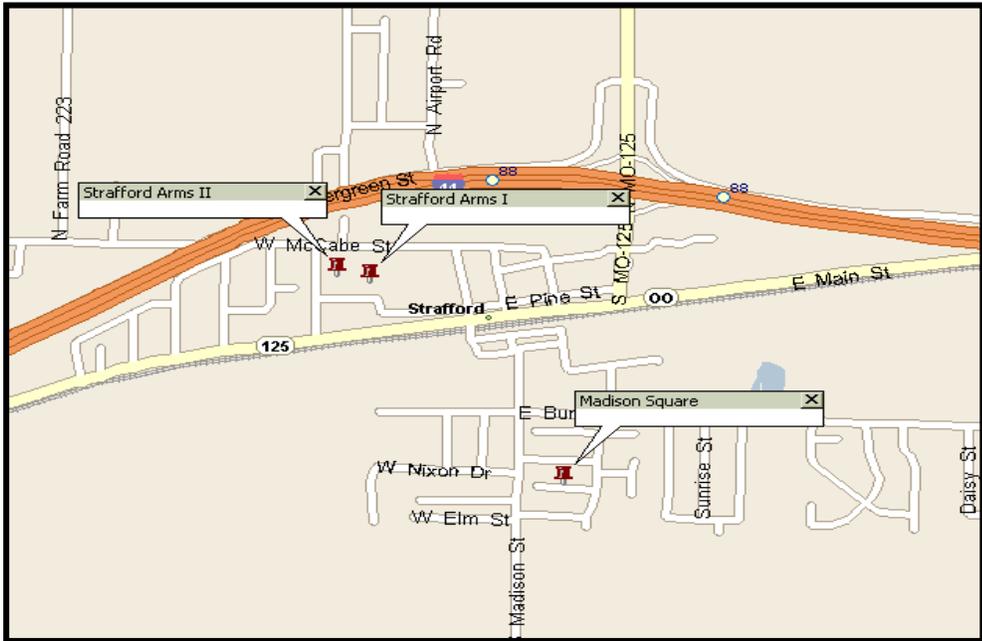
Under Construction/Consideration

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

Affordable Family Housing Supply and Demand

Currently there seems to be an unmet demand for affordable housing rental units in Strafford.

Following is a map that shows the location of affordable family housing developments in Strafford.



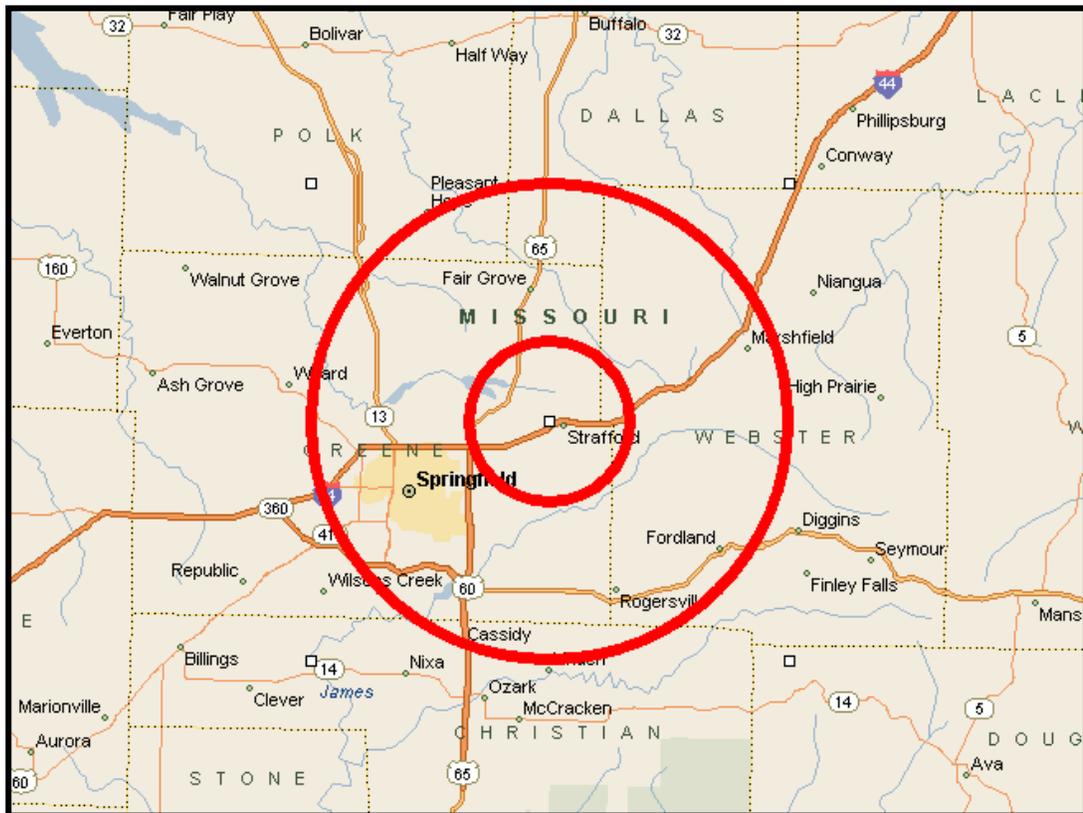
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SECTION VII

IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

The primary market area (PMA) is where the majority of the market demand for downtown housing in Strafford is expected to be drawn from. The secondary market area (SMA) is where a smaller portion of the market demand is expected to originate. The PMA is the smaller footprint and the SMA is the larger footprint that covers a wider geographic area. 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 Strafford Downtown Housing Market is all of the City of Strafford and an area that extends approximately 5 miles around the City of Strafford. The SMA is estimated to extend approximately 15 miles around the City of Strafford.

Following is a map of the primary (5 mile radius) and secondary market areas (15 mile radius) for Strafford.



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SECTION VIII

POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

OVERVIEW

The key to a thriving downtown is people. Generally the types of people that can be found in downtown are local resident users, employees, visitors, or permanent downtown residents. The things that bring people to downtown are retail, services, government business, jobs, attractions/venues, or housing. Downtowns that lack some of these things may have trouble with economic viability. This study focuses on housing's role in the Downtown and attempts to answer the questions of whether more housing would complement Downtown revitalization, what types of housing markets can be served Downtown and how many new households are reasonably expected to be drawn to housing in the Downtown market over the next few years.

In many communities, downtowns suffer from urban sprawl as new shopping and residential choices develop outside of the central business district. As downtown consumers and residents became attracted to these newer shopping destinations and housing opportunities, the existing retail and housing demand in downtowns decreased dramatically across the country. The result in many cases is empty and underutilized buildings. In the case of Strafford the construction of Interstate 44, which runs parallel to Old Route 66 north of the study area, had the most adverse impact on the Downtown.

Before Interstate 44 was built, Historic Route 66 ran through Downtown and carried a large amount of interstate traffic benefitting Downtown businesses in Strafford. Traffic through the community was so dense that building owners created main entrances to their businesses on the rear of their buildings that faced Route 66. Most businesses had the original entrances on Pine Street, which were used primarily by local residents and the second main entrance on the Route 66 side to accommodate customers traveling through the area on Route 66.

As the traffic flow on Route 66 continued to lessen with the creation of the interstate, business activity of Downtown also diminished and buildings began to deteriorate due to a lack of market demand and proper maintenance. Most of the businesses that remain Downtown today generally serve the local population, with the majority of economic activity occurring during daylight hours.

Would additional residential units complement the efforts to revitalize Downtown?

In many urban communities across the country the revitalization of downtown has involved an increase in the population of permanent residents. Permanent residents provide a neighborhood energy that has many positive social and economic benefits. High density downtowns promote greater interaction as people are more likely to take advantage of the walkable urbanity that the district offers. It can offer a quality of life not found in other areas of the community, especially if the area offers a concentrated mix of dining, entertainment, and retail venues.

From an economic point of view an increase in the population of Downtown 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. It can motivate existing property owners to improve their property and cure some of the eyesores that are vacant or deteriorated buildings.

In the case of Strafford more residential units in Downtown could have a positive impact to Downtown and the community as a whole, by bringing more permanent residents/customers to the market. Strafford seems to be well located near the major metropolitan area of Springfield, and has the opportunity to offer prospective residents the small home town feel of its community and all of the attractions and amenities that are offered in the larger community of Springfield. Other nearby smaller communities to Springfield, like Republic, Nixa, and Ozark, have experienced strong population growth over the past 10 years or so, primarily because of the housing options that were built to accommodate new residents. Between 2000 and 2008 the populations of Republic, Nixa, and Ozark have respectively grown by 63%, 55%, and 87%.

What types of housing should be considered in the Strafford 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 four critical age groups, which tend to represent the major stages of a household's life cycle:

- 18-24:- includes the largest tenant group, which are young individuals and couples that have recently left their parents home to start their adult lives, demanding low frills and low cost rental housing in single family units or apartments
- 25-34:- includes mostly young, married households, generally with children, demanding rental housing or home ownership units
- 35-54:- encompasses 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 with no children, 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)

Generally, the profile of Downtown residents is younger households with no children, or very few children. This is primarily due to the lack of schools and play areas for children and the vehicular risks of busy Downtown streets. In the case of Strafford, which is a relatively small community, traffic density in Downtown is light and probably poses not much more risk than any other neighborhood in the community. Just north of Downtown is an elementary school, middle school, and Strafford's High School, which is convenient for families with children. There is no park in the Downtown, but there are parks close by, and there is ample land in the Downtown area that can be used for children's play areas. Consequently, both households with and without children could probably be drawn to new, good quality housing options in or around Downtown Strafford. The housing should also prove to be attractive to both young and older households, from low to moderate income.

Generally the type of housing units found in most downtown areas of Missouri is rental housing. Because of the perception of downtown as a place of business very few downtowns, at least in Missouri, have a significant amount of homeownership opportunities. Larger communities like Kansas City and St. Louis in Missouri are starting to see increases in the number of ownership units in their downtown areas, but residential options in most communities in Missouri is primarily limited to rental housing.

Strafford is one of the few communities in Missouri that already has a significant amount of homeownership in and around Downtown. Consequently the market for for-sale housing already exists and any further addition of housing in Downtown can include for-sale housing opportunities that, if priced properly, should be very marketable.

So the type of housing that should be considered in downtown Strafford to benefit the downtown revitalization efforts can be either rental or for-sale, or a combination of both types of housing that should be targeted to lower and moderate income households of all age cohorts.

Where are households that form the potential market for housing in the Strafford downtown market area likely to come from?

The demand for units in Downtown will come from households that live in and around the City, some of which are presently residing in housing that may be in substandard condition, or more expensive than they can easily afford. Demand may also come from households with larger housing than they want at this stage in their life or from households that are attracted to the walkable neighborhood that is unique to Downtown in Strafford. The primary market area where most of the demand is expected to come from is approximately 5 miles around the city. Outside of the primary market area for another 15 miles is the secondary market area, where a small percentage of the demand could also come from. Strafford's close proximity to Springfield offers households the benefits and amenities of a larger community and the slow, quiet, laid back, and close knit atmosphere of a smaller community; essentially the benefits of both worlds.

If zoning were permissible, where are possible sites that could be used for residential development in or near Downtown?

Several medium to large sized unimproved sites were found in and around Downtown Strafford that could possibly be used for residential development. The analyst is not aware if the current owners of the sites are willing to sell the sites or develop the sites themselves and only point them out as sites that can be researched for potential development. All of the sites are relatively level and cleared. It is believed that most sites have utilities within close proximity.

Following are photos and a location map for the possible development sites.

1. Vacant site on Chestnut, just west of HWY 125



2. Vacant Site on McCabe, near Cedar



3. Vacant site near Old Orchard and West Pine



4. Vacant site with frontage on McCabe and Chestnut



5. Field adjacent to Senior Citizens Center



6. Site east of Hwy 125 and just south of I-44



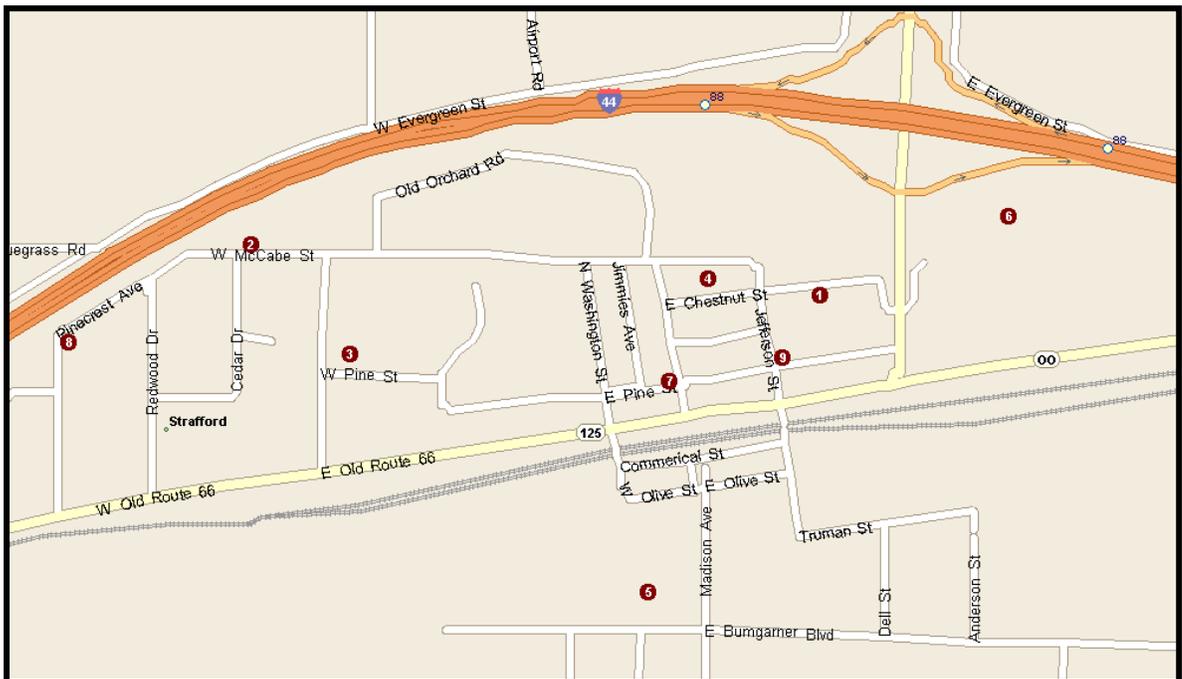
7. Vacant site at northwest corner of Pine and Madison



8. Vacant site at Pinecrest and McCabe



9. Vac. site at the nw corner of Jefferson and Pine



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

In order to estimate the number of households that could create residential housing demand in the Stafford Downtown Market Area it will first be necessary to estimate demand for the Stafford residential market as a whole. The next step is to apply a Downtown area capture rate to the total number of households that form the Stafford residential demand. The Downtown capture rate represents the percentage of households in the Stafford 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 developed a unique data product that is designed specifically for housing analysis. The product is called HISTA (Households by Income, Size, Tenure, and Age). HISTA breaks households down by income, size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data and eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

On the following pages are HISTA tables for the Primary Market Area. The Primary market area for Stafford as previously stated is larger than the geographic boundaries of the city and includes households from smaller nearby communities and a portion of Springfield.

Owner and Renter Households 2009

Owner Households Under Age 55 Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	7	6	5	3	0	21
\$10,000-20,000	16	9	13	12	0	50
\$20,000-30,000	44	33	7	19	11	114
\$30,000-40,000	30	38	36	35	23	162
\$40,000-50,000	17	78	22	47	26	190
\$50,000-60,000	6	72	48	60	47	233
\$60,000+	8	99	188	140	57	492
Total	128	335	319	316	164	1,262

Owner Households Aged 55-61 Years <i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	11	0	0	3	0	14
\$10,000-20,000	0	4	5	4	0	13
\$20,000-30,000	9	17	3	0	3	32
\$30,000-40,000	16	28	5	0	0	49
\$40,000-50,000	0	33	3	3	0	39
\$50,000-60,000	0	35	14	0	0	49
\$60,000+	8	82	25	7	7	129
Total	44	199	55	17	10	325

Owner Households Aged 62+ Years <i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	20	8	0	0	0	28
\$10,000-20,000	60	34	0	0	0	94
\$20,000-30,000	23	65	14	3	0	105
\$30,000-40,000	18	69	21	0	0	108
\$40,000-50,000	0	57	12	11	0	80
\$50,000-60,000	13	26	11	0	0	50
\$60,000+	9	91	16	15	6	137
Total	143	350	74	29	6	602

Renter Households Under Age 55 Years <i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	19	7	2	3	2	33
\$10,000-20,000	16	3	9	7	10	45
\$20,000-30,000	24	32	14	10	4	84
\$30,000-40,000	13	18	14	9	14	68
\$40,000-50,000	6	26	17	11	10	70
\$50,000-60,000	0	6	25	6	0	37
\$60,000+	10	21	33	40	9	113
Total	88	113	114	86	49	450

Renter Households Aged 55-61 Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	5	0	0	0	0	5
\$10,000-20,000	7	0	0	0	0	7
\$20,000-30,000	4	0	3	0	0	7
\$30,000-40,000	8	0	0	0	0	8
\$40,000-50,000	6	4	0	0	0	10
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	0	0	0	0	8	8
Total	30	4	3	0	8	45

Renter Households Aged 62+ Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	45	0	0	0	0	45
\$10,000-20,000	29	3	0	0	0	32
\$20,000-30,000	0	4	0	0	0	4
\$30,000-40,000	0	0	8	0	0	8
\$40,000-50,000	0	14	0	0	0	14
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	10	8	0	0	0	18
Total	84	29	8	0	0	121

Owner and Renter Households 2014

Owner Households Under Age 55 Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	8	5	5	1	0	19
\$10,000-20,000	14	7	10	10	0	41
\$20,000-30,000	39	26	7	16	9	97
\$30,000-40,000	26	30	28	28	19	131
\$40,000-50,000	17	66	20	44	23	170
\$50,000-60,000	8	66	46	58	45	223
\$60,000+	12	117	234	178	73	614
Total	124	317	350	335	169	1,295

Owner Households Aged 55-61 Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	10	0	0	3	0	13
\$10,000-20,000	0	5	5	5	0	15
\$20,000-30,000	9	15	3	0	3	30
\$30,000-40,000	17	28	5	0	0	50
\$40,000-50,000	0	28	3	3	0	34
\$50,000-60,000	0	38	17	0	0	55
\$60,000+	13	104	34	10	10	171
Total	49	218	67	21	13	368

Owner Households Aged 62+ Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	20	6	0	0	0	26
\$10,000-20,000	58	29	0	0	0	87
\$20,000-30,000	30	74	16	4	0	124
\$30,000-40,000	24	78	26	0	0	128
\$40,000-50,000	0	66	14	14	0	94
\$50,000-60,000	21	34	15	0	0	70
\$60,000+	13	120	21	22	9	185
Total	166	407	92	40	9	714

Renter Households Under Age 55 Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	21	6	3	2	3	35
\$10,000-20,000	17	2	9	6	8	42
\$20,000-30,000	24	28	13	8	4	77
\$30,000-40,000	12	16	13	9	13	63
\$40,000-50,000	6	26	17	11	10	70
\$50,000-60,000	0	7	28	7	0	42
\$60,000+	16	27	45	59	12	159
Total	96	112	128	102	50	488

Renter Households Aged 55-61 Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6	0	0	0	0	6
\$10,000-20,000	9	0	0	0	0	9
\$20,000-30,000	5	0	4	0	0	9
\$30,000-40,000	9	0	0	0	0	9
\$40,000-50,000	6	4	0	0	0	10
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	0	0	0	0	12	12
Total	35	4	4	0	12	55

Renter Households Aged 62+ Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	50	0	0	0	0	50
\$10,000-20,000	30	3	0	0	0	33
\$20,000-30,000	0	6	0	0	0	6
\$30,000-40,000	0	0	9	0	0	9
\$40,000-50,000	0	19	0	0	0	19
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	17	11	0	0	0	28
Total	97	39	9	0	0	145

DOWNTOWN HOME OWNERSHIP DEMAND ANALYSIS

Downtown Strafford is a little different than most downtowns. It does not have many multi-story buildings. It already has quite a few single family homes in the area, and it is located in very close proximity to the community's elementary, middle, and high schools. So unlike many downtowns across the country Strafford's may be an attractive neighborhood option for households with children. There are also quite a few vacant tracts of land in and around Downtown. For all these reasons it is possible that home ownership opportunities for households with children could be developed in the Downtown area and could prove to be very marketable.

Generally the demand for homeownership in reviving downtown areas follows a period of time in which young urban pioneers have reestablished the downtown as a 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 less transient households with sufficient credit, net worth, and desire to locate there permanently. The typical households that comprise the initial homebuyers in reviving downtowns are generally young professionals and Empty Nesters. Downtown Strafford has the advantage of being marketable to more than those limited players.

The purpose of this analysis is to estimate the number of potential homebuyers for units in the Downtown Market Area of Strafford between the present and 2014. While there may be interest in homeownership from households with a wide range of income this analysis considers the most typical potential homebuyers in the Downtown Strafford market. The most typical potential homebuyers would probably be households of one to four persons, under 55 years of age, with incomes from \$30,000 to \$60,000, for detached or attached units that could be priced from \$100,000 to \$200,000.

Following is the Homeownership Demand Analysis and an explanation of the process used in the analysis:

Home Ownership Potential Demand Analysis		
1	Owner Occupied Units (2009)	1,262
2	Estimated Annual Owner Unit Turnover Rate	4%
3	Existing Homeowner Turnover	50
4	First Time Homebuyers (40% of market)	34
5	Total Estimated Homebuyers	84
6	Estimated Age, Size, and Income Target HH for Downtown (2009)	33
7	Owner Occupied Units (2014)	1,295
8	Estimated Annual Owner Unit Turnover Rate	4%
9	Existing Homeowner Turnover	52
10	First Time Homebuyers (40% of market)	35
11	Total Estimated Homebuyers	86
12	Estimated Age, Size, and Income Target HH for Downtown (2014)	33
13	PMA Target HH Growth/Decline (2009-2014)	-
14	PMA Target HH Annual Potential Demand (2009-2014)	33
15	Downtown Market Area Capture Rate	25%
16	DMA Annual Homebuyer Potential Demand (2009-2014)	8

Line 6 is an estimate of the total number of target households in the primary market area in 2009 that was determined by considering the total number of occupied units, the estimated annual turnover rate of existing homeowners, the estimated number of first time homebuyers, and the profile of target households in Downtown Strafford. The target profile are small households (1-4 persons), aged 18-55, with incomes from \$30,000 to \$60,000.

Line 12 is a projection of the total number of target households in the primary market area in 2014 that was determined by considering the total number of occupied units, the estimated annual turnover rate of existing homeowners, the estimated number of first time homebuyers, and the profile of target households in Downtown Strafford. The target profile are small households (1-4 persons), aged 18-55, with incomes from \$30,000 to \$60,000.

Line 13 is the projected target household growth/decline in the primary market area from 2009 to 2014 that was determined by subtracting the total target households in 2009 from the target households in 2014.

Line 14 is the average annual target household potential demand (2009-2014) in the Strafford market area.

Line 15 is the estimated capture rate for the Downtown market area. It is an estimate of the percentage of target households in the primary market area that would consider homeowner options in and around Downtown. The rate selected considers the potential marketability of housing options in Downtown, close to desirable neighborhood amenities, such as schools, grocer, gas stations, restaurants, etc.

Line 16 is an annual projection of the number of target households that are expected to be in the primary market area between 2009 and 2014 that could be attracted to homeownership options in the Downtown market area. This is a point in time estimate and could change based on changes in supply and demand between now and 2014.

The conclusion of the Homeownership Demand Analysis is that there could be a demand from approximately 8 income qualified households for possible new homeownership opportunities in and around Downtown Strafford.

DOWNTOWN MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential market rate rental housing demand in Downtown Strafford over the next few years. The analysis considers typical rents, the number of households that can create market rate rental housing demand, and the number or percentage of households in the Strafford market that could reasonably be expected to create demand for new housing in Downtown.

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

Market Rate Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2009)				
		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 425	\$ 525	\$ 700
2	Percentage of Income to Housing	25%	25%	25%
3	Minimum Income (Affordability)	\$ 20,400	\$ 25,200	\$ 33,600
4	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2009)	121	142	99
5	Percentage of Annual Turnover of Existing HH	25%	25%	25%
6	PMA Qualified Household Demand (2009)	30	36	25
7	SMA Qualified Household Demand (2009)	6	7	5
8	PMA and SMA Market Rate Rental Potential Household Demand (2009)	36	43	30
PMA Qualified Households (2014)				
		1BR	2BR	3BR
9	Gross Rent (includes utility costs paid by tenants)	\$ 469	\$ 580	\$ 773
10	Percentage of Income to Housing	25%	25%	25%
11	Minimum Income (Affordability)	\$ 22,522	\$ 27,821	\$ 37,094
12	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2014)	121	149	118
13	Percentage of Annual Turnover of Existing HH	25%	25%	25%
14	PMA Qualified Household Demand (2014)	30	37	30
15	SMA Qualified Household Demand (2014)	6	7	6
16	PMA and SMA Market Rate Rental Potential Household Demand (2014)	36	45	35
17	PMA and SMA Qualified Household Growth/Decline (2009-2014)	0	2	6
18	Strafford Market Rate Family Rental Demand	36	43	31
19	Downtown Strafford Market Area Capture Rates	30%	30%	30%
20	Downtown Strafford Market Rate Family Rental Demand	11	13	9

Line 6 is a current estimate (2009) 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 primary and secondary market areas in 2009.

Line 14 is a projection (2014) 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 2014.

Line 17 is a projection of household growth/decline between 2009 and 2014.

Line 18 is the average annual potential demand that is calculated by considering the current demand in 2009 and the annual growth or decline between 2009 and 2014.

Line 19 is the estimated capture rates for the Downtown Strafford market area. It is an estimate of the percentages of households in the primary and secondary market areas that would consider rental units in and around Downtown Strafford.

Line 20 is an annual projection of the number of households expected to be in the market area between 2009 and 2014 that could be attracted to market rate rental units in Downtown Strafford.

The conclusion of the Market Rate Family Rental Housing Demand Analysis is that there could be a demand from approximately 33 income qualified households for possible new market rate rental housing opportunities in and around Downtown Strafford.

DOWNTOWN AFFORDABLE SENIOR RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable senior rental housing demand in Downtown Strafford over the next few years. As noted earlier, in many downtowns in the midst of a revitalization process, rental housing can start the repopulation of the area by offering housing options to pioneering households. In many unproven markets affordable rental housing is one of the first types of new housing to be developed because the various subsidy programs help to ensure project feasibility in risky markets.

In the case of Strafford, good quality, affordable, senior housing units could complement Downtown revitalization efforts by adding more consumers to the Downtown market.

Following is the quantitative analysis of the Affordable Senior Rental Household Demand and an explanation of the process used in the analysis:

Affordable Senior Rental Potential Demand Analysis		
		1BR/2BR
	PMA Qualified Household Demand (2009)	
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)	\$ 21,480
5	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2009)	28
6	Percentage of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	20%
7	Number of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	6
8	Appropriate Sized, Income Qualified, <i>Owner</i> Households, Age 62+ (2009)	99
9	Percentage of Existing Senior <i>Owner</i> Households Likely to Move if New Affordable Rental Housing Were Available	5%
10	Number of Existing Senior <i>Owner</i> Households Likely to Move If New Affordable Rental Housing Were Available	5
11	PMA Qualified Household Demand (2009)	11
12	SMA Qualified Household Demand (2009)	11
13	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2009)	21

	PMA Projected Qualified Household Growth 2009-2014	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)	\$ 23,714
18	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2014)	25
19	Percentage of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	20%
20	Number of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	5
21	Appropriate Sized, Income Qualified, <u>Owner Households, Age 62+ (2014)</u>	108
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	5
24	PMA Qualified Household Demand (2014)	10
25	SMA Qualified Household Demand (2014)	10
26	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2014)	21
27	PMA and SMA Qualified Household Growth/Decline (2009-2014)	0
28	Strafford Affordable Senior Rental Potential Demand	21
29	Downtown Strafford Market Area Capture Rate	75%
30	Downtown Market Area Affordable Senior Rental Potential Demand	16

Line 11 is a current estimate (2009) of the total number of existing senior households forming 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 10% to 15% 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 primary and secondary market areas in 2009.

Line 24 is a projection (2014) 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 10% to 15% 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 primary and secondary market areas in 2014.

Line 27 is a projection of qualified household growth/decline between 2009 and 2014.

Line 28 is the average annual projection of the potential senior housing demand expected to be in the Strafford market area between 2009 and 2014.

Line 29 is the estimated capture rate for the Downtown Strafford market area. It is an estimate of the percentage of qualified senior households that could form the demand for affordable rental units in and around Downtown Strafford.

Line 30 is an annual projection of the number of qualified senior households that could form the affordable senior rental housing demand between 2009 and 2014 in Downtown Strafford.

The conclusion of the Affordable Senior Rental Housing Demand Analysis is that there could be a demand from approximately 16 income qualified households for possible affordable senior rental housing opportunities in and around Downtown Strafford. The demand estimate could be higher if some senior households are able to benefit from federal or state rent subsidies.

AFFORDABLE FAMILY RENTAL HOUSING DEMAND ANALYSIS

Affordable Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2009)		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 400	\$ 500	\$ 700
2	Percentage of Income to Housing	35%	35%	35%
3	Minimum Income (Affordability)	\$ 13,714	\$ 17,143	\$ 24,000
4	Maximum Income (Tax Credit Limits)	\$ 21,480	\$ 26,880	\$ 31,200
5	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2009)	22	30	12
6	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>20%</u>
7	PMA Qualified Household Demand (2009)	6	8	2
8	SMA Qualified Household Demand (2009)	11	15	36
9	PMA and SMA Affordable Family Rental Potential Hshld Demand (2009)	17	23	38
PMA Qualified Household Demand (2014)		1BR	2BR	3BR
11	Gross Rent (includes utility costs paid by tenants)	\$ 442	\$ 552	\$ 773
12	Percentage of Income to Housing	35%	35%	35%
13	Minimum Income (Affordability)	\$ 15,141	\$ 18,926	\$ 26,496
14	Maximum Income (Tax Credit Limits)	\$ 23,714	\$ 29,676	\$ 34,445
15	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2014)	29	32	14
16	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>20%</u>
17	PMA Qualified Household Demand (2014)	7	8	3
18	SMA Qualified Household Demand (2014)	15	16	42
19	PMA and SMA Affordable Family Rental Potential Hshld Demand (2014)	22	24	45
20	PMA and SMA Qualified Household Growth/Decline (2009-2014)	5	2	6

		1BR	2BR	3BR
21	Strafford Affordable Family Rental Demand	18	23	40
22	Downtown Strafford Market Area Capture Rates	30%	30%	30%
23	Downtown Strafford Affordable Family Rental Demand	5	7	12

Line 7 is a current estimate (2009) 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 from households in the primary and secondary market areas in 2009.

Line 17 is a projection (2014) 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 primary and secondary market areas in 2014.

Line 20 is a projection of qualified household growth/decline between 2009 and 2014.

Line 21 is an annual projection of the number of qualified households that could form the affordable housing demand between 2009 and 2014 in the Strafford market area.

Line 22 is the estimated capture rates for the Downtown Strafford market area. It is an estimate of the percentages of qualified households that could form the demand for affordable rental units in and around Downtown Strafford.

Line 23 is an annual projection of the number of qualified households that could form the affordable family rental housing demand between 2009 and 2014 in Downtown Strafford.

The conclusion of the Affordable Family Rental Housing Demand Analysis is that there could be a demand from approximately 24 income qualified households for possible affordable family rental housing opportunities in and around Downtown Strafford. The demand estimate could be higher if some lower income households are able to benefit from federal or state rent subsidies.

CONCLUSIONS

Strafford is a small bedroom community that is located in very close proximity to the metropolitan area of Springfield, Missouri. The community currently has approximately 852 households, and is expected to grow by an additional 93 households by 2014. The Downtown area of Strafford is in need of revitalization, hampered by the economic downturn and a tornado that damaged and destroyed several buildings. The conclusion of this report is that increasing the housing options in and around Downtown could have a significant effect on the revitalization efforts and should also help to accelerate the growth of the community as a whole.

Strafford has a number of vacant tracts of land in and around Downtown that could be improved with new housing options. With its quaint small town atmosphere, and proximity to Springfield, Strafford's housing market should be attractive to households from outside the community in addition to newly forming households from within.

The current housing market in Strafford is good. Like all real estate markets across the country, Strafford's homeownership market was in a little bit of a lull over the last couple of years, but local brokers indicate that sales activity is starting to increase. All of the rental markets in Strafford (market rate, affordable family, affordable senior) are reported to have good occupancy and in some cases waiting lists. Some of the excess demand for rental housing could be served by new housing options in Downtown.

Quantitative demand analysis concludes that between the present and 2014 there could be household demand for various housing options in Downtown as shown below:

Homeownership (\$100,000 to \$200,000 homes)	8
Market Rate Rental Housing	33
Affordable Senior Rental Housing	16
Affordable Family Rental Housing	24
Total	81

Some of the things the city can do to assist the housing production in Downtown are to:

- Obtain information regarding housing developers that might be interested in larger scale housing production in Strafford.
- Identify and work with local investors and builders that have long term interests in the community and try to direct them to possible housing production in Downtown.
- Step up code enforcement efforts in an effort to preserve existing housing in Downtown.

- Review zoning ordinances, building codes, and the permitting approval process with the goal of making it more developer friendly where possible.
- Provide financial assistance, tax abatement, and professional assistance to parties interested in housing production in Strafford.

SECTION IX

DOWNTOWN RESIDENTIAL IMPLEMENTATION

Strategies and financial programs to consider include:

- Plan for a multifunctional Downtown in which housing complements other uses, such as employment, shopping, culture, entertainment, government, and possibly tourism.
- Identify and give high priority to projects that have the ability to be catalysts for further improvement in Downtown.
- Identify available building and land space that could accommodate new residential units in Downtown
- Identify owners, builders, developers, and investors that would be willing to produce or improve residential space in Downtown. Request developer lists from agencies like Missouri Housing Development Commission. Contact companies in the development industry and make them aware of opportunities that may exist to produce housing in Downtown Strafford.
- Review applicable zoning and building codes to ensure they do not present barriers to Downtown residential development.
- Provide technical assistance and financial incentives where possible to support Downtown residential development.
- If applicable, obtain historic designations for buildings in Downtown so that historic tax credits can be considered to help finance development costs.
- Identify and try to mitigate all adverse conditions, such as lack of parking, traffic patterns, and vacant feel to buildings that may adversely affect the Downtown residential market.
- Encourage existing property owners in Downtown to properly maintain their property through code enforcement.
- Implement Downtown beautification programs and consider improvements that would help to increase visitor appeal. This could include sidewalk repair, planter boxes, new ornamental street lights, building murals, and decorative trash receptacles.
- Attract commercial businesses to Downtown that serve residents and visitors needs.

In order to fund larger developments or more expensive historic renovation projects it may be necessary to utilize various government subsidy and incentive programs. Financial programs and incentives that could help to produce Downtown residential housing include:

- 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

APPRAISER'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.
- No one 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
July 7, 2010

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