

# Comprehensive Housing Needs Analysis for Storm Lake, Iowa

*Prepared for:*

City of Storm Lake

September 2017



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September 22<sup>nd</sup>, 2017

Ms. Keri Navratil  
City Manager  
City of Storm Lake  
620 Erie Street  
Storm Lake, IA 50588

Dear Ms. Navratil:

Attached is the *Comprehensive Housing Needs Analysis for Storm Lake, Iowa* conducted by Maxfield Research & Consulting, LLC. The study projects housing demand from 2017 through 2025, and provides recommendations on the amount and type of housing that could be built in Storm Lake to satisfy demand from current and future residents over the next decade.

The study identifies a potential demand for over 1,000 new housing units in Storm Lake through 2025. This demand will be generated by both new households and existing households based on changing demographic trends and housing preferences. Demand was divided between general-occupancy housing (61%) and age-restricted senior housing (39%). Because of the strong growth in the 65+ age cohort in the Storm Lake area, there will be strong demand for maintenance-free housing types; both for-sale and rental.

The rental market is dominated by income-restricted properties as there were fewer market rate units inventoried in Storm Lake than affordable/subsidized rental properties. As a result, there is strong demand for new market rate rental housing with contemporary amenities today's tenants desire. With strong senior growth, we find Storm Lake will need to develop senior housing options especially independent living and memory care options. Although there are enough vacant lots in the short-term with the addition of the new Storm Lake 3<sup>rd</sup> Addition, additional single-family and multifamily lots will be needed in the long-term to meet future for-sale demand; especially for move-up lots. Detailed information regarding recommended housing concepts can be found in the *Conclusions and Recommendations* section at the end of the report.

We have enjoyed performing this study for you and are available should you have any questions or need additional information.

Sincerely,  
MAXFIELD RESEARCH & CONSULTING, LLC

A handwritten signature in black ink that reads "Matt Mullins".

Matt Mullins  
Vice President  
Attachment

A handwritten signature in black ink that reads "Max Perrault".

Max Perrault  
Associate

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### ***Purpose and Scope of Study***

Maxfield Research and Consulting LLC was engaged by the City of Storm Lake to conduct a *Comprehensive Housing Needs Analysis* for Storm Lake, Iowa. The Housing Needs Analysis provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households who choose to reside in Storm Lake.

The scope of this study includes: an analysis of the demographic and economic characteristics of the Storm Lake Market Area; a review of the characteristics of the existing housing stock and building permit trends; an analysis of the market condition for a variety of rental, senior, and for-sale housing products; and an assessment of the need for housing by product type in the community. Recommendations on the number and types of housing products that should be considered in Storm Lake are also supplied.

### ***Demographic Analysis***

- As of the 2010 Census, the City of Storm Lake had 10,600 people and 3,575 households. Storm Lake is forecast to increase by 400 people and 175 households between 2017 and 2025.
- The 65 to 74 age cohort is projected to have the greatest percentage growth increasing by 158 people (21.8%) from 2017 to 2025. The growth in this age cohort can be primarily attributed to the baby boom generation aging into their young senior years.
- In 2017, the median household income in the City of Storm Lake was estimated to be \$46,541. The median household income is projected to increase in 2022 to \$50,480 in Storm Lake.
- Family households were the most common type of household in Storm Lake, representing approximately 63.7% of all households in 2000 and 64.5% of all households in 2010. Married couples without children comprised 27.4% of all households in 2000 and 25.8% in 2010. Married couple families with children comprised 24.1% of all Storm Lake's households in 2000, dropping to 22% in 2010.

### ***Housing Characteristics***

- Between 2000 and 2016, the City of Storm Lake has constructed an averaged about six single family units. Building permit trends have fluctuated over the years but peaked in 2013 (36 new construction units) which was aided by the construction of a 32 unit multi-family rental property, *The Reserves at Storm Lake, 1500 Seneca Street*.
- The greatest percentage of homes in the City of Storm Lake and Buena Vista County were built prior to 1940, accounting for 19.1% of all homes in Storm Lake and nearly 30% of all

## **EXECUTIVE SUMMARY**

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homes in Buena Vista County. Approximately 19% of the housing stock in Storm Lake and 20% of the housing stock in Buena Vista County have been built since 1990.

- Approximately 60% of Storm Lake homeowners have a mortgage, which is higher than the proportion of homeowners with a mortgage in Buena Vista County (54.5%). About 8% of homeowners with mortgages in Storm Lake also have a second mortgage, home equity loan, or both, while 5.9% of Buena Vista County homeowners with a mortgage have a second mortgage, home equity loan, or both.
- The median owner-occupied home value in Storm Lake was \$110,600, which is higher than the median home value for Buena Vista County, \$103,900, and significantly lower than the median home value for the State of Iowa, \$129,200.
- The median contract rent for the City of Storm Lake was \$501. Median rents within Buena Vista County were lower (\$465) than Storm Lake and the State of Iowa (\$559).

### ***Employment Trends***

- The unemployment rate in Buena Vista County increased to a mere 3.5% (2016); the highest unemployment rate since 2000. However, as of May 2017, the unemployment rate has fallen to 2.4%, which is still well below what is considered to be equilibrium (5.0%).
- Approximately 42% of workers in Storm Lake commute over less than 10 miles to their place of employment, while nearly 23% of workers commute more than 50 miles.
- Over the past four years, wages in Buena Vista County are up +\$123 (17.9%). Comparatively, wages in Iowa have increased approximately 9%.

### ***Rental Housing Market Analysis***

- In total, Maxfield Research and Consulting LLC inventoried eight market rate apartment properties and nine affordable/subsidized communities (eight units and larger) in July 2017. These projects represent a combined total of 400 units, including 110 market rate units and 290 affordable/subsidized units.
- At the time of our survey, only two affordable/subsidized units and no market rate units were vacant, resulting in an overall vacancy rates of 0.7% for affordable/subsidized and 0% for market rate, which is well below with the industry standard of 5% vacancy for a stabilized rental market, which promotes competitive rates, ensures adequate choice, and allows for unit turnover. As a result, there is pent-up demand for all rental products in Storm Lake.

### ***Senior Housing Market Analysis***

- As of July 2017, Maxfield Research and Consulting LLC identified four senior housing developments in Storm Lake. Combined, these projects contain a total of 186 units. Two of the projects are affordable/subsidized, while the remaining two properties were assisted living/congregate.
- There are a total of 106 subsidized/affordable senior units in Storm Lake. As of July 2017, no units were vacant resulting in a vacancy rate of 0%.
- There is one assisted living and one congregate project located in Storm Lake for a total of 80 units. Methodist Manor, has the largest senior facilities in Storm Lake and accounts for 43% of all senior units in the community.

### ***Housing Affordability***

- About 21% of owner households and 29% of renter householders are estimated to be paying more than 30% of their income for housing costs in Storm Lake. Compared to the Iowa average, the percentage of cost burdened households is lower in Storm Lake and Buena Vista County for renter households but higher for owners. Iowa cost burdened households are 17.5% for owner households and 40.8% for renter households.
- The number of cost burdened households in Storm Lake increases proportionally based on lower incomes. About 48% of renters with incomes below \$35,000 are cost burdened and 45% of owners with incomes below \$50,000 are cost burdened.

### ***For-Sale Market Analysis***

- Storm Lake historically averages about 127 resales annually. However, transaction volume in 2016 was the highest it's been since the 2007 as approximately 144 homes sold this past year.
- Median resale pricing peaked in 2016 at \$119,000. While 2016 was the highest recorded year for median sales price, it has fluctuated since 2005.
- Overall, 35% of all home resales in 2016 were priced under \$100,000. About 26% of all resales in Storm Lake sold from \$50,000 to \$100,000.
- A total of five subdivisions with 48 vacant developed lots were inventoried in Storm Lake as of July 2017. However, the Storm Lake 3<sup>rd</sup> Addition is still under construction so as of July 2017 there are 27 vacant developed lots shovel ready. However, the majority of the lots are in existing subdivisions with few lots remaining.

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- The average assessed lot value in Storm Lake is about \$30,895 among subdivisions with homes previously developed. Combined with the building value, the average home value (lot + land) on newer subdivisions is about \$216,700.

### *Development Pipeline*

- Maxfield Research interviewed planning in the City of Storm Lake in order to identify housing developments under construction, planned, or pending. At the time of this study, there are 24 lots for-sale as apart of Storm Lake 3<sup>rd</sup> Addition, 32-34 tax credit rental units in the South School Renovation and the potential for 110 apartment/condo units at the Sunset Bay Site in Storm Lake.

### *Housing Needs Analysis*

- Based on our calculations, demand exists in Storm Lake for the following general occupancy product types between 2017 and 2025:
  - Market rate rental 206 units
  - Affordable rental 33 units
  - Subsidized rental 67 units
  - For-sale single-family lots 210 units/lots
  - For-sale multifamily 113 units
- In addition, we find demand for multiple senior housing product types. By 2025, demand in Storm Lake for senior housing is forecast for the following:
  - Active adult ownership 55 units
  - Active adult market rate rental 102 units
  - Active adult affordable 44 units
  - Active adult subsidized 0 units
  - Congregate 61 units
  - Assisted Living 64 units
  - Memory Care 79 units

## EXECUTIVE SUMMARY

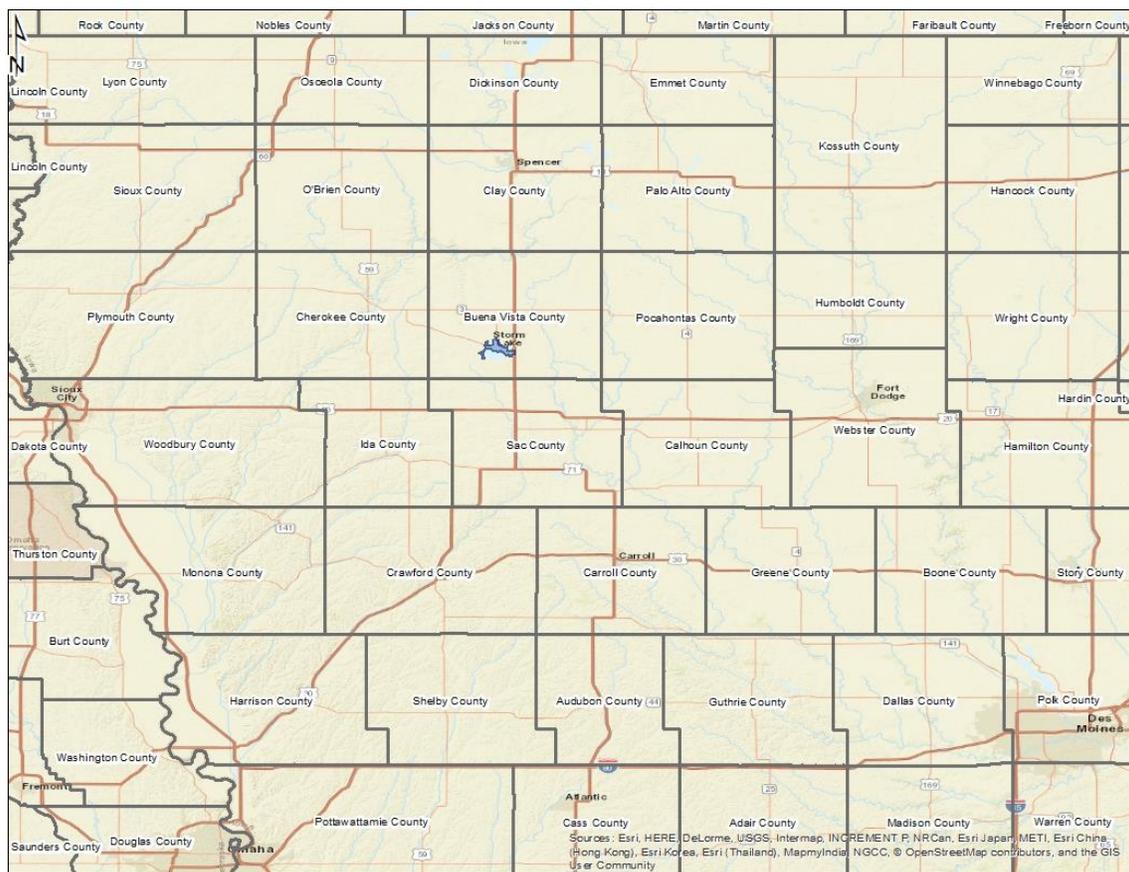
RECOMMENDED HOUSING DEVELOPMENT				
STORM LAKE 2017 to 2025				
	Purchase Price/ Monthly Rent Range <sup>1</sup>	No. of Units	Pct. of Total	Development Timing
<b>Owner-Occupied Housing (General-Occupancy)</b>				
<b>Single-Family<sup>2</sup></b>				
Entry-Level	<\$200,000	22 - 24	29%	2017+
Move-up	\$200,000 - \$300,000	36 - 40	48%	2017+
Executive	\$300,000+	18 - 20	24%	On-going
<b>Total</b>		<b>76 - 84</b>	<b>100%</b>	
<b>Townhomes/Detached Townhomes/Twin Homes/Condominiums</b>				
Entry-level	<\$160,000	12 - 14	25%	2017+
Move-up	\$160,000 to \$250,000	20 - 24	42%	2017+
Executive	\$250,000+	16 - 20	34%	2017+
<b>Total</b>		<b>48 - 58</b>	<b>100%</b>	
<b>Total Owner-Occupied</b>		<b>124 - 142</b>		
<b>General Occupancy Rental Housing</b>				
Affordable Rental Housing/Townhomes	Income guidelines	30 - 32	17%	2020+
Market Rate Rental Housing	\$675/1BR - \$975/3BR	120 - 130	68%	On-going
Market Rate Rental Townhomes	\$800/2BR - \$1,050/3BR	24 - 30	15%	2017+
<b>Total</b>		<b>174 - 192</b>	<b>100%</b>	
<b>Senior Housing</b>				
Active adult affordable rental <sup>3</sup>	Moderate-income	40 - 44	15%	2017+
Active adult market rate rental	\$700 - \$1,100	50 - 60	20%	2020+
Active Adult Senior Coop	\$50,000 to \$125,000	45 - 55	18%	2018+
Congregate (Independent Living)	\$1,500 - \$2,000	40 - 50	17%	2018+
Assisted Living	\$2,750/EFF - \$4,000/2BR	50 - 60	20%	2019+
Memory Care	\$4,200 - \$5,500	20 - 30	9%	2017+
<b>Total</b>		<b>245 - 299</b>	<b>100%</b>	
<b>Total - All Units</b>		<b>543 - 633</b>		
<sup>1</sup> Pricing in 2017 dollars. Pricing can be adjusted to account for inflation. <sup>2</sup> Recommendations include the absorption of some existing previously platted lots. <sup>3</sup> Affordable project could be combined with market rate active adult into a mixed-income community  <b>Note - Recommended development does not coincide with total demand. Storm Lake may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)</b>				
Source: Maxfield Research & Consulting, LLC				

## Introduction

This section of the report examines factors related to the current and future demand for both owner and renter-occupied housing in Storm Lake, Iowa. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household types, household tenure, and employment data for Storm Lake. A review of these characteristics will provide insight into the demand for various types of housing in the Storm Lake Market Area.

## Market Area Definition

The primary draw area (Market Area) for housing in Storm Lake was defined based on traffic patterns, geographic, community, and school district boundaries, and our general knowledge of the draw area for the housing market. The Market Area includes three cities (Albert, Newell, and Storm Lake) and 16 townships from both Buena Vista and Sac counties (Coon, Elk, Fairfield, Grant, Hayes, Lincoln, Maple Valley, Newell, Nokomis, Providence, Scott, Washington, Delaware, Douglas, Eden, Eureka) surrounding Storm Lake. This geographic area is defined throughout the report as the Primary Market Area (PMA). See the Market Area map on the following page.

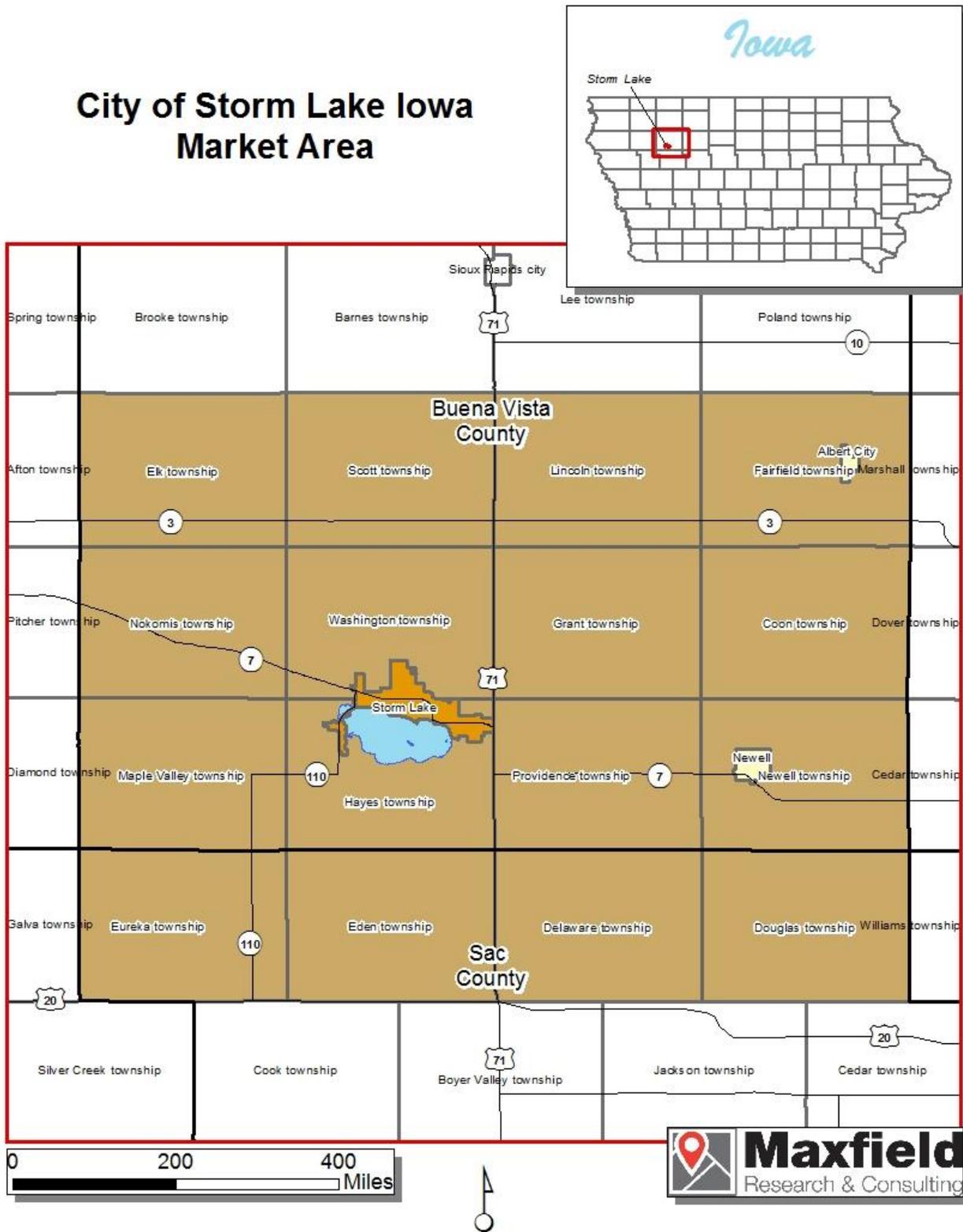


<b>Storm Lake - Market Area Definition</b>	
<b>City</b>	<b>Township</b>
<b>Buena Vista County</b>	
Albert	Coon
Newell	Elk
Storm Lake	Fairfield
	Grant
	Hayes
	Lincoln
	Maple Valley
	Newell
	Nokomis
	Providence
	Scott
	Washington
<b>Sac County</b>	
	Delaware
	Douglas
	Eden
	Eureka
Source: Maxfield Research and Consulting, LLC	

Storm Lake is the county seat in Buena Vista County. Buena Vista County is in northwestern portion of Iowa, just east of Cherokee County. Storm Lake is located about 70 miles northeast of Sioux City, 157 miles northwest of Des Moines, Iowa, 124 miles northeast of Omaha, Nebraska, and about 238 miles southwest from the Twin Cities Metro Area.

In some cases, additional demand for housing will come from individuals moving from just outside the area, those who return from other locations (particularly young households returning after pursuing their college degrees or elderly returning from retirement locations), and seniors who move to be near the adult children living in the Market Area. Demand generated from within and outside of the Market Area is considered in the demand calculations presented later in this analysis.

# City of Storm Lake Iowa Market Area



## Historic Population and Household Growth from 1990 to 2010

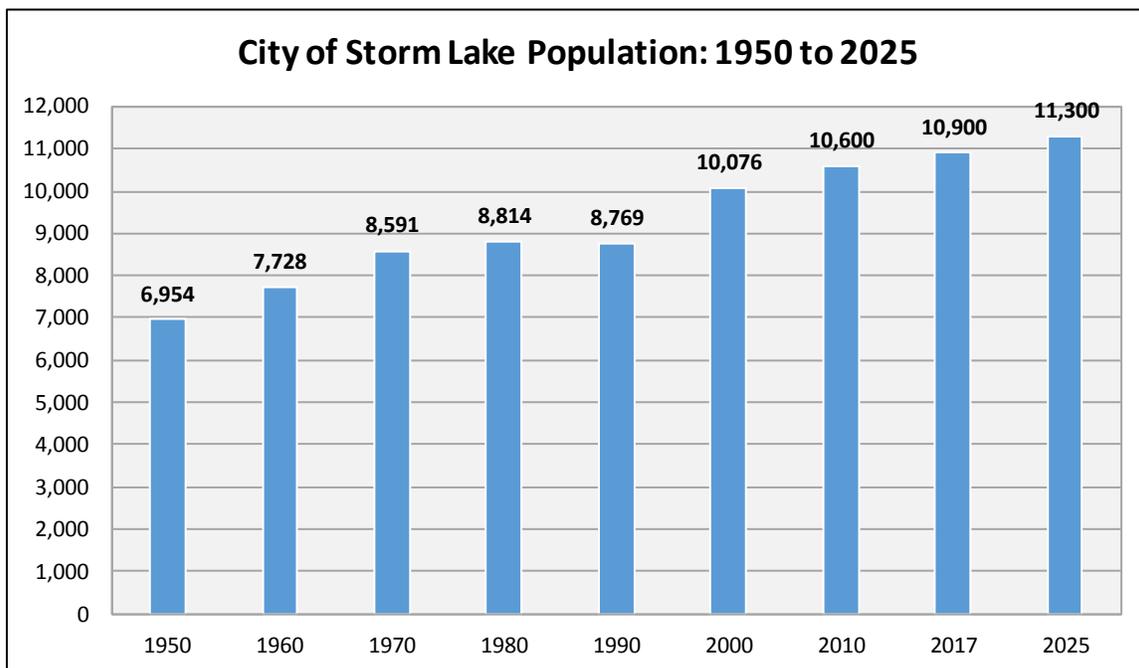
## DEMOGRAPHIC ANALYSIS

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Tables D-1 and D-2 presents the historic population and household growth for 1990, 2000, and 2010. The data is sourced from the U.S. Census.

### *Population*

- Storm Lake’s population increased by 1,307 people (15%) in the 1990s. The PMA increased in population by 554 people (2.9%) in the 1990s. Overall, Buena Vista County increased by 446 people (2.2%) between 1990 & 2000.
- Growth was slower during the 2000s due to the Great Recession and housing and economic downturn. The PMA decreased in the 2000s by -149 people (-0.8%). However, by 2010 the City of Storm Lake gained 524 people (5.2%), this growth marked a new high in population for the City of Storm Lake.
- The City of Storm Lake accounts for roughly 52% of Buena Vista County’s total population while the PMA accounts for 97% in 2010.



## DEMOGRAPHIC ANALYSIS

TABLE D-1 POPULATION GROWTH TRENDS AND PROJECTIONS PRIMARY MARKET AREA 1990 - 2010								
	Historic Population			Change				
	Census			1990 - 2000		2000 - 2010		
	1990	2000	2010	No.	Pct.	No.	Pct.	
<b>Primary Market Area</b>								
<b>Cities</b>								
Storm Lake City	8,769	10,076	10,600	1,307	14.9%	524	5.2%	
Albert	779	709	699	-70	-9.0%	-10	-1.4%	
Newell	1,089	887	876	-202	-18.5%	-11	-1.2%	
<b>Townships</b>								
Coon Township	221	237	172	16	7.2%	-65	-27.4%	
Elk Township	284	223	194	-61	-21.5%	-29	-13.0%	
Fairfield Township	1,057	951	891	-106	-10.0%	-60	-6.3%	
Grant Township	352	297	308	-55	-15.6%	11	3.7%	
Hayes Township	1,207	1,144	1,199	-63	-5.2%	55	4.8%	
Lincoln Township	236	183	159	-53	-22.5%	-24	-13.1%	
Maple Valley Township	293	259	226	-34	-11.6%	-33	-12.7%	
Newell Township	1,447	1,183	1,125	-264	-18.2%	-58	-4.9%	
Nokomis Township	2,180	2,244	2,209	64	2.9%	-35	-1.6%	
Providence Township	363	316	254	-47	-12.9%	-62	-19.6%	
Scott Township	283	245	246	-38	-13.4%	1	0.4%	
Washington Township	689	663	514	-26	-3.8%	-149	-22.5%	
Delaware Township	356	313	275	-43	-12.1%	-38	-12.1%	
Douglas Township	180	166	132	-14	-7.8%	-34	-20.5%	
Eden Township	280	262	188	-18	-6.4%	-74	-28.2%	
Eureka Township	1,031	1,020	941	-11	-1.1%	-79	-7.7%	
<b>Primary Market Area Total</b>	<b>19,228</b>	<b>19,782</b>	<b>19,633</b>	<b>554</b>	<b>2.9%</b>	<b>-149</b>	<b>-0.8%</b>	
<b>Buena Vista County Total</b>	<b>19,965</b>	<b>20,411</b>	<b>20,260</b>	<b>446</b>	<b>2.2%</b>	<b>-151</b>	<b>-0.7%</b>	

Sources: U.S. Census; State Data Center of Iowa; Maxfield Research Inc.

### Households

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can come from changing demographics of the population base, which results in demand for different housing products.
- Storm Lake gained 109 households during the 2000s (3.1%), increasing its household base to 3,575 households as of 2010. The PMA increased by 54 households during that decade (0.8% increase), growing to 7,245 households.
- Household sizes have been decreasing slowly over the last two decades. This is the result of fewer persons in each household, caused by demographic and social trends such as increasing divorce rates, an increasing senior base, and couples' decisions to have fewer children or no children at all.

TABLE D-2 HOUSEHOLD GROWTH TRENDS AND PROJECTIONS PRIMARY MARKET AREA 2000 - 2010				
	Historic Households		Change	
	Census		2000 - 2010	
	2000	2010	No.	Pct.
<b>Primary Market Area</b>				
<b>Cities</b>				
Storm Lake City	3,466	3,575	109	3.1
Albert	284	304	20	7.0
Newell	361	356	-5	-1.4
<b>Townships</b>				
Coon Township	83	82	-1	-1.2
Elk Township	87	54	-33	-37.9
Fairfield Township	377	395	18	4.8
Grant Township	117	118	1	0.9
Hayes Township	441	432	-9	-2.0
Lincoln Township	72	60	-12	-16.7
Maple Valley Township	93	87	-6	-6.5
Newell Township	464	449	-15	-3.2
Nokomis Township	853	940	87	10.2
Providence Township	116	109	-7	-6.0
Scott Township	91	132	41	45.1
Washington Township	247	209	-38	-15.4
Delaware Township	124	104	-20	-16.1
Douglas Township	67	45	-22	-32.8
Eden Township	85	101	16	18.8
Eureka Township	408	353	-55	-13.5
<b>Primary Market Area Total</b>	<b>7,191</b>	<b>7,245</b>	<b>54</b>	<b>0.8</b>
<b>Buena Vista County Total</b>	<b>7,499</b>	<b>7,551</b>	<b>14</b>	<b>0.3</b>
Sources: U.S. Census; State Data Center of Iowa; Maxfield Research Inc.				

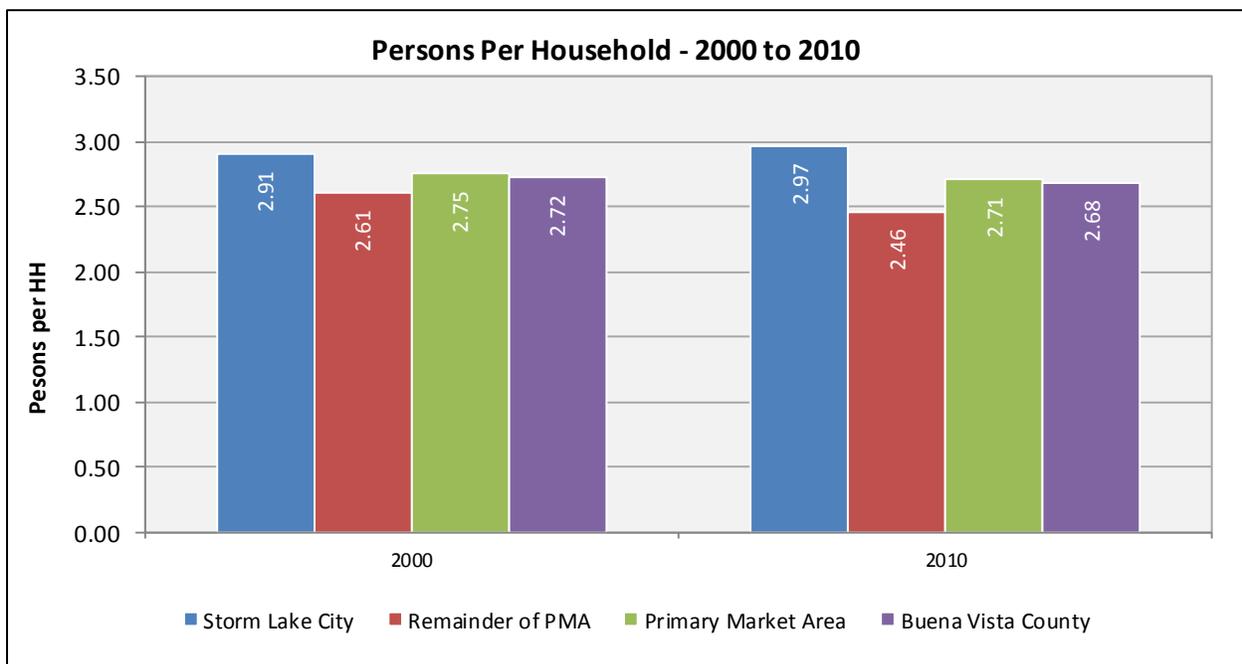
## Household Size

Household size is calculated by dividing the number of persons in households by the number of households (or householders). Nationally, the average number of people per household has been declining for over a century; however, there have been sharp declines starting in the 1960s and 1970s. Persons per household in the U.S. were about 4.5 in 1916 and declined to 3.2 in the 1960s. Over the past 50 years, it dropped to 2.57 as of the 2000 Census. However, due to the economic recession this trend has been temporarily halted as renters and laid-off employees “doubled-up,” which increased the average U.S. household size to 2.59 as of the 2010 Census.

## DEMOGRAPHIC ANALYSIS

The declining household size has been caused by many factors, including: aging of the population, higher divorce rates, cohabitation, smaller family sizes, demographic trends in marriage, etc. Most of these changes have resulted from shifts in societal values, the economy, and improvements in health care that have influenced how people organize their lives.

- In 2000, the average household size range increased between 2.61 (Remainder of the PMA) and 2.91 (City of Storm Lake).
- By 2010, the average household sizes range increased to 2.97 in Storm Lake, but decreased to 2.46 for the Remainder of the PMA. In Buena Vista County, overall, the average household size decreased slightly to 2.68.



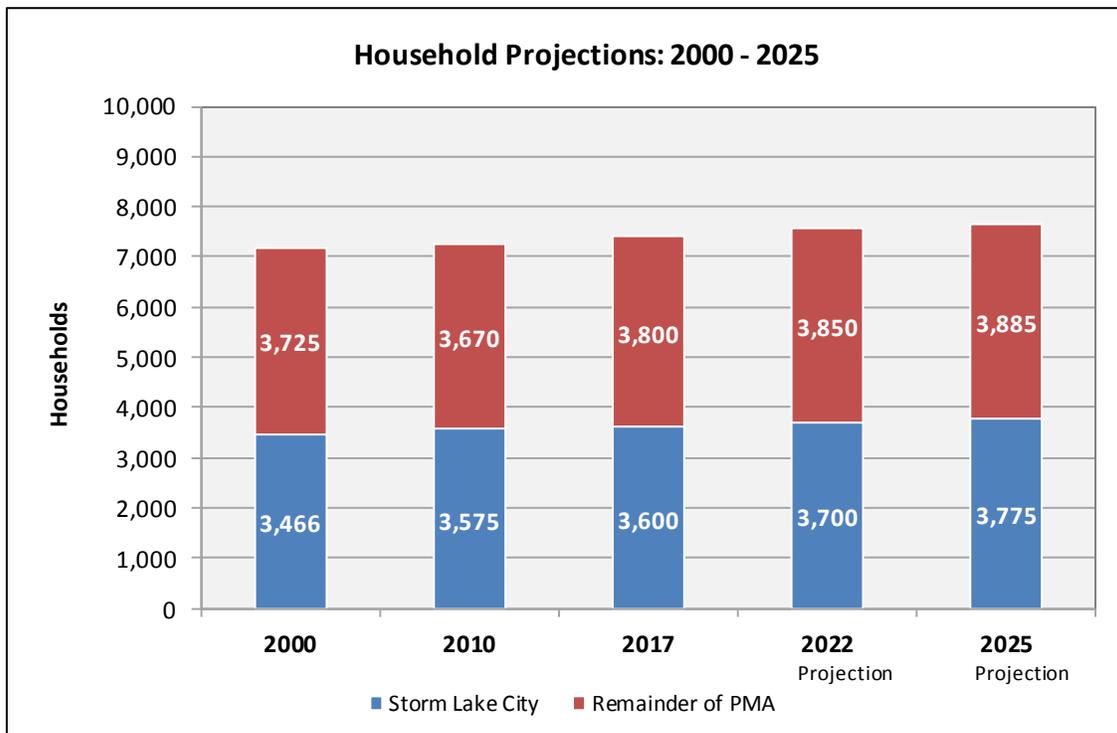
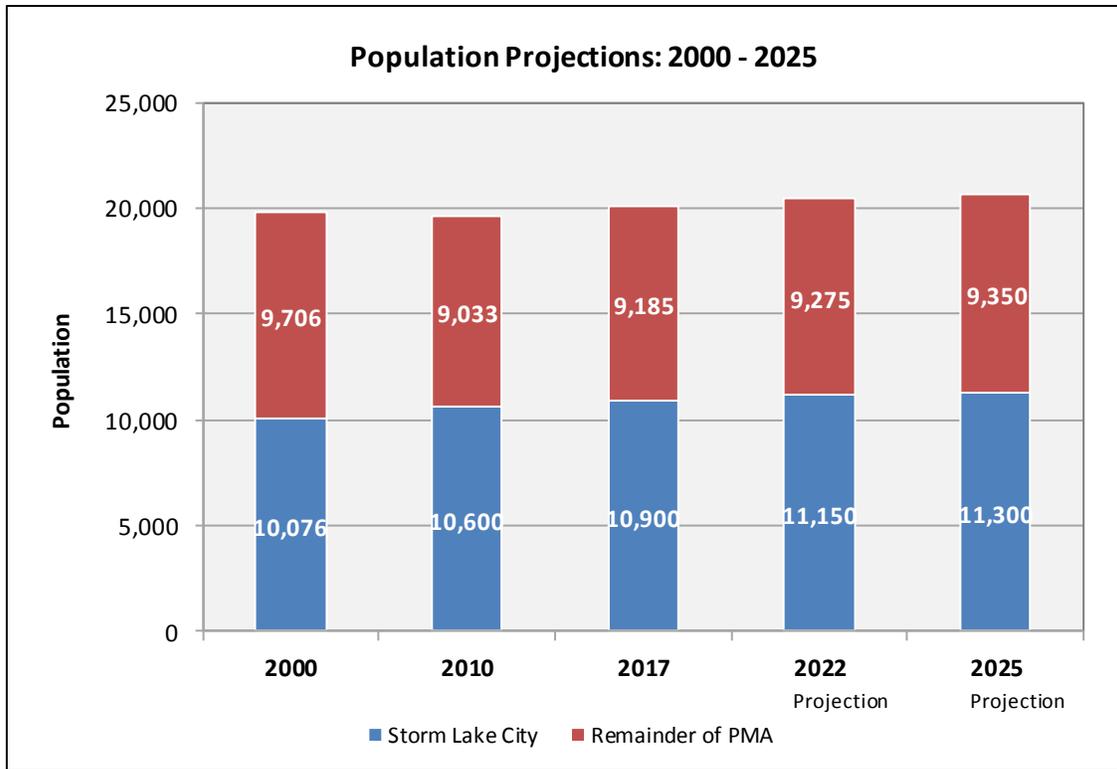
## Population and Household Estimates and Projections

Table D-3 presents population and household growth estimates and projections for the Storm Lake Market Area through 2025. Estimates for 2017 and projections through 2025 are based on information from ESRI (a national demographics service provider) with adjustments calculated by Maxfield Research and Consulting LLC. The adjustments are intended to reflect growth from building permit trends in Storm Lake.

## DEMOGRAPHIC ANALYSIS

- Due to the rise in the housing market and local economy, we project that the City of Storm Lake will increase during the next decade. We project that Storm Lake will increase by 700 people (6.6%) and 200 households (5.6%) between 2010 and 2025.
- Between 2017 and 2025, the population in the Primary Market Area is forecasted to increase by 564 people (2.8%). The number of households is also projected to increase by 260 households (3.5%) between 2017 and 2025.
- Overall, the Buena Vista County population is projected to increase between 2010 and 2025. The County is expected to increase by 590 people (2.9%) by 2025, for a total of 20,850 people. Household growth is projected to increase by 129 households (1.7%) by 2025.

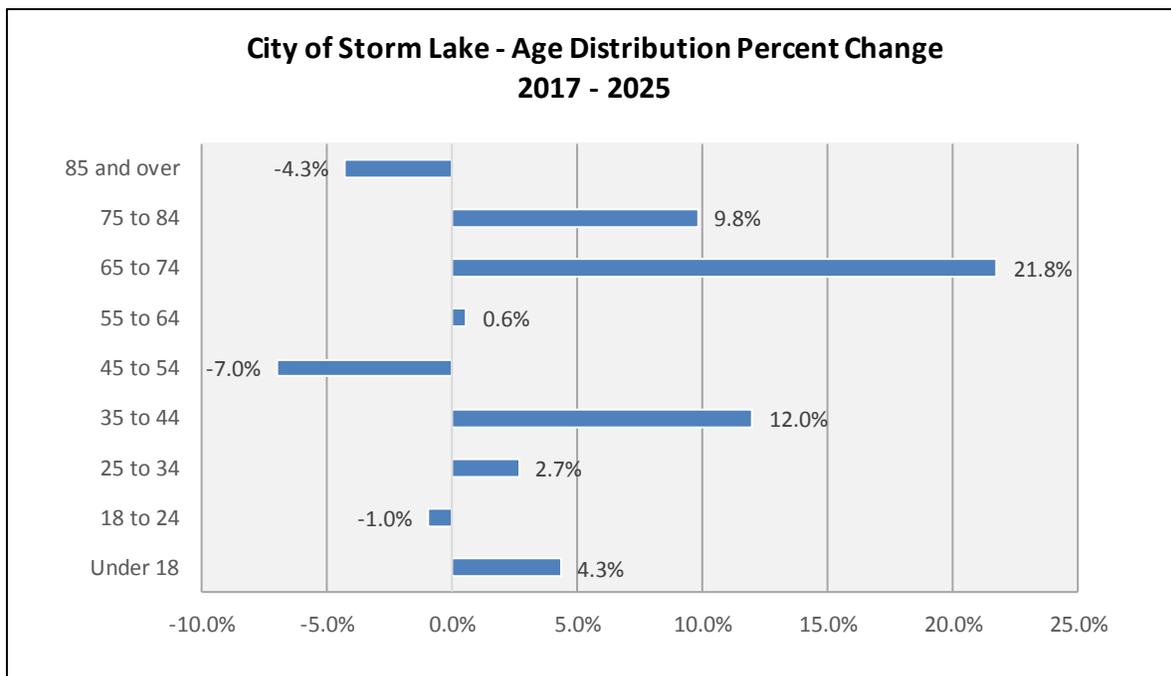
	U.S. Census		2010	2017	Forecast 2022	Forecast 2025	Change			
	1990	2000					2000 to 2010 No.	Pct.	2017 to 2025 No.	Pct.
<b>POPULATION</b>										
Storm Lake City	8,769	10,076	10,600	10,900	11,150	11,300	524	5.2	400	3.7
Remainder of the PMA	10,459	9,706	9,033	9,185	9,275	9,350	-673	-6.9	165	1.8
<b>Primary Market Area</b>	<b>19,228</b>	<b>19,782</b>	<b>19,633</b>	<b>20,085</b>	<b>20,425</b>	<b>20,650</b>	<b>-149</b>	<b>-0.8</b>	<b>565</b>	<b>2.8</b>
<i>Buena Vista County</i>	<i>19,965</i>	<i>20,411</i>	<i>20,260</i>	<i>20,626</i>	<i>20,750</i>	<i>20,850</i>	<i>-151</i>	<i>-0.7</i>	<i>224</i>	<i>1.1</i>
<i>Iowa</i>	<i>2,776,755</i>	<i>2,926,324</i>	<i>3,046,355</i>	<i>3,100,000</i>	<i>3,280,109</i>	<i>3,388,174</i>	<i>120,031</i>	<i>4.1</i>	<i>288,174</i>	<i>9.3</i>
<b>HOUSEHOLDS</b>										
Storm Lake City	N/A	3,466	3,575	3,600	3,700	3,775	109	3.1	175	4.9
Remainder of the PMA	N/A	3,725	3,670	3,800	3,850	3,885	-55	-1.5	85	2.2
<b>Primary Market Area</b>	<b>N/A</b>	<b>7,191</b>	<b>7,245</b>	<b>7,400</b>	<b>7,550</b>	<b>7,660</b>	<b>54</b>	<b>0.8</b>	<b>260</b>	<b>3.5</b>
<i>Buena Vista County</i>	<i>N/A</i>	<i>7,499</i>	<i>7,551</i>	<i>7,596</i>	<i>7,625</i>	<i>7,680</i>	<i>52</i>	<i>0.7</i>	<i>84</i>	<i>1.1</i>
<i>Iowa</i>	<i>N/A</i>	<i>1,149,276</i>	<i>1,221,576</i>	<i>1,245,000</i>	<i>1,313,044</i>	<i>1,353,870</i>	<i>72,300</i>	<i>6.3</i>	<i>108,870</i>	<i>8.7</i>
<b>Persons per Household</b>										
Storm Lake City	N/A	2.91	2.97	3.03	3.01	2.99				
Remainder of PMA	N/A	2.61	2.46	2.42	2.41	2.41				
Primary Market Area	N/A	2.75	2.71	2.71	2.71	2.70				
Buena Vista County	N/A	2.72	2.68	2.72	2.72	2.71				
Iowa	N/A	2.55	2.49	2.49	2.50	2.50				
<i>Note: U.S. Census data for 1990 was not available in households, but rather housing units.</i>										
Sources: U.S. Census Bureau; ESRI; State Demographic Center; Maxfield Research and Consulting LLC										



### Age Distribution Trends

Age distribution affects demand for different types of housing since needs and desires change at different stages of the life cycle. Table D-4 shows the distribution of persons within nine age cohorts for Storm Lake and the PMA in 2000 and 2010 with estimates for 2017 and projections for 2022 and 2025. The 2000 and 2010 age distribution is from the U.S. Census Bureau and the 2017 figures are an estimate based on 2010 Census data. Maxfield Research and Consulting LLC derived the 2022 and 2025 projections by adjustments made to data obtained from ESRI. The following are key points from the table.

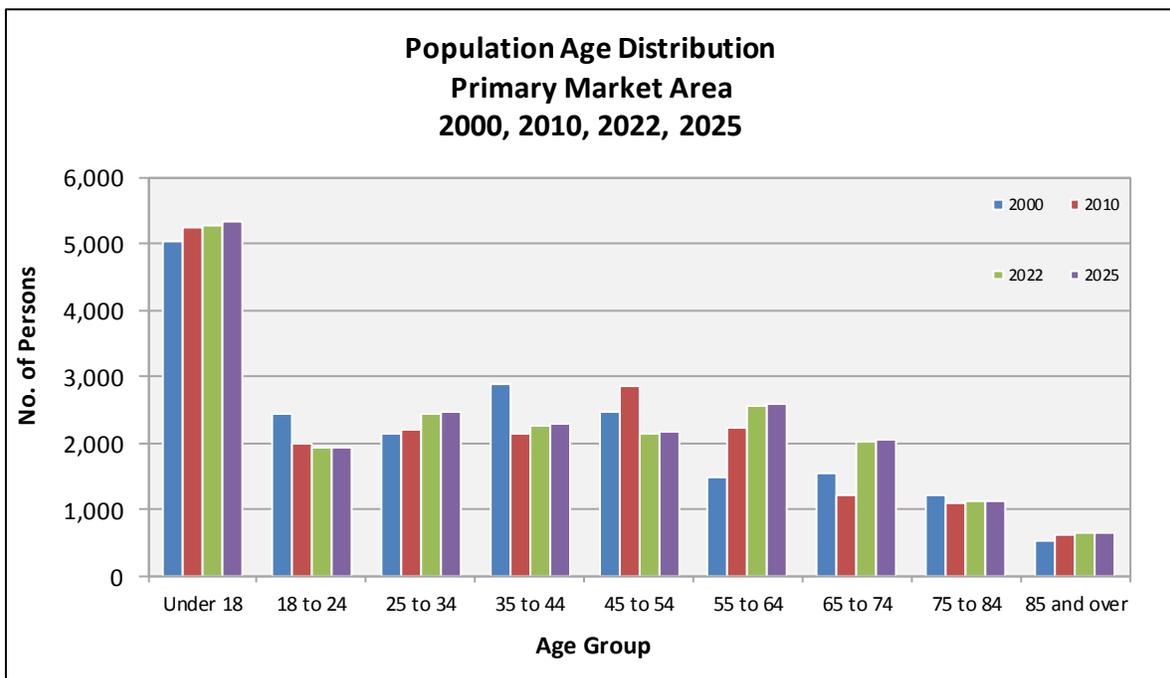
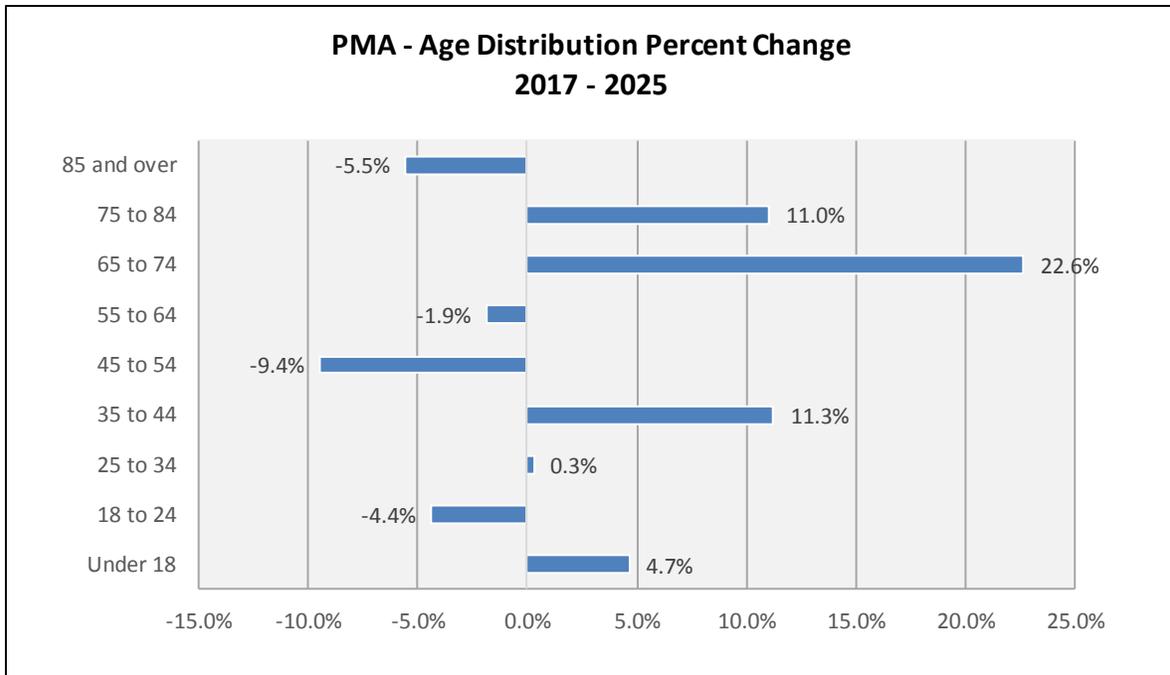
- In Storm Lake, the majority of the growth between 2000 and 2010 occurred in the 55 to 64 age cohort (54.4%) and in people under the age of 18 (25.7%).
- Storm Lake’s population of 18 to 24 year olds, which consists primarily of renters and first-time homebuyers, decreased by -20.2% between 2000 and 2010, and is projected to decrease (-1.0%) between 2017 and 2025.
- By 2025, Storm Lake’s population of 35 to 44 year olds is projected to increase by 136 people (12%).



**DEMOGRAPHIC ANALYSIS**

<b>TABLE D-4 POPULATION AGE DISTRIBUTION PRIMARY MARKET AREA 2000 to 2025</b>									
Age	Census		Estimate	Projection	Projection	Change			
	2000	2010	2017	2022	2025	2000-2010		2017-2025	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
<b><i>Storm Lake City</i></b>									
Under 18	2,428	3,051	2,940	3,027	3,068	623	25.7	128	4.3
18 to 24	1,810	1,445	1,373	1,342	1,360	-365	-20.2	-13	-1.0
25 to 34	1,219	1,263	1,430	1,448	1,468	44	3.6	38	2.7
35 to 44	1,293	1,220	1,134	1,253	1,270	-73	-5.6	136	12.0
45 to 54	1,092	1,322	1,214	1,114	1,129	230	21.1	-85	-7.0
55 to 64	627	968	1,232	1,223	1,240	341	54.4	7	0.6
65 to 74	710	472	726	872	884	-238	-33.5	158	21.8
75 to 84	591	513	484	525	532	-78	-13.2	47	9.8
85 and over	306	345	367	346	351	39	12.6	-16	-4.3
<b>Subtotal</b>	<b>10,076</b>	<b>10,600</b>	<b>10,900</b>	<b>11,150</b>	<b>11,300</b>	<b>524</b>	<b>5.2</b>	<b>400</b>	<b>3.7</b>
<b><i>PMA Remainder</i></b>									
Under 18	2,617	2,205	2,162	2,255	2,273	-412	-15.8	111	5.1
18 to 24	641	554	657	579	582	-86	-13.5	-75	-11.5
25 to 34	932	928	1,024	986	993	-4	-0.4	-31	-3.0
35 to 44	1,609	932	932	1,021	1,029	-677	-42.1	96	10.3
45 to 54	1,385	1,530	1,197	1,045	1,054	145	10.5	-143	-11.9
55 to 64	848	1,266	1,412	1,344	1,356	418	49.3	-56	-4.0
65 to 74	839	752	941	1,150	1,161	-88	-10.4	220	23.3
75 to 84	614	592	538	599	604	-22	-3.6	65	12.2
85 and over	222	275	321	296	298	54	24.2	-22	-7.0
<b>Subtotal</b>	<b>9,706</b>	<b>9,033</b>	<b>9,185</b>	<b>9,275</b>	<b>9,350</b>	<b>-673</b>	<b>-6.9</b>	<b>165</b>	<b>1.8</b>
<b><i>Market Area Total</i></b>									
Under 18	5,045	5,256	5,102	5,283	5,341	211	4.2	238	4.7
18 to 24	2,451	1,999	2,031	1,921	1,942	-451	-18.4	-89	-4.4
25 to 34	2,151	2,191	2,454	2,434	2,461	40	1.9	7	0.3
35 to 44	2,902	2,152	2,066	2,274	2,299	-750	-25.8	232	11.3
45 to 54	2,477	2,852	2,411	2,159	2,183	375	15.1	-228	-9.4
55 to 64	1,475	2,234	2,644	2,567	2,595	759	51.5	-49	-1.9
65 to 74	1,549	1,224	1,667	2,022	2,044	-325	-21.0	377	22.6
75 to 84	1,205	1,105	1,023	1,123	1,136	-100	-8.3	113	11.0
85 and over	528	620	687	642	649	92	17.5	-38	-5.5
<b>Total</b>	<b>19,782</b>	<b>19,633</b>	<b>20,085</b>	<b>20,425</b>	<b>20,650</b>	<b>-149</b>	<b>-0.8</b>	<b>565</b>	<b>2.8</b>

Sources: U.S. Census Bureau; ESRI; Maxfield Research and Consulting LLC



## DEMOGRAPHIC ANALYSIS

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- Mirroring trends observed across the Nation, the aging baby boomer generation is substantially impacting the composition of the PMA's population. Born between 1946 and 1964, these individuals comprised the age groups 55 to 64 and 65 to 74. Based on the 2017 estimates, baby boomers accounted for just over 21% of the PMA's population.
- The 65 to 74 age cohort is projected to have the greatest growth increasing by 377 people (22.6%) in the PMA by 2025. The growth in this age cohort can be primarily attributed to the baby boom generation aging into their early senior years.
- The social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education, and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among the baby boomers, but also among their parents and children. The increased variety of lifestyles has fueled demand for alternative housing products to the single-family homes. Seniors, in particular, and middle-aged people tend to do more traveling and participate in more activities than previous generations, and they increasingly prefer maintenance-free housing that enables them to spend more time on activities outside the home.

### Household Income by Age of Householder

The estimated distribution of household incomes in the City of Storm Lake and the PMA for 2017 and 2022 are shown in Tables D-5 and D-6. The data was estimated by Maxfield Research and Consulting LLC based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household's adjusted gross income. For example, a household with an income of \$40,000 per year would be able to afford a monthly housing cost of about \$1,000. Maxfield Research and Consulting LLC uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$40,000 income would translate to an affordable single-family home of \$120,000 to \$140,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

- Storm Lake has an estimated median household income of \$46,541 in 2017. It is projected to increase over the next five years to \$50,480 in 2022 (+8.5%).

## DEMOGRAPHIC ANALYSIS

- With a household income of \$49,597, a younger household (the median household income for the 25 to 34 cohort in Storm Lake) could afford a monthly housing cost of about \$1,240, based on an allocation of 30% of income toward housing. A senior household (65+) with an income of \$40,537 (the median household income of seniors age 65+ in Storm Lake) could afford a monthly housing cost of about \$1,351, based on an allocation of 40% of income toward housing.

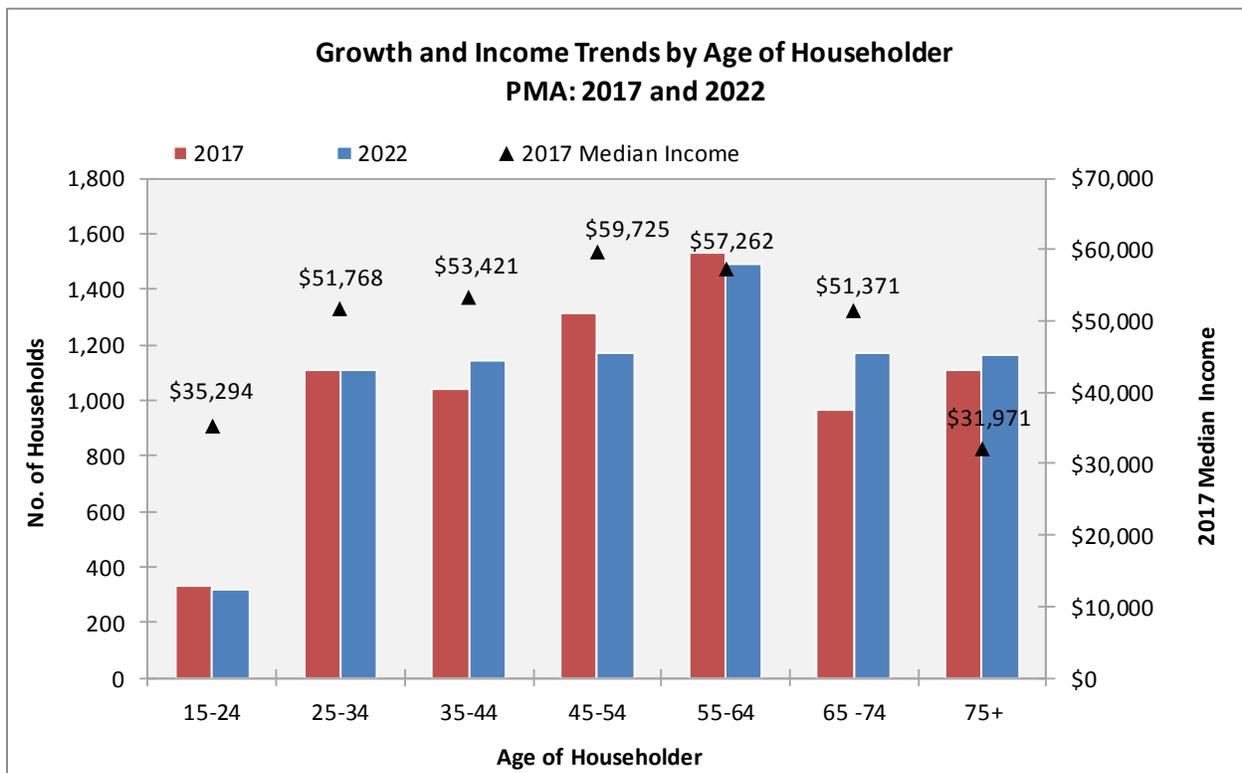
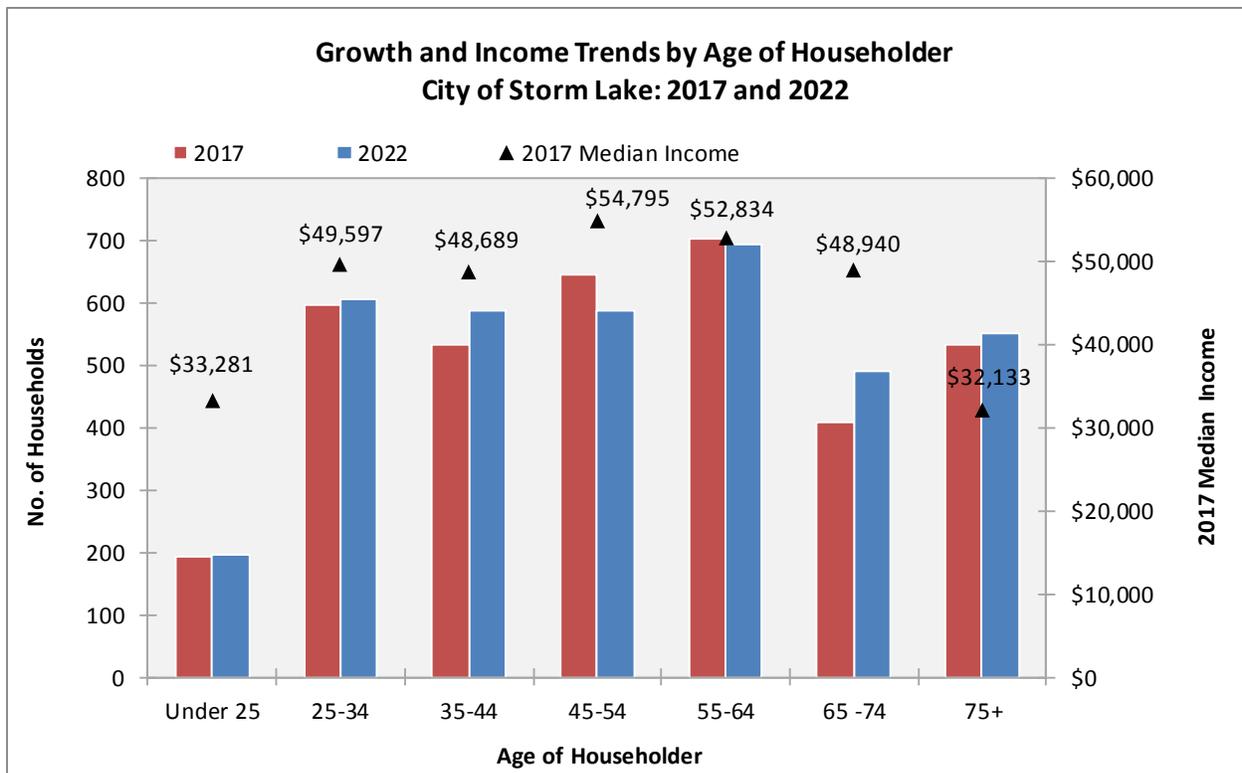
TABLE D-5 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CITY OF STORM LAKE (Number of Households) 2017 and 2022								
Total	Age of Householder							75+
	Under 25	25-34	35-44	45-54	55-64	65 -74		
<b>2017</b>								
Less than \$15,000	535	47	80	68	82	111	51	96
\$15,000 to \$24,999	354	27	49	49	41	52	35	101
\$25,000 to \$34,999	416	26	69	62	60	64	44	90
\$35,000 to \$49,999	601	38	101	92	101	103	77	91
\$50,000 to \$74,999	683	30	133	102	137	125	86	70
\$75,000 to \$99,999	476	12	77	71	97	113	52	54
\$100,000 to \$149,999	410	11	65	65	90	109	46	24
\$150,000 to \$199,999	58	1	9	6	19	10	9	5
\$200,000+	66	2	11	16	16	14	6	2
<b>Total</b>	<b>3,600</b>	<b>193</b>	<b>594</b>	<b>531</b>	<b>643</b>	<b>700</b>	<b>407</b>	<b>532</b>
<i>Median Income</i>	<i>\$46,541</i>	<i>\$33,281</i>	<i>\$49,597</i>	<i>\$48,689</i>	<i>\$54,795</i>	<i>\$52,834</i>	<i>\$48,940</i>	<i>\$32,133</i>
<b>2022</b>								
Less than \$15,000	550	49	78	78	75	110	62	96
\$15,000 to \$24,999	344	26	49	48	34	47	38	101
\$25,000 to \$34,999	376	23	60	60	45	55	49	83
\$35,000 to \$49,999	560	35	92	87	81	89	83	91
\$50,000 to \$74,999	689	30	133	112	121	118	101	72
\$75,000 to \$99,999	544	15	89	86	98	121	69	64
\$100,000 to \$149,999	492	13	79	84	95	124	65	30
\$150,000 to \$199,999	69	1	11	7	19	11	13	7
\$200,000+	75	2	11	21	16	14	8	3
<b>Total</b>	<b>3,700</b>	<b>195</b>	<b>603</b>	<b>585</b>	<b>586</b>	<b>692</b>	<b>490</b>	<b>549</b>
<i>Median Income</i>	<i>\$50,480</i>	<i>\$34,436</i>	<i>\$52,728</i>	<i>\$52,861</i>	<i>\$59,255</i>	<i>\$57,111</i>	<i>\$51,978</i>	<i>\$33,969</i>
<b>Change - 2017 to 2022</b>								
Less than \$15,000	15	2	-2	10	-7	-0	11	1
\$15,000 to \$24,999	-10	-1	-0	-1	-7	-5	4	1
\$25,000 to \$34,999	-39	-3	-9	-2	-15	-9	5	-7
\$35,000 to \$49,999	-41	-2	-8	-4	-19	-13	6	1
\$50,000 to \$74,999	5	0	-1	11	-16	-7	15	2
\$75,000 to \$99,999	68	3	12	15	2	9	17	10
\$100,000 to \$149,999	82	2	14	19	6	16	19	6
\$150,000 to \$199,999	11	0	2	1	0	1	4	2
\$200,000+	9	0	0	5	0	0	2	1
<b>Total</b>	<b>100</b>	<b>2</b>	<b>9</b>	<b>54</b>	<b>-57</b>	<b>-8</b>	<b>83</b>	<b>17</b>
<i>Median Income</i>	<i>\$3,939</i>	<i>\$1,155</i>	<i>\$3,131</i>	<i>\$4,172</i>	<i>\$4,460</i>	<i>\$4,277</i>	<i>\$3,038</i>	<i>\$1,836</i>

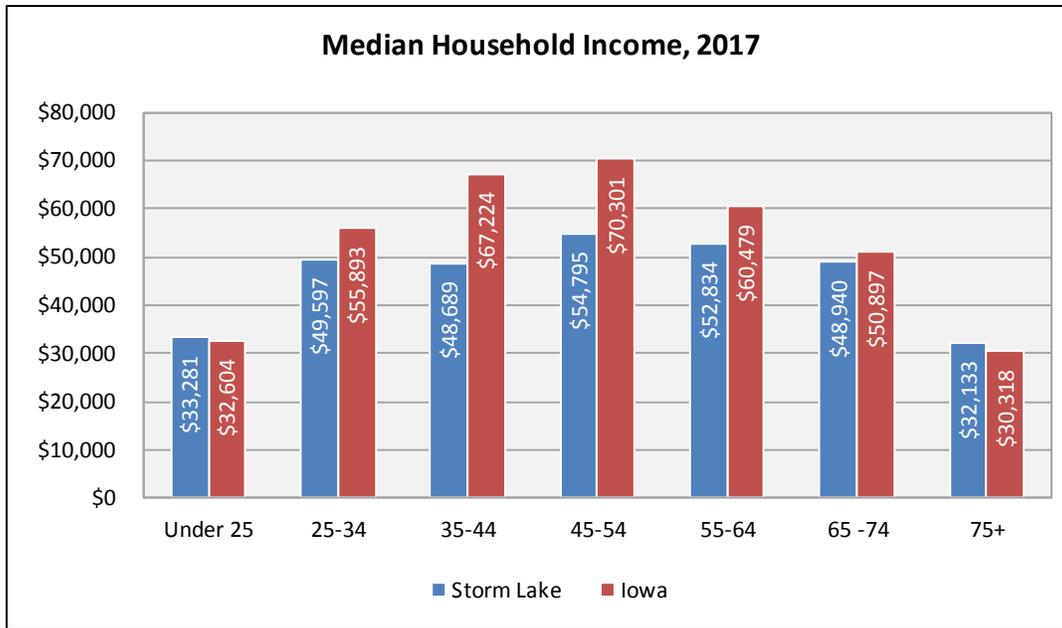
Sources: ESRI; Maxfield Research and Consulting LLC

## DEMOGRAPHIC ANALYSIS

<b>TABLE D-6</b> <b>HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER</b> <b>PRIMARY MARKET AREA</b> <b>(Number of Households)</b> <b>2017 and 2022</b>								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
<b>2017</b>								
Less than \$15,000	859	72	111	101	122	186	95	171
\$15,000 to \$24,999	734	45	99	96	81	108	84	222
\$25,000 to \$34,999	862	48	127	115	112	137	110	212
\$35,000 to \$49,999	1,203	68	188	167	195	223	176	185
\$50,000 to \$74,999	1,476	53	269	212	293	288	210	151
\$75,000 to \$99,999	1,088	23	153	160	226	277	137	111
\$100,000 to \$149,999	853	18	122	132	186	237	112	45
\$150,000 to \$199,999	161	3	22	21	56	27	23	7
\$200,000+	165	3	19	37	39	44	17	6
<b>Total</b>	<b>7,400</b>	<b>334</b>	<b>1,111</b>	<b>1,041</b>	<b>1,311</b>	<b>1,529</b>	<b>964</b>	<b>1,110</b>
<i>Median Income</i>	<i>\$50,500</i>	<i>\$35,294</i>	<i>\$51,768</i>	<i>\$53,421</i>	<i>\$59,725</i>	<i>\$57,262</i>	<i>\$51,371</i>	<i>\$31,971</i>
<b>2022</b>								
Less than \$15,000	856	69	110	116	107	172	111	172
\$15,000 to \$24,999	680	41	92	88	59	94	86	219
\$25,000 to \$34,999	760	38	106	106	81	113	122	196
\$35,000 to \$49,999	1,093	61	167	154	149	188	188	185
\$50,000 to \$74,999	1,443	51	259	227	240	264	247	156
\$75,000 to \$99,999	1,307	30	181	205	238	309	195	149
\$100,000 to \$149,999	1,028	20	145	176	198	267	158	65
\$150,000 to \$199,999	199	3	27	31	57	35	33	12
\$200,000+	184	3	21	43	38	44	26	8
<b>Total</b>	<b>7,550</b>	<b>317</b>	<b>1,106</b>	<b>1,145</b>	<b>1,166</b>	<b>1,487</b>	<b>1,166</b>	<b>1,163</b>
<i>Median Income</i>	<i>\$54,838</i>	<i>\$36,612</i>	<i>\$55,428</i>	<i>\$59,569</i>	<i>\$67,725</i>	<i>\$64,549</i>	<i>\$55,574</i>	<i>\$34,642</i>
<b>Change - 2017 to 2022</b>								
Less than \$15,000	-3	-3	-1	15	-16	-15	16	1
\$15,000 to \$24,999	-55	-3	-7	-8	-22	-14	2	-3
\$25,000 to \$34,999	-101	-10	-22	-10	-31	-25	12	-16
\$35,000 to \$49,999	-110	-7	-22	-13	-46	-35	12	-0
\$50,000 to \$74,999	-32	-2	-10	15	-53	-24	37	6
\$75,000 to \$99,999	219	7	28	45	12	32	57	38
\$100,000 to \$149,999	175	1	23	43	11	30	46	20
\$150,000 to \$199,999	38	0	4	10	1	8	10	5
\$200,000+	19	0	1	7	-0	1	9	2
<b>Total</b>	<b>150</b>	<b>-17</b>	<b>-5</b>	<b>105</b>	<b>-145</b>	<b>-42</b>	<b>202</b>	<b>53</b>
<i>Median Income</i>	<i>\$4,338</i>	<i>\$1,318</i>	<i>\$3,660</i>	<i>\$6,148</i>	<i>\$8,000</i>	<i>\$7,287</i>	<i>\$4,203</i>	<i>\$2,671</i>

Sources: ESRI; Maxfield Research and Consulting LLC





***Non-Senior Households***

- Based on 2017 estimates, 14.6% of the non-senior (under age 65) households in Storm Lake had incomes under \$15,000 (388 households). All of these households would be eligible for subsidized rental housing. Another 8.2% of Storm Lake’s non-senior households had incomes between \$15,000 and \$25,000 (219 households). Many of these households would qualify for subsidized housing, but many could also afford “affordable” or older market rate rentals. If housing costs absorb 30% of income, households with incomes of \$15,000 to \$25,000 could afford to pay \$375 to \$625 per month.
- Median incomes for households in Storm Lake peak at \$54,795 for the 45 to 54 age group in 2017. Households in this age group are in their peak earning years. By 2022, the median income for the 45 to 54 age group is projected to increase to \$59,255, a 8.1% increase.
- The median resale price of homes in Storm Lake was roughly \$119,000 through 2016 (see Table FS-1). The income required to afford a home at this price would be about \$34,000 to \$39,666 based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt).

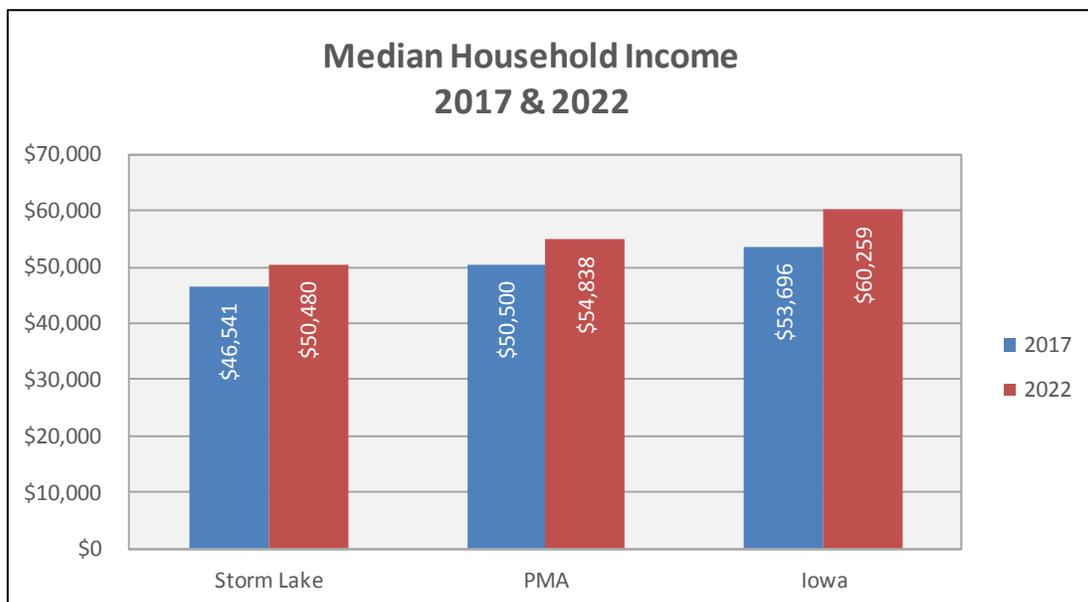
***Senior Households***

- The oldest householders are likely to have lower incomes in 2017. In Storm Lake, 12.5% of households ages 65 to 74 had incomes below \$15,000, compared to 18% of households ages 75 and over. Many of these low-income older senior households rely solely on social se-

## DEMOGRAPHIC ANALYSIS

curity benefits. Typically, younger seniors have higher incomes due to the fact they are still able to work or are married couples with two pensions or higher social security benefits. The 2017 median income for PMA householders age 65 to 74 and 75+ are \$48,940, and \$32,133, respectively.

- Generally, senior households with incomes greater than \$35,000 can afford market rate senior housing. Based on a 40% allocation of income for housing, this translates to monthly rents of at least \$1,000. About 522 senior households in Storm Lake (56% of senior households) are estimated to have incomes above \$35,000 in 2017.
- There is an estimated 246 older senior (ages 75 and over) households in Storm Lake with incomes greater than \$35,000 for 2017. Seniors age 75 and over are the primary market for assisted living housing.
- The estimated median income for seniors age 65+ in the PMA is \$40,537 in 2017. It is projected to increase by \$2,437 (6%) to \$42,974 by 2022.



### Tenure by Age of Householder

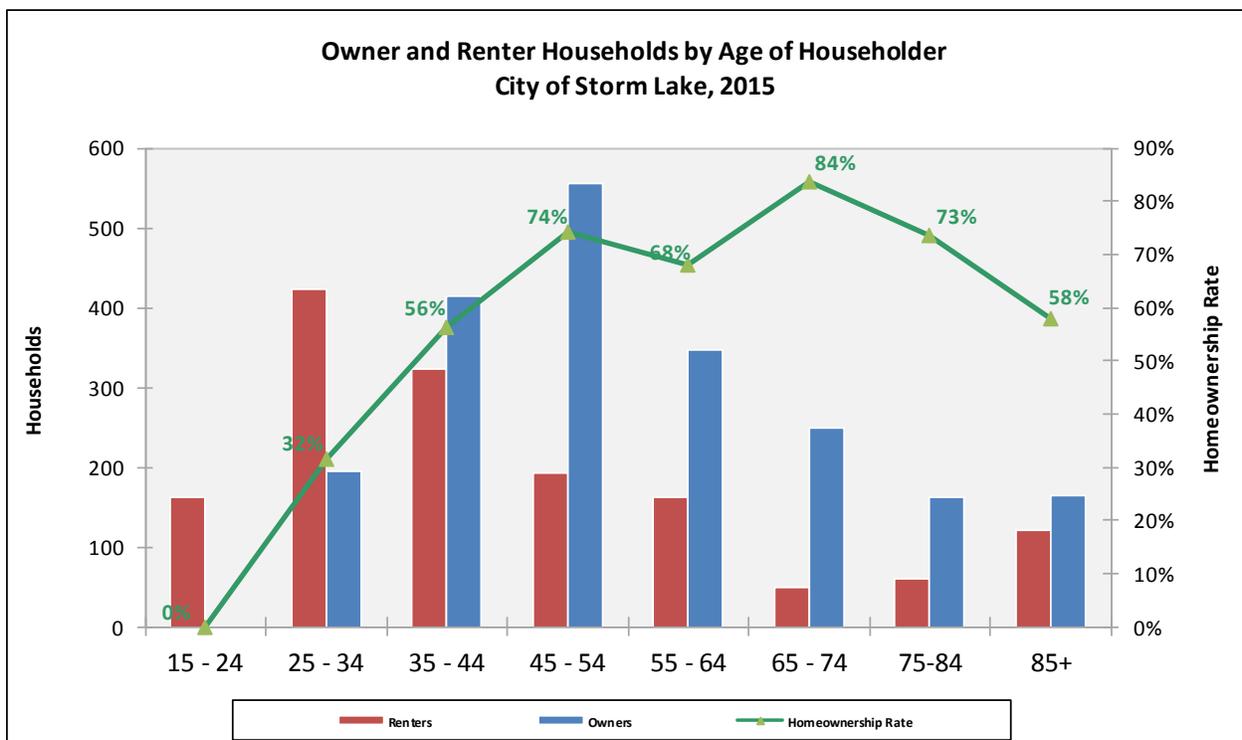
Table D-7 shows the number of owner and renter households in the Storm Lake Market Area by age group in 2000, 2010, and 2015. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle. The following are key findings from Table D-7.

- In 2000, 63.9% of all households in Storm Lake owned their housing. By 2015, that percentage decreased to 58.3%. Typically, homeownership rates decreased during the 2000s

## DEMOGRAPHIC ANALYSIS

as it became more difficult for households to secure mortgage loans, households delayed purchasing homes due to the uncertainty of the housing market, and foreclosures forced households out of their homes.

- In 2000, 36.1% of all households in Storm Lake rented their housing. That percentage increased to nearly 42% by 2015.
- As households progress through their life cycle, housing needs change. The proportion of renter households decreases significantly as households age out of their young-adult years. However, by the time households reach their senior years, rental housing often becomes a more viable option than homeownership, reducing the responsibility of maintenance and a financial commitment.



**DEMOGRAPHIC ANALYSIS**

**TABLE D-7  
TENURE BY AGE OF HOUSEHOLDER  
PRIMARY MARKET AREA  
2000 ,2010, and 2015**

Age	STORM LAKE						REMAINDER OF PMA						PMA						Iowa	
	2000		2010		2015		2000		2010		2015		2000		2010		2015		2015	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.		
15-24	Own	45	17.3	56	25.1	0	0.0	37	27.4	59	41.0	76	53.5	82	20.8	115	31.3	76	24.9	17.4
	Rent	215	82.7	167	74.9	163	100.0	98	72.6	85	59.0	66	46.5	313	79.2	252	68.7	229	75.1	82.6
	<b>Total</b>	<b>260</b>	<b>100.0</b>	<b>223</b>	<b>100.0</b>	<b>163</b>	<b>100.0</b>	<b>135</b>	<b>100.0</b>	<b>144</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>	<b>367</b>	<b>100.0</b>	<b>305</b>	<b>100.0</b>	<b>100.0</b>
25-34	Own	266	47.9	244	44.4	195	31.6	261	58.3	289	60.7	333	61.8	527	52.5	533	52.0	528	45.6	53.9
	Rent	289	52.1	305	55.6	423	68.4	187	41.7	187	39.3	206	38.2	476	47.5	492	48.0	629	54.4	46.1
	<b>Total</b>	<b>555</b>	<b>100.0</b>	<b>549</b>	<b>100.0</b>	<b>618</b>	<b>100.0</b>	<b>448</b>	<b>100.0</b>	<b>476</b>	<b>100.0</b>	<b>539</b>	<b>100.0</b>	<b>1,003</b>	<b>100.0</b>	<b>1,025</b>	<b>100.0</b>	<b>1,157</b>	<b>100.0</b>	<b>100.0</b>
35-44	Own	440	62.7	343	56.5	415	56.3	624	71.1	361	73.5	425	81.3	1,064	67.3	704	64.1	840	66.7	71.7
	Rent	262	37.3	264	43.5	322	43.7	254	28.9	130	26.5	98	18.7	516	32.7	394	35.9	420	33.3	28.3
	<b>Total</b>	<b>702</b>	<b>100.0</b>	<b>607</b>	<b>100.0</b>	<b>737</b>	<b>100.0</b>	<b>878</b>	<b>100.0</b>	<b>491</b>	<b>100.0</b>	<b>523</b>	<b>100.0</b>	<b>1,580</b>	<b>100.0</b>	<b>1,098</b>	<b>100.0</b>	<b>1,260</b>	<b>100.0</b>	<b>100.0</b>
45-54	Own	468	75.6	483	65.8	556	74.2	620	82.2	686	81.5	592	85.8	1,088	79.2	1,169	74.2	1,148	79.8	78.6
	Rent	151	24.4	251	34.2	193	25.8	134	17.8	156	18.5	98	14.2	285	20.8	407	25.8	291	20.2	21.4
	<b>Total</b>	<b>619</b>	<b>100.0</b>	<b>734</b>	<b>100.0</b>	<b>749</b>	<b>100.0</b>	<b>754</b>	<b>100.0</b>	<b>842</b>	<b>100.0</b>	<b>690</b>	<b>100.0</b>	<b>1,373</b>	<b>100.0</b>	<b>1,576</b>	<b>100.0</b>	<b>1,439</b>	<b>100.0</b>	<b>100.0</b>
55-64	Own	270	76.7	443	75.1	347	68.0	401	86.6	631	88.6	745	83.9	671	82.3	1,074	82.5	1,092	78.1	83.1
	Rent	82	23.3	147	24.9	163	32.0	62	13.4	81	11.4	143	16.1	144	17.7	228	17.5	306	21.9	16.9
	<b>Total</b>	<b>352</b>	<b>100.0</b>	<b>590</b>	<b>100.0</b>	<b>510</b>	<b>100.0</b>	<b>463</b>	<b>100.0</b>	<b>712</b>	<b>100.0</b>	<b>888</b>	<b>100.0</b>	<b>815</b>	<b>100.0</b>	<b>1,302</b>	<b>100.0</b>	<b>1,398</b>	<b>100.0</b>	<b>100.0</b>
65-74	Own	354	80.6	231	83.4	250	83.6	442	89.5	385	86.7	377	89.3	796	85.3	616	85.4	627	87.0	85.6
	Rent	85	19.4	46	16.6	49	16.4	52	10.5	59	13.3	45	10.7	137	14.7	105	14.6	94	13.0	14.4
	<b>Total</b>	<b>439</b>	<b>100.0</b>	<b>277</b>	<b>100.0</b>	<b>299</b>	<b>100.0</b>	<b>494</b>	<b>100.0</b>	<b>444</b>	<b>100.0</b>	<b>422</b>	<b>100.0</b>	<b>933</b>	<b>100.0</b>	<b>721</b>	<b>100.0</b>	<b>721</b>	<b>100.0</b>	<b>100.0</b>
75-84	Own	281	72.8	254	74.7	163	73.4	360	86.1	339	86.7	331	89.5	641	79.7	593	81.1	494	83.4	82.4
	Rent	105	27.2	86	25.3	59	26.6	58	13.9	52	13.3	39	10.5	163	20.3	138	18.9	98	16.6	17.6
	<b>Total</b>	<b>386</b>	<b>100.0</b>	<b>340</b>	<b>100.0</b>	<b>222</b>	<b>100.0</b>	<b>418</b>	<b>100.0</b>	<b>391</b>	<b>100.0</b>	<b>370</b>	<b>100.0</b>	<b>804</b>	<b>100.0</b>	<b>731</b>	<b>100.0</b>	<b>592</b>	<b>100.0</b>	<b>100.0</b>
85+	Own	91	59.5	123	56.9	164	57.7	109	80.7	144	75.0	128	65.3	200	69.4	267	65.4	292	60.8	65.6
	Rent	62	40.5	93	43.1	120	42.3	26	19.3	48	25.0	68	34.7	88	30.6	141	34.6	188	39.2	34.4
	<b>Total</b>	<b>153</b>	<b>100.0</b>	<b>216</b>	<b>100.0</b>	<b>284</b>	<b>100.0</b>	<b>135</b>	<b>100.0</b>	<b>192</b>	<b>100.0</b>	<b>196</b>	<b>100.0</b>	<b>288</b>	<b>100.0</b>	<b>408</b>	<b>100.0</b>	<b>480</b>	<b>100.0</b>	<b>100.0</b>
<b>TOTAL</b>	Own	2,215	63.9	2,177	61.6	2,090	58.3	2,854	76.6	2,894	78.4	3,007	79.8	5,069	70.5	5,071	70.2	5,097	69.3	71.5
	Rent	1,251	36.1	1,359	38.4	1,492	41.7	871	23.4	798	21.6	763	20.2	2,122	29.5	2,157	29.8	2,255	30.7	28.5
	<b>Total</b>	<b>3,466</b>	<b>100.0</b>	<b>3,536</b>	<b>100.0</b>	<b>3,582</b>	<b>100.0</b>	<b>3,725</b>	<b>100.0</b>	<b>3,692</b>	<b>100.0</b>	<b>3,770</b>	<b>100.0</b>	<b>7,191</b>	<b>100.0</b>	<b>7,228</b>	<b>100.0</b>	<b>7,352</b>	<b>100.0</b>	<b>100.0</b>

Note: Numbers are approximate, data is subject to change.

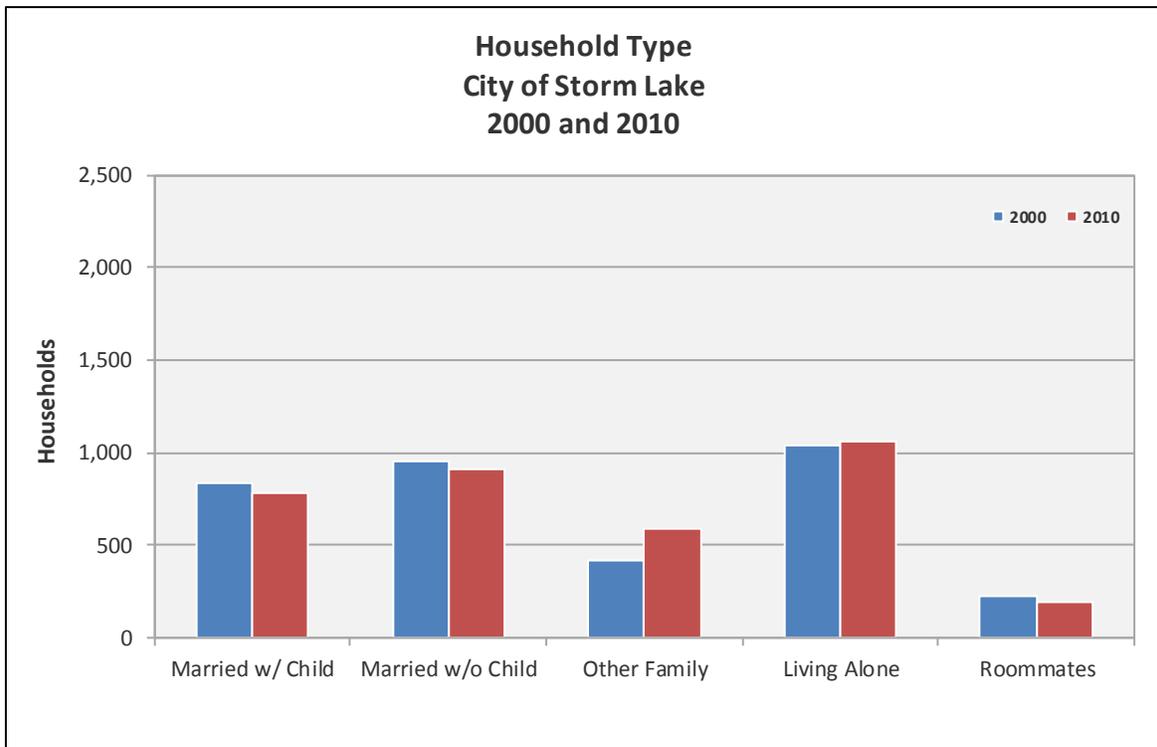
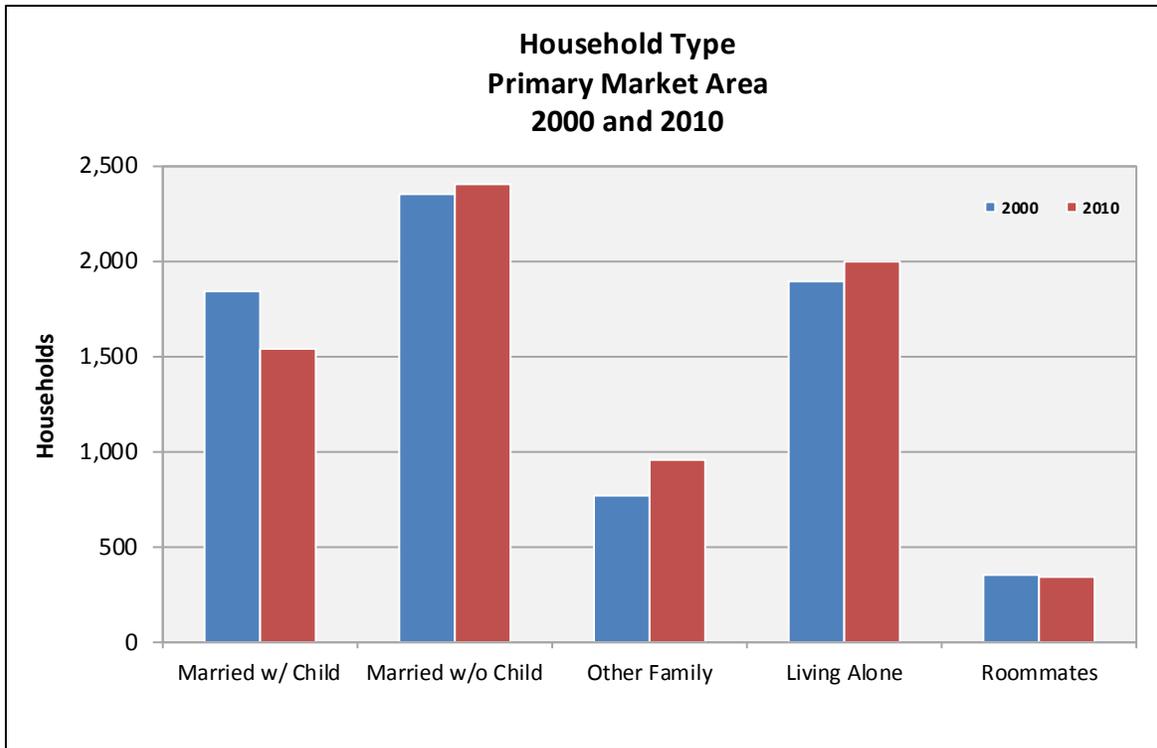
Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

- In 2015, 100% of Storm Lake's households between the ages of 15 and 24 rented their housing, compared to 68.4% of households between the ages of 25 and 34. Householders between 65 and 74 were a majority homeowners, with less than 20% of the householders renting their housing.
- The higher homeownership rates in the remainder of the PMA (79.8%) compared to the City of Storm Lake (58.3%) reflects the rural character of the area, where traditional agricultural land use and lack of infrastructure typically cannot support higher density rental housing. In addition, homeownership is more feasible in outlying rural areas because the cost of owning a single-family home is typically lower than in municipalities.

### Household Type

Table D-8 shows a breakdown of the type of households present in the Storm Lake Market Area in 2000 and 2010. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- Between 2000 and 2010, Storm Lake experienced a decrease in all types of households except other family households (+39.8%) and individuals living alone (+2.4%).
- Storm Lake had an increase in other family households (a gain of 168 households, or 39.8%). Other families include single-parents and unmarried couples with children. With only one income, these families are most likely to need affordable or modest housing, both rental and for-sale.
- To some extent, differences between Storm Lake and the PMA reflect the availability of a wider range of housing options in Storm Lake compared to the rural areas. For example, non-family householders tend to rent their housing more so than the other categories. This category includes many elderly widows as well as young persons. Young people typically do not have sufficient incomes to purchase housing, while single seniors are more likely to move to multifamily housing to shed the burden of home maintenance and to have more opportunities for socialization. About 36% of Storm Lake's households were non-family households in 2010, while only 29% of the Remainder of the Market Area households was non-family. This reflects the availability of multifamily rental housing in Storm Lake.
- In the PMA, married couples with children saw the largest decrease between 2000 to 2010 (-16.5%).



**DEMOGRAPHIC ANALYSIS**

**TABLE D-8  
HOUSEHOLD TYPE  
PRIMARY MARKET AREA  
2000 and 2010**

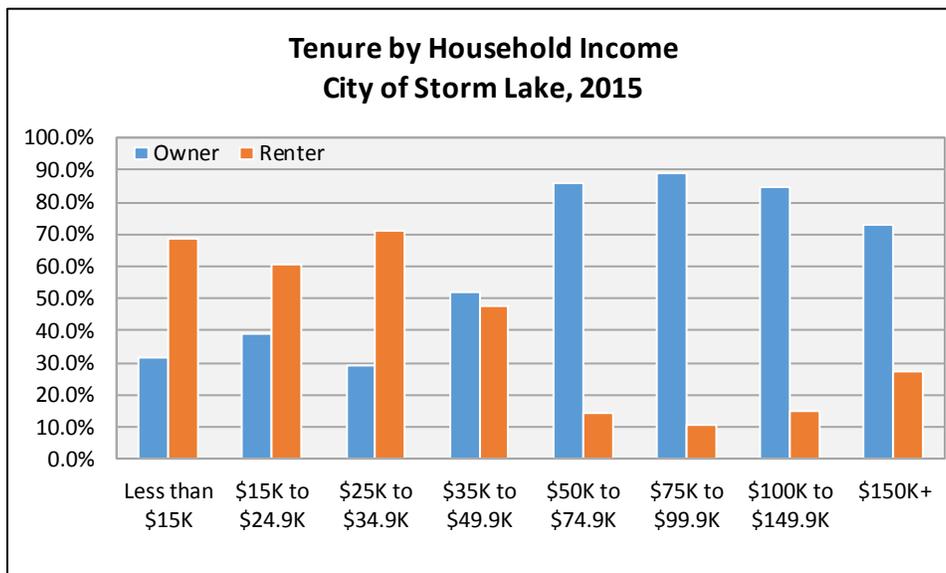
	Total HH's		Family Households						Non-Family Households			
			Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
<b>Number of Households</b>												
Storm Lake City	3,466	3,536	950	913	837	777	422	590	1,038	1,063	219	193
Rem. of Market Area	3,725	3,692	1,397	1,490	1,006	761	348	359	848	936	126	146
<b>PMA Total</b>	<b>7,191</b>	<b>7,228</b>	<b>2,347</b>	<b>2,403</b>	<b>1,843</b>	<b>1,538</b>	<b>770</b>	<b>949</b>	<b>1,886</b>	<b>1,999</b>	<b>345</b>	<b>339</b>
<b>Percent of Total</b>												
Storm Lake City	100.0	100.0	27.4	25.8	24.1	22.0	12.2	16.7	29.9	30.1	6.3	5.5
Rem. of Market Area	100.0	100.0	37.5	40.4	27.0	20.6	9.3	9.7	22.8	25.4	3.4	4.0
<b>PMA Total</b>	<b>100.0</b>	<b>100.0</b>	<b>32.6</b>	<b>33.2</b>	<b>25.6</b>	<b>21.3</b>	<b>10.7</b>	<b>13.1</b>	<b>26.2</b>	<b>27.7</b>	<b>4.8</b>	<b>4.7</b>
<i>Buena Vista County</i>	7,499	7,522	2,444	2,476	1,866	1,571	815	980	2,023	2,152	351	343
<i>Iowa</i>	1,149,276	1,221,576	358,689	380,420	274,565	244,753	136,430	164,861	313,083	347,479	66,509	84,063
	<b>Change</b>											
	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>
Storm Lake City	70	2.0	-37	-3.9	-60	-7.2	168	39.8	25	2.4	-26	-11.9
Rem. of Market Area	-33	-0.9	93	6.7	-245	-24.4	11	3.2	88	10.4	20	15.9
<b>PMA Total</b>	<b>37</b>	<b>0.5</b>	<b>56</b>	<b>2.4</b>	<b>-305</b>	<b>-16.5</b>	<b>179</b>	<b>23.2</b>	<b>113</b>	<b>6.0</b>	<b>-6</b>	<b>-1.7</b>
* Single-parent families, unmarried couples with children.												
Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC												

**Tenure by Household Income**

Table D-9 shows estimated household tenure by income in the Storm Lake Market Area according to data from the 2011-2015 American Community Survey.

As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household’s income. It is important to note that the higher the income, the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income on housing, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income to housing.

- Typically, as income increases, so does the rate of homeownership. This can be seen in Storm Lake, where the homeownership rate increases from 31.5% of households with incomes below \$15,000 to over 72% of households with incomes above \$50,000.
- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes above \$50,000 and rent newer apartments (about 14% of Storm Lake’s renter households). A smaller segment of lifestyle renters could also have lower incomes and be living in older apartments.
- Households with incomes below \$15,000 are the typical market for deep subsidy rental housing (approximately 68.5% of renter households in Storm Lake) whereas those with incomes between \$15,000 and \$35,000 are the market for affordable rental housing (39% of renter households in Storm Lake).



## DEMOGRAPHIC ANALYSIS

Income	CITY OF STORM LAKE				REMAINDER OF PMA				PMA				IOWA	
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner Pct.	Renter Pct.
Less than \$15,000	147	31.5%	320	68.5%	184	66.7%	92	33.3%	331	44.5%	412	55.5%	36.8%	63.2%
\$15,000 to \$24,999	166	39.2%	257	60.8%	258	72.3%	99	27.7%	424	54.4%	356	45.6%	51.9%	48.1%
\$25,000 to \$34,999	132	28.9%	325	71.1%	283	65.8%	147	34.2%	415	46.8%	472	53.2%	60.8%	39.2%
\$35,000 to \$49,999	408	52.2%	374	47.8%	410	69.3%	182	30.7%	818	59.5%	556	40.5%	69.1%	30.9%
\$50,000 to \$74,999	586	85.8%	97	14.2%	675	85.8%	112	14.2%	1,261	85.8%	209	14.2%	78.0%	22.0%
\$75,000 to \$99,999	251	89.3%	30	10.7%	562	87.7%	79	12.3%	813	88.2%	109	11.8%	86.0%	14.0%
\$100,000 to \$149,999	306	85%	54	15.0%	405	92.0%	35	8.0%	711	88.9%	89	11.1%	92.3%	7.7%
\$150,000+	94	72.9%	35	27.1%	230	93.1%	17	6.9%	324	86.2%	52	13.8%	94.1%	5.9%
<b>Total</b>	<b>2,090</b>	<b>58.3%</b>	<b>1,492</b>	<b>41.7%</b>	<b>3,007</b>	<b>79.8%</b>	<b>763</b>	<b>20.2%</b>	<b>5,097</b>	<b>69.3%</b>	<b>2,255</b>	<b>30.7%</b>	<b>71.5%</b>	<b>28.5%</b>
Median Household Income	\$47,250		\$30,842		\$50,781		\$38,125		\$50,495		\$37,056		\$64,778	\$29,804

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting LLC

## Net Worth by Age of Householder

Table D-10 presents data on the net worth of households by age in Storm Lake and the PMA as of 2017. Information in the table is sourced from ESRI with adjustments for the estimated household base as calculated by Maxfield Research & Consulting, LLC. Net worth is defined for an individual, the value of assets, including cash, minus all liabilities. The amount by which the individual's assets exceed their liabilities is considered the net worth of that person.

- Data in the table is calculated as the total value of a household's wealth less any debts (unsecured or secured by assets). Overall, the median net worth of a household in Storm Lake is about \$59,527 and the average is \$367,066.
- There is a strong correlation between household age and net worth. Households under the age of 25 have substantially less net worth (median of \$10,996) compared to households between the ages of 55 and 64 (median of \$119,825). Net worth declines as adults age into their senior years, which is likely due to these households spending down assets to support their living costs following retirement.

## DEMOGRAPHIC ANALYSIS

TABLE D-10 NET WORTH BY AGE OF HOUSEHOLDER PRIMARY MARKET AREA 2017									
	Total	% of Total	Age of Householder						
			<25	25-34	35-44	45-54	55-64	65-74	75+
<b>STORM LAKE CITY</b>									
Less than \$15,000	1,230	33.8%	133	339	245	201	175	54	83
\$15,000 to \$34,999	311	8.5%	28.00	77.00	65.00	55.00	52.00	7.00	27.00
\$35,000 to \$49,999	158	4.3%	14.00	28.00	36.00	24.00	32.00	11.00	13.00
\$50,000 to \$99,999	452	12.4%	10.00	77.00	77.00	123.00	66.00	41.00	58.00
\$100,000 to \$149,999	248	6.8%	1.00	33.00	32.00	49.00	63.00	26.00	44.00
\$150,000 to \$249,999	366	10.0%	3.00	27.00	38.00	65.00	77.00	60.00	96.00
\$250,000 or more	879	24.1%	6.00	21.00	43.00	133.00	244.00	213.00	219.00
<b>Total</b>	<b>3,644</b>	<b>100%</b>	<b>195.00</b>	<b>602.00</b>	<b>536.00</b>	<b>650.00</b>	<b>709.00</b>	<b>412.00</b>	<b>540.00</b>
<b>Median Net Worth</b>	<b>\$59,527</b>		<b>\$10,996</b>	<b>\$13,319</b>	<b>\$19,767</b>	<b>\$62,455</b>	<b>\$119,825</b>	<b>\$250,001</b>	<b>\$186,282</b>
<b>Average Net Worth</b>	<b>\$367,066</b>		<b>\$48,947</b>	<b>\$62,200</b>	<b>\$134,917</b>	<b>\$258,488</b>	<b>\$580,488</b>	<b>\$907,338</b>	<b>\$492,554</b>
<b>PRIMARY MARKET AREA</b>									
Less than \$15,000	1,987	27.2%	210	541	397	329	289	94	127
\$15,000 to \$34,999	549	7.5%	50	144	125	97	81	12	40
\$35,000 to \$49,999	306	4.2%	31	65	69	46	56	19	20
\$50,000 to \$99,999	893	12.2%	20	180	158	209	137	83	106
\$100,000 to \$149,999	541	7.4%	4	75	77	99	129	71	86
\$150,000 to \$249,999	884	12.1%	9	56	95	154	203	151	216
\$250,000 or more	2,142	29.3%	12	48	106	350	613	518	495
<b>Total</b>	<b>7,302</b>	<b>100%</b>	<b>336</b>	<b>1,109</b>	<b>1,027</b>	<b>1,284</b>	<b>1,508</b>	<b>948</b>	<b>1,090</b>
<b>Median Net Worth</b>	<b>\$93,160</b>		<b>\$12,000</b>	<b>\$16,083</b>	<b>\$32,832</b>	<b>\$86,418</b>	<b>\$172,734</b>	<b>\$250,001</b>	<b>\$218,266</b>
<b>Average Net Worth</b>	<b>\$466,459</b>		<b>\$52,365</b>	<b>\$76,938</b>	<b>\$179,925</b>	<b>\$349,305</b>	<b>\$714,496</b>	<b>\$1,027,680</b>	<b>\$572,270</b>
Data Note: Net Worth is total household wealth minus debt, secured and unsecured. Net worth includes home equity, equity in pension plans, net equity in vehicles, IRAs and Keogh accounts, business equity, interest-earning assets and mutual fund shares, stocks, etc. Examples of secured debt include home mortgages and vehicle loans; examples of unsecured debt include credit card debt, certain bank loans, and other outstanding bills. Forecasts of net worth are based on the Survey of Consumer Finances, Federal Reserve Board. Detail may not sum to totals due to rounding.									
Sources: ESRI; Maxfield Research and Consulting LLC									

- With significant residual net worth in later life many seniors will have sufficient funds to cover the costs of living in senior housing alternatives. The segment of age 75+ seniors with little or no net worth will rely on public subsidies in order to receive housing and services that meet their needs.
- Households often delay purchasing homes and instead choose to rent until they acquire sufficient net worth to cover the costs of a down payment and closing costs associated with home ownership. This will be especially true in the short-term as tightening lending requirements make mortgages with little or no down payments more difficult to obtain.

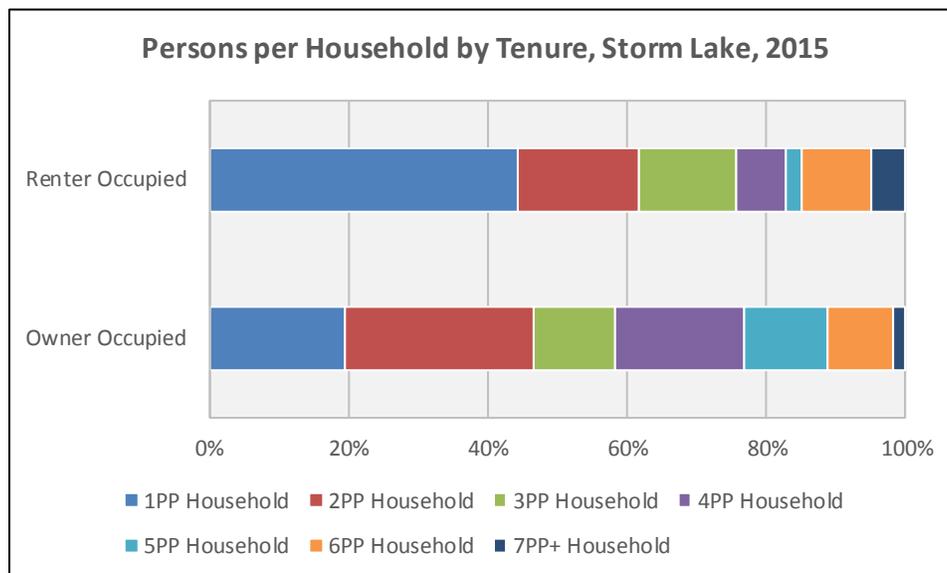
## Tenure by Household Size

## DEMOGRAPHIC ANALYSIS

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Table D-11 shows the distribution of households by size and tenure in the Storm Lake Market Area in 2015. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in the Storm Lake Market Area.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children as well as older adults and seniors who choose to downsize from their single-family homes.
- An estimated 62% of renter households in Storm Lake in 2015 have either one or two people. The one-person households would primarily seek one-bedroom units and two-person households that are couples would primarily seek one-bedroom units as well. Two-person households that consist of a parent and child or roommate would primarily seek two-bedroom units. Larger households would seek units with multiple bedrooms.



## DEMOGRAPHIC ANALYSIS

Size	STORM LAKE				PMA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1PP Household	407	19.5%	659	44.2%	1,078	21.1%	949	42.1%
2PP Household	564	27.0%	262	17.6%	1,924	37.7%	474	21.0%
3PP Household	248	11.9%	209	14.0%	610	12.0%	297	13.2%
4PP Household	388	18.6%	107	7.2%	748	14.7%	185	8.2%
5PP Household	247	11.8%	34	2.3%	398	7.8%	103	4.6%
6PP Household	195	9.3%	146	9.8%	264	5.2%	172	7.6%
7PP+ Household	41	2.0%	75	5.0%	75	1.5%	75	3.3%
<b>Total</b>	<b>2,090</b>	<b>100%</b>	<b>1,492</b>	<b>100%</b>	<b>5,097</b>	<b>100%</b>	<b>2,255</b>	<b>100%</b>

Units in Structure	BUENA VISTA CO.				IOWA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1PP Household	1,157	22.0%	1,005	42.4%	204,190	23.1%	152,561	43.3%
2PP Household	1,992	37.8%	484	20.4%	363,587	41.1%	94,046	26.7%
3PP Household	642	12.2%	327	13.8%	122,845	13.9%	47,626	13.5%
4PP Household	739	14.0%	212	8.9%	113,664	12.9%	33,101	9.4%
5PP Household	388	7.4%	94	4.0%	52,491	5.9%	15,963	4.5%
6PP Household	266	5.1%	175	7.4%	18,334	2.1%	6,243	1.8%
7PP+ Household	79	1.5%	75	3.2%	8,697	1.0%	3,061	0.9%
<b>Total</b>	<b>5,263</b>	<b>100%</b>	<b>2,372</b>	<b>100%</b>	<b>883,808</b>	<b>100%</b>	<b>352,601</b>	<b>100%</b>

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting LLC

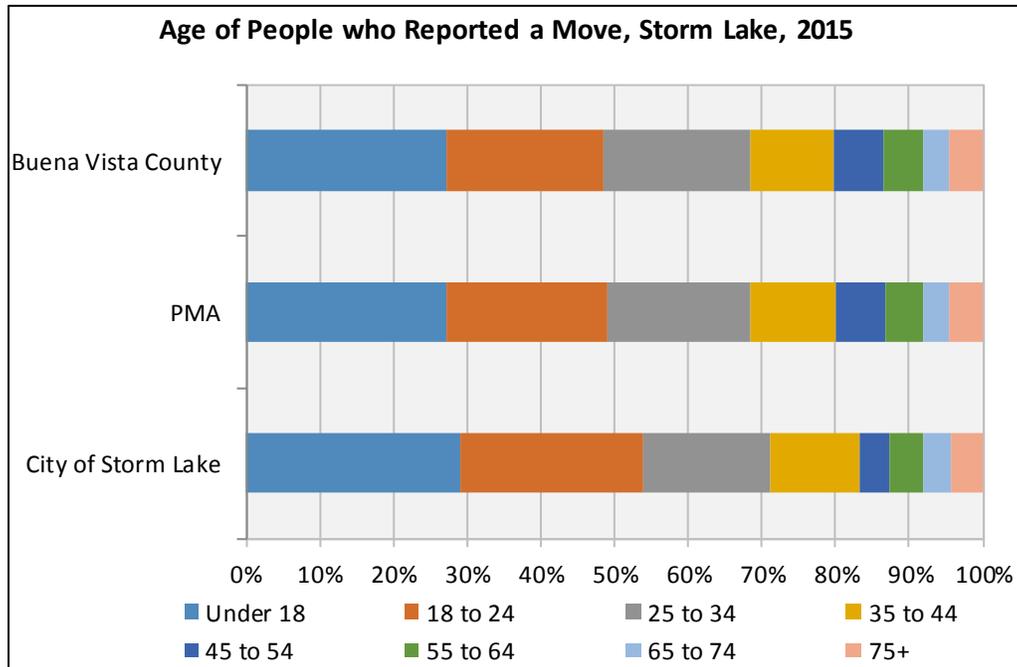
### Mobility in the Past Year

Table D-12 shows the mobility patterns for Storm Lake, Buena Vista County, and Iowa. The information reflects the proportion of residents that reported a move within the last year at the time the ACS survey was conducted. The table presents the estimates of mobility within the last year based on five years of data collection, 2011-2015.

- A slightly lower proportion of Storm Lake’s residents (76.1%) reported living in the same house one year ago compared to Buena Vista County (81%).
- Those who reported a move in Storm Lake were most likely to move within the same county (15.2%), while very few respondents reported a move from abroad in the past year (1.5%).
- In Storm Lake, the 45 to 54 age cohort was the most likely to report they lived in the same house one year ago, 92.4% of this cohort did not move.

## DEMOGRAPHIC ANALYSIS

- Mobility experienced a slight increase for those ages 75 and over in Storm Lake. 4.2% of movers were over the age of 75.
- Among those who reported a move in Storm Lake, 29% were under the age of 18. The highest proportion of people who reported a move in Buena Vista County were also under the age of 18, while the highest proportion in the State of Iowa was those between the age of 18 to 24.



**DEMOGRAPHIC ANALYSIS**

<b>TABLE D-12</b>										
<b>MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE</b>										
<b>PRIMARY MARKET AREA</b>										
<b>2015</b>										
Age	Not Moved		Moved							
	Same House		Within Same County		Different County		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
<b>STORM LAKE</b>										
Under 18	2,049	73.7%	489	17.6%	110	4.0%	101	3.6%	33	1.2%
18 to 24	1,079	63.0%	368	21.5%	180	10.5%	75	4.4%	10	0.6%
25 to 34	869	66.8%	383	29.4%	0	0.0%	6	0.5%	43	3.3%
35 to 44	883	74.0%	185	15.5%	58	4.9%	54	4.5%	14	1.2%
45 to 54	1,246	92.4%	45	3.3%	8	0.6%	50	3.7%	0	0.0%
55 to 64	817	87.8%	60	6.4%	0	0.0%	44	4.7%	10	1.1%
65 to 74	493	83.6%	11	1.9%	32	5.4%	10	1.7%	44	7.5%
75+	639	85.7%	67	9.0%	2	0.3%	38	5.1%	0	0.0%
<b>Total</b>	<b>8,075</b>	<b>76.1%</b>	<b>1,608</b>	<b>15.2%</b>	<b>390</b>	<b>3.7%</b>	<b>378</b>	<b>3.6%</b>	<b>154</b>	<b>1.5%</b>
<b>PMA</b>										
Under 18	3,746	78.7%	627	13.2%	171	3.6%	169	3.6%	45	0.9%
18 to 24	1,554	66.0%	449	19.1%	246	10.4%	86	3.7%	21	0.9%
25 to 34	1,666	69.6%	548	22.9%	72	3.0%	59	2.5%	47	2.0%
35 to 44	1,655	79.5%	220	10.6%	96	4.6%	94	4.5%	16	0.8%
45 to 54	2,472	90.9%	119	4.4%	42	1.5%	75	2.8%	12	0.4%
55 to 64	2,194	91.8%	112	4.7%	16	0.7%	57	2.4%	10	0.4%
65 to 74	1,200	90.4%	24	1.8%	50	3.8%	10	0.8%	44	3.3%
75+	1,451	89.5%	119	7.3%	2	0.1%	49	3.0%	0	0.0%
<b>Total</b>	<b>15,938</b>	<b>81.1%</b>	<b>2,218</b>	<b>11.3%</b>	<b>695</b>	<b>3.5%</b>	<b>599</b>	<b>3.0%</b>	<b>195</b>	<b>1.0%</b>
<b>BUENA VISTA CO.</b>										
Under 18	3,809	78.5%	646	13.3%	161	3.3%	184	3.8%	51	1.1%
18 to 24	1,549	65.3%	465	19.6%	241	10.2%	97	4.1%	21	0.9%
25 to 34	1,713	69.3%	553	22.4%	81	3.3%	71	2.9%	53	2.1%
35 to 44	1,684	79.2%	226	10.6%	95	4.5%	105	4.9%	16	0.8%
45 to 54	2,510	90.8%	129	4.7%	38	1.4%	75	2.7%	12	0.4%
55 to 64	2,384	92.0%	123	4.7%	27	1.0%	47	1.8%	10	0.4%
65 to 74	1,216	89.9%	27	2.0%	50	3.7%	16	1.2%	44	3.3%
75+	1,465	89.3%	125	7.6%	2	0.1%	49	3.0%	0	0.0%
<b>Total</b>	<b>16,330</b>	<b>81.0%</b>	<b>2,294</b>	<b>11.4%</b>	<b>695</b>	<b>3.4%</b>	<b>644</b>	<b>3.2%</b>	<b>207</b>	<b>1.0%</b>
<b>IOWA</b>										
Under 18	590,264	85.8%	59,226	8.6%	20,960	3.0%	14,504	2.1%	2,804	0.4%
18 to 24	185,660	58.5%	68,019	21.4%	37,903	11.9%	22,874	7.2%	3,103	1.0%
25 to 34	294,096	75.4%	53,993	13.8%	23,276	6.0%	16,102	4.1%	2,437	0.6%
35 to 44	316,028	86.9%	27,340	7.5%	10,303	2.8%	8,427	2.3%	1,693	0.5%
45 to 54	377,698	91.0%	21,769	5.2%	7,885	1.9%	6,663	1.6%	925	0.2%
55 to 64	375,663	93.7%	13,632	3.4%	6,053	1.5%	4,798	1.2%	795	0.2%
65 to 74	237,019	95.1%	6,834	2.7%	2,819	1.1%	2,175	0.9%	440	0.2%
75+	212,538	92.2%	12,212	5.3%	3,439	1.5%	1,883	0.8%	409	0.2%
<b>Total</b>	<b>2,588,966</b>	<b>84.8%</b>	<b>263,025</b>	<b>8.6%</b>	<b>112,638</b>	<b>3.7%</b>	<b>77,426</b>	<b>2.5%</b>	<b>12,606</b>	<b>0.4%</b>

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC

**Race and Ethnicity**

## DEMOGRAPHIC ANALYSIS

Tables D-13 and D-14 present the race and ethnicity of the population in Storm Lake in 2000 and 2010.

- “Whites” comprised the largest proportion (68.4% in 2010) of the population in the City of Storm Lake. While this category has remained the largest since 2000, it has decreased slightly over the past decade, decreasing from 79.7% in 2000.
- “Hispanic or Latino” experienced the largest growth, increasing by 1,701 people (+80.2%) between 2000 and 2010. Also, the African American population greatly increased by 415 people.
- Hispanics/Latinos accounted for 21.1% of Storm Lake’s population in 2000 and rose to 36.1% in 2010.

It should be noted that one must select their race as well as whether one is of Hispanic/Latino origin. Since people self-identify their racial classification, there may be confusion on the part of some people about what category most accurately describes their race. Some people may choose to self-identify using their ethnicity as their race. The increasing diversity of the nation will likely result in some confusion over these figures for some time

**TABLE D-13  
POPULATION DISTRIBUTION BY RACE  
PRIMARY MARKET AREA  
2000 and 2010**

NUMBER	White Alone		Black or African American Alone		American Indian or Alaska Native Alone (AIAN)		Native Hawaiian or Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino <sup>1</sup> Ethnicity not Race	
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Storm Lake City	8,029	7,255	53	468	17	43	2	93	788	1,043	962	1,441	225	257	2,121	3,822
Remainder of the PMA	9,307	8,454	21	69	11	6	2	8	101	93	191	294	73	109	422	785
<b>Primary Market Area</b>	<b>17,336</b>	<b>15,709</b>	<b>74</b>	<b>537</b>	<b>28</b>	<b>49</b>	<b>4</b>	<b>101</b>	<b>889</b>	<b>1,136</b>	<b>1,153</b>	<b>1,735</b>	<b>298</b>	<b>366</b>	<b>2,543</b>	<b>4,607</b>
<i>Buena Vista County</i>	<i>17,962</i>	<i>16,341</i>	<i>72</i>	<i>540</i>	<i>27</i>	<i>51</i>	<i>3</i>	<i>100</i>	<i>884</i>	<i>1,141</i>	<i>1,174</i>	<i>1,728</i>	<i>289</i>	<i>359</i>	<i>2,560</i>	<i>4,608</i>
<b>PERCENTAGE</b>																
Storm Lake City	79.7%	68.4%	0.5%	4.4%	0.2%	0.4%	0.0%	0.9%	7.8%	9.8%	9.5%	13.6%	2.2%	2.4%	21.1%	36.1%
Remainder of the PMA	95.9%	93.6%	0.2%	0.8%	0.1%	0.1%	0.0%	0.1%	1.0%	1.0%	2.0%	3.3%	0.8%	1.2%	4.3%	8.7%
<b>Primary Market Area</b>	<b>87.6%</b>	<b>80.0%</b>	<b>0.4%</b>	<b>2.7%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>8.8%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>12.9%</b>	<b>23.5%</b>
<i>Buena Vista County</i>	<i>88.0%</i>	<i>80.7%</i>	<i>0.4%</i>	<i>2.7%</i>	<i>0.1%</i>	<i>0.3%</i>	<i>0.0%</i>	<i>0.5%</i>	<i>4.3%</i>	<i>5.6%</i>	<i>5.8%</i>	<i>8.5%</i>	<i>1.4%</i>	<i>1.8%</i>	<i>12.5%</i>	<i>22.7%</i>

<sup>1</sup> US Census respondents list themselves ethnically Hispanic or Latino and racially in one of the other listed categories.  
Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

<b>TABLE D-14</b> <b>ETHNICITY - HISPANIC OR LATINO ORIGIN</b> <b>PRIMARY MARKET AREA</b> <b>2000 and 2010</b>						
	2000		2010		Change	
	No.	Pct.	No.	Pct.	No.	Pct.
<b>City of Storm Lake</b>						
Hispanic or Latino	2,121	21.1%	3,822	36.1%	1,701	80.2%
Not Hispanic or Latino	7,955	78.9%	6,778	63.9%	-1,177	-14.8%
Total	10,076	100.0%	10,600	100.0%	524	5.2%
<b>Buena Vista County</b>						
Hispanic or Latino	2,560	12.5%	4,608	22.7%	2,048	80.0%
Not Hispanic or Latino	17,851	87.5%	15,652	77.3%	-2,199	-12.3%
Total	20,411	100.0%	20,260	100.0%	-151	-0.7%
<b>Iowa</b>						
Hispanic or Latino	82,473	2.8%	151,544	5.0%	69,071	83.7%
Not Hispanic or Latino	2,843,851	97.2%	2,894,811	95.0%	50,960	1.8%
Total	2,926,324	100.0%	3,046,355	100.0%	120,031	4.1%

Sources: U.S. Census Bureau; Maxfield Research Inc.

### Demographic Summary

- Due to the rise in the housing market and local economy, we project that the City of Storm Lake will increase during the next decade. We project that Storm Lake will increase by 700 persons (6.6%) and 200 households (5.6%) between 2010 and 2025.
- The majority of the growth this between 2000 and 2010 in Storm Lake occurred in the 55 to 64 age cohort (54.4%) and those under the age of 18 (25.7%).
- Storm Lake has an estimated median household income of \$46,541 in 2017. It is projected to increase over the next five years to \$50,480 in 2022 (+8.5%).
- With a household income of \$49,597, a younger household (the median household income for the 25 to 34 cohort in Storm Lake) could afford a monthly housing cost of about \$1,240, based on an allocation of 30% of income toward housing. A senior household (65+) with an income of \$40,537 (the median household income of seniors age 65+ in Storm Lake) could afford a monthly housing cost of about \$1,351, based on an allocation of 40% of income toward housing.

## DEMOGRAPHIC ANALYSIS

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- In 2000, 63.9% of all households in Storm Lake owned their housing. By 2015, that percentage decreased to 58.3%.
- Between 2000 and 2010, Storm Lake experienced a decrease in all types of households except other family households (+39.8%) and individuals living alone (+2.4%).
- Typically, as income increases, so does the rate of homeownership. This can be seen in Storm Lake, where the homeownership rate increases from 31.5% of households with incomes below \$15,000 to over 72% of households with incomes above \$50,000.
- Overall, the median net worth of a household in Storm Lake is about \$59,527 and the average is \$367,066.
- “Hispanic or Latino” experienced the largest growth, increasing by 1,701 people (+80.2%) between 2000 and 2010. Also, the African American population greatly increased by 415 people.

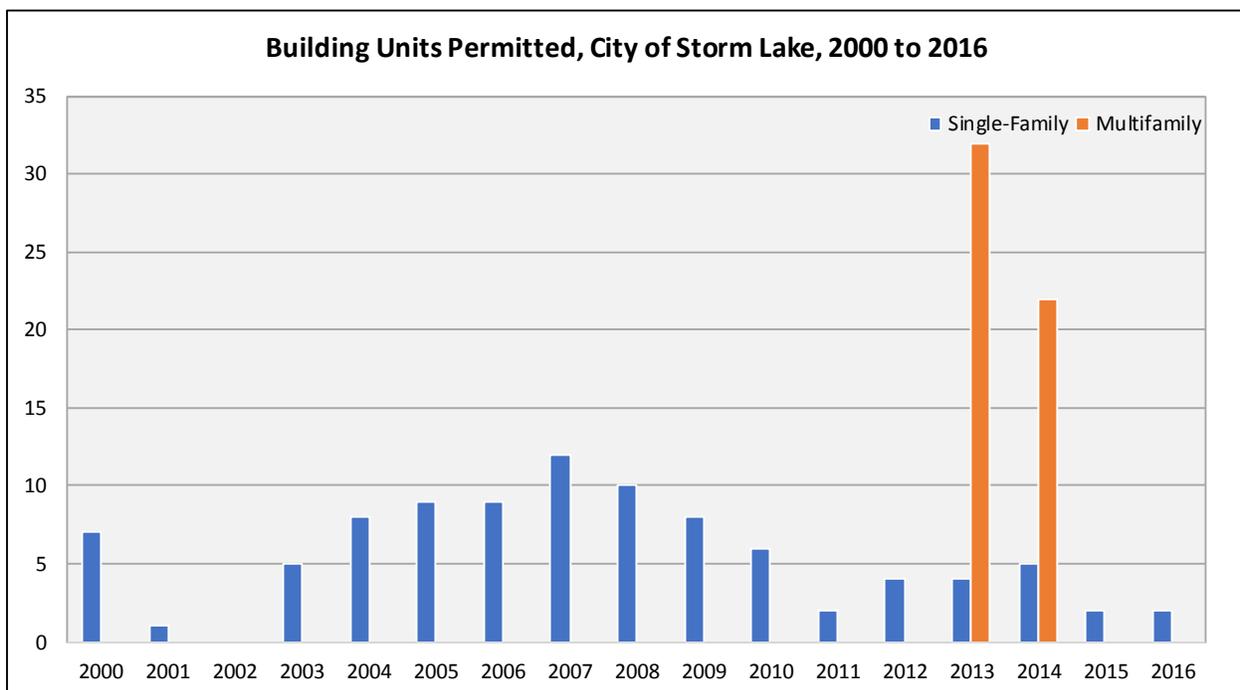
### Introduction

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We examined the housing market in the City of Storm Lake, the Primary Market Area, Buena Vista County, and the State of Iowa by reviewing data on the age of the existing housing supply; examining residential building trends since 2000; and reviewing housing data from the American Community Survey that relates to the Storm Lake area.

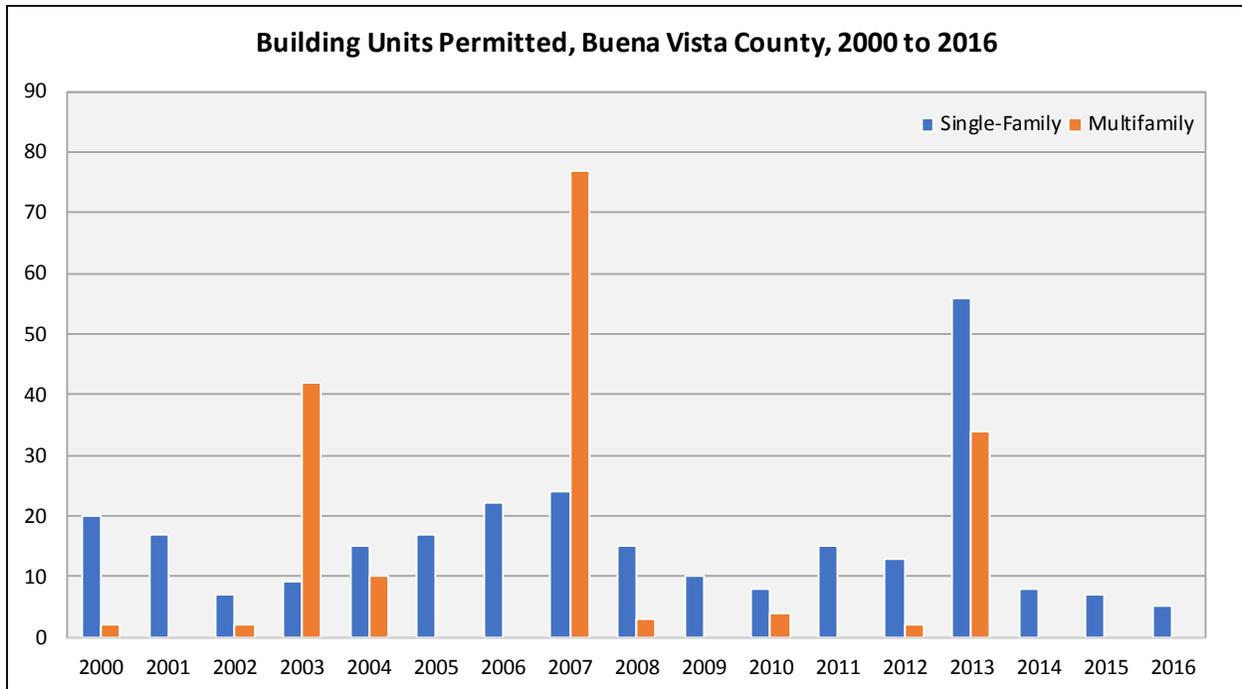
### Residential Construction Trends 2000 to Present

Maxfield Research obtained data from the SOCDs Building Permits Database on the number of building permits issued for new housing units from 2000 to 2016. Table HC-1 & HC-2 displays permits issued for new residential units. The following are key points about housing development since 2000.

- A total of 444 (148 within the City of Storm Lake) new residential units were permitted in Buena Vista County and between 2000 and 2016, an average of nearly 26 units annually.
- Despite a low year of only five single-family detached units permitted in 2016, Buena Vista County has issued an average of about 16 single-family detached unit permits between 2000 and 2016.
- In 2013, building permits issued saw a spike in single-family and multifamily units, including a 32-unit multifamily structure (Reserves at Storm Lake, 1500 Seneca St.).



## HOUSING CHARACTERISTICS



HC-1 RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED CITY OF STORM LAKE <i>per Storm Lake Assessor</i> 2000 to 2016			
Year	Units Permitted		
	Single-Family	Multifamily	Total Units
2000	7	0	7
2001	1	0	1
2002	0	0	0
2003	5	0	5
2004	8	0	8
2005	9	0	9
2006	9	0	9
2007	12	0	12
2008	10	0	10
2009	8	0	8
2010	6	0	6
2011	2	0	2
2012	4	0	4
2013	4	32	36
2014	5	22	27
2015	2	0	2
2016	2	0	2
<b>Total</b>	<b>94</b>	<b>54</b>	<b>148</b>

Sources: Storm Lake Assessor; Maxfield Research and Consulting LLC

HC-2 RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED BUEAN VISTA COUNTY <i>per SOCDs Building Permits Database</i> 2000 to 2016			
Year	Units Permitted		
	Single-Family	Multifamily	Total Units
2000	20	2	22
2001	17	0	17
2002	7	2	9
2003	9	42	51
2004	15	10	25
2005	17	0	17
2006	22	0	22
2007	24	77	101
2008	15	3	18
2009	10	0	10
2010	8	4	12
2011	15	0	15
2012	13	2	15
2013	56	34	90
2014	8	0	8
2015	7	0	7
2016	5	0	5
<b>Total</b>	<b>268</b>	<b>176</b>	<b>444</b>

Sources: SOCDs; Maxfield Research and Consulting LLC

### American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the decennial census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. The most recent ACS highlights data collected between 2011 and 2015. Tables HC-2 to HC-6 show key data for the City of Storm Lake and the PMA. This information may exclude data in certain rural regions due to either no sample observations or too few observations were available to compute.

### Age of Housing Stock

The table on the following page shows the age distribution of the housing stock in 2015 based on data from the U.S. Census Bureau American Community Survey (5-Year). Table HC-3 includes the number of housing units built in the City of Storm Lake prior to 1940 and during each decade since.

- The greatest share of housing in Storm Lake, the PMA, Buena Vista County, and Iowa were built prior to 1940. These units built prior to 1940 account for 19.1% of all units built in Storm Lake.
- The age of housing stock varies for owner and renter occupied units. The largest proportion of owner-occupied units in Storm Lake, 23.5%, were built prior to 1940. While the largest proportion of renter-occupied units, 22.7%, were added in the 1990s. The median year built reflects newer housing stock of renter-occupied units. The median year built for renter-occupied units is 1973 in the City of Storm Lake, compared to 1960 as the median year built for owner-occupied units.
- According the ACS, very few new rental units have been added to Storm Lake this decade. These newer units only account for 1.8% of renter-occupied units in the City.
- In the City of Storm Lake, housing units built since 2000 have accounted for only 7.2% of units within the city, compared to 14% in the State of Iowa.

# HOUSING CHARACTERISTICS

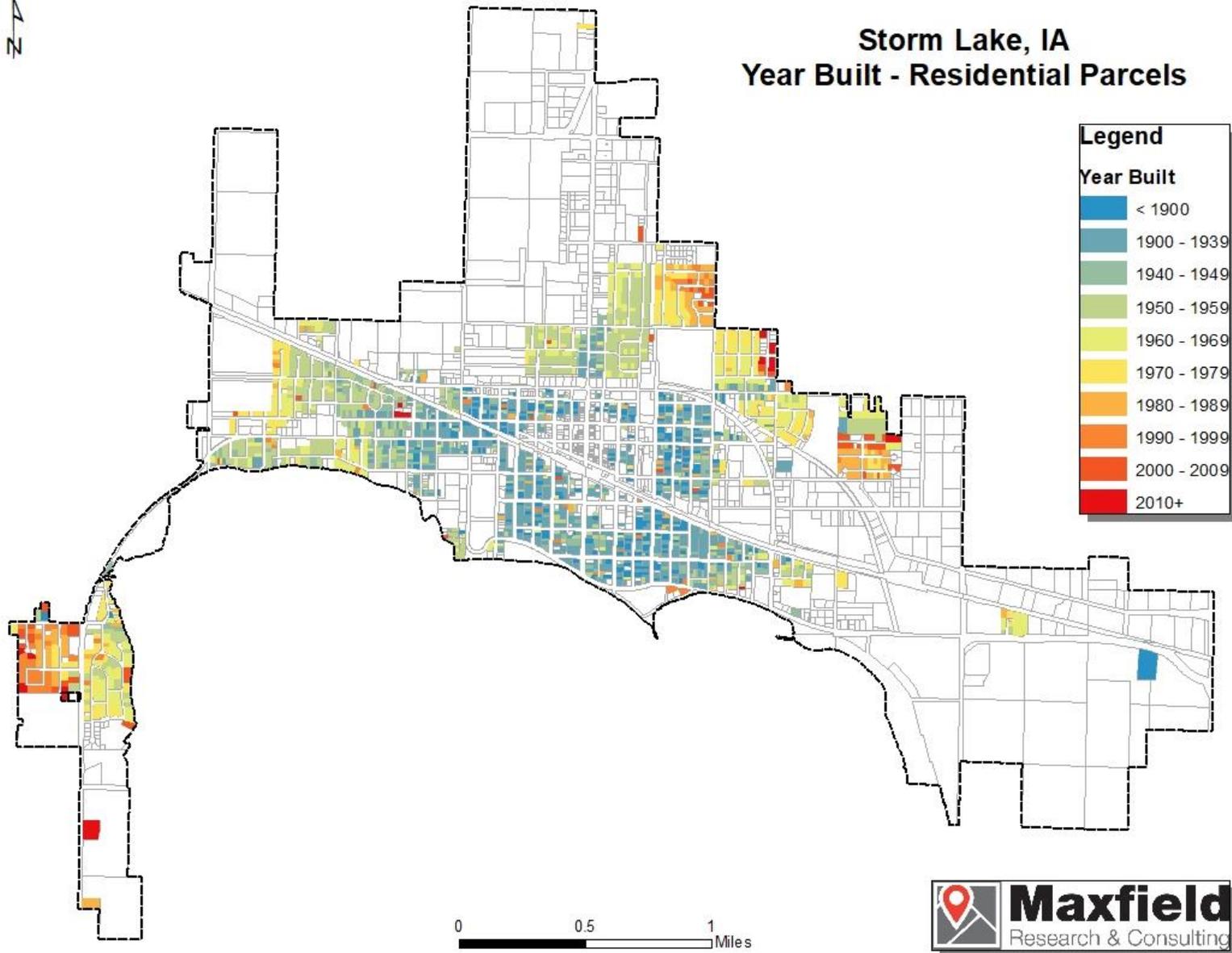
TABLE HC-3  
AGE OF HOUSING STOCK  
PRIMARY MARKET AREA  
2015

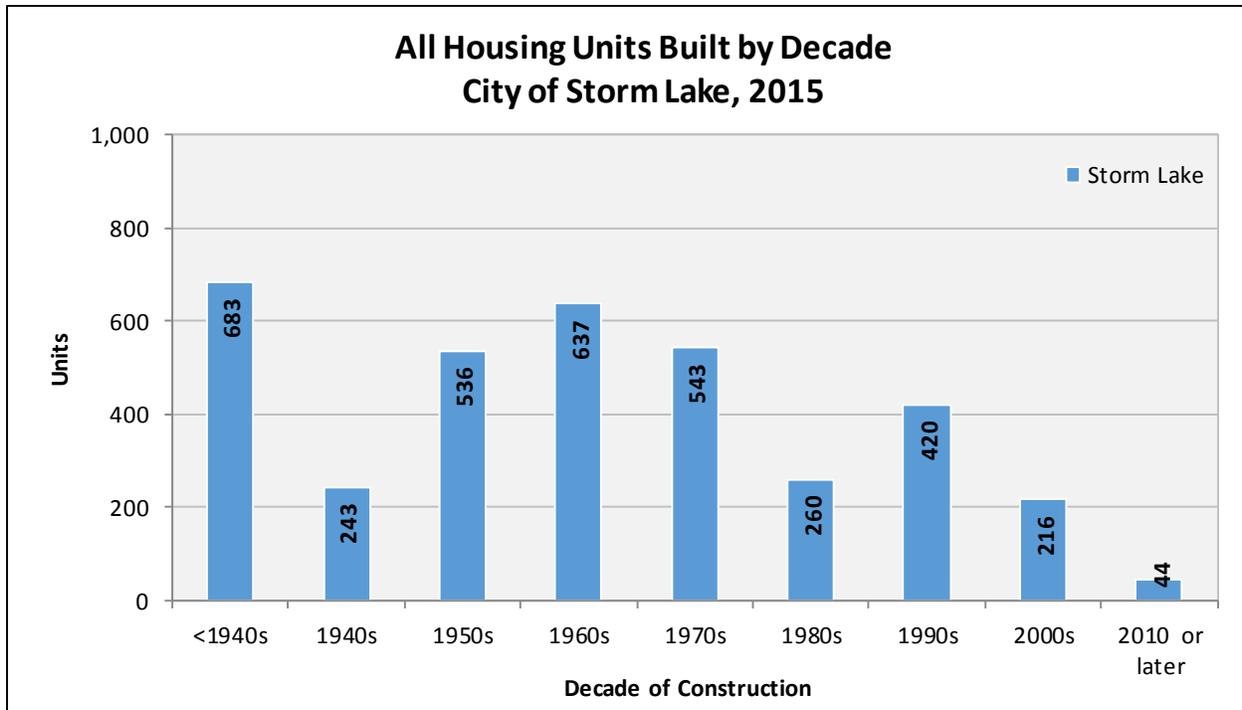
	Total Units	Med. Yr. Built	Year Unit Built																	
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 or later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
<b>CITY OF STORM LAKE</b>																				
Owner-Occupied	2,090	1960	491	23.5	208	10.0	352	16.8	378	18.1	252	12.1	142	6.8	82	3.9	168	8.0	17	0.8
Renter-Occupied	1,492	1973	192	12.9	35	2.3	184	12.3	259	17.4	291	19.5	118	7.9	338	22.7	48	3.2	27	1.8
<b>Total</b>	<b>3,582</b>	<b>1967</b>	<b>683</b>	<b>19.1</b>	<b>243</b>	<b>6.8</b>	<b>536</b>	<b>15.0</b>	<b>637</b>	<b>17.8</b>	<b>543</b>	<b>15.2</b>	<b>260</b>	<b>7.3</b>	<b>420</b>	<b>11.7</b>	<b>216</b>	<b>6.0</b>	<b>44</b>	<b>1.2</b>
<b>PRIMARY MARKET AREA</b>																				
Owner-Occupied	5,097	1942	1,639	32.2	450	8.8	613	12.0	633	12.4	723	14.2	303	5.9	343	6.7	334	6.6	59	1.2
Renter-Occupied	2,255	1954	449	19.9	95	4.2	255	11.3	363	16.1	427	18.9	131	5.8	392	17.4	108	4.8	35	1.6
<b>Total</b>	<b>7,352</b>	<b>1948</b>	<b>2,088</b>	<b>28.4</b>	<b>545</b>	<b>7.4</b>	<b>868</b>	<b>11.8</b>	<b>996</b>	<b>13.5</b>	<b>1,150</b>	<b>15.6</b>	<b>434</b>	<b>5.9</b>	<b>735</b>	<b>10.0</b>	<b>442</b>	<b>6.0</b>	<b>94</b>	<b>1.3</b>
<b>BUENA VISTA COUNTY</b>																				
Owner-Occupied	5,263	1956	1,784	33.9	474	9.0	629	12.0	622	11.8	719	13.7	319	6.1	342	6.5	317	6.0	57	1.1
Renter-Occupied	2,372	1969	473	19.9	115	4.8	271	11.4	384	16.2	452	19.1	138	5.8	401	16.9	103	4.3	35	1.5
<b>Total</b>	<b>7,635</b>	<b>1963</b>	<b>2,257</b>	<b>29.6</b>	<b>589</b>	<b>7.7</b>	<b>900</b>	<b>11.8</b>	<b>1,006</b>	<b>13.2</b>	<b>1,171</b>	<b>15.3</b>	<b>457</b>	<b>6.0</b>	<b>743</b>	<b>9.7</b>	<b>670</b>	<b>8.8</b>	<b>92</b>	<b>1.2</b>
<b>IOWA</b>																				
Owner-Occupied	883,808	1966	233,640	26.4	49,720	5.6	101,589	11.5	92,817	10.5	124,300	14.1	55,963	6.3	96,612	10.9	113,007	12.8	16,160	1.8
Renter-Occupied	352,601	1971	81,294	23.1	20,620	5.8	31,445	8.9	39,863	11.3	61,447	17.4	34,055	9.7	40,528	11.5	35,263	10.0	8,086	2.3
<b>Total</b>	<b>1,236,409</b>	<b>1969</b>	<b>314,934</b>	<b>25.5</b>	<b>70,340</b>	<b>5.7</b>	<b>133,034</b>	<b>10.8</b>	<b>132,680</b>	<b>10.7</b>	<b>185,747</b>	<b>15.0</b>	<b>90,018</b>	<b>7.3</b>	<b>137,140</b>	<b>11.1</b>	<b>148,270</b>	<b>12.0</b>	<b>24,246</b>	<b>2.0</b>

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



### Storm Lake, IA Year Built - Residential Parcels





**Housing Units by Structure and Occupancy or (Housing Stock by Structure Type)**

Table HC-4 shows the housing stock in Storm Lake, the PMA, Buena Vista County, and the State of Iowa by type of structure and tenure as of 2015.

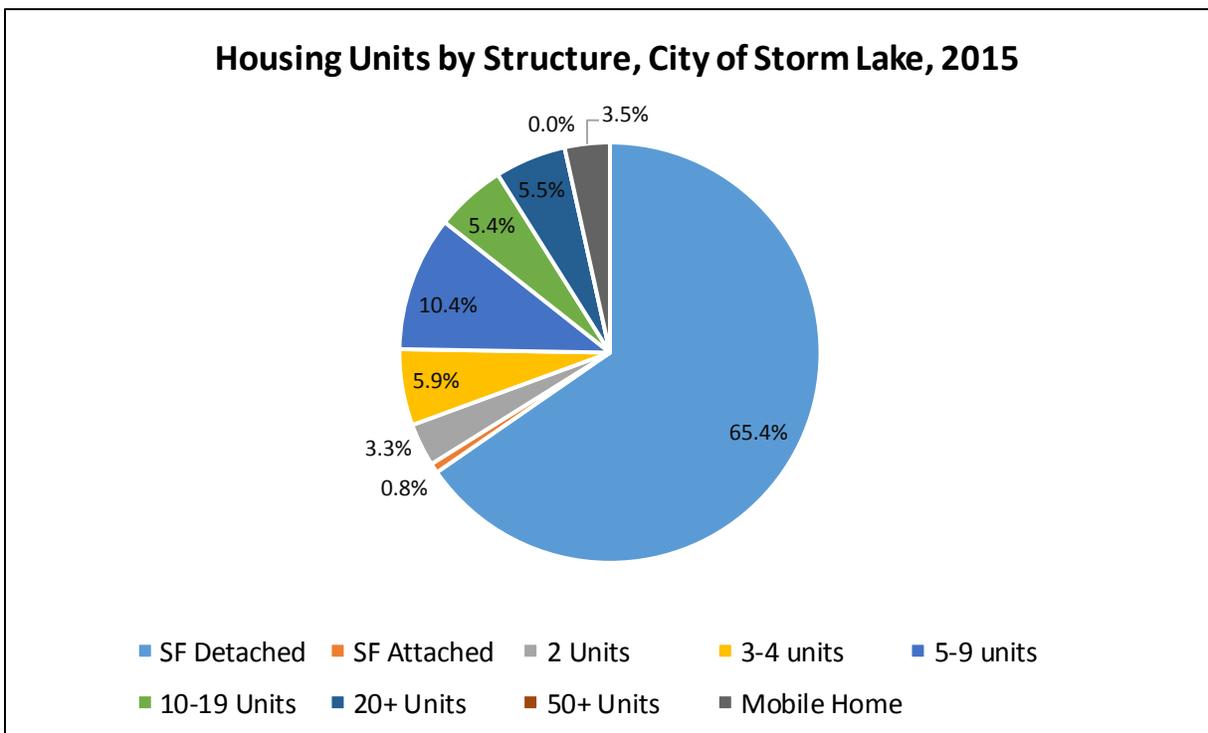
- The dominant housing type in the City of Storm Lake is the single-family detached home, representing an estimated 94% of all owner-occupied housing units and 25% of renter-occupied housing units as of 2015.
- The remaining 6% of owner-occupied housing in the Storm Lake were mainly comprised of mobile homes (2.3%), two-unit structures (1.7%), 5 to 9 unit structures (0.8%), and 20 to 49 unit structures (0.8%).
- Outside of one-unit detached structures, renter occupied units in Storm Lake are most likely to be multifamily structures ranging from 3 to 49 units. Structures that range from 3 to 49 units account for 63.1% of all renter occupied units.
- Renter-occupied one-unit detached structure units make up a more significant percentage in the PMA (40%) than in the State of Iowa (35.3%).

## HOUSING CHARACTERISTICS

**TABLE HC-4  
HOUSING UNITS BY STRUCTURE & OCCUPANCY  
PRIMARY MARKET AREA  
2015**

Units in Structure	CITY OF STORM LAKE				PMA				BUENA VISTA CO.				IOWA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	1,963	93.9%	378	25.3%	4,762	93.4%	903	40.0%	4,931	93.7%	972	41%	799,697	90.5%	124,518	35.3%
1, attached	10	0.5%	17	1.1%	79	1.5%	22	1.0%	79	1.5%	30	1%	31,241	3.5%	16,616	4.7%
2	36	1.7%	82	5.5%	44	0.9%	116	5.1%	44	0.8%	116	5%	3,732	0.4%	23,748	6.7%
3 to 4	0	0.0%	210	14.1%	3	0.1%	259	11.5%	3	0.1%	292	12%	3,793	0.4%	35,900	10.2%
5 to 9	16	0.8%	356	23.9%	31	0.6%	421	18.7%	26	0.5%	414	17%	2,884	0.3%	40,613	11.5%
10 to 19	0	0.0%	194	13.0%	0	0.0%	209	9.3%	0	0.0%	226	10%	3,967	0.4%	42,779	12.1%
20 to 49	16	0.8%	180	12.1%	16	0.3%	204	9.0%	16	0.3%	204	9%	2,587	0.3%	38,729	11.0%
50 or more	0	0.0%	0	0.0%	0	0.0%	16	0.7%	0	0.0%	10	0%	1,738	0.2%	20,717	5.9%
Mobile home	49	2.3%	75	5.0%	162	3.2%	105	4.7%	164	3.1%	108	5%	33,918	3.8%	8,914	2.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%	251	0.0%	67	0.0%
<b>Total</b>	<b>2,090</b>	<b>100%</b>	<b>1,492</b>	<b>100%</b>	<b>5,097</b>	<b>100%</b>	<b>2,255</b>	<b>100%</b>	<b>5,263</b>	<b>100%</b>	<b>2,372</b>	<b>100%</b>	<b>883,808</b>	<b>100%</b>	<b>352,601</b>	<b>100%</b>

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



### Owner-Occupied Housing Units by Mortgage Status

Table HC-5 shows mortgage status and average values from the American Community Survey for 2015 (5-Year). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it's the only mortgage. A second (and sometimes third) mortgage is called a "junior mortgage," a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

## HOUSING CHARACTERISTICS

- In the City of Storm Lake, nearly 40% of housing units do not have a mortgage. This proportion is slightly higher in Buena Vista County where 45.5% of units do not have a mortgage.
- The majority of homes with a mortgage do not carry a second mortgage or a home equity loan. Homes that carry have a second mortgage, home equity loan, or both account for 7.6% of homes in Storm Lake and roughly 6% of homes in Buena Vista County.
- The median value of owner-occupied units is higher for those homes with a mortgage compared to those without a mortgage across units in Storm Lake, Buena Vista County, and the State of Iowa. In Storm Lake, housing units with a mortgage have a median value approximately \$10,600 higher than units without a mortgage.

Mortgage Status	STORM LAKE		PMA		BUENA VISTA CO.		IOWA	
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.	Pct.
Housing units without a mortgage	833	39.9	2,265	44.4	2,397	45.5	342,647	38.8
Housing units with a mortgage/debt	1,257	60.1	2,832	55.6	2,866	54.5	541,161	61.2
<i>Second mortgage only</i>	49	2.3	75	1.5	76	1.4	23,581	2.7
<i>Home equity loan only</i>	111	5.3	229	4.5	235	4.5	59,014	6.7
<i>Both second mortgage and equity loan</i>	0	0.0	0	0.0	0	0.0	2,887	0.3
<i>No second mortgage or equity loan</i>	1,097	52.5	2,528	49.6	2,555	48.5	455,679	51.6
<b>Total</b>	<b>2,090</b>	<b>100.0</b>	<b>5,097</b>	<b>100.0</b>	<b>5,263</b>	<b>100.0</b>	<b>883,808</b>	<b>100.0</b>
<b>Median Value by Mortgage Status</b>								
Housing units with a mortgage	\$112,500		\$135,800		\$110,200		\$139,000	
Housing units without a mortgage	\$101,900		\$114,100		\$94,000		\$113,600	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

## Owner-Occupied Housing Units by Value

Table HC-6 presents data on housing values summarized by nine price ranges. Housing value refers to the estimated price point the property would sell if the property were for sale. For single-family and townhome properties, value includes both the land and the structure. For condominium units, value refers to only the unit.

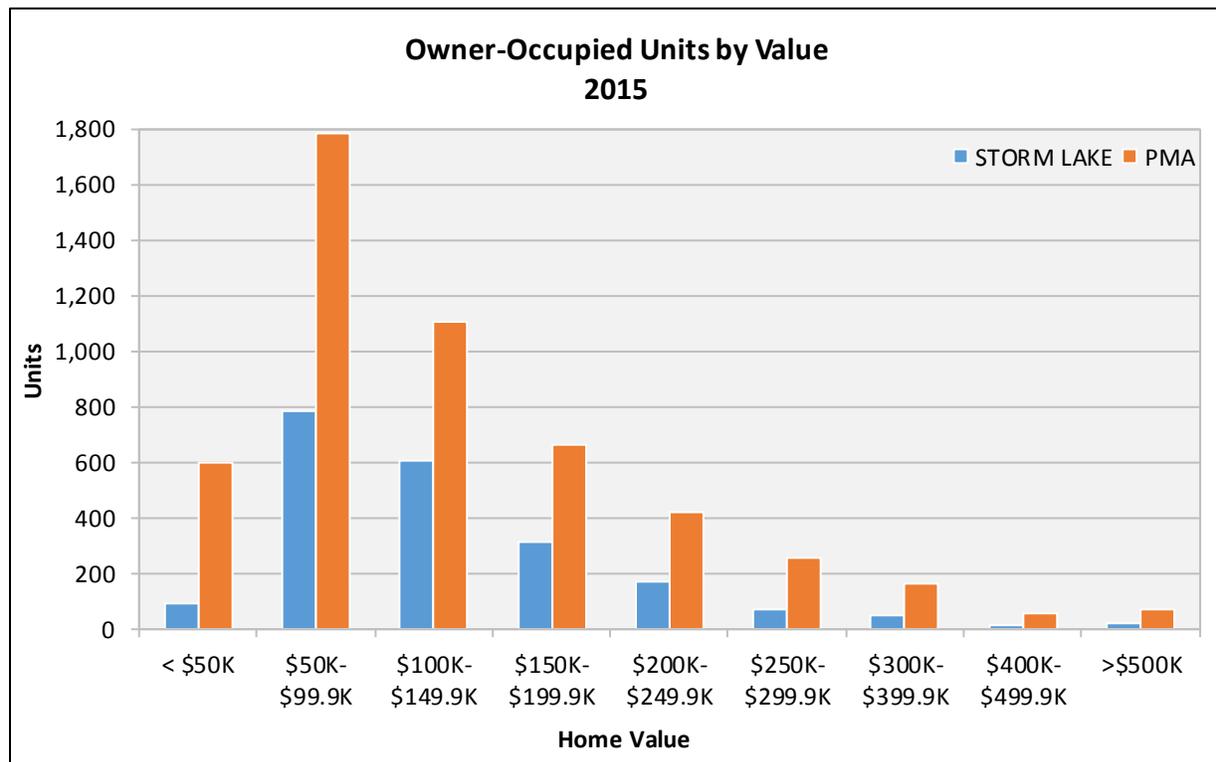
- Homes with values \$50,000 to \$99,999 accounted for 37.3% of owner-occupied units in Storm Lake and 34.9% in Buena Vista County. Homes valued \$100,000 to \$149,999 were 29% of owner-occupied units in Storm Lake and 21.6% in Buena Vista County.
- Storm Lake reported 6.7% of owner-occupied units were valued at \$250,000 or higher. This was a fair amount below units valued at \$250,000 or higher in Buena Vista County reported at 10.5%.

## HOUSING CHARACTERISTICS

- The City of Storm Lake reported a median home value for owner-occupied units of \$110,600. This was above the median values of owner-occupied units reported within Buena Vista County (\$103,900) but below the state of Iowa (\$129,200).

Home Value	STORM LAKE		PMA		BUENA VISTA CO.		IOWA	
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.	Pct.
Less than \$50,000	89	4.3	600	11.8	709	13.5	99,287	11.2
\$50,000-\$99,999	780	37.3	1,780	34.9	1,805	34.3	216,328	24.5
\$100,000-\$149,999	606	29.0	1,101	21.6	1,125	21.4	201,698	22.8
\$150,000-\$199,999	309	14.8	661	13.0	657	12.5	151,787	17.2
\$200,000-\$249,999	165	7.9	421	8.3	414	7.9	83,297	9.4
\$250,000-\$299,999	65	3.1	254	5.0	270	5.1	51,883	5.9
\$300,000-\$399,999	46	2.2	163	3.2	167	3.2	44,405	5.0
\$400,000-\$499,999	9	0.4	52	1.0	37	0.7	15,041	1.7
Greater than \$500,000	21	1.0	65	1.3	79	1.5	20,082	2.3
<b>Total</b>	<b>2,090</b>	<b>100.0</b>	<b>5,097</b>	<b>100.0</b>	<b>5,263</b>	<b>100.0</b>	<b>883,808</b>	<b>100.0</b>
Median Home Value	\$110,600		\$125,500		\$103,900		\$129,200	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



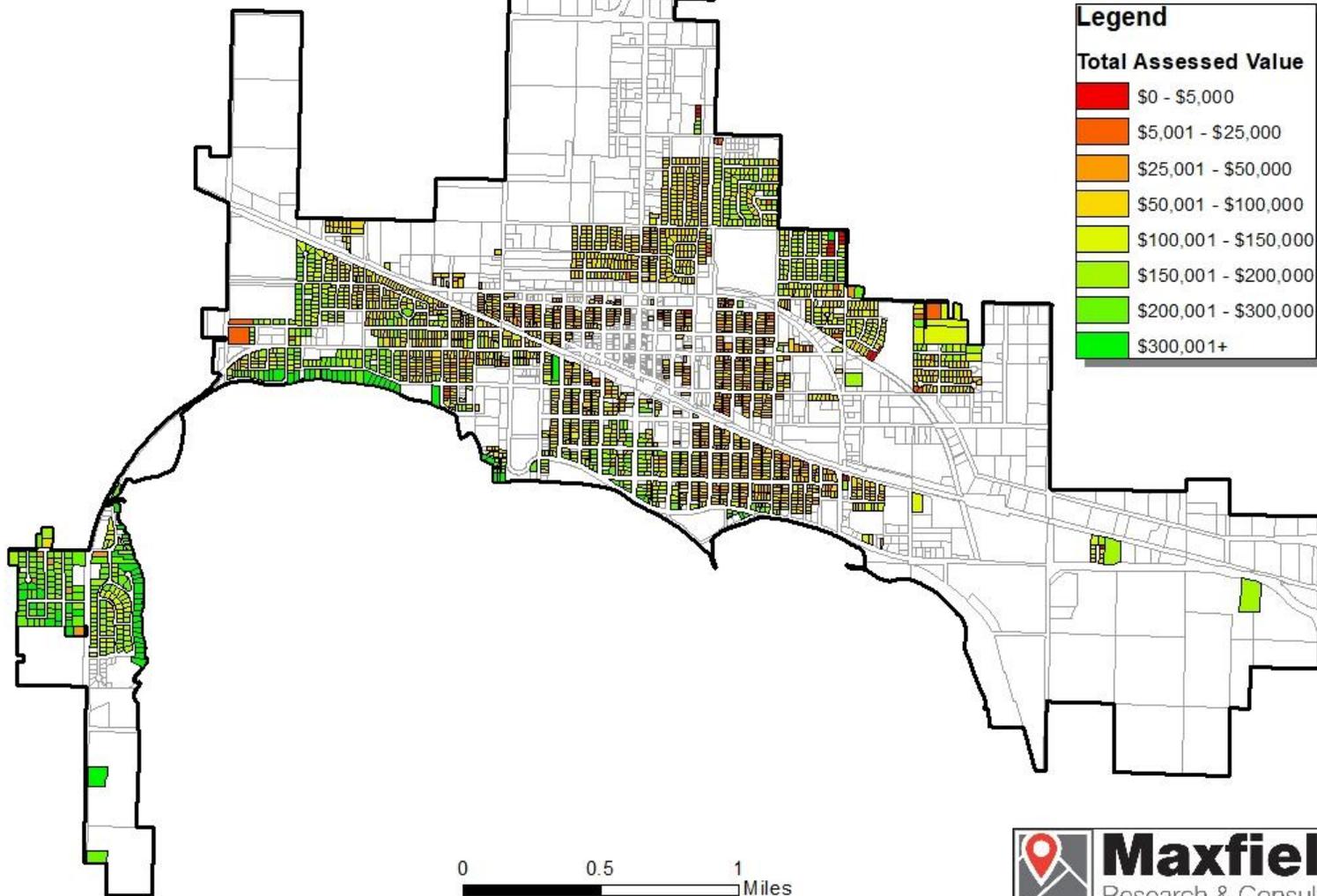
### Assessed Value of Residential Parcels

The map on the following page shows the total assessed values (building & land) of residential parcels in the City of Storm Lake. Geographic Information System (GIS) data was provided through the Bolton & Menk, Inc., a Midwestern based engineering firm. Below are key points from the map.

- The parcels with the highest assessed values tend to be shoreline properties located on Storm Lake. The north-eastern part of Storm Lake shows a collection of mid-range value parcels (over \$50,001 to \$150,000), along with several low value parcels (under \$25,000).
- Within the central section of the city, there are some scattered parcels valued over \$150,000, however, the majority of parcels reflect an assessed value around the \$25,001 to \$100,000 price range within the central portion of the city.
- There are currently 66 residencies within city limits assessed at \$300,001 or more.



### Storm Lake, IA Total Assessed Value - Residential Parcels



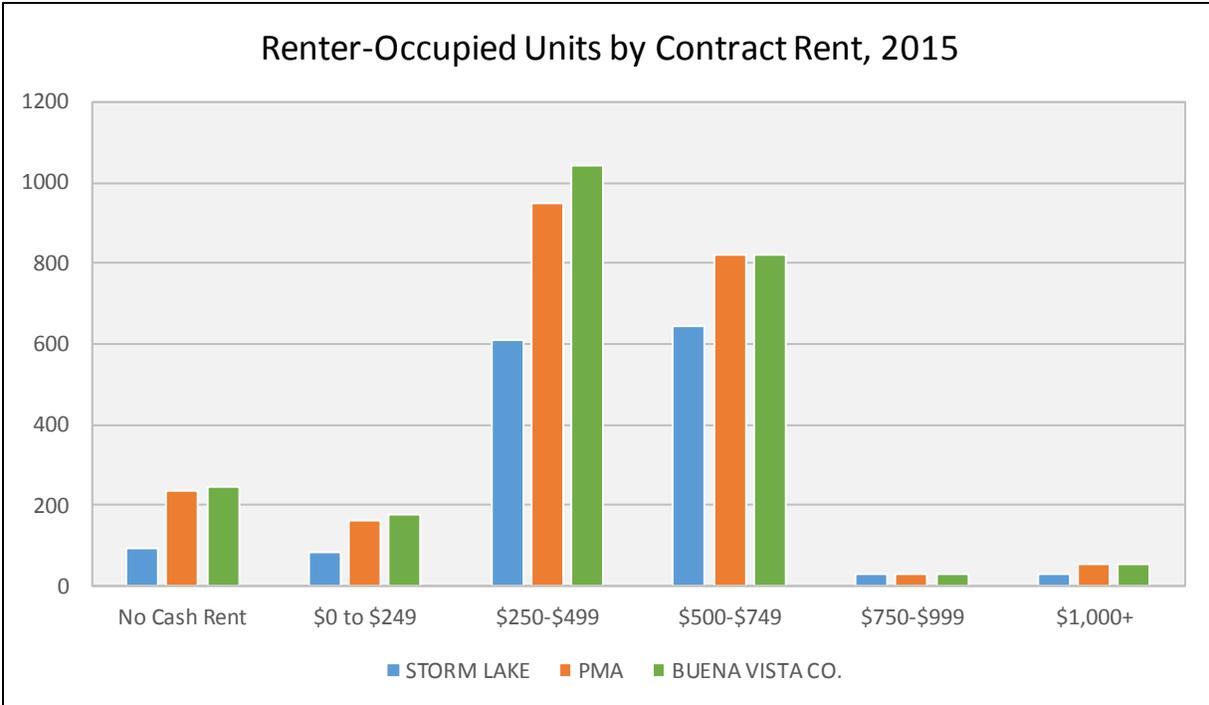
**Renter-Occupied Units by Contract Rent**

Table HC-7 presents information on the monthly housing costs for renters, called contract rent (also known as asking rent). Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

- In the City of Storm Lake, the highest proportion of contract rent was within the \$500 to \$749 range, accounting for 43.3% of cash rentals, followed closely by contract rents within the \$250 to \$499 range, accounting for 40.9% of cash rentals. In Buena Vista County, the largest proportion of cash rentals were in the \$250 to \$499 range. The highest proportion of contract rent in the State of Iowa was in the \$500 to \$749 range.
- Rentals with a contract rent of \$1,000 or higher accounted for 1.9% of cash rentals in Storm Lake.
- The number of rentals where no cash rent was paid account for 6.2% in Storm Lake. Storm Lake reported a slightly smaller proportion of no cash rental compared to Buena Vista County (10.4%).
- The median contract rent as reported by the ACS in Storm Lake was \$501. The median contract rent in Storm Lake was higher than the median contract rent reported by Buena Vista County (\$462) but lower than the median contract rent in Iowa (\$559).

<b>TABLE HC-7</b> <b>RENTER-OCCUPIED UNITS BY CONTRACT RENT</b> <b>PRIMARY MARKET AREA</b> <b>2015</b>								
Contract Rent	STORM LAKE		PMA		BUENA VISTA CO.		IOWA	
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.	Pct.
No Cash Rent	93	6.2	236	10.5	246	10.4	23,227	6.6
Cash Rent	1,399	93.8	2,019	89.5	2,126	89.6	329,374	93.4
\$0 to \$249	85	5.7	162	7.2	175	7.4	23,563	6.7
\$250-\$499	610	40.9	948	42.0	1,044	44.0	105,727	30.0
\$500-\$749	646	43.3	823	36.5	821	34.6	124,330	35.3
\$750-\$999	29	1.9	31	1.4	31	1.3	44,983	12.8
\$1,000-\$1,499	0	0.0	14	0.6	14	0.6	21,222	6.0
\$1,500+	29	1.9	41	1.8	41	1.7	9,549	2.7
<b>Total</b>	<b>1,492</b>	<b>100.0</b>	<b>2,255</b>	<b>100.0</b>	<b>2,372</b>	<b>100.0</b>	<b>352,601</b>	<b>100.0</b>
Median Contract Rent	\$501		\$465		\$462		\$559	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC.



**Employment Trends**

Since employment growth generally fuels household growth, employment trends are a reliable indicator of housing demand. Typically, households prefer to live near work for convenience. However, housing is often less expensive in smaller towns, making commuting from outlying communities to work in larger employment centers attractive for households concerned about housing affordability.

**Employment Growth and Projections**

Table E-1 shows employment growth trends and projections from 2014 to 2024 based on data from the Iowa Workforce Development, Labor Market Information Division for Region 3/4. Region 3/4 consist of 10 counties in Northwestern Iowa (Buena Vista, Clay, Dickinson, Emmet, Kossuth, Lyon, O’Brien, Osceola, Palo Alto, and Sioux). Per Iowa Workforce Development, the region is expected to gain over 6,140 jobs over a ten-year period.

TABLE E-1 EMPLOYMENT PROJECTIONS REGION 3/4 2014-2024				
	2014	Forecast	Change	
	No.	2024	2014-2024	
	No.	No.	No.	Pct.
Region 3/4	84,100	90,240	6,140	7.3%
Sources: Iowa Workforce Development; Maxfield Research and Consulting, LLC				

**Resident Labor Force**

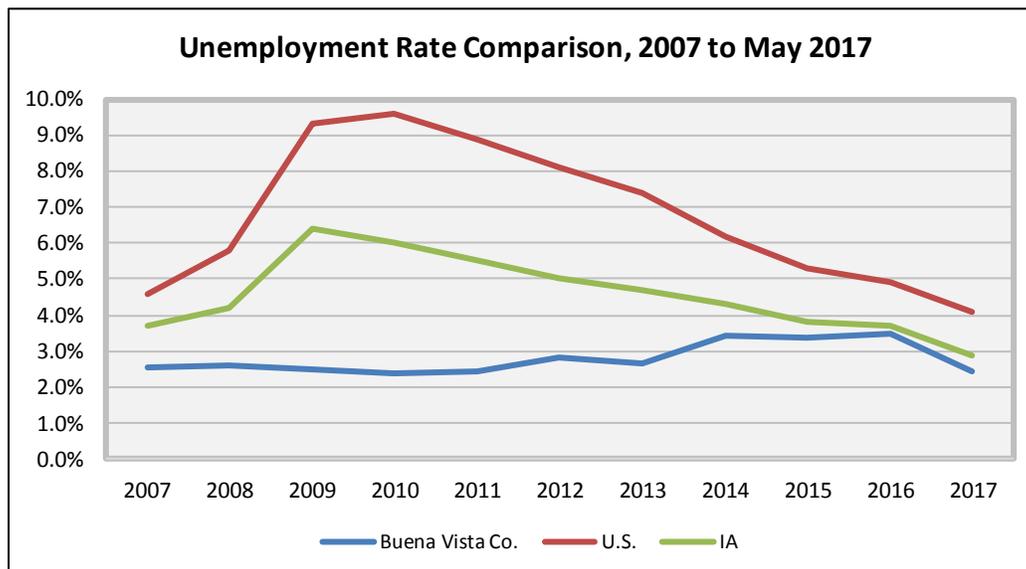
Buena Vista County is the smallest geography available to examine resident and covered employment. Recent employment growth trends are shown in Tables E-2 and E-3. Table E-2 presents resident employment data for Buena Vista County from 2000 through May 2017. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the County*. It is important to note that not all of these individuals necessarily work in the County. Table E-3 presents covered employment numbers as available for Buena Vista County, and Iowa from the fourth quarter of 2013 through the fourth quarter 2016. Covered employment data is calculated as a quarterly and annual average *and reveals the number of jobs in the designated area, which are covered by unemployment insurance*. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in

## EMPLOYMENT

the table. Some agricultural businesses and employees are listed in Table E-3, but not all positions are included. The data in both tables is sourced from the Iowa Workforce Development. The following are key trends derived from the employment data:

### ***Resident Employment***

- Resident employment (number of employed persons) in Buena Vista County increased by approximately 1,170 people between 2000 and May 2017 (+11.7%) and the unemployment rate has fluctuated but only slightly increased from 2.3% in 2000 to 2.4% in May 2017. By comparison, Iowa's unemployment rate was at 2.9% and the U.S. was at 4.0% as of May 2017.
- Between 2000 and May 2017, Buena Vista County's labor force and number employed was at its highest as of May 2017 at 11,460 and 11,180. The County's labor force was the lowest in 2000 at 10,249 and the number employed was the lowest in 2001 at 9,990.
- Buena Vista County's unemployment rate has been well below Iowa's unemployment rate between 2007 and 2013, but over the last few years it has stayed fairly consistent with Iowa's unemployment rate.
- The unemployment rate in Buena Vista County increased to a high of 3.5% (2016). However, as of May 2017, the unemployment rate has fallen to 2.4%, which is still well below what is considered to be equilibrium (5.0%).



- Buena Vista County has remained stable in its labor force and employed persons since 2000 (an increase of 1,211 and 1,170 respectively).

## EMPLOYMENT

- From 2010 to May 2017, the labor force in Iowa is showing an increase (0.16%) while the U.S. is showing an increase (4%). Overall, these measures are showing little movement over the year.

TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT BUENA VISTA COUNTY IA 2000 to 2017 <sup>1</sup>				
Year	Labor Force	Employed	Unemployed	Rate
<b>BUENA VISTA COUNTY</b>				
2000	10,249	10,010	239	2.3%
2001	10,310	9,990	320	3.1%
2002	10,540	10,240	300	2.8%
2003	10,710	10,400	310	2.9%
2004	10,570	10,300	270	2.6%
2005	10,580	10,350	230	2.2%
2006	10,600	10,290	310	2.9%
2007	10,520	10,250	270	2.6%
2008	10,360	10,090	270	2.6%
2009	10,380	10,120	260	2.5%
2010	11,020	10,760	260	2.4%
2011	10,960	10,690	270	2.5%
2012	10,900	10,590	310	2.8%
2013	10,621	10,339	282	2.7%
2014	10,770	10,400	370	3.4%
2015	10,960	10,590	370	3.4%
2016	10,930	10,550	380	3.5%
2017 <sup>1</sup>	11,460	11,180	280	2.4%
<b>Change 2000-2017 <sup>1</sup></b>				
<b>Number</b>	1,211	1,170	41	--
<b>Percent</b>	11.8%	11.7%	17.1%	--
<b>IOWA</b>				
2010	1,678,275	1,577,450	100,825	6.0%
2015	1,702,558	1,637,650	64,908	3.8%
2017 <sup>1</sup>	1,680,900	1,632,400	48,500	2.9%
<b>U.S.</b>				
2010	153,889,000	139,064,000	14,825,000	9.6%
2015	157,130,000	148,834,000	8,296,000	5.3%
2017 <sup>1</sup>	159,784,000	153,407,000	6,377,000	4.0%
<sup>1</sup> Through May 2017 not seasonally adjusted				
Sources: U.S. Department of Labor, IA Workforce Development, Maxfield Research and Consulting LLC				

## EMPLOYMENT

### Covered Employment by Industry

- Between the fourth quarter 2013 and the fourth quarter 2016, the number of jobs decreased in Buena Vista County by -122, a -1.3% decrease in the County. Ag. & Natural Resources (-152 jobs, -20%) and Government (-39 jobs, -9.4%) sectors saw the greatest loses.
- The Leisure and Hospitality sector, gained the most number of jobs (72 jobs, +10%) between Q4 2013 and Q4 2016.
- In the fourth quarter of 2016, the manufacturing sector made up the largest industry in Buena Vista County, making up 35.7% of all jobs. Trade, wholesale, and retail is the second largest industry and makes up 16.9% of jobs in Buena Vista County.

<b>Buena Vista County Average Employment</b>					<b>Change</b>		<b>% of Total</b>			
<b>Industry</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>	<b>2013 Q4 - 2016 Q4</b>	<b>2013 Q4 - 2016 Q4</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>
Ag. & Natural Resources	763	727	704	611	-152	-19.9	8.0%	7.8%	7.6%	6.5%
Construction	262	267	276	304	42	16.0	2.8%	2.8%	3.0%	3.2%
Manufacturing	3,336	3,282	3,257	3,351	15	0.4	35.1%	35.0%	35.1%	35.7%
Trade, Wholesale & Retail	1,621	1,607	1,609	1,590	-31	-1.9	17.0%	17.2%	17.3%	16.9%
Transportation & Utilities	222	209	216	210	-12	-5.4	2.3%	2.2%	2.3%	2.2%
Information	71	77	79	75	4	5.6	0.7%	0.8%	0.9%	0.8%
Financial Services	305	302	294	296	-9	-3.0	3.2%	3.2%	3.2%	3.2%
Professional and Business Services	200	197	222	220	20	10.0	2.1%	2.1%	2.4%	2.3%
Education and Health Services	1,399	1,338	1,326	1,382	-17	-1.2	14.7%	14.3%	14.3%	14.7%
Leisure and Hospitality	724	771	730	796	72	9.9	7.6%	8.2%	7.9%	8.5%
Other Services	193	174	177	178	-15	-7.8	2.0%	1.9%	1.9%	1.9%
Government, State, Local, and Fed	416	418	391	377	-39	-9.4	4.4%	4.5%	4.2%	4.0%
<b>Totals</b>	<b>9,512</b>	<b>9,369</b>	<b>9,281</b>	<b>9,390</b>	<b>-122</b>	<b>-1.3</b>				

<b>Iowa Average Employment</b>					<b>Change</b>		<b>% of Total</b>			
<b>Industry</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>	<b>2013 Q4 - 2016 Q4</b>	<b>2013 Q4 - 2016 Q4</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>
Ag. & Natural Resources	18,449	19,373	19,301	19,699	1,250	6.8	1.6%	1.6%	1.6%	1.6%
Construction	73,203	79,920	82,703	83,707	10,504	14.3	6.3%	6.7%	6.9%	7.0%
Manufacturing	215,889	216,275	214,982	212,575	-3,314	-1.5	18.5%	18.2%	17.9%	17.7%
Trade, Wholesale & Retail	252,334	252,690	251,802	252,307	-27	0.0	21.6%	21.2%	21.0%	21.0%
Transportation & Utilities	64,299	73,322	76,242	76,002	11,703	18.2	5.5%	6.2%	6.4%	6.3%
Information	26,000	25,723	24,979	22,750	-3,250	-12.5	2.2%	2.2%	2.1%	1.9%
Financial Services	90,984	90,749	92,475	94,474	3,490	3.8	7.8%	7.6%	7.7%	7.9%
Professional and Business Services	46,996	48,978	49,923	52,190	5,194	11.1	4.0%	4.1%	4.2%	4.3%
Education and Health Services	151,892	152,543	153,306	155,660	3,768	2.5	13.0%	12.8%	12.8%	13.0%
Leisure and Hospitality	118,561	119,765	121,873	122,300	3,739	3.2	10.1%	10.1%	10.2%	10.2%
Other Services	44,349	44,964	46,037	43,624	-725	-1.6	3.8%	3.8%	3.8%	3.6%
Government, State, Local, and Fed	65,344	65,396	64,936	65,401	57	0.1	5.6%	5.5%	5.4%	5.4%
<b>Totals</b>	<b>1,168,300</b>	<b>1,189,698</b>	<b>1,198,559</b>	<b>1,200,689</b>	<b>32,389</b>	<b>2.8</b>				

Source: IA Workforce Development, Maxfield Research and Consulting LLC

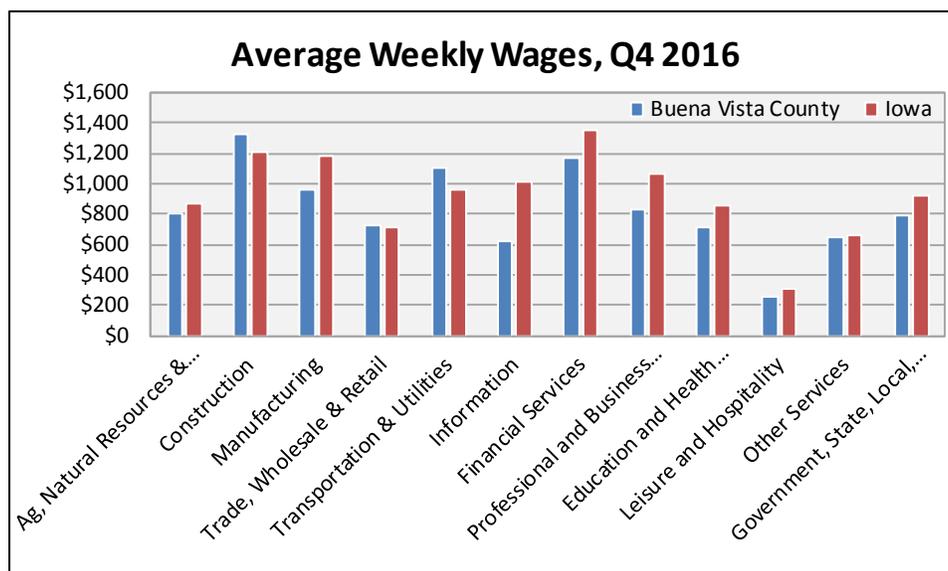
**Wages**

Table E-4 displays information on wages in Buena Vista County compared to the State of Iowa. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Iowa Workforce Development for 2013 through Q4 2016, the most recent data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage statistics quarterly to IA Workforce Development. Federal government establishments are also covered by the QCEW program.

It should be noted that certain industries in the table may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography.

As reported by the QCEW for Q4 2016:

- At \$809 (\$42,068 annually), the average weekly wage across all industries in Buena Vista County is 12.6% lower than the State average (\$911). Average wages are lower in Buena Vista County than in the State in all industry sectors except Transportation & Utilities (\$149 higher), Construction (\$109 higher), and Trade, Wholesale, & Retail (\$10 higher).
- As of Q4 2016, Construction has the highest weekly wage in Buena Vista County at \$1,322. Financial Services has the second highest weekly wage at \$1,166.
- Over the past four years, wages in Buena Vista County are up \$123 (17.9%). Comparatively, wages in Iowa are up approximately 9%.



**EMPLOYMENT**

<b>TABLE E-4</b> <b>WAGES</b> <b>BUENA VISTA COUNTY</b> <b>2013 - 2016 (Q4)</b> <b>North American Industrial Classification System (NAICS)</b>						
<b>Buena Vista County</b>					<b>Change</b>	
<b>Average Weekly Wage</b>					<b>2013 Q4 - 2016 Q4</b>	
<b>Industry</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>	<b>No.</b>	<b>Pct.</b>
Ag, Natural Resources & Mining	\$842	\$823	\$857	\$800	-\$42	-5.0
Construction	\$826	\$879	\$848	\$1,322	\$496	60.1
Manufacturing	\$769	\$875	\$891	\$958	\$189	24.6
Trade, Wholesale & Retail	\$776	\$808	\$683	\$720	-\$56	-7.2
Transportation & Utilities	\$1,080	\$1,002	\$991	\$1,107	\$27	2.5
Information	\$621	\$663	\$671	\$617	-\$4	-0.7
Financial Services	\$1,049	\$1,012	\$1,075	\$1,166	\$117	11.1
Professional and Business Services	\$967	\$941	\$783	\$824	-\$143	-14.8
Education and Health Services	\$636	\$680	\$656	\$707	\$71	11.2
Leisure and Hospitality	\$220	\$221	\$236	\$250	\$30	13.6
Other Services	\$548	\$564	\$584	\$642	\$94	17.2
Government, State, Local, and Fed	\$782	\$755	\$770	\$789	\$7	0.9
<b>Totals</b>	<b>\$686</b>	<b>\$729</b>	<b>\$759</b>	<b>\$809</b>	<b>\$123</b>	<b>17.9</b>
<b>Iowa</b>					<b>Change</b>	
<b>Average Weekly Wage</b>					<b>2013 Q4 - 2016 Q4</b>	
<b>Industry</b>	<b>2013 Q4</b>	<b>2014 Q4</b>	<b>2015 Q4</b>	<b>2016 Q4</b>	<b>No.</b>	<b>Pct.</b>
Ag, Natural Resources & Mining	\$759	\$832	\$858	\$864	\$105	13.8
Construction	\$1,044	\$1,144	\$1,199	\$1,213	\$169	16.2
Manufacturing	\$1,117	\$1,169	\$1,231	\$1,183	\$66	5.9
Trade, Wholesale & Retail	\$667	\$701	\$722	\$710	\$43	6.4
Transportation & Utilities	\$884	\$930	\$962	\$958	\$74	8.4
Information	\$925	\$960	\$1,044	\$1,018	\$93	10.1
Financial Services	\$1,196	\$1,213	\$1,326	\$1,354	\$158	13.2
Professional and Business Services	\$961	\$997	\$1,067	\$1,060	\$99	10.3
Education and Health Services	\$765	\$796	\$859	\$850	\$85	11.2
Leisure and Hospitality	\$285	\$297	\$312	\$311	\$26	9.1
Other Services	\$563	\$589	\$638	\$654	\$91	16.2
Government, State, Local, and Fed	\$862	\$885	\$929	\$924	\$62	7.2
<b>Totals</b>	<b>\$834</b>	<b>\$870</b>	<b>\$920</b>	<b>\$911</b>	<b>\$77</b>	<b>9.2</b>

Source: IA Workforce Development, Maxfield Research and Consulting LLC

**Existing Business Mix by NAICS**

Table E-5 presents business data as compiled from ESRI and Infogroup in 2016. The business inventory database is compiled from multiple sources; including directory resources from the yellow and white pages, annual reports, 10ks, SEC filings, government data, U.S. Postal Service, business trade directories, newspapers, etc. To ensure accurate information, phone telephone verifications are completed for each business in the database. The data is characterized based on the six-digit North American Industry Classification System (NAICS). The NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

<b>Business/Industry</b>	<b>Businesses</b>		<b>Employees</b>	
	<b>Number</b>	<b>Pct</b>	<b>Number</b>	<b>Pct</b>
<b>NAICS CODES</b>				
Agriculture, Forestry, Fishing and Hunting	6	1.0%	11	0.1%
Mining	0	0.0%	0	0.0%
Utilities	1	0.2%	29	0.3%
Construction	26	4.2%	192	2.0%
Manufacturing	26	4.2%	3,122	33.3%
Wholesale Trade	17	2.8%	177	1.9%
Retail Trade	101	16.4%	1,034	11.0%
Transportation & Warehousing	17	2.8%	101	1.1%
Information	17	2.8%	121	1.3%
Finance & Insurance	74	12.0%	323	3.4%
Real Estate, Rental & Leasing	28	4.5%	109	1.2%
Professional, Scientific & Tech Services	38	6.2%	196	2.1%
Management of Companies & Enterprises	3	0.5%	99	1.1%
Administrative & Support & Waste Management & Remediation Services	19	3.1%	175	1.9%
Educational Services	15	2.4%	791	8.4%
Health Care & Social Assistance	47	7.6%	956	10.2%
Arts, Entertainment & Recreation	0	0.0%	87	0.9%
Accommodation & Food Services	45	7.3%	838	8.9%
Other Services (except Public Administration)	66	10.7%	593	6.3%
Public Administration	62	10.1%	430	4.6%
Unclassified Establishments	8	1.3%	2	0.0%
<b>Total</b>	<b>616</b>	<b>100.0%</b>	<b>9,384</b>	<b>100.0%</b>
Note: Estimated numbers, data subject to change.				
Sources: ESRI, Maxfield Research and Consulting LLC				

- There are approximately 616 businesses with 9,384 employees in the City of Storm Lake. Retail Trade is the largest industry type (101 businesses), but has the second most number of employees (1,034).
- Manufacturing has the most employees (3,122) in Storm Lake, making up 33.3% of the employee base but only 4.2% of the local businesses.

**Commuting Patterns**

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a large proportion of households’ budgets. Table E-6 highlights the commuting patterns of workers in Storm Lake in 2014 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

<b>TABLE E-6 COMMUTING PATTERNS STORM LAKE IA 2014</b>					
<b>Home Destination</b>			<b>Work Destination</b>		
<b><u>Place of Residence</u></b>	<b><u>Count</u></b>	<b><u>Share</u></b>	<b><u>Place of Employment</u></b>	<b><u>Count</u></b>	<b><u>Share</u></b>
Storm Lake, IA	2,830	35.9%	Storm Lake, IA	2,830	61.5%
Alta, IA	404	5.1%	Sioux City, IA	142	3.1%
Lakeside, IA	203	2.6%	Cherokee, IA	88	1.9%
Newell, IA	151	1.9%	Spencer, IA	77	1.7%
Sioux City, IA	124	1.6%	Alta, IA	62	1.3%
Schaller, IA	101	1.3%	Waterloo, IA	58	1.3%
Denison, IA	96	1.2%	Sioux Falls, SD	54	1.2%
Des Moines, IA	91	1.2%	Holstein, IA	30	0.7%
Cherokee, IA	89	1.1%	Le Mars, IA	27	0.6%
Spencer, IA	81	1.0%	Fort Dodge, IA	25	0.5%
All Other Locations	3,706	47.1%	All Other Locations	1,209	26.3%
<b>Total All Jobs</b>	<b>7,876</b>		<b>Total All Jobs</b>	<b>4,602</b>	
Home Destination = Where workers live who are employed in Storm Lake IA					
Work Destination = Where workers are employed who live in Storm Lake IA					
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research and Consulting LLC					

- As shown in Table E-6, 61.5% of Storm Lake residents commuted to jobs within the city, 3.1% commuted to jobs in Sioux City (142 employees), and 1.9% commuted to jobs in Cherokee (88 employees).
- Of all the workers who work in Storm Lake, about 36% already reside in the City of Storm Lake. The remaining 64% of the workers are commuting nearby cities such as Alta (404 workers), Lakeside (203 workers) and Newell (151 workers).

**Inflow/Outflow**

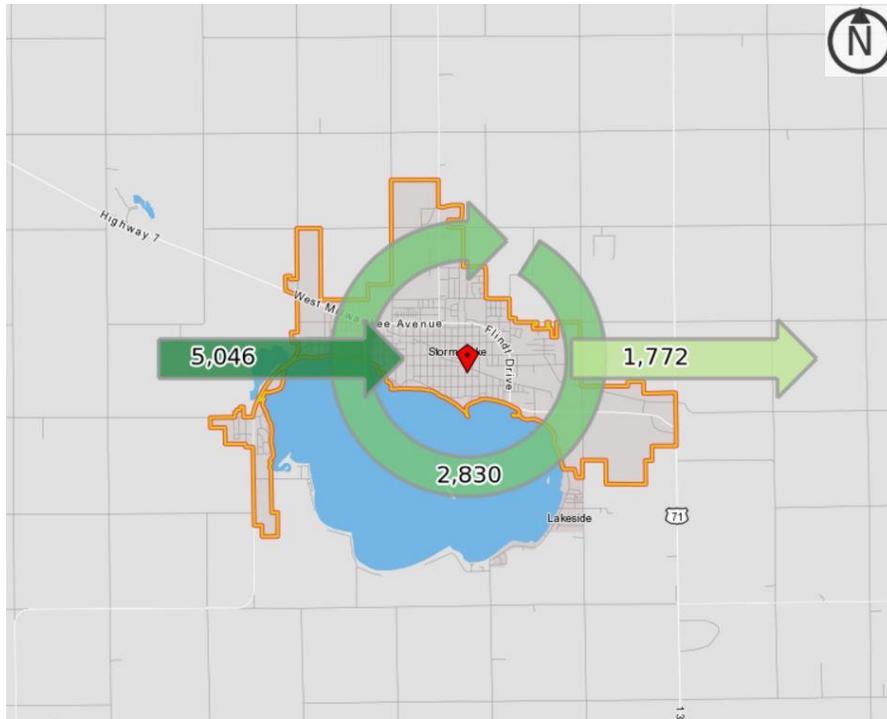
## **EMPLOYMENT**

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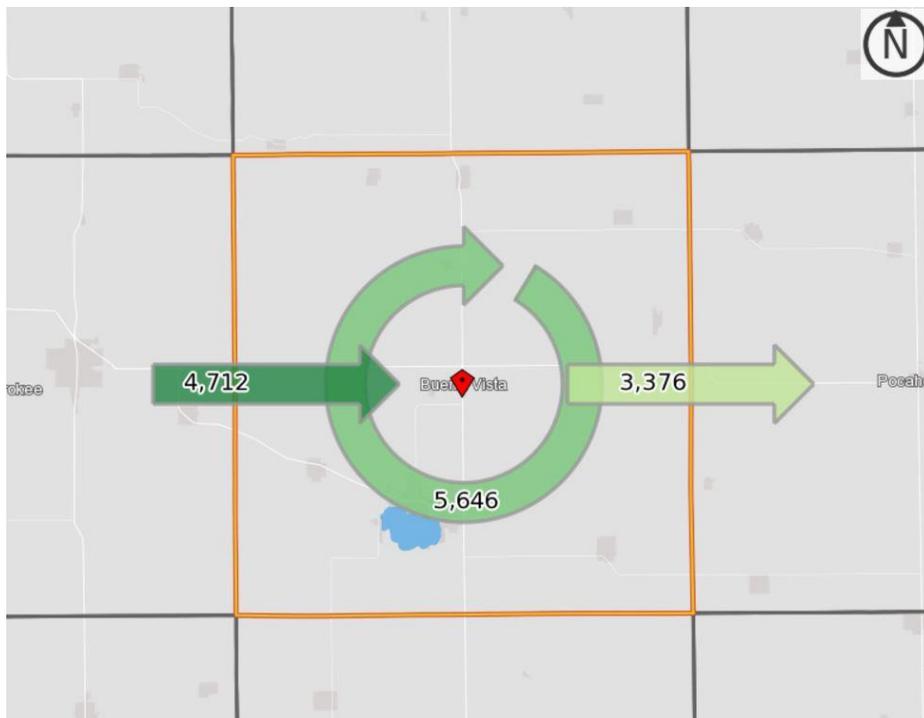
Table E-7 provides a summary of the inflow and outflow of workers in the City of Storm Lake and Buena Vista County. Outflow reflects the number of workers living in the City of Storm Lake but employed outside of the city while inflow measures the number of workers that are employed in the City of Storm Lake but live outside. Interior flow reflects the number of workers that both live and work in the City of Storm Lake.

- The City of Storm Lake can be considered an importer of workers, as the number of residents coming into the City (inflow) for employment was more than the number of residents leaving the City for work (outflow). Approximately 5,046 workers came into the City of Storm Lake for work while 1,772 workers left, for a net difference of 3,274.
- The Buena Vista County can also be considered an importer of workers, as the number of residents coming into the County (inflow) for employment was more than the number of residents leaving the County for work (outflow). Approximately 4,712 workers came into the County for work while 3,376 workers left, for a net difference of 1,336.
- Approximately 42% of workers in Storm Lake commute over less than 10 miles to their place of employment, while nearly 23% of workers commute more than 50 miles.

### **Inflow/Outflow Analysis – City of Storm Lake**



**Inflow/Outflow Analysis – Buena Vista County**



<b>TABLE E-7</b> <b>COMMUTING INFLOW/OUTFLOW</b> <b>THE CITY STORM LAKE CITY &amp; BUENA VISTA COUNTY</b> <b>2014</b>		
	<b>Storm Lake IA</b>	
	<b>Num.</b>	<b>Pct.</b>
Employed in the Selection Area	7,876	100%
Employed in the Selection Area but Living Outside	5,046	64.1%
Employed and Living in the Selection Area	2,830	35.9%
Living in the Selection Area	4,602	100%
Living in the Selection Area but Employed Outside	1,772	38.5%
Living and Employed in the Selection Area	2,830	61.5%
	<b>Buena Vista Co.</b>	
	<b>Num.</b>	<b>Pct.</b>
Employed in the Selection Area	10,358	100%
Employed in the Selection Area but Living Outside	4,712	45.5%
Employed and Living in the Selection Area	5,646	54.5%
Living in the Selection Area	9,022	100%
Living in the Selection Area but Employed Outside	3,376	37.4%
Living and Employed in the Selection Area	5,646	62.6%
	<b>Storm Lake IA</b>	
	<b>Num.</b>	<b>Pct.</b>
<b>Commuting Distance</b>		
Less than 10 miles	4,018	41.9%
10 to 24 miles	1,166	24.0%
25 to 50 miles	736	11.3%
Greater than 50 miles	1,956	22.8%
Sources: Longitudinal Employer-Household Dynamics; Maxfield Research and Consulting LLC		

**Major Employers**

Table E-8 shows the major employers in Storm Lake based on data provided by Storm Lake United. Please note that the table is not a comprehensive list of all employers and presents a selected list of employers and their employees as identified by Storm Lake United. The following are key points from the major employers table.

- Tyson Foods is the largest identified employer in the area with approximately 2,640 employees between their Fresh Meats and Poultry divisions. Tyson Foods employees account for approximately 53% of surveyed employment in the PMA.
- The list of major employers represents several industry sectors, but the highest concentrations of large employers in the area are in the Food Production, Education, Healthcare sectors.
- The Education sector employs approximately 685 people, accounting for 13.8% of surveyed employment in the PMA, while Healthcare employs 561 people (11.3%).

<b>TABLE E-8 MAJOR EMPLOYERS PRIMARY MARKET AREA 2017</b>		
<b>Employer</b>	<b>Industry</b>	<b>Approximate Employee Size</b>
Tyson Fresh Meats	Food Production	2000
Tyson Poultry	Food Production	640
Rembrandt Enterprises <sup>1</sup>	Food Production	500
Buena Vista Regional Medical Center	Healthcare	405
Storm Lake Community School District	Public Education	365
Buena Vista University	Private College	320
Wal Mart	Retail	275
Hy Vee	Retail	170
Methodist Manor	Healthcare	156
Buena Vista County	Public Administration	140

<sup>1</sup> Employer located just outside of the Market Area (Estimated within 1 mile)

Sources: Storm Lake United, Maxfield Research and Consulting, LLC

### Employer Survey

Maxfield Research surveyed representatives of the largest employers in the Storm Lake Market Area in July 2017. Employers were asked their opinion about issues related to housing in the area. Specifically, they were asked whether the current supply of housing in the area matches the needs of their workforce. The following points summarize the findings of this survey process.

- Employers felt that the availability of adequate housing that met the standards of employees impacted where their existing employees resided or their ability to hire new employees.
- Employers felt that employees cannot find quality rental units, or housing with desired amenities that today's tenants are looking for.
- New hires have commented on the lack housing, some potential candidates investigate the housing market prior to accepting a position, and this hinders recruitment and retention according to some employers.
- Employers estimated that some employees traveled from distances over an hour/50+ miles to commute to work.
- Typical areas employees commute from include: Cherokee, Spencer, Rockwell City, and Sac City, as well as rural areas around Storm Lake.
- Rental housing is often desired among newer and younger employees. Other employees would prefer to rent before they establish their roots in the community and purchase a home.
- Many middle- to upper positioned employees come from already established backgrounds and primarily consist of home-owners as opposed to renters. Some employers noted that they have employees who would prefer to build their own home, but lot availability within the City of Storm Lake has been an issue.
- With some companies pursuing expansion, there is a potential for hiring new employees. Most companies mentioned they planned to continually hire, however for some employers expansion is usually at the expense of existing employees retiring.

### Introduction

The following section of the report analyzes current market conditions for general occupancy rental housing in the Storm Lake Market Area. Topics covered include rental housing data from the American Community Survey, detailed information on individual rental developments in the Market Area, and a calculation of rental housing demand. Maxfield Research and Consulting LLC identified and inventoried larger rental properties of eight or more units in the Storm Lake Market Area. In addition, interviews were conducted with real estate agents, developers, rental housing management firms, and others in the community familiar with Storm Lake's rental housing stock.

For purposes of our analysis, we have classified rental projects into two groups, general occupancy and senior (age restricted). All senior projects are included in the *Senior Rental Analysis* section of this report. The general occupancy rental projects are divided into three groups, market rate (those without income restrictions), affordable (those receiving tax credits in order to keep rents affordable), and subsidized (those with income restrictions based on 30% allocation of income to housing).

### Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in the Storm Lake Market Area. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the decennial census. We use this data because these figures are not available from the decennial census.

Table R-1 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2011-2015 ACS in the Storm Lake Market Area, in comparison to Buena Vista County and Iowa. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

- Storm Lake and Buena Vista County have more affordable rents when compared to Iowa. The median gross rent in Storm Lake is at \$591 which is 17.9% lower than the median rent of \$697 in Iowa. Buena Vista County's median gross rent is \$593, 17.5% lower than the median rent in Iowa. Rural communities often have lower rents than metropolitan areas due to wage rates and the age of rental properties in rural areas, however, median gross rents in the PMA are approximately 9% higher than the City of Storm Lake at \$645 a month.

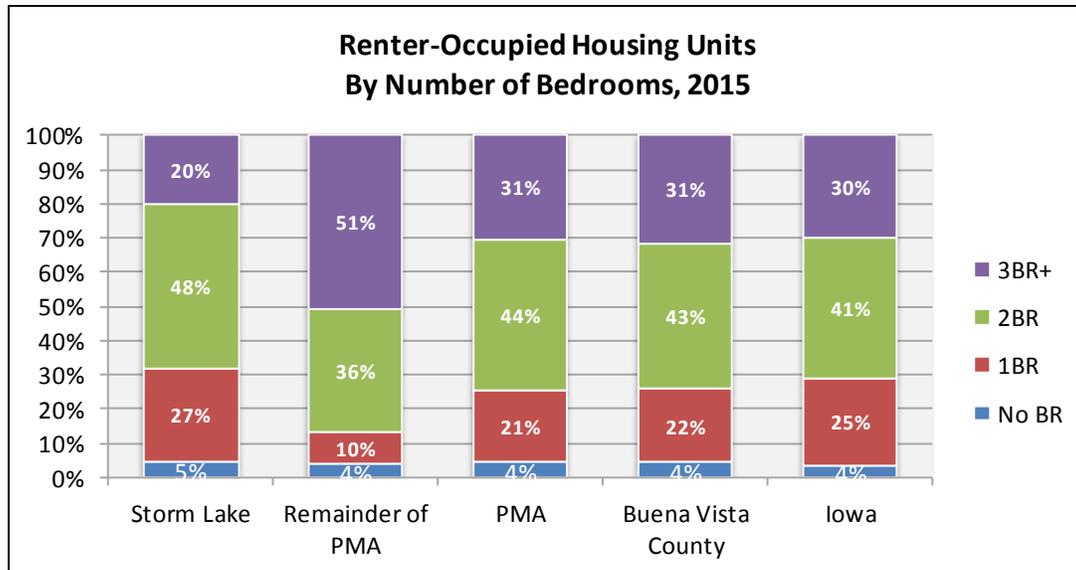
## RENTAL MARKET ANALYSIS

- Two bedroom units are the most common rental unit type in Storm Lake, representing 48% of all occupied rental units in the City. In Iowa, two-bedroom units are also the most common (41%).

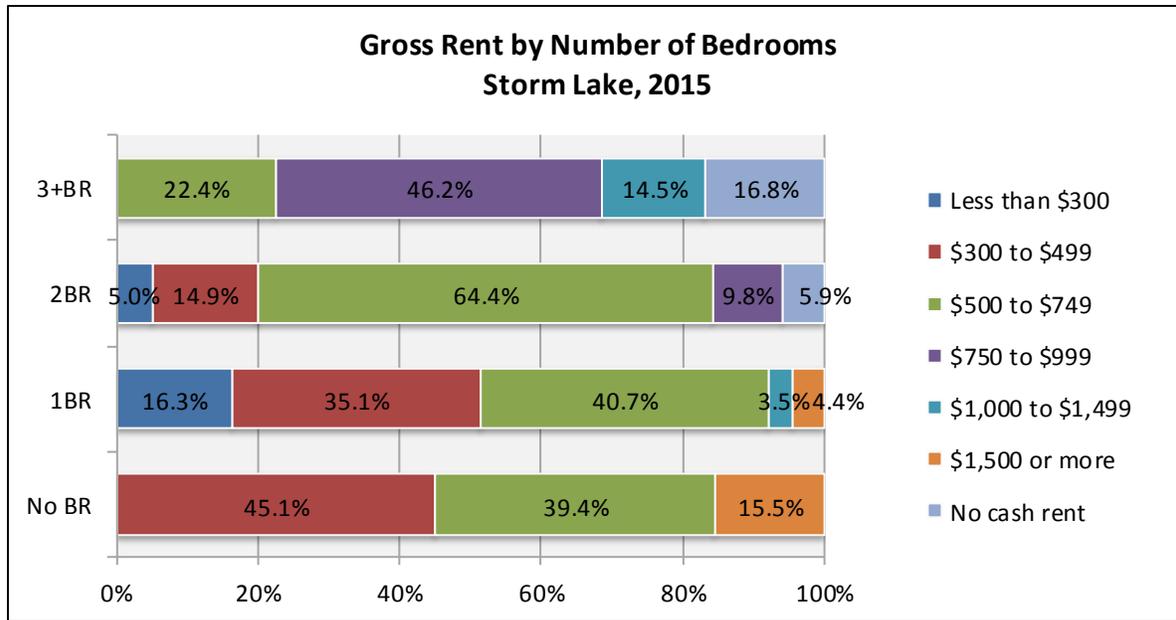
**TABLE R-1  
BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS  
PRIMARY MARKET AREA  
2015**

	Storm Lake		Remainder of PMA		PMA		Buena Vista County		Iowa
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	% of Total
<b>Total:</b>	<b>1,492</b>	<b>100%</b>	<b>763</b>	<b>100%</b>	<b>2,255</b>	<b>100%</b>	<b>2372</b>	<b>100%</b>	<b>100%</b>
<b>Median Gross Rent</b>	<b>\$591</b>		<b>\$645</b>		<b>\$642</b>		<b>\$593</b>		<b>\$697</b>
<b>No Bedroom</b>	<b>71</b>	<b>5%</b>	<b>28</b>	<b>4%</b>	<b>99</b>	<b>4%</b>	<b>101</b>	<b>4%</b>	<b>4%</b>
Less than \$300	0	0%	0	0%	0	0%	0	0%	0%
\$300 to \$499	32	2%	8	1%	40	2%	42	2%	1%
\$500 to \$749	28	2%	10	1%	38	2%	38	2%	1%
\$750 to \$999	0	0%	0	0%	0	0%	0	0%	0%
\$1,000 to \$1,499	0	0%	10	1%	10	0%	10	0%	0%
\$1,500 or more	11	1%	0	0%	11	0%	11	0%	0%
No cash rent	0	0%	0	0%	0	0%	0	0%	0%
<b>1 Bedroom</b>	<b>405</b>	<b>27%</b>	<b>74</b>	<b>10%</b>	<b>479</b>	<b>21%</b>	<b>510</b>	<b>22%</b>	<b>25%</b>
Less than \$300	66	4%	3	0%	69	3%	76	3%	3%
\$300 to \$499	142	10%	52	7%	194	9%	205	9%	7%
\$500 to \$749	165	11%	6	1%	171	8%	180	8%	10%
\$750 to \$999	0	0%	0	0%	0	0%	0	0%	3%
\$1,000 to \$1,499	14	1%	4	1%	18	1%	18	1%	1%
\$1,500 or more	18	1%	3	0%	21	1%	21	1%	1%
No cash rent	0	0%	6	1%	6	0%	10	0%	0%
<b>2 Bedrooms</b>	<b>713</b>	<b>48%</b>	<b>274</b>	<b>36%</b>	<b>987</b>	<b>44%</b>	<b>1016</b>	<b>43%</b>	<b>41%</b>
Less than \$300	36	2%	7	1%	43	2%	57	2%	1%
\$300 to \$499	106	7%	92	12%	198	9%	199	8%	4%
\$500 to \$749	459	31%	103	13%	562	25%	574	24%	17%
\$750 to \$999	70	5%	36	5%	106	5%	110	5%	12%
\$1,000 to \$1,499	0	0%	0	0%	0	0%	0	0%	5%
\$1,500 or more	0	0%	9	1%	9	0%	9	0%	1%
No cash rent	42	3%	27	4%	69	3%	67	3%	2%
<b>3 or More Bedrooms</b>	<b>303</b>	<b>20%</b>	<b>387</b>	<b>51%</b>	<b>690</b>	<b>31%</b>	<b>745</b>	<b>31%</b>	<b>30%</b>
Less than \$300	0	0%	0	0%	0	0%	0	0%	0%
\$300 to \$499	0	0%	44	6%	44	2%	61	3%	2%
\$500 to \$749	68	5%	123	16%	191	8%	219	9%	7%
\$750 to \$999	140	9%	110	14%	250	11%	251	11%	8%
\$1,000 to \$1,499	44	3%	0	0%	44	2%	45	2%	7%
\$1,500 or more	0	0%	0	0%	0	0%	0	0%	2%
No cash rent	51	3%	110	14%	161	7%	169	7%	4%

Sources: 2011-2015 American Community Survey; Maxfield Research, Inc.



- Approximately 20% of the renter-occupied housing units in Storm Lake have three bedrooms compared to 51% in the Remainder of the PMA and 30% in Iowa. One-bedroom units comprise 27% of Storm Lake’s renter-occupied housing supply and units while only 5% of the renter-occupied units have no bedrooms. By comparison, roughly 25% of Iowa’s renter-occupied housing units are one-bedroom and 4% have no bedrooms.
- Monthly gross rents in one-bedroom units in Storm Lake range from less than \$300 to \$1,500 with approximately 41% renting for between \$500 and \$749 per month. Only 8% of one-bedroom units have gross monthly rents above \$750.
- Roughly 64% of the two-bedroom units in Storm Lake have gross monthly rents ranging from \$500 to \$749, and 15% have a rental rate range of \$300 to \$499.
- Roughly 46% of the units with three or more bedrooms in Storm Lake rent for between \$750 and \$999 per month, while 22% of units with three or more bedrooms rent for \$500 to \$749.
- Of the units without a bedroom in Storm Lake, 45% have gross monthly rents between \$300 and \$499. Units that have a gross monthly rent between \$500 and \$749 make up roughly 39%.



- Roughly 5.9% of the two-bedroom units and 16.8% of the units with three or more bedrooms were reported as having no cash rent. These units may be owned by friends or relatives who live elsewhere and who allow occupancy at no charge. Rent-free houses or apartment units may be provided to compensate caretakers, ministers, tenant farmers, or other.

**General-Occupancy Rental Projects**

Our research of Storm Lake general occupancy rental market included an inventory of eight market rate apartment properties (eight units and larger) and nine affordable/subsidized communities in July 2017. These projects represent a combined total of 400 units, including 110 market rate units and 290 affordable/subsidized units. Although we were able to contact and obtain up-to-date information on some rental properties, there were some projects we were unable to reach or were unwilling to provide rental market information.

At the time of our survey, only two affordable/subsidized units and no market rate units were vacant, resulting in an overall vacancy rates of 0.7% for affordable/subsidized and 0% for market rate, which is well below with the industry standard of 5% vacancy for a stabilized rental market, which promotes competitive rates, ensures adequate choice, and allows for unit turnover. It should be noted that vacancy numbers are subject to change on a monthly basis.

Table R-2 summarizes information on market rate and subsidized/affordable projects within Storm Lake.

## RENTAL MARKET ANALYSIS

<b>TABLE R-2</b> <b>GENERAL OCCUPANCY RENTAL PROJECTS</b> <b>CITY OF STORM LAKE</b> <b>July 2017</b>				
Project Name/Location	Occp. Date	Total # of Units	Unit Types Available	Calc. Avg. * SqFt/Unit
<b>SUBSIDIZED</b>				
<b>Maplewood East Apt</b> 524 Oates St & 523 Russell St	1980	28	1BR, 2BR, 3 BR	866
<b>Paradise Park Apt</b> 607 W 9th St	1980	60	1BR, 2BR, 3BR	620
<b>Subsidized Total</b>		<b>88</b>		
<i>Estimated Vacancy</i>		1.1%		
<b>AFFORDABLE</b>				
<b>10th St Townhomes</b> 500 W 10th St	2014	22	2BR, 3BR, 4BR	1,463
<b>The Reserves at Storm Lake</b> 1500 Seneca St	2013	32	2BR, 3BR	1,126
<b>Holly Heights Apt (RJM Apt)</b> 1800 E Milwaukee Ave	1997	32	1BR, 2BR, 3BR	843
<b>Seneca Place Apt</b> 1405 Seneca St	1996	48	1BR, 2BR, 3BR	896
<b>North Park Apt</b> 1724 E Milwaukee Ave	1984	24	1BR, 2BR	714
<b>MGN Apt (Roth Apt)</b> 710 Geisinger Rd	1973	12	1BR, 2BR, 3BR	1,041
<b>Wilshire Arms Apt</b> 1803 & 1809 W 5th St	1965/ 1968	32	2BR	885
<b>Affordable Total</b>		<b>202</b>		
<i>Estimated Vacancy</i>		0.5%		
*Data was obtained through the Buena Vista County Assessor's Office				
Source: Maxfield Research & Consulting, LLC, City of Storm Lake, Buena Vista County Assessor's Office				

## RENTAL MARKET ANALYSIS

<i>Continued</i>				
TABLE R-2				
GENERAL OCCUPANCY RENTAL PROJECTS				
CITY OF STORM LAKE				
July 2017				
Project Name/Location	Occp. Date	Total # of Units	Unit Types Available	Calc. Avg. * SqFt/Unit
<b>MARKET RATE</b>				
<b>Tulip Lane Apt</b> 1716 & 1717 Tulip Ln	1983/ 1999	24	1BR, 2BR	852
<b>North Erie Apt</b> 1328 Erie St	1998	18	2BR, 3BR	864
<b>MGN Apt</b> 914 E Milwaukee Ave	1985	12	2BR	1,055
<b>510 E 6th St</b>	1976	8	1BR, 2BR	846
<b>801 Erie St</b>	1976	8	2BR	898
<b>MGN Apt</b> 1520 W 5th St	1971	12	2BR	1,046
<b>East 10th Apt</b> 111 E 10th St	1948	12	1BR	516
<b>Cayuga Apt</b> 401 Cayuga St	1937	16	Studio, 1BR	594
<b>Market Rate Total</b>		<b>110</b>		
<i>Estimated Vacancy</i>		0.0%		
<b>Rental Housing Total</b>		<b>400</b>		
<i>Total Estimated Vacancy</i>		0.5%		
*Data was obtained through the Buena Vista County Assessor's Office				
Source: Maxfield Research & Consulting, LLC, City of Storm Lake, Buena Vista County Assessor's Office				

### *Market Rate & Subsidized/Affordable*

- Based on the rental properties surveyed, Storm Lake's rental housing stock median year built for all units is 1980. About a third of Storm Lake's rental properties were constructed in the 1980s.
- Based on data from rental properties that participated in our survey, approximately 59% of all surveyed rental units in Storm Lake are two-bedroom units. The unit breakout by unit type is summarized below.

#### *Market Rate*

○ One-bedroom units:	29%
○ Two-bedroom units:	57%
○ Three-bedroom units:	14%

#### *Subsidized/Affordable*

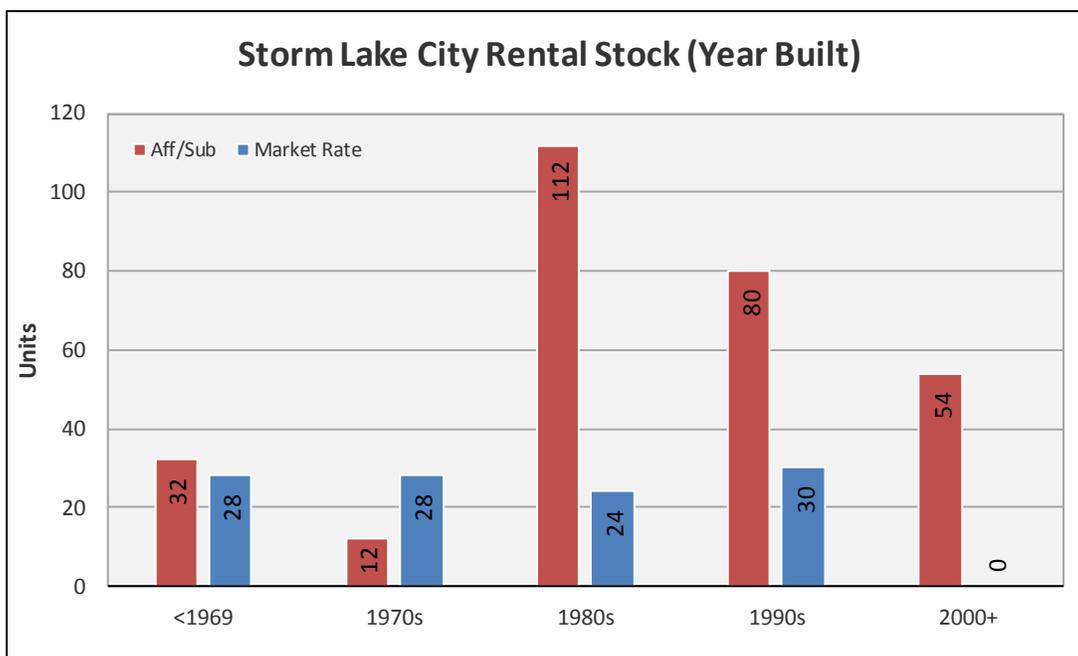
○ One-bedroom units:	13%
○ Two-bedroom units:	59%
○ Three-bedroom units:	26%
○ Four-bedroom units:	1%

- Typical market rate monthly rents range from \$400 to \$500 for one-bedroom units, from \$575 to 675 for two-bedroom units, and \$675 to \$775 for a three-bedroom unit. Affordable monthly rents range from \$365 to \$395 for one-bedroom units, from \$410 to \$626 for two-bedroom units, from \$536 to \$750 for three-bedroom units, and \$766 for four-bedroom units.
- Table R-3 and R-4, on the following pages, includes a breakdown of monthly rent ranges, average rent, average unit size, rent per square foot for each unit type for market rate and subsidized/affordable units and a breakdown on rental properties by year built.

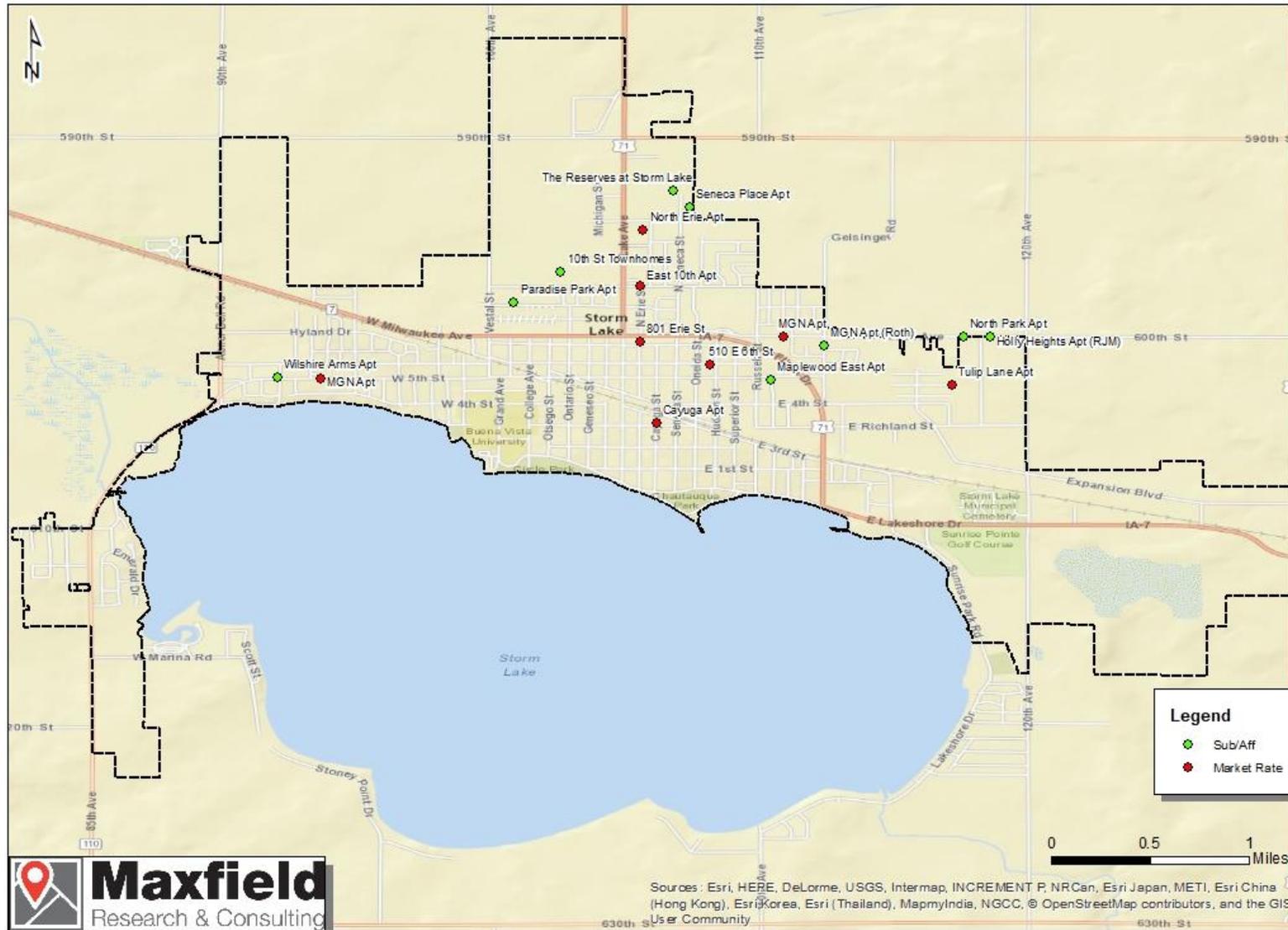
TABLE R-3 RENT SUMMARY SELECTED RENTAL PROPERTIES July 2017					
Monthly Rents					
Unit Type	Range		Avg. Rent	Avg. Size	Avg. Rent/Sq. Ft.
	Low	High			
<b>Market Rate</b>					
1BR	\$400 - \$500		\$425	516	\$0.82
2BR	\$575 - \$675		\$630	832	\$0.76
3BR	\$675 - \$775		\$690	930	\$0.74
<b>Overall</b>	<b>\$400 - \$775</b>		<b>\$582</b>	<b>\$759</b>	<b>\$0.77</b>
<b>Affordable</b>					
Unit Type	Range		Avg. Rent	Avg. Size	Avg. Rent/Sq. Ft.
	Low	High			
1BR	\$365 - \$395		\$380	651	\$0.60
2BR	\$410 - \$626		\$517	1,053	\$0.49
3BR	\$536 - \$750		\$595	1,252	\$0.50
4BR	\$766		\$766	1,998	\$0.38
<b>Overall</b>	<b>\$519 -</b>	<b>\$590</b>	<b>\$564</b>	<b>1,238</b>	<b>\$0.49</b>
Note: This table only includes data from properties that provided complete survey information					
Source: Maxfield Research & Consulting, LLC					

**RENTAL MARKET ANALYSIS**

TABLE R-4 GENERAL OCCUPANCY RENTAL PROJECTS YEAR BUILT CITY OF STORM LAKE July 2017		
Affordable/Subsidized		
Year Built	# of Units	Pct. of Total
2000+	54	18.6%
1990s	80	27.6%
1980s	112	38.6%
1970s	12	4.1%
<1969	32	11.0%
<b>Total</b>	<b>290</b>	<b>100.0%</b>
<b>Median Year:</b>	<b>1982</b>	
Market Rate		
Year Built	# of Units	Pct. of Total
2000+	0	0.0%
1990s	30	27.3%
1980s	24	21.8%
1970s	28	25.5%
<1969	28	25.5%
<b>Total</b>	<b>110</b>	<b>100.0%</b>
<b>Median Year:</b>	<b>1976</b>	
Source: Maxfield Research & Consulting, LLC		



### General Occupancy Housing Developments - Storm Lake, IA



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

**Select general occupancy rental projects – Storm Lake, IA**



**The Reserves at Storm Lake**  
1300 N. Seneca St.



**Wilshire Arms Apartments**  
1811 W. 5<sup>th</sup> St.



**Maplewood East Apartments**  
524 Oates St.



**Cayuga Apartments**  
401 Cayuga St.



**Seneca Place Apartments**  
1405 Seneca St.



**MGN Apartments**  
914 E. Milwaukee Ave.

### ***Single-Family Home Rentals/Rental Property Ordinance***

- Single-family home rentals are a popular rental option in the City of Storm Lake and throughout Buena Vista County. Table HC-3 in the Housing Characteristics section shows housing units by structure in 2015. The table shows approximately 25% of all renter-occupied housing units in Storm Lake are single-family detached homes.
- In 1999, the City of Storm Lake implemented the Rental Housing Inspection Program. This program helps improve the quality of housing and appearance of the community. This program monitors all rental properties and assures that they adhere to minimum standards. This program benefits landlords and tenants alike, as it will keep rental properties safe and sanitary and increase property value.
- As of May 2017, there are approximately 1,214 rental units in the City of Storm Lake. These units range from single-family structures to multifamily structures of up to 60 units. Within the City of Storm Lake there are approximately 164 rental duplex structures.
- All rental properties within the City of Storm Lake must adhere to the adopted building codes of Chapter 5-8. This includes all residential units, including single family homes, duplexes, apartments, rural houses or condominiums

### ***Property Manager/Property Owner Interviews***

Maxfield Research and Consulting LLC spoke with property managers to obtain information on local rental availability, price and characteristics. In addition, some property managers provided their perspective on the local rental market.

- Turnover at many apartments is primarily driven by residents purchasing homes or leaving the area for employment opportunities. Many tenants will stay in a unit for longer lease terms.
- The tenant profile spans all walks of life, with renters being young people, families, and the elderly.
- A few property managers mentioned that they do not have difficulty filling vacant units and said that they never have vacant units sitting for long periods of time.

### Introduction

This section provides an assessment of the market support for senior housing (active adult, congregate, assisted living, and memory care) in Storm Lake. Demand for senior housing is calculated based on demographic, economic and competitive factors that would impact demand for additional senior housing units in the City. Our assessment concludes with an estimation of the proportion of City demand that could be captured by senior housing communities located in the Storm Lake Market Area.

### Senior Housing Defined

The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered best distinguishes them. Maxfield Research and Consulting LLC classifies senior housing projects into five categories based on the level of support services offered:

Adult/Few Services; where few, if any, support services are provided, and rents tend to be modest as a result;

Congregate/Optional-Services; where support services such as meals and light housekeeping are available for an additional fee;

Congregate/Service-Intensive; where support services such as meals and light housekeeping are included in the monthly rents;

Assisted Living; where two or three daily meals as well as basic support services such as transportation, housekeeping and/or linen changes are included in the fees. Personal care services such as assistance with bathing, grooming and dressing is included in the fees or is available either for an additional fee or included in the rents.

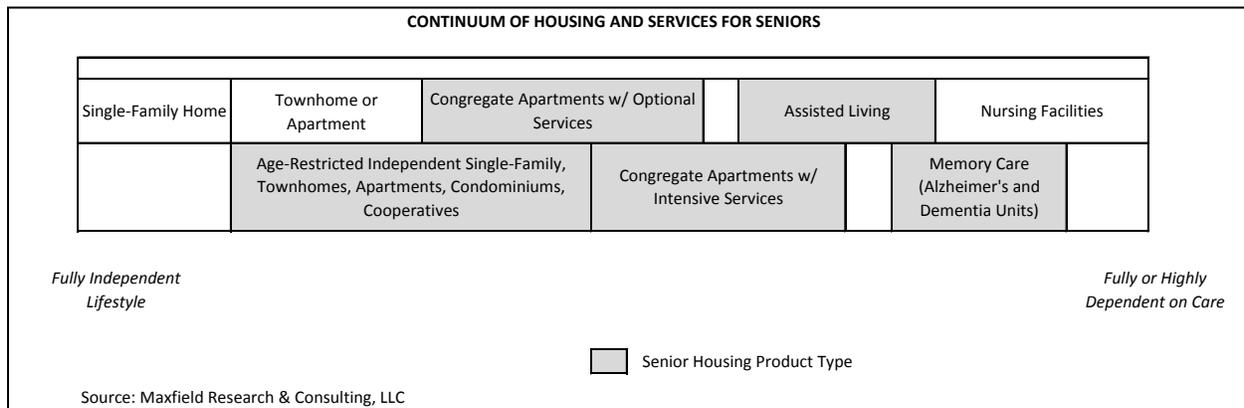
Memory Care; where more rigorous and service-intensive personal care is required for people with dementia and Alzheimer’s disease. Typically, support services and meal plans are similar to those found at assisted living facilities, but the heightened levels of personalized care demand more staffing and higher rental fees.

These five senior housing products tend to share several characteristics. First, they usually offer individual living apartments with living areas, bathrooms, and kitchens or kitchenettes. Second, they generally have an emergency response system with pull-cords or pendants to promote security. Third, they often have a community room and other common space to encourage socialization. Finally, they are age-restricted and offer conveniences desired by seniors, alt-

## SENIOR HOUSING ANALYSIS

though assisted living projects sometimes serve non-elderly people with special health considerations.

The five senior housing products offered today form a continuum of care (see Figure 2 on the following page), from a low level to a fairly intensive one; often the service offerings at one type overlap with those at another. In general, however, adult/few services projects tend to attract younger, more independent seniors, while assisted living and memory care projects tend to attract older, frailer seniors.



### Senior Housing in Storm Lake

As of July 2017, Maxfield Research identified four senior housing developments in the City of Storm Lake. Combined, these projects contain a total of 186 units. Tables S-1, S-2, and S-3 provide information on affordable/subsidized senior housing, congregate, and assisted living properties. Information in the tables include year built, number of units, unit mix, number of vacant units, rents, amenities, services provided, and general comments about each project.

The following are key points from our survey of the senior housing supply.

- A majority of senior properties include utilities in the rent except for telephone. Amenities include standard appliances, elevators, on-site laundry facility, and off street parking.
- The standard age restriction among surveyed properties is 55 years of age, however some properties required tenants to be at least 62 years of age.
- Methodist Manor currently has 2 senior facilities and has 43% of all senior units in Storm Lake.

#### ***Affordable/Subsidized Senior Housing Projects***

## SENIOR HOUSING ANALYSIS

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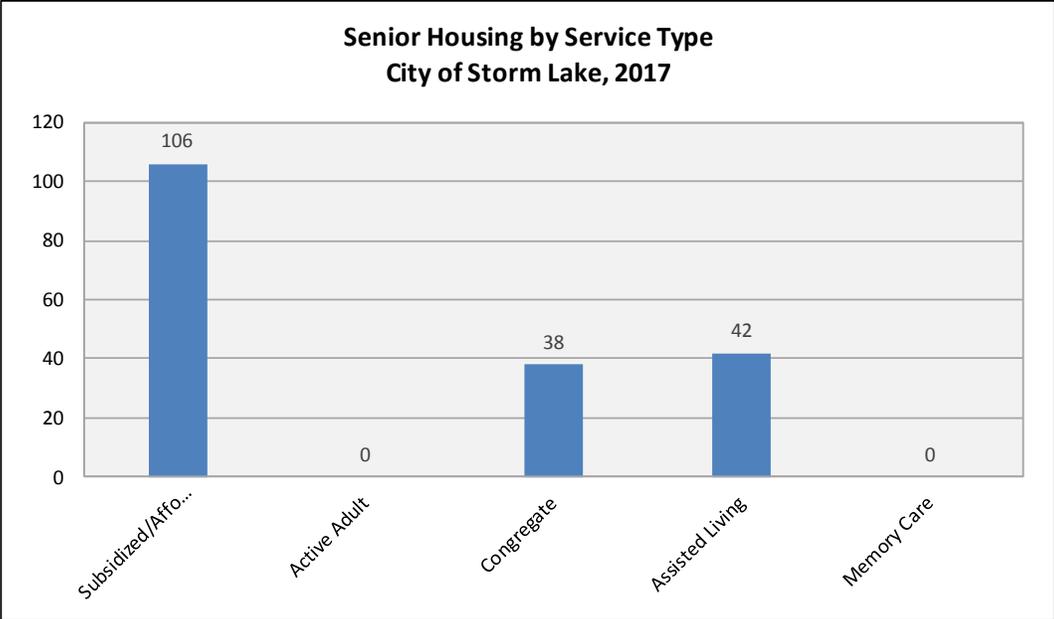
- Subsidized senior housing offers affordable rents to qualified lower income seniors and handicapped/disabled persons. Typically, rents are tied to residents' incomes and based on 30% of adjusted gross income (AGI), or a rent that is below the fair market rent. For those households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available. Affordable projects are typically tax-credit projects that are limited to households earning less than 80% of Buena Vista County's area median income.
- There are a total of 106 subsidized/affordable senior units across two properties. As of July 2017, there were no units available resulting in a vacancy rate of 0%.
- Though senior subsidized/affordable properties do not offer services like daily meals and housekeeping, services can be contracted through separate agencies like Elderbridge Aging Agency and Buena Vista County Public Health and Homemakers.

### ***Congregate***

- *Lake Pointe Villa*, the sole congregate rental complex in Storm Lake, offers one-bedroom and two-bedroom units, combining for a total of 38 units. Monthly fees for a one-bedroom unit range from \$1,490 to \$1,930, while two-bedroom units range from \$3,260 to \$3,860. Lake Pointe Villa also includes daily noon meal and light housekeeping.

### ***Assisted Living***

- Storm Lake has one assisted living facility with 32 one-bedroom units and 10 two-bedroom units. One-bedroom units on average are 632 square feet and two-bedroom units on average are 1,028 square feet. These units include various services, such as three meals a day, eating and bathing, and medication management.



**SENIOR HOUSING ANALYSIS**

<b>TABLE S-1 UNIT MIX/SIZE/COST &amp; OCCUPANCY COMPARISON SENIOR HOUSING DEVELOPMENTS CITY OF STORM LAKE July 2017</b>							
<b>Project Name</b>	<b>Year Built</b>	<b>Total Units</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Base Monthly Fees</b>	<b>Rent per Sq. Ft.</b>	<b>Comments</b>
<b>Subsidized/Affordable Senior</b>							
<b>Storm Lake Senior Housing/McCord Manor</b> 210 13th St E	1978	82 0 0.0%	82 - 1BR	797	30% AGI	N/A	Section 202. Age 62+ or disabled.
<b>Lakeview Manor</b> 904 E Milwaukee Ave	1989	24 0 0.0%	6 - 0BR 18 - 1BR	479 580	30% AGI 30% AGI	N/A N/A	Section 202. Age 62+ or disabled
<b>Congregate</b>							
<b>Lake Pointe Villa (Methodist Manor)</b> 408 Barton St	1998	38 0 0.0%	25 - 1BR 13 - 2BR	596 - 687 870	\$1,490 - \$1,930 \$2,095 - \$2,260	\$2.50 - \$2.81 \$2.41 - \$2.60	Ages 55+
<b>Assisted Living</b>							
<b>Otsego Place (Methodist Manor)</b> 520 Otsego St	2003	42 0 0.0%	32 - 1BR 10 - 2BR	618 - 646 863 - 1,193	\$2,815 - \$2,910 \$3,260 - \$3,860	\$4.50 - \$4.56 \$3.24 - \$3.78	Ages 55+
<b>Senior Total</b>		186					
<i>Estimated Vacancy</i>		0					
Source: Maxfield Research & Consulting, LLC							

**SENIOR HOUSING ANALYSIS**

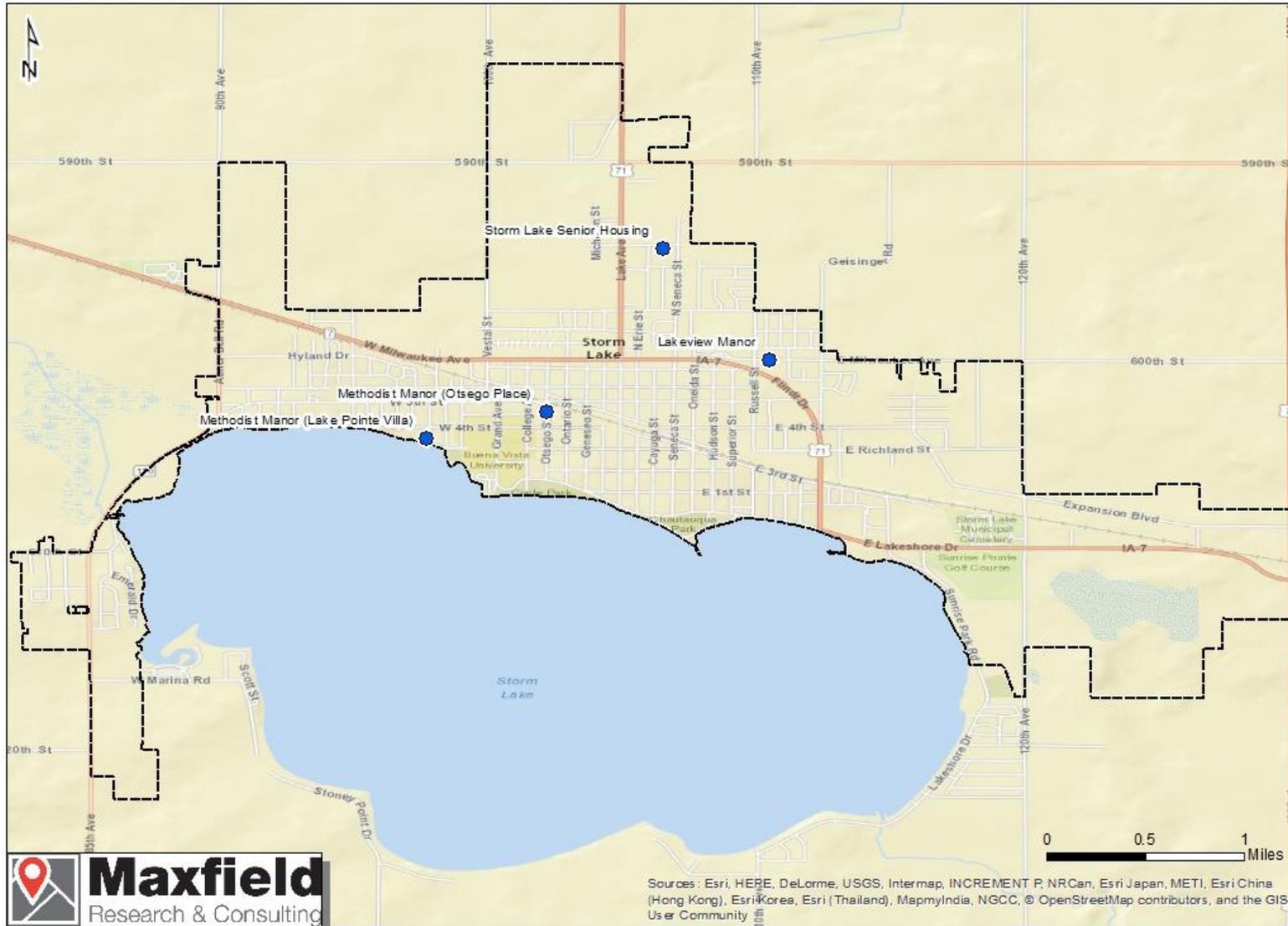
**TABLE S-2  
AMENITY COMPARISON  
COMPETITIVE SENIOR PROJECTS  
STORM LAKE  
July 2016**

	Amenities/Features:															
	<i>Emer. Call</i>	<i>A/C</i>	<i>Disposals</i>	<i>Walk-in Closet</i>	<i>Laundry Facility</i>	<i>Storage</i>	<i>Comm. Rm.</i>	<i>Exercise Rm.</i>	<i>Activity Rm.</i>	<i>Salon</i>	<i>Library</i>	<i>Game/Comp. Rm.</i>	<i>Terrace/porch</i>	<i>Guest Suites</i>	<i>Parking</i>	<b>Other</b>
<b><i>Subsidized/Affordable Senior</i></b>																
<b>Storm Lake Senior Housing/McCord Manor</b>		X	X		X		X		X		X				SP	Pet friendly
<b>Lakeview Manor</b>	X	X	X		X		X		X			X			SP	On-site management & maintenance, free Wi-Fi
<b><i>Congregate</i></b>																
<b>Lake Pointe Villa</b>	X	X	X		X		X	X		X		X		X	DG	Fireside lounge, heated garages
<b><i>Assisted Living</i></b>																
<b>Otsego Place</b>	X	X	X	X	X		X	X	X					X	AG/SP	Transportation assistance, counseling
Note: X = Included or Available, SP = Surface Parking, DG = Detached Garage, AG = Attached Garage																
Source: Maxfield Research & Consulting, LLC																

**SENIOR HOUSING ANALYSIS**

<b>TABLE S-3                      SERVICES COMPARISON                      COMPETITIVE SENIOR PROJECTS                      STORM LAKE                      July 2017</b>					
	Utilities	Activities	Meal Program	Hskpg. & Linens	Health/Misc.
<b>Subsidized/Affordable Senior</b>					
<b>Storm Lake Senior Housing/McCord Manor</b>	Water, electric, and gas included	None	None	None	None
<b>Lakeview Manor</b>	Included	Bingo, potluck brunches, educational in-services	None	None	None
<b>Congregate</b>					
<b>Lake Pointe Villa</b>	Included	Crafts	Daily noon meal	Light housekeeping	Staff assistance if needed
<b>Assisted Living</b>					
<b>Otsego Place</b>	Included	Shopping/ Worship, Recreation, Social	3 Home-cooked meals a day	Eating, Bathing, Toileting assistance, personal hygiene and grooming, dressing assistance, personal laundry	Medication management, physical therapy, oxygen assistance, pharmaceutical service, speech therapy, occupational therapy, radiation therapy, 24-hour nurse assistance, monthly wellness check-up.
Source: Maxfield Research & Consulting, LLC					

### Senior Housing Developments - Storm Lake, IA



Select Senior Housing Projects - Storm Lake, IA



Methodist Manor – Lake Pointe Villa  
408 Barton St



Methodist Manor – Otsego Place  
520 Otsego St



Storm Lake Senior Housing  
210 13<sup>th</sup> St E



Storm Lake Senior Housing  
210 13<sup>th</sup> St E



Lakeview Manor  
904 E Milwaukee Ave



Under Construction – Methodist Manor

### Introduction

Maxfield Research and Consulting LLC analyzed the for-sale housing market in Storm Lake by analyzing data on single-family and multifamily home sales and active listings; inventorying the vacant lot supply in Storm Lake; identifying pending for-sale developments; and conducting interviews with local real estate professionals, developers and planning officials.

### Overview of For-Sale Housing Market Conditions

Table FS-1 presents home resale data on single-family and multifamily housing in Storm Lake from 2000 through the first half of 2017. The data was obtained from the Buena Vista County Assessor and shows annual number of sales, median and average pricing, price per square foot, and home square footages. The following are key points observed from our analysis of this data.

- Between 2005 and 2016 Storm Lake has averaged 127 sales annually. Transactions during this time have ranged from 106 in 2015 to 151 in 2007.
- Since 2005, the median sale price has fluctuated from \$72,500 in 2005 to \$119,000 in 2013. The median sales price has increased annually since 2014 when it was \$90,450 (+29% since 2014).
- The local Storm Lake real estate market did not experience the “highs and lows” that the national real estate market experienced in the 2000s prior to the Great Recession. Housing values in Storm Lake tend to remain rather steady from year to year with steady appreciation annually.
- The average sales price per square foot (“PSF” = average sales price divided by the average square footage) peaked at \$88 PSF in 2016. In 2015, the average price per square foot was \$83, up from \$81 in 2014.
- Considering that Storm Lake has a supply of just over 2,000 owned homes in 2015, this represents turnover of about 7% of the owned homes annually.
- Table FS-1 also presents the average and median home size for all sales between 2005 and 2016. The average home size sold over the past twelve years is 1,406 square feet at the median home sale is 1,311 square feet.

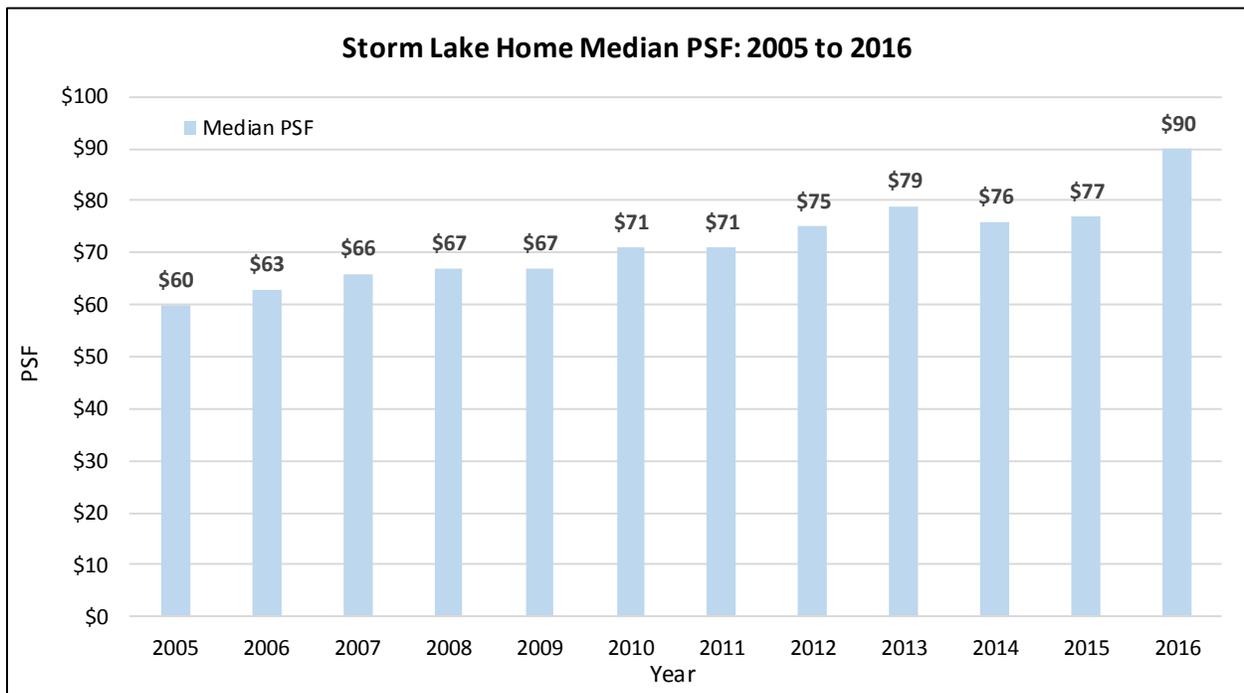
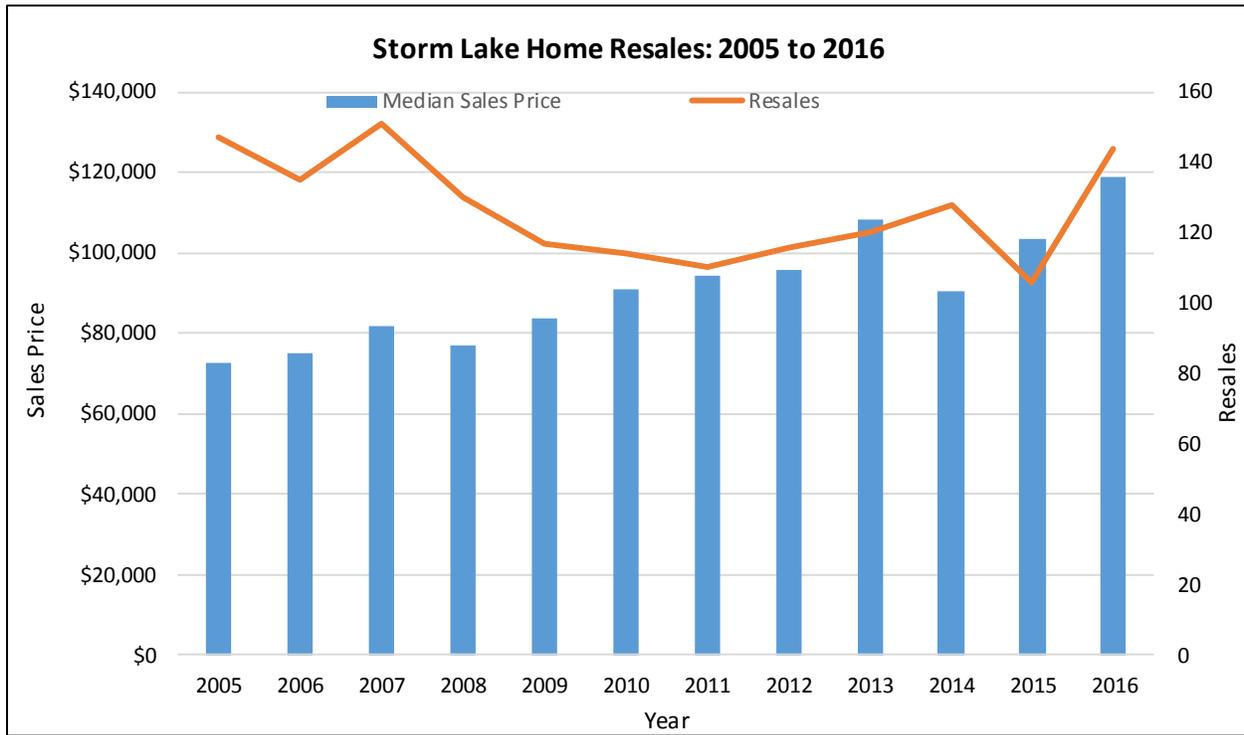
**TABLE FS-1  
STORM LAKE HISTORIC REALES  
2005 to 2017 (1st half)**

Year	Resales	Sales Price		Sq. Ft.		PSF	
		Avg.	Median	Avg.	Median	Avg.	Median
2005	147	\$84,840	\$72,500	1,412	1,240	\$61	\$60
2006	135	\$84,254	\$75,000	1,268	1,168	\$66	\$63
2007	151	\$100,814	\$82,000	1,353	1,248	\$74	\$66
2008	130	\$90,093	\$77,000	1,262	1,174	\$71	\$67
2009	117	\$88,928	\$83,750	1,329	1,248	\$68	\$67
2010	114	\$110,127	\$90,750	1,387	1,281	\$79	\$71
2011	110	\$103,682	\$94,500	1,368	1,281	\$74	\$71
2012	116	\$117,937	\$95,500	1,950	1,955	\$81	\$75
2013	120	\$116,909	\$108,500	1,330	1,230	\$87	\$79
2014	128	\$109,975	\$90,450	1,353	1,214	\$81	\$76
2015	106	\$119,723	\$103,500	1,448	1,342	\$83	\$77
2016	144	\$121,692	\$119,000	1,413	1,354	\$88	\$90
2017*	40	\$104,224	\$98,425	1,284	1,172	\$84	\$82
<b>Avg. (2005-2016)</b>	<b>127</b>	<b>\$104,081</b>	<b>\$91,038</b>	<b>\$1,406</b>	<b>\$1,311</b>	<b>\$76</b>	<b>\$72</b>

\* January to June 2017

Source: Buena Vista Assessor, Maxfield Research & Consulting, LLC

**FOR-SALE MARKET ANALYSIS**



### Home Resales by Price

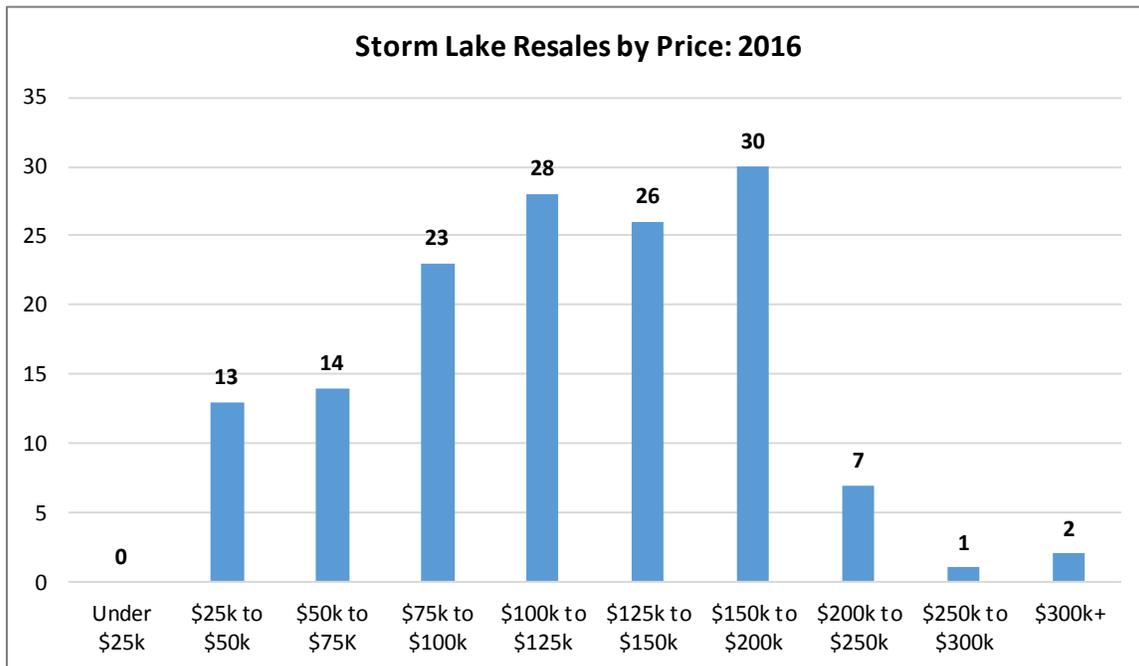
Table FS-2 shows the distribution of sales within 10 price ranges from resales in 2016. The graph on the following page visually displays the sales data. All resales are sourced to the Buena Vista Assessor.

- All the residential transactions that occurred in 2016 were for single-family properties; there were no townhomes or condominiums that sold.
- Overall, 35% of all home resales in 2016 were priced under \$100,000. About 26% of all resales in Storm Lake sold from \$50,000 to \$100,000.
- Nearly 60% of all resales were priced between \$100,000 and \$200,000; however, homes priced from \$100,000 to \$150,000 make-up about 38% of all resales in Storm Lake.
- Based on the median price of \$91,000 in Storm Lake as of 2016, a household's monthly payment (assuming 10% down and principal/interest, insurance, taxes, and 4.0% mortgage interest rate) would be about \$600. The income required to afford a home at this price would be about \$24,000 based on purchasing a home utilizing 30% of their adjusted gross income (and assuming they do not have a high level of debt or existing equity). In 2016, 79% (4,196 households) of Storm Lake's PMA non-senior households had incomes greater than \$27,000, meaning that over three-fourths of non-senior households in the Storm Lake PMA can afford a median-priced home in the city.
- About 7% of Storm Lake transactions in 2016 sold for more than \$200,000; of which only 1.4% sold for more than \$300,000.

**TABLE FS-2  
SALE PRICE DISTRIBUTION  
CITY OF STORM LAKE  
2016**

<b>Price Range</b>	<b>No. of Sales</b>	<b>Pct.</b>
Under \$24,999	0	0.0%
\$25,000 to \$49,999	13	9.0%
\$50,000 to \$74,999	14	9.7%
\$75,000 to \$99,999	23	16.0%
\$100,000 to \$124,999	28	19.4%
\$125,000 to \$149,999	26	18.1%
\$150,000 to \$199,999	30	20.8%
\$200,000 to \$249,999	7	4.9%
\$250,000 to \$299,999	1	0.7%
\$300,000+	2	1.4%
<b>Total</b>	<b>144</b>	<b>100.0%</b>

Source: Buena Vista County Assessor, Maxfield Research & Consulting, LLC



### Current Supply of Homes on the Market

To more closely examine the current market for available owner-occupied housing in Storm Lake, we reviewed the current supply of homes on the market (listed for sale) and pending (active but contingency). Table FS-3 shows homes listed for sale in July 2017 in the Storm Lake Cherokee MLS. MLS listings generally account for the vast majority of all residential sale listings in a given area. Table FS-4 shows listings by decade constructed and Table FS-5 shows listings by housing type. The following points are key findings from our assessment of the active and pending single-family and multifamily homes listed in Storm Lake.

- There were 28 homes were listed for sale in the Storm Lake as of July 2017. However, six of the listings were listed as pending and another nine listings were active but had a contingency. As a result, there are only 13 active listings as of July 2017.
- All the listings in Storm Lake as of July 2017 are for single-family properties. There are no townhomes or condominium listings.
- The median list price in Storm Lake for a single-family home is \$114,500. The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or low-priced home sales in any given year, whereas the median sale price better represents the pricing of a majority of homes in a given market.
- Based on a median list price of \$114,500, the income required to afford a home at this price would be about \$32,700 to \$38,000, based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). A household with significantly more equity (in an existing home and/or savings) could afford a higher priced home. About 54% of Storm Lake PMA households have annual incomes at or above \$32,700.
- There is a large pricing spread between the average and median sale prices in Storm Lake; indicating a several very low-priced homes and higher-end homes that skew the average home price. The average list price of a home in Storm Lake is about \$156,500 compared to a median of \$114,500; a 27% spread between the numbers.
- Approximately 36% of Storm Lake's active and pending listings are priced under \$100,000; most of which are priced between \$50,000 and \$100,000.
- About one third of the active and pending listings are priced between \$100,000 and \$149,999. Exactly 25% of the listings are priced above \$200,000; however only 7% of the listings are priced above \$300,000.
- Overall, the average list price per square foot ("PSF") among all active listings is \$94/foot.

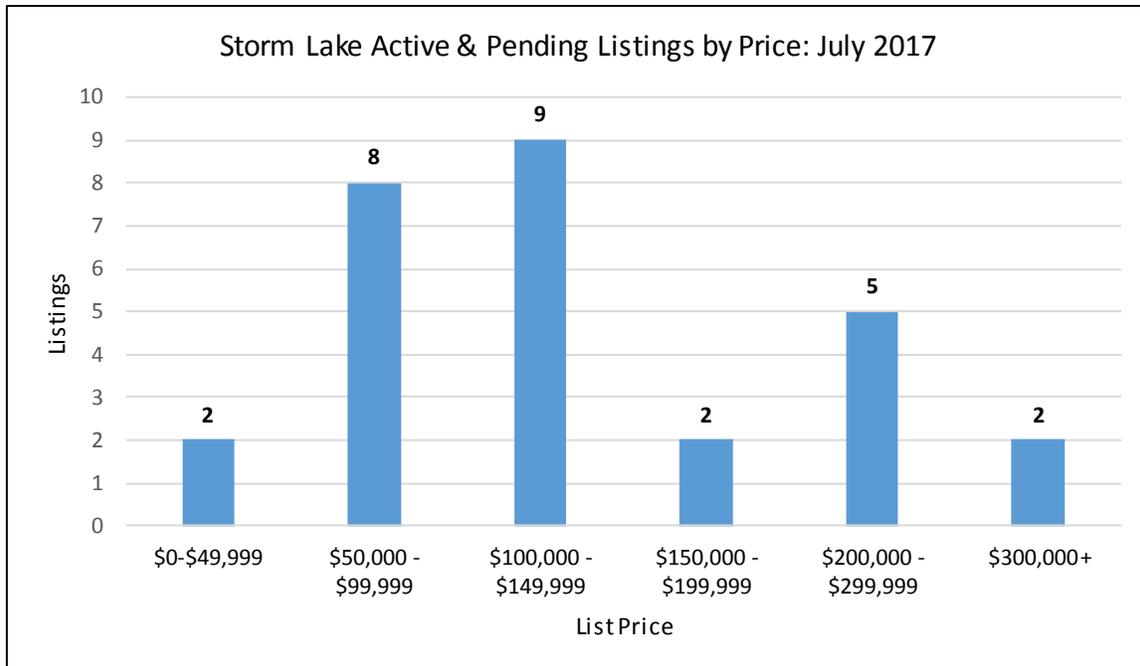
## FOR-SALE MARKET ANALYSIS

**TABLE FS-3  
ACTIVE & PENDING LISTINGS  
STORM LAKE  
July 2017**

Address	Status	Price	Yr. Built	Type	BR	BA	Sq. Ft.	Lot Size	Acres	PSF
719 Ontario St	Active	\$54,000	1890	Single Family	3	1	1,008	8,400	0.19	\$54
1203 W 5th	Active	\$110,000	1954	Single Family	2	2	1,314	9,441	0.22	\$84
917 Kelvin	Active	\$119,000	1975	Single Family	3	3	1,488	16,700	0.38	\$80
400 Terrence	Active	\$130,000	1950	Single Family	3	1	864	3,853	0.09	\$150
218 Irving St	Active	\$131,500	1954	Single Family	2	2	1,442	9,600	0.22	\$91
501 Geneseo St	Active	\$140,500	1920	Single Family	4	2	1,680	10,600	0.24	\$84
1318 Lochedem	Active	\$149,900	1951	Single Family	3	2	1,564	9,100	0.21	\$96
1303 Shoreway	Active	\$188,000	1946	Single Family	4	4	2,128	7,441	0.17	\$88
1204 W 6th St	Active	\$209,000	1951	Single Family	3	3	1,812	9,441	0.22	\$115
114 White Cap Rd	Active	\$239,000	2004	Single Family	3	3	2,566	8,400	0.19	\$93
701 Meadow Ln	Active	\$239,900	1991	Single Family	3	3	1,875	17,769	0.41	\$128
15 Vista Dr	Active	\$369,000	1951	Single Family	4	3	2,196	18,725	0.43	\$168
909 Emerald Dr	Active	\$684,900	2009	Single Family	5	3.5	3,338	18,480	0.42	\$205
610 E 5th	Active-Contigent	\$48,000	1900	Single Family	3	2	923	4,500	0.10	\$52
613 Ontario St	Active-Contigent	\$60,000	1915	Single Family	3	3	1,591	8,400	0.19	\$38
719 Erie	Active-Contigent	\$64,900	1890	Single Family	2	1	896	5,000	0.11	\$72
1105 Seneca St	Active-Contigent	\$82,000	1956	Single Family	2	1	864	7,176	0.16	\$95
230 Superior ST	Active-Contigent	\$85,000	1915	Single Family	3	3	1,229	8,400	0.19	\$69
1215 W 6th St	Active-Contigent	\$109,900	1910	Single Family	4	2	2,384	7,500	0.17	\$46
110 Cayuga	Active-Contigent	\$110,000	1900	Single Family	3	3	1,670	12,880	0.30	\$66
800 Pierce Dr	Active-Contigent	\$219,000	1959	Single Family	4	3	2,043	21,222	0.49	\$107
697 Hyland Dr	Active-Contigent	\$229,500	2017	Single Family	4	3	1,686	14,774	0.34	\$136
516 Seneca St	Pending	\$49,000	1910	Single Family	2	1	820	8,400	0.19	\$60
526 Terrence	Pending	\$82,900	1957	Single Family	2	2	740	2,850	0.07	\$112
1107 Erie	Pending	\$93,000	1959	Single Family	2	1	912	9,301	0.21	\$102
1310 Park St	Pending	\$99,900	1966	Single Family	3	2	988	9,000	0.21	\$101
426 Ontario St	Pending	\$110,000	1918	Single Family	3	2	1,841	8,400	0.19	\$60
1210 W 6th	Pending	\$173,500	1950	Single Family	3	3	2,123	9,442	0.22	\$82
<b>Avg.</b>		<b>\$156,475</b>	<b>1945</b>		<b>3.04</b>	<b>2.30</b>	<b>1,571</b>	<b>10,186</b>	<b>0.23</b>	<b>\$94</b>
<b>Median</b>		<b>\$114,500</b>	<b>1951</b>		<b>3.00</b>	<b>2.00</b>	<b>1,578</b>	<b>9,050</b>	<b>0.21</b>	<b>\$90</b>

Source: Storm Lake Cherokee MLS, Maxfield Research & Consulting, LLC

**FOR-SALE MARKET ANALYSIS**



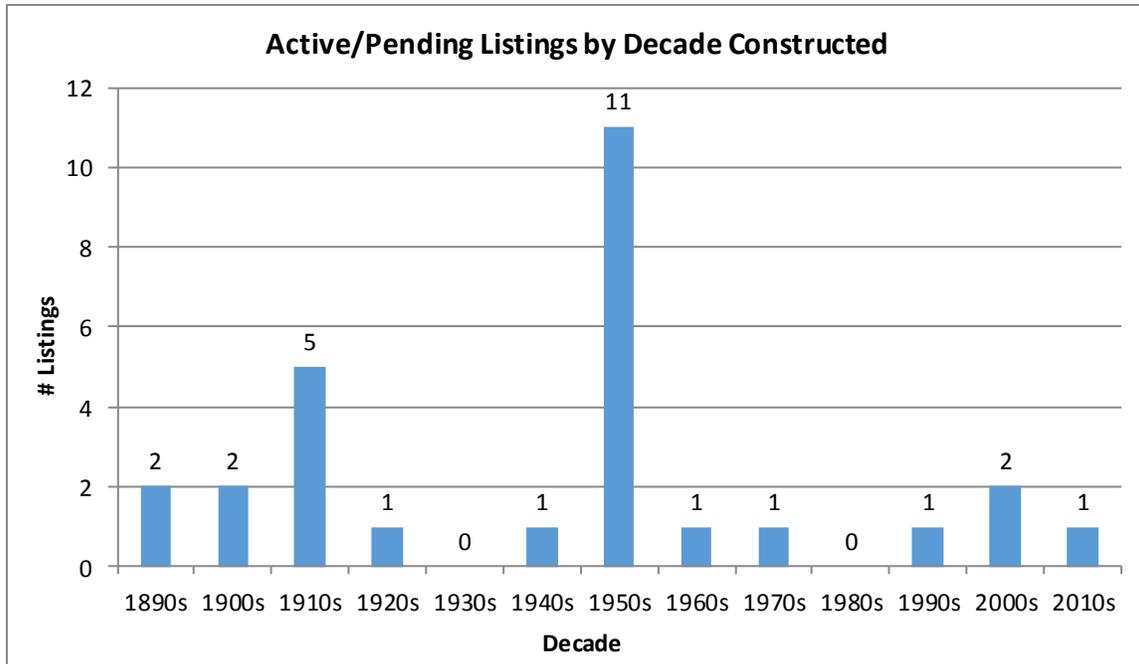
**TABLE FS-4  
LISTINGS BY YEAR BUILT - ACTIVE & PENDING  
STORM LAKE  
July 2017**

<b>Decade</b>	<b>Number of Listings</b>	<b>Avg. List Price</b>
1890 to 1900	2	\$59,450
1900 to 1909	2	\$74,300
1910 to 1919	5	\$82,780
1920 to 1929	1	\$140,500
1930 to 1939	0	\$0
1940 to 1949	1	\$188,000
1950 to 1959	11	\$159,073
1960 to 1969	1	\$99,900
1970 to 1979	1	\$99,900
1980 to 1989	0	\$114,500
1990 to 1999	1	\$239,900
2000 to 2009	2	\$461,950
2010+	1	\$229,500
<b>Subtotal</b>	<b>28</b>	<b>\$1,890,303</b>

Source: Storm Lake Cherokee MLS, Maxfield Research & Consulting LLC

## FOR-SALE MARKET ANALYSIS

- The housing supply is older as only 10% of the listings have been constructed in the past two decades. Table FS-4 shows that the decades the most listings are the 1950s (39%) and the 1910s (18%).



**TABLE FS-5  
ACTIVE/PENDING LISTINGS BY HOUSING TYPE  
STORM LAKE  
July 2017**

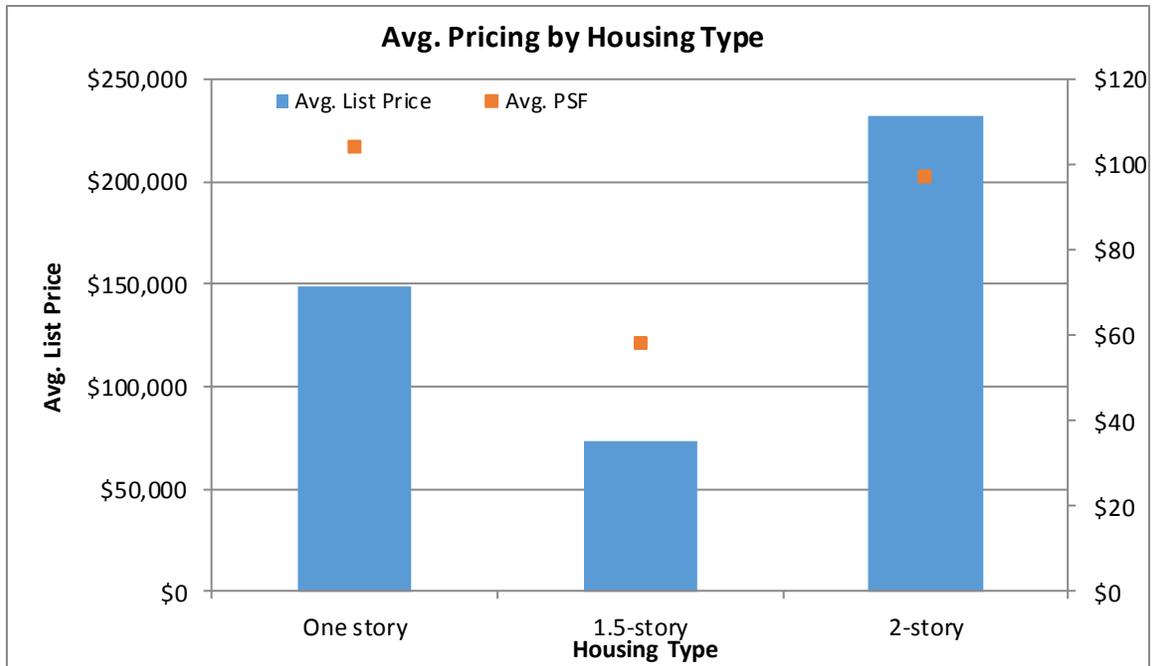
Property Type	Listings	Pct.	Median List Price	Avg. List Price	Avg. Home Size Sq. Ft.	Avg. List Price Per Sq. Ft.	Avg. Age of Home
<b>Single-Family</b>							
One story	16	57.1%	\$124,500	\$149,225	1,370	\$104	1958
1.5-story	5	17.9%	\$64,900	\$73,580	1,296	\$58	1908
2-story	7	25.0%	\$173,500	\$232,257	2,195	\$97	1947
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>\$142,346</b>	<b>\$156,475</b>	<b>\$1,563</b>	<b>\$94</b>	<b>1946</b>

Source: Southeast Iowa Regional MLS, Maxfield Research & Consulting, LLC

- All the active listings in Storm Lake are for single-family homes. Over one-half of the listings are for one-story homes (ranch, ramblers, etc.). Two-story homes make up 25% of the homes for sale, whereas 1.5-stories make-up 18% of the inventory. Most of the 1.5-story homes are older homes located in established neighborhoods.

## FOR-SALE MARKET ANALYSIS

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- Two-story homes have the highest median price at over \$232,000. However two-story homes are significantly larger than other home styles and average nearly 2,200 square feet. One and one-half story homes have the smallest square footages (1,296) and are also the oldest housing stock in Storm Lake.
- Across all single-family listings, the average sales price per square foot is \$94. One and one-half stories have the lowest PSF costs of \$58 and one level homes have the highest PSF costs at \$104.
- According to Realtor Property Resource (“RPR”), the median days on market in Storm Lake is 70 days; compared to 74 in Buena Vista County and 67 in the State of Iowa.

## **Actively Marketing Subdivisions/Vacant Lot Supply**

Tables FS-5 shows an inventory of lots within platted subdivisions in Storm Lake. The table includes information on the total number of lots platted, number of lots developed, lots available, acres, average land and home values, and marketing lot costs. Please note: infill lots and scattered lots are omitted from the table. Key findings follow.

- A total of five subdivisions with 48 vacant developed lots were inventoried in Storm Lake as of July 2017. However, the Storm Lake 3<sup>rd</sup> Addition is still under construction so as of July 2017 there are 27 vacant developed lots shovel ready. However, the majority of the lots are in existing subdivisions with few lots remaining.
- The Storm Lake 3<sup>rd</sup> Addition will be the newest subdivision when completed later this year (2017). The subdivision was developed by the City of Storm Lake and is located on the northeast side of the community off of Oneida Street and Magnolia Lane. The 24-lot subdivision has single-family lots ranging from about 9,600 square feet (0.22 acres) to 13,807 square feet (0.32 acres) and also includes one outlot. At this time three lots have sold (Habitat for Humanity and the school district building trades program) while the city is marketing the lots to builders. Lots are currently marketing for \$15,000/lot with a three lot minimum and 10% down on the land acquisition. Builders have two years to complete the construction process.
- Woodland Creek First Addition received approvals in 2012 and is one of the newest subdivisions in Storm Lake. The 14-lot subdivision is located in southwest Storm Lake and is located along Kelvin Road. Lot sizes range from 0.22 acres to 0.42 acres and average 0.29 acres across all the lots. The lots are not actively marketing at this time; however there has been discussion of rezoning the northern lots along Howard Road into a twinhome concept.
- Collectively, the average lot size among all Storm Lake active subdivisions is 0.31 acres. Lot sizes average 0.20 acres in the Colby Development 1<sup>st</sup> Addition to 0.38 in the remaining lots at West Lake Estates.
- The average assessed lot value in Storm Lake is about \$30,895 among subdivisions with homes previously developed. Combined with the building value, the average home value (lot + land) on newer subdivisions is about \$216,700.
- The average assessed lot value to home value is about 14% in Storm Lake. Typically, in most other markets, the lot-to-home value ratio is higher and approaches 20%. As a result, home buyers in Storm Lake are receiving more house for their dollar than other submarkets with higher land costs.
- The lot supply is driven by single-family, detached homes. There are no actively marketing lots for twinhomes, townhomes, detached townhomes, etc.

**FOR-SALE MARKET ANALYSIS**

**TABLE FS-5  
ACTIVE SINGLE-FAMILY SUBDIVISIONS  
STORM LAKE MARKET AREA  
JULY 2017**

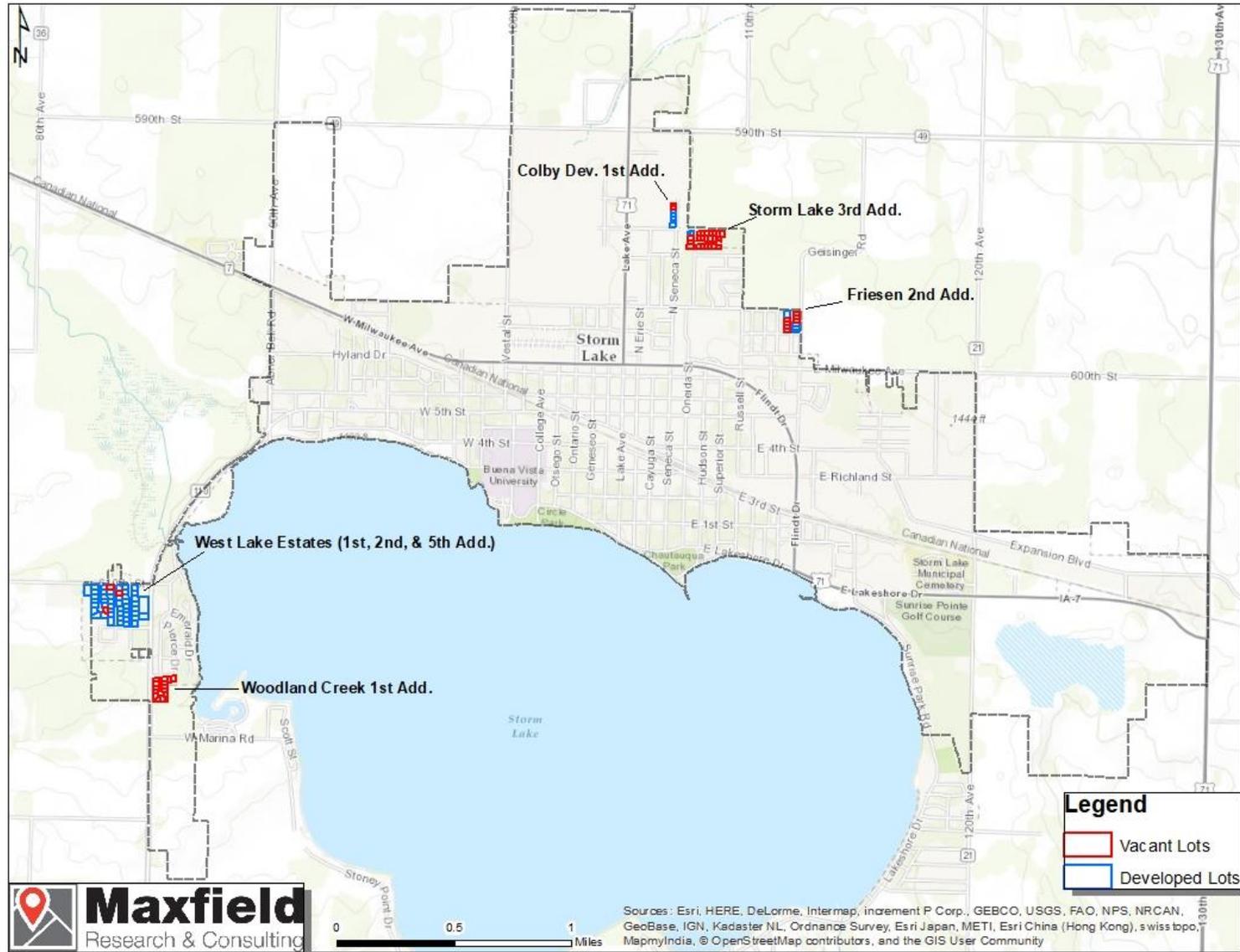
<b>Subdivision/Location</b>	<b>City/Twp.</b>	<b>No. of Lots<sup>1</sup></b>	<b>Vacant/ Avail. Lots</b>	<b>Typical Lot Size (acres)</b>	<b>Average Lot/Land Value<sup>2</sup></b>	<b>Average Home Value<sup>2</sup></b>	<b>Comments</b>
<b>Storm Lake Market Area</b>							
Colby Developments 1st Add.	Storm Lake	7	3	0.20	\$16,095	\$160,593	Marketing at \$14,000/lot
Friesen 2nd Addition	Storm Lake	11	7	0.29	\$26,398	\$198,500	
Storm Lake 3rd Addition	Storm Lake	24	21	0.25	\$576	n/a	City of Storm Lake; marketing lots to builders
West Lake Estates (1st, 2nd, & 5th Add.)	Storm Lake	48	3	0.38	\$34,084	\$229,090	Scattered, infill only remaining vacant
Woodland Creek 1st Add.	Storm Lake	14	14	0.27	\$576		All vacant lots, not actively marketing
<b>Subtotal</b>		<b>104</b>	<b>48</b>	<b>0.31</b>	<b>\$30,895</b>	<b>\$216,727</b>	

<sup>1</sup>Based on total platted lots. In rare cases, a few lots may have been combined thereby reducing the total number of lots in the subdivision

<sup>2</sup>Lot value and home value based on Buena Vista County Assessor data. Vacant lot values excluded in subdivisions where homes have been constructed. Assessed values current as of June/July 2017

Source: Maxfield Research & Consulting, LLC

### Active Single-Family Subdivisions



## FOR-SALE MARKET ANALYSIS

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- Nearly all of the vacant lots are flat lots; or lots that are best for slab-on-grade housing products and/or homes with full basements. There are few lots with topography changes for walk-out or look-out lots.

### Realtor/Builder Interviews

Maxfield Research & Consulting, LLC. interviewed real estate agents and other professionals familiar with Storm Lake 's owner-occupied market to solicit their impressions of the for-sale housing market in the community. The following are key points derived from these interviews.

- The inventory of homes for sale is extremely low; there are just over ten listings for-sale in Storm Lake that do not have a contingency or are pending offers. It is estimated the supply of homes for-sale may be at the lowest ever in Storm Lake.
- Realtors commented that there are significantly more buyers than homes for-sale in Storm Lake. In a normal market, there are about twice as many homes for-sale than there have been this year in Storm Lake.
- Homes are selling fast and in many instances over list price. A home that is priced right will sell within days and some listings will have multiple offers. Sellers are in the driver's seat and will not accept contingencies in this tight market.
- Homes priced under \$200,000 are in the highest demand and sell the fastest. The number of income-qualified buyers decreases over the \$200,000 price point; however, demand is still strong for homes of all price points due to the lack of supply.
- According to Realtor discussions, buyer profiles and generally summarized as follows:
  - Entry-level/first-time buyers: under \$100,000
  - Move-up buyers: \$125,000 to \$200,000
  - New construction: \$225,000+
- Interviewees stated that housing prices reflect area household incomes and wages. As a result, many buyers are price sensitive and cannot afford new construction pricing.
- Realtors see a portion of buyers moving back to Storm Lake after they have started a career elsewhere and desire to be in a smaller community with good schools.
- Employers have voiced concern for hiring and recruiting employees due to the lack of options in Storm Lake. There is a growing concern that new production plants in Sioux City and Eagle Grove could recruit workers away from Storm Lake.

## **FOR-SALE MARKET ANALYSIS**

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- Realtors indicated there is a lack of executive style housing in Storm Lake for professionals and executives. Many of these potential buyers have had to look in other communities because of the lack of quality housing in Storm Lake. Many of these buyers hold out for the opportunity to purchase lake front property on Storm Lake when it becomes available.
- Market rate apartments are in high demand as there are few options for renters seeking nicer apartment products. However, Realtors and developers have not pursued new rental development due to the low rents in Storm Lake and high development costs. As a result, most developers feel it will be difficult to cash flow new market rate apartment development.

### **New Construction**

- New single-family construction will likely command prices of at least \$150 per square foot for basic finishes and amenities. Homes with nicer finishes (i.e. countertops, flooring, etc.) will command over \$165 PSF.
- Most new single-family construction starts around the low \$200,000s for a standard-finish home with base features. Homes with higher-end finishes will likely surpass \$300,000.
- Because of the lack of supply there is a need for virtually any style of home in Storm Lake. Demand exists from everything from ranch/ramblers to split-levels and two-story homes. There is also a demand for duplexes that would be attractive to multi-generational families.
- Although the City of Storm Lake has been actively seeking out housing developers; developers have been unwilling to take on the risk for new subdivisions given the up-front development costs, retail price of the lots, and the lot holding costs. Financial incentives to help bring down the up-front costs may help entice new developers to enter the Storm Lake market.
- Buyers of new single-family homes have gravitated towards larger lot sizes with lot widths of approximately 90 to 100-feet wide.
- Several real estate professionals and other interviewees all mentioned the lack of builders in Storm Lake has held back the new construction home market. Builders outside of Storm Lake are all busy in other markets and these contractors have not been motivated to seek out new communities like Storm Lake. Contractors in Storm Lake that are able to build new construction have not pursued spec construction due to the lack of capital from local bankers. According to interviews, lenders have been hesitant to provide financing to contractors due to the untested new construction market for spec housing.
- Builders mentioned that most construction work must be completed by the contractor to keep costs down and affordable to the end consumer. Builders can't various jobs out to

## **FOR-SALE MARKET ANALYSIS**

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subcontractors without increasing the cost of the home as labor costs increase and there is a lack of subcontractors in the area.

- There are no new homes being constructed in Storm Lake at this time. Realtors have commented they have no inventory to showcase to prospective buyers who are considering new construction.
- Interviewees have commented that tax abatement is critical for the success of a new subdivision as most rural Iowa communities are offering financial incentives to buyers when building new construction. Interviewees stressed Storm Lake should offer incentives to remain competitive with other cities in northern Iowa

### Planned and Proposed Housing Projects

Maxfield Research interviewed planning staff members in Storm Lake in order to identify housing developments under construction, planned, or pending. Table P-1 inventory and summarize the number of housing units by product type that are either recently completed over the past few years, under construction, or are planned to move forward.

- There are several housing developments either planned or speculative in Storm Lake at this time. However, it is unknown at this time if all of the projects on Table P-1 will move forward.
- As identified in the *For-Sale* section of the report, the City of Storm Lake developed the newest subdivision on Magnolia Lane. The 24-lot single-family subdivision is still under construction but is actively marketing lots to builders at this time. Two of the lots have been gifted to the school district for homes to be built by the building trades program and three lots are reserved for Habitat for Humanity.
- The Methodist Manor Retirement Community is currently constructing a major expansion to their campus with the development of a new 85-room, 93-bed skilled nursing facility. The 80,000-square foot building will replace the existing nursing home and is expected to open in 2017.
- The Foutch Brothers have two projects in the works in Storm Lake. First, the developer purchased the South School and is planning on renovating the units into 32 to 34 tax credit units. Construction is estimated to begin in Fall 2017 with a Fall 2018 occupancy. Secondly, the Foutch Brothers have purchased the distressed 3.3-acre former condominium site located on the northwest portion of Storm Lake. The developers have discussed both apartments and/or condominiums on the site but at this time nothing has been formally proposed.
- The owners of a 30-acre site in southwest Storm Lake have expressed an interest in pursuing a new single-family subdivision that would extend Clover Lane. However, at this time nothing has formally been presented to the City.

## PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1  
PLANNED/PENDING RESIDENTIAL PROJECTS  
CITY OF STORM LAKE  
JULY 2017

Project Name	Location	Developer/Applicant	Project Type	Units/Lots	Timing	Comments
<b>Storm Lake</b>						
<b>Storm Lake 3rd Addition</b>	Magnolia Lane	City of Storm Lake	New Single-family Subdivision	24 (Plus outlot)	U/C Avail. ???	City of Storm Lake is developed all lots. Five lots sold as of July 2017, city marketing lots to builders for \$15k/lot and must be purchased 3 at a time
<b>Future SF Subdivision</b>	SW Storm Lake - Access via Clover Lane extension	Lori Mallard Wes LOC Development LLC	Single-family Subdivision		Speculative at this time	30-acre site zoned Agricultural. Future access via Clover Lane or via new street off of 85th Avenue.
<b>Sunset Bay Site</b>	Sunrise Park Rd.	Foutch Brothers	Apartments and/or condos	110 units Phase I = 40-50 units	TBD	Former stalled condo site with 2 building pads complete with UG parking. Preliminary concept would be a condo ownership structure that has the ability to rent units to tenants.
<b>South School Renovation</b>	Irving St.	Foutch Brothers	Apartments (tax credit)	32 to 34	Construction to begin Fall 2017, Est. Occupancy Fall 2018	Developer purchased property from the school district. Developer seeking tax credits and historic preservation programs
<b>Methodist Manor expansion</b>	West 4th Street near Larchwood Dr.	Methodist Manor	Skilled Nursing Facility	93 bed skilled nursing	Under construction Est. Summer 2018	Located on the shores of Storm Lake and connected to existing Methodist campus.

Source: Maxfield Research & Consulting, LLC

**Introduction**

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, many individual properties have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often referred to as “workforce housing,” refers to both rental and ownership housing. Hence the definition is broadly defined as housing that is income-restricted to households earning between 50% and 120% AMI. Figure 1 below summarizes income ranges by definition.

**FIGURE 1**  
**AREA MEDIAN INCOME (AMI) DEFINITIONS**

Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income   Workforce Housing	50% - 120%

Note: 4-person AMI Buena Vista County = \$63,900 (2017)

***Naturally-Occurring Affordable Housing (i.e. Unsubsidized Affordable)***

Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc. Because of these factors, housing costs tend to be lower.

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are scattered across small properties (one to four unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment due to their age, modest rents, and deferred maintenance.

Because many of these housing units have affordable rents, project-based and private housing markets cannot be easily separated. Some households (typically those with household incomes of 50% to 60% AMI) income-qualify for both market rate and project-based affordable housing.

### **Rent and Income Limits**

Table HA-1 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Buena Vista County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by the Iowa Finance Authority based on the date the project was placed into service. Fair market rent is the amount needed to pay gross monthly rent at modest rental housing in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

Table HA-2 shows the maximum rents by household size and AMI based on income limits illustrated in Table HA-1. The rents on Table HA-2 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by two persons.

**HOUSING AFFORDABILITY**

**TABLE HA-1  
HUD INCOME AND RENT LIMITS  
BUENA VISTA COUNTY- 2017**

	Income Limits by Household Size								
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph	
30% of median	\$13,440	\$15,360	\$17,280	\$19,170	\$20,730	\$22,260	\$23,790	\$25,320	
50% of median	\$22,400	\$25,600	\$28,800	\$31,950	\$34,550	\$37,100	\$39,650	\$42,200	
60% of median	\$26,880	\$30,720	\$34,560	\$38,340	\$41,460	\$44,520	\$47,580	\$50,640	
80% of median	\$35,840	\$40,960	\$46,080	\$51,120	\$55,280	\$59,360	\$63,440	\$67,520	
100% of median	\$44,800	\$51,200	\$57,600	\$63,900	\$69,100	\$74,200	\$79,300	\$84,400	
120% of median	\$53,760	\$61,440	\$69,120	\$76,680	\$82,920	\$89,040	\$95,160	\$101,280	
	Maximum Gross Rent								
	EFF	1BR	2BR	3BR	4BR				
30% of median	\$336	\$384	\$432	\$479	\$518				
50% of median	\$560	\$640	\$720	\$798	\$863				
60% of median	\$672	\$768	\$864	\$958	\$1,036				
80% of median	\$896	\$1,024	\$1,152	\$1,278	\$1,382				
100% of median	\$1,120	\$1,280	\$1,440	\$1,597	\$1,727				
120% of median	\$1,344	\$1,536	\$1,728	\$1,917	\$2,073				
	Fair Market Rent								
	EFF	1BR	2BR	3BR	4BR				
Fair Market Rent	\$461	\$476	\$632	\$893	\$979				

Sources: HUD, Novogradac, Maxfield Research and Consulting LLC

## HOUSING AFFORDABILITY

**TABLE HA-2**  
**MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME**  
**BUENA VISTA COUNTY - 2017**

Unit Type <sup>1</sup>	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$336	- \$336	\$560	- \$560	\$672	- \$672	\$896	- \$896	\$1,120	- \$1,120	\$1,344	- \$1,344
1BR	1	2	\$336	- \$384	\$560	- \$640	\$672	- \$768	\$896	- \$1,024	\$1,120	- \$1,280	\$1,344	- \$1,536
2BR	2	4	\$384	- \$479	\$640	- \$799	\$768	- \$959	\$1,024	- \$1,278	\$1,280	- \$1,598	\$1,536	- \$1,917
3BR	3	6	\$432	- \$557	\$720	- \$928	\$864	- \$1,113	\$1,152	- \$1,484	\$1,440	- \$1,855	\$1,728	- \$2,226
4BR	4	8	\$479	- \$633	\$799	- \$1,055	\$959	- \$1,266	\$1,278	- \$1,688	\$1,598	- \$2,110	\$1,917	- \$2,532

<sup>1</sup> One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Buena Vista County AMI is \$63,900 (2017)

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

### Housing Cost Burden

Table HA-3 shows the number and percentage of owner and renter households in Storm Lake and Buena Vista County that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2015 estimates. The Federal standard for affordability is 30% of income for housing costs. There are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. The figures focus on owner households with incomes below \$50,000 and renter households with incomes below \$35,000.

Key findings from Table HA-3 follow.

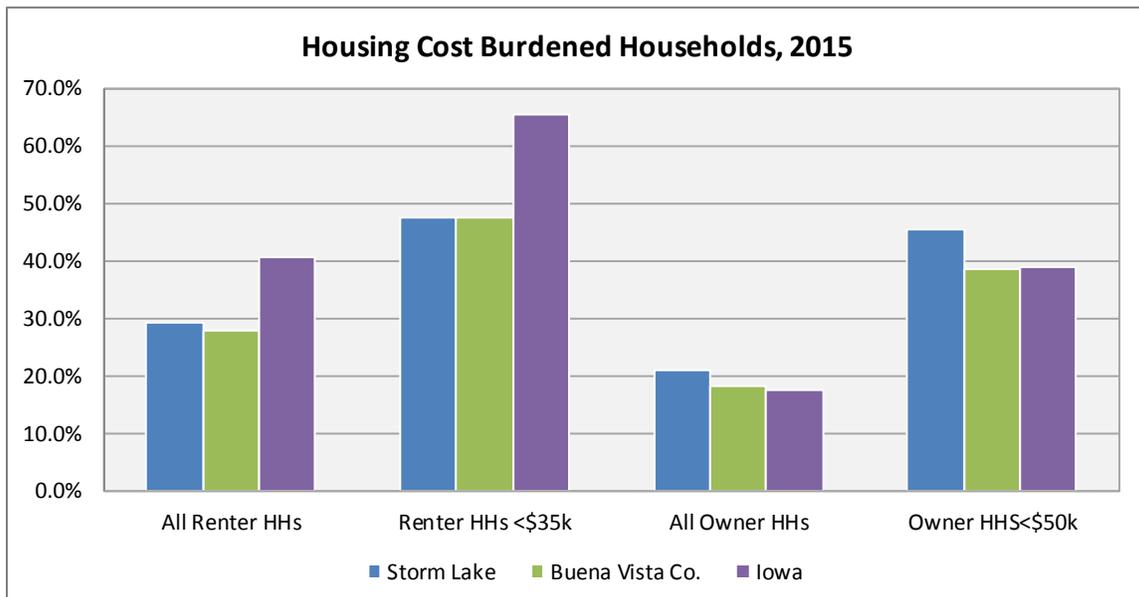
- About 21% of owner households and 29% of renter householders are estimated to be paying more than 30% of their income for housing costs in Storm Lake. Compared to the Iowa average, the percentage of cost burdened households is lower in Storm Lake and Buena Vista County for renter but higher for owners. Iowa cost burdened households are 17.5% for owner households and 40.8% for renter households.
- The number of cost burdened households in Storm Lake increases proportionally based on lower incomes. About 48% of renters with incomes below \$35,000 are cost burdened and 45% of owners with incomes below \$50,000 are cost burdened.
- Median contract rents in Storm Lake and Buena Vista County are lower than the State of Iowa at \$501 and \$462 respectively. The median contract rent in the State of Iowa is \$559 per month.

# HOUSING AFFORDABILITY

**TABLE HA-3  
HOUSING COST BURDEN  
STORM LAKE, BUENA VISTA COUNTY, IOWA  
2015**

	Storm Lake		Buena Vista Co.		Iowa	
	No.	Pct.	No.	Pct.	No.	Pct.
<b>Owner Households</b>						
All Owner Households	2,090		5,263		883,808	
Cost Burden 30% or greater	437	20.9%	955	18.1%	154,472	17.5%
Owner Households w/ incomes <\$50,000	853		2,078		322,091	
Cost Burden 30% or greater	387	45.4%	801	38.5%	125,869	39.1%
<b>Renter Households</b>						
All Renter Households	1,492		2,372		352,601	
Cost Burden 30% or greater	439	29.4%	659	27.8%	143,897	40.8%
Renter Households w/ incomes <\$35,000	902		1,333		202,296	
Cost Burden 30% or greater	430	47.7%	634	47.6%	132,599	65.5%
Median Contract Rent <sup>1</sup>	\$501		\$462		\$559	

<sup>1</sup> Median Contract Rent 2015  
 Note: Calculations exclude households not computed.  
 Sources: American Community Survey 2015 estimates; Maxfield Research and Consulting LLC



### Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households' adjusted gross income. Table HA-4 on the following page illustrates key housing metrics based on housing costs and household incomes in Storm Lake proper. The table estimates the percentage of Storm Lake householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on averages in Storm Lake.

The housing affordability calculations assume the following:

#### For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 4.0% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2015 ACS

#### Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2015 ACS

Because of the down payment requirement and strict underwriting criteria for a mortgage, not all households will meet the income qualifications as outlined above.

- About 84% of existing owner households could afford to buy an entry-level home (\$100,000) in Storm Lake. Furthermore, about 73% of existing owner households could afford to purchase a home of \$150,000.
- About 77% existing renter households can afford to rent a one-bedroom unit in Storm Lake (\$400/month). The percentage of renter income-qualified households decreases to 63% that can afford an existing two-bedroom unit (\$600/month). About 59% of renters could afford to rent a one-bedroom apartment for \$650 per month within a new development.

# HOUSING AFFORDABILITY

TABLE HA-4						
STORM LAKE HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
<b>For-Sale (Assumes 10% down payment and good credit)</b>						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$100,000	\$150,000	\$200,000	\$50,000	\$125,000	\$200,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$10,000	\$15,000	\$20,000	\$5,000	\$12,500	\$20,000
Estimated Closing Costs (rolled into mortgage)	\$3,000	\$4,500	\$6,000	\$1,500	\$3,750	\$6,000
Cost of Loan	\$93,000	\$139,500	\$186,000	\$46,500	\$116,250	\$186,000
Interest Rate	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$444	-\$666	-\$888	-\$222	-\$555	-\$888
(plus) Prop. Tax	-\$145	-\$218	-\$290	-\$73	-\$181	-\$290
(plus) HO Insurance/Assoc. Fee for TH	-\$33	-\$50	-\$67	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$40	-\$60	-\$81	-\$20	-\$50	-\$81
Subtotal monthly costs	-\$663	-\$994	-\$1,325	-\$415	-\$887	-\$1,359
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$26,505	\$39,758	\$53,010	\$16,586	\$35,465	\$54,344
<b>Pct. of ALL Storm Lake HHDS who can afford<sup>1</sup></b>	<b>73.6%</b>	<b>58.4%</b>	<b>44.8%</b>	<b>83.7%</b>	<b>63.2%</b>	<b>43.8%</b>
<b>No. of Storm Lake HHDS who can afford<sup>1</sup></b>	<b>2,635</b>	<b>2,092</b>	<b>1,603</b>	<b>2,997</b>	<b>2,265</b>	<b>1,569</b>
<b>Pct. of Storm Lake owner HHDs who can afford<sup>2</sup></b>	<b>84.1%</b>	<b>72.5%</b>	<b>55.8%</b>	<b>91.8%</b>	<b>78.1%</b>	<b>54.4%</b>
<b>No. of Storm Lake owner HHDs who can afford<sup>2</sup></b>	<b>1,757</b>	<b>1,514</b>	<b>1,167</b>	<b>1,918</b>	<b>1,633</b>	<b>1,137</b>
<b>No. of Storm Lake owner HHDS who cannot afford<sup>2</sup></b>	<b>333</b>	<b>576</b>	<b>923</b>	<b>172</b>	<b>457</b>	<b>953</b>
<b>Rental (Market Rate)</b>						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$400	\$600	\$700	\$650	\$775	\$950
Annual Rent	\$4,800	\$7,200	\$8,400	\$7,800	\$9,300	\$11,400
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$16,000	\$24,000	\$28,000	\$26,000	\$31,000	\$38,000
<b>Pct. of ALL Storm Lake HHDS who can afford<sup>1</sup></b>	<b>84.1%</b>	<b>76.3%</b>	<b>71.8%</b>	<b>74.1%</b>	<b>68.4%</b>	<b>60.4%</b>
<b>No. of Storm Lake HHDS who can afford<sup>1</sup></b>	<b>3,014</b>	<b>2,732</b>	<b>2,573</b>	<b>2,655</b>	<b>2,449</b>	<b>2,164</b>
<b>Pct. of Storm Lake renter HHDs who can afford<sup>2</sup></b>	<b>76.8%</b>	<b>63.0%</b>	<b>54.8%</b>	<b>59.1%</b>	<b>48.3%</b>	<b>34.5%</b>
<b>No. of Storm Lake renter HHDs who can afford<sup>2</sup></b>	<b>1,146</b>	<b>941</b>	<b>818</b>	<b>883</b>	<b>720</b>	<b>515</b>
<b>No. of Storm Lake renter HHDS who cannot afford<sup>2</sup></b>	<b>346</b>	<b>551</b>	<b>675</b>	<b>610</b>	<b>772</b>	<b>977</b>

<sup>1</sup> Based on 2017 household income for ALL households

<sup>2</sup> Based on 2015 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$47,250 vs. renter incomes = \$30,082)

Source: Maxfield Research & Consulting, LLC

### Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Storm Lake and the Storm Lake Market Area. This section of the report presents our estimates of housing demand in Storm Lake and the Market Area from 2017 through 2025.

### Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
  - Often prefer to rent basic, inexpensive apartments
  - Usually singles or couples in their early 20's without children
  - Will often "double-up" with roommates in apartment setting
2. *First-time homebuyers and move-up renters*
  - Often prefer to purchase modestly-priced single-family homes or rent more upscale apartments
  - Usually married or cohabiting couples, in their mid-20's or 30's, some with children, but most are without children
3. *Move-up homebuyers*
  - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
  - Typically, families with children where householders are in their late 30's to 40's
4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
  - Prefer owning but will consider renting their housing
  - Some will move to alternative lower-maintenance housing products
  - Generally, couples in their 50's or 60's
5. *Younger independent seniors*
  - Prefer owning but will consider renting their housing
  - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
  - Generally, in their late 60's or 70's

### 6. *Older seniors*

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally single females (widows) in their mid-70's or older

Demand for housing can come from several sources including: household growth, changes in housing preferences, and replacement need. Household growth necessitates building new housing unless there is enough desirable vacant housing available to absorb the increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing preferred. New housing to meet replacement need is required, even in the absence of household growth, when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

Rural areas tend to have higher proportions of younger households that own their housing than in the larger growth centers or metropolitan areas such as Des Moines or Sioux Falls. In addition, senior households tend to move to alternative housing at an older age. These conditions are a result of housing market dynamics, which typically provide more affordable single-family housing for young households and a scarcity of senior housing alternatives for older households.

The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

## **Housing Demand Overview**

The previous sections of this assessment focused on demographic and economic factors driving demand for housing in the Storm Lake Market Area. In this section, we utilize findings from the economic and demographic analysis to calculate demand for new general occupancy housing units in Storm Lake.

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following points outline several of the key variables driving housing demand.

**HOUSING DEMAND ANALYSIS**

<b>DEMOGRAPHICS &amp; HOUSING DEMAND</b>							
<b>Age Cohort</b>	<b>Student Housing</b>	<b>Rental Housing</b>	<b>1st-time Home Buyer</b>	<b>Move-up Home Buyer</b>	<b>2nd Home Buyer</b>	<b>Empty Nester/ Downsizer</b>	<b>Senior Housing</b>
18-24	18 - 24						
25-29		18-34					
30-34			25-39				
35-39				30-49			
40-44							
45-49							
50-54					40-64		
55-59							
60-64						55-74	
65-69		65-79					
70-74							
75-79							
80-84							
85+							55+ & 65+

Source: Maxfield Research & Consulting, LLC

## HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre <sup>1</sup>
<b>For-Sale Housing</b>	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR   2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR   2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR   2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR   2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/no children	1,200 to 1,600 sq. ft. 2-3 BR   1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR   2BA+	6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+   2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+   2BA+	4.0-6.0 DU/Acre
	Condominiums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 1,700 sq. ft. 1-2 BR   1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
<b>Rental Housing</b>	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR   1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR   2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR   1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
<b>Both</b>	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR   1-2 BA	Varies considerably based on senior product type

<sup>1</sup> Dwelling units(DU) per acre expressed in net acreage (minus right-of-way)

Source: Maxfield Research & Consulting, LLC

### Demographics

Demographics are major influences that drive housing demand. Household growth and formations are critical (natural growth, immigration, etc.), as well as household types, size, age of householders, incomes, etc.

### Economy & Job Growth

The economy and housing market are intertwined; the health of the housing market affects the broader economy and vice versa. Housing market growth depends on job growth (or the prospect of); jobs generate income growth which results in the formation of more households and can stimulate household turnover. Historically low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or dimin-

ishing household growth, which in-turn relates to reduced housing demand. Additionally, low income growth results in fewer move-up buyers which results in diminished housing turnover across all income brackets.

### ***Consumer Choice/Preferences***

A variety of factors contribute to consumer choice and preferences. Many times a change in family status is the primary factor for a change in housing type (i.e. growing families, empty-nest families, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. owner to renter or vice versa), or simply move to a new location.

### ***Supply (Existing Housing Stock)***

The stock of existing housing plays a crucial component in the demand for new housing. There are a variety of unique household types and styles, not all of which are desirable to today's consumers. The age of the housing stock is an important component for housing demand, as communities with aging housing stocks have higher demand for remodeling services, replacement new construction, or new home construction as the current inventory does not provide the supply that consumers seek.

Pent-up demand may also exist if supply is unavailable as householders postpone a move until new housing product becomes available.

### ***Housing Finance***

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

The ability of buyers to obtain mortgage financing has recently become slightly easier as lenders have eased restrictions that had been in place after the Great Recession. As a result, many borrowers are taking the opportunity to seek for-sale housing within their means or home refinancing their current residence.

### ***Mobility***

It is important to note that demand is somewhat fluid between other northwest Iowa communities and will be impacted by development activity in nearby areas, including other communities outside Buena Vista County (i.e. Sioux City, Sioux Falls, Fort Dodge etc.).

### **Estimated Demand for For-Sale Housing**

Table HD-1 presents our demand calculations for general occupancy for-sale housing in the Storm Lake Market Area between 2017 and 2025.

The 65 and older cohort is typically not a target market for new general occupancy for-sale housing, therefore, we limit demand from household growth to only those households under the age of 65. According to our projections, the Storm Lake Market Area is expected to add 260 new households; but 174 households under the age of 65. We estimate that 66% have the propensity to own, which produces demand for 115 new general occupancy for-sale housing units between 2017 and 2025.

Demand is also forecast to emerge from existing Market Area householders through turnover. An estimated 3,619 owner-occupied households under age 65 are located in the Storm Lake Market Area in 2017. Based on mobility data from the Census Bureau, an estimated 52% of owner households will turnover in a nine-year period, resulting in 1,882 existing households projected to turnover. Finally, we estimate 15% of the existing owner households will seek new for-sale housing, resulting in demand for nearly 400 for-sale units through 2025 in the PMA.

Next, we estimate that 25% of the total demand for new for-sale units in the Storm Lake Market Area will come from people currently living outside of the Market Area. A portion of this market will be former residents of the area, such as “snow-birds” heading south for the winters. Adding demand from outside the Storm Lake Market Area to the existing demand potential, results in a total estimated demand for 530 for-sale housing units by 2025.

Based on land available, building trends, and demographic shifts (increasing older adult population), we project 75% of the for-sale owners will prefer traditional single-family product types while the remaining 25% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, detached townhomes, or condominiums).

We then subtract the current identified platted lots that are under construction or approved. After subtracting the current lot supply in subdivisions (48 total single-family lots and zero multi-family) we find total demand through 2025 resulting in 350 new single-family lots and 133 multifamily units/lots.

## HOUSING DEMAND ANALYSIS

Finally, we estimate that 60% of the excess single family demand and 85% of the excess multifamily demand from the Storm Lake Market Area demand could be captured in Storm Lake. **Therefore, total for-sale demand in Storm Lake through 2025 is 113 multifamily lots/units while single-family housing shows demand for 210 additional lots.**

TABLE HD-1 FOR-SALE HOUSING DEMAND STORM LAKE MARKET AREA 2017 to 2025													
<b>Demand from Projected Household Growth</b>													
Projected HH growth under age 65 in the Market Area 2017 to 2025 <sup>1</sup>			174										
(times) % propensity to own <sup>2</sup>	x	66.3%											
(equals) Projected demand from new HH growth	=		<b>115</b>										
<b>Demand from Existing Owner Households</b>													
Number of owner households (age 64 and younger) in Market Area (2017) <sup>3</sup>			3,619										
(times) Estimated percent of owner turnover <sup>4</sup>	x	52%											
(equals) Total existing households projected to turnover	=		1,882										
(times) Estimated percent desiring new housing	x	15.0%											
(equals) Demand from existing households	=		282										
<b>(equals) Total demand from HH growth and existing HHs 2017 to 2025</b>	<b>=</b>		<b>398</b>										
(times) Demand from outside Storm Lake Market Area			25%										
<b>(equals) Total demand potential for ownership housing, 2017 to 2025</b>			<b>530</b>										
		<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="padding: 2px;">Single Family</th> <th style="padding: 2px;">Multi-family*</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">75%</td> <td style="text-align: center; padding: 2px;">25%</td> </tr> <tr> <td style="text-align: center; padding: 2px;">398</td> <td style="text-align: center; padding: 2px;">133</td> </tr> <tr> <td style="text-align: center; padding: 2px;">48</td> <td style="text-align: center; padding: 2px;">0</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><b>350</b></td> <td style="text-align: center; padding: 2px;"><b>133</b></td> </tr> </tbody> </table>	Single Family	Multi-family*	75%	25%	398	133	48	0	<b>350</b>	<b>133</b>	
Single Family	Multi-family*												
75%	25%												
398	133												
48	0												
<b>350</b>	<b>133</b>												
(times) Percent desiring for-sale single-family vs. multifamily <sup>5</sup>	x												
(equals) Total demand potential for new single-family & multifamily for-sale housing	=												
(minus) Units marketing or approved platted lots (undeveloped and developed lots) <sup>6</sup>	-												
(equals) Excess demand for new general occupancy for-sale housing	=												
<b>(times) Percent of Market Area demand capturable by Storm Lake</b>	<b>x</b>	<b>60%</b>	<b>85%</b>										
<b>(equals) number of units/lots supportable by Storm Lake</b>			<b>210      113</b>										
<sup>1</sup> Estimated household growth based on data from Table D-3 as adjusted by Maxfield Research & Consulting, LLC													
<sup>2</sup> Pct. of owner households under the age of 65 (U.S. Census - 2015, ESRI, Maxfield Research). Adjusted by Maxfield Research to account for shift in tenure													
<sup>3</sup> Estimate based on 2010 owner households and new owner household growth 2010 to 2016 (under age 65)													
<sup>4</sup> Based on on turnover from 2010 American Community Survey for households moving over 9-year period; adjusted.													
<sup>5</sup> Based on preference for housing type and land availability													
<sup>6</sup> Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions.													
* Multi-family demand includes demand for townhomes, detached townhomes, twinhomes, and condominium units.													
Source: Maxfield Research & Consulting, LLC													

### Estimated Demand for General-Occupancy Rental Housing

Table HD-2 presents our calculation of general-occupancy rental housing demand in the Storm Lake Market Area. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. A portion of the demand will be drawn from existing households in Storm Lake that want to upgrade their housing situations.

The 65 and older cohort is typically not a target market for new general occupancy rental housing, therefore, we limit demand from household growth to only those households under the age of 65. According to our projections, the Storm Lake Market Area is expected to add 260 new households between 2017 and 2025; 174 of which will be under age 65. We estimate that 34% will be renting their housing, which produces demand for 59 new general occupancy rental housing units between 2017 and 2025.

Demand is also forecast to emerge from existing Market Area householders through turnover. An estimated 1,779 renter-occupied households under age 65 are located in the Storm Lake Market Area in 2017. Based on mobility data from the Census Bureau, an estimated 79% of renter households will turnover in a nine-year period, resulting in 1,406 existing households projected to turnover. Finally, we estimate 18% of the existing renter households will seek new rental housing, resulting in demand for over 250 rental units through 2025. Combining new household growth and turnover demand results in demand for over 300 rental units.

Next, we estimate that 25% of the total demand for new rental units in the Storm Lake Market Area will come from people currently living outside of the Market Area. Adding demand from outside the Storm Lake Market Area to the existing demand potential, results in a total estimated demand for 416 rental housing units by 2025.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that 18% of the total demand will be for subsidized housing (30% AMI), 16% will be for affordable housing (40% to 60% AMI), and 66% will be for market rate housing (non-income restricted).

Next, we subtract housing projects that are under construction or pending, since these projects will satisfy some of the calculated demand for general occupancy rental housing. We have subtracted the South School affordable apartment conversion project at 95% occupancy (30 units); reducing demand to 36 affordable units in the PMA. However, at this time there are no new rental projects in the pipeline.

**Finally, we estimate that a site in Storm Lake can capture 90% of the total subsidized and affordable Market Area demand and 75% of the total market rate Market Area demand, resulting in demand for 67 subsidized units, 33 affordable units, and 206 market rate units in Storm Lake.**

## HOUSING DEMAND ANALYSIS

<b>TABLE HD-2 RENTAL HOUSING DEMAND STORM LAKE MARKET AREA 2017 to 2025</b>			
<b>Demand from Projected Household Growth</b>			
Projected HH growth under age 65 in the Storm Lake Market Area 2017 to 2025 <sup>1</sup>			174
(times) Estimated % to be renting their housing <sup>2</sup>	x	33.7%	
(equals) Projected demand from new HH growth	=		<b>59</b>
<b>Demand from Existing Renter Households</b>			
Number of renter HHs (age 64 and younger) in Storm Lake Market Area (2017) <sup>3</sup>			1,779
(times) Estimated percent of renter turnover <sup>4</sup>	x	79.0%	
(equals) Total existing households projected to turnover	=		1,406
(times) Estimated percent desiring new rental housing	x	18%	
(equals) Demand from existing households	=		253
<b>(equals) Total demand from HH growth and existing HHs 2017 to 2025</b>	<b>=</b>		<b>312</b>
(times) Demand from outside Storm Lake Market Area			25%
<b>(equals) Total demand potential for rental housing, 2017 to 2025</b>			<b>416</b>
		<b>Subsidized</b>	<b>Affordable</b>
(times) Percent of rental demand by product type <sup>5</sup>	x	18%	16%
(equals) Total demand potential for general-occupancy rental housing units	=	75	66
(minus) Units under construction or pending <sup>6</sup>	-	0	30
(equals) Excess demand for new general occupancy rental housing	=	<b>75</b>	<b>36</b>
		<b>274</b>	<b>0</b>
(times) Percent of Market Area demand capturable by Storm Lake	x	90%	90%
<b>(equals) number of units supportable by Storm Lake</b>		<b>67</b>	<b>33</b>
		<b>206</b>	
<sup>1</sup> Estimated household growth based on data from Table D-3 as adjusted by Maxfield Research & Consulting, LLC			
<sup>2</sup> Pct. of renter households under the age of 65 (U.S. Census - 2015, ESRI, Maxfield Research). Adjusted by Maxfield Research to account for tenure shift			
<sup>3</sup> Estimate based on 2010 renter households and new renter household growth 2010 to 2016 (under age 65)			
<sup>4</sup> Based on on turnover from 2010 American Community Survey for households moving over 9-year period; adjusted.			
<sup>5</sup> Based on the combination of current rental product and household incomes of area renters (non-senior households)			
<sup>6</sup> Pending/proposed/under construction at 95% occupancy.			
Source: Maxfield Research & Consulting, LLC.			

It should be noted demand could be higher to account for pent-up housing demand. With pent-up demand (a shortage of units), people who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, live in single-family rentals, or live in housing outside of the area and commute to jobs. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. According to Table R-2, the current general-occupancy rental market had 0.5% vacancy rate, indicating pent-up demand for rental housing units.

### Senior Housing Demand Analysis

Tables DMD-3 and DMD-7 shows demand calculations for senior housing in the Storm Lake Market Area from 2017 to 2025. Demand methodology employed by Maxfield Research & Consulting utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences and patterns. Our demand calculations consider the following target market segments for each product types:

**Market Rate Active Adult Rental and Ownership Housing:** Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or more and senior homeowners with incomes between \$25,000 and \$34,999.

**Affordable/Subsidized Independent Housing:** Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or less.

**Congregate Housing:** Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with congregate housing. Income-ranges considered capable of paying for congregate housing are the same as for active adult housing.

**Assisted Living Housing:** Target market base includes older seniors (age 75+) who would be financially able to pay for private pay assisted living housing (incomes of \$40,000 or more and some homeowners with incomes below \$40,000). Additional demand for subsidized assisted living is not included in this demand but would result in greater demand for assisted living housing if considered.

**Memory Care Housing:** Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with memory care housing. Income ranges considered capable of paying for memory care housing (\$60,000 or more) are higher than other service levels due to the increased cost of care.

Existing senior housing units are subtracted from overall demand for each product type.

# HOUSING DEMAND ANALYSIS

**TABLE HD-3  
MARKET RATE ADULT/FEW SERVICES HOUSING DEMAND  
STORM LAKE MARKET AREA  
2017 & 2025**

	2017			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	1,097	676	505	1,060	796	522
# of Households w/ Incomes of \$24,999 to \$34,999 <sup>1</sup>	+ 137	+ 110	+ 212	+ 121	+ 126	+ 162
(times) Homeownership Rate	x 78%	x 87%	x 73%	x 78%	x 87%	x 73%
(equals) Total Potential Market Base	= 1,204	= 772	= 660	= 1,155	= 906	= 641
(times) Potential Capture Rate	x 0.5%	x 5.0%	x 15.0%	x 0.5%	x 5.0%	x 15.0%
(equals) Demand Potential	= 6	= 39	= 99	= 6	= 45	= 96
<b>Potential Demand from Market Area Residents</b>	= 144			= 147		
(plus Demand from Outside Market Area (25%) <sup>2</sup> )	+ 48			+ 49		
<b>(equals) Total Demand Potential</b>	= 192			= 196		
	<b>Owner-Occupied</b>		<b>Renter-Occupied</b>	<b>Owner-Occupied</b>		<b>Renter-Occupied</b>
(times) % by Product Type	x 35%	x	x 65%	x 35%	x	x 65%
(equals) Demand Potential by Product Type	= 67	=	= 125	= 69	=	= 128
(minus) Existing and Pending MR Active Adult Units <sup>3</sup>	- 0	-	- 0	- 0	-	- 0
<b>(equals) Excess Demand for MR Active Adult Units</b>	= 67	=	= 125	= 69	=	= 128
(times) Percent capturable by a Site in Storm Lake	x 80%	x	x 80%	x 80%	x	x 80%
<b>(equals) # of units supportable by a Site in Storm Lake</b>	<b>= 54</b>	<b>=</b>	<b>= 100</b>	<b>= 55</b>	<b>=</b>	<b>= 102</b>

<sup>1</sup> 2025 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$30,000 and \$39,999.

<sup>2</sup> Based on project manager interviews and historical trends. We estimate that roughly 40% of demand will come from outside the market area.

<sup>3</sup> Existing and pending are deducted at market equilibrium (95% occupancy).

Source: Maxfield Research & Consulting, LLC

# HOUSING DEMAND ANALYSIS

**TABLE HD-4  
AFFORDABLE INDEPENDENT SENIOR HOUSING DEMAND  
STORM LAKE MARKET AREA  
2017 & 2025**

	2017			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes less than \$35,000/\$40,000	432	288	605	448	387	658
(times) Percent Renter Households	x 22%	13%	27%	x 22%	13%	27%
(equals) Total Potential Market Base	= 95	37	162	= 98	50	176
(times) Potential Capture Rate	x 2.0%	10.0%	20.0%	x 2.0%	10.0%	20.0%
<b>(equals) Demand Potential</b>	<b>= 2</b>	<b>4</b>	<b>32</b>	<b>= 2</b>	<b>5</b>	<b>35</b>
<b>Total Market Rate Demand Potential</b>		= 38			= 42	
(plus) Demand from Outside Market Area (40%)		+ 25			+ 28	
<b>(equals) Total Demand Potential</b>		<b>= 63</b>			<b>= 70</b>	
(times) Pct. income-qualified for subds. & affordable	30%		70%	30%		70%
<b>(equals) Demand Potential</b>	19		44	21		49
(minus) Existing and Pending Subs/Aff. Independent Units <sup>1</sup>	102		0	102		0
<b>(equals) Total Demand Potential in Market Area</b>	<b>-83</b>		<b>44</b>	<b>-81</b>		<b>49</b>
(times) Estimated Percent Capturable by a Site in Storm Lake		x 90%			x 90%	
<b>(equals) Excess Demand Capturable by a Site in Storm Lake</b>	<b>0</b>		<b>40</b>	<b>0</b>		<b>44</b>

<sup>1</sup> Includes existing and pending units at 95% occupancy, or market equilibrium. No additional units are planned through 2025.

Source: Maxfield Research & Consulting, LLC

**HOUSING DEMAND ANALYSIS**

<b>TABLE HD-5</b> <b>MARKET RATE CONGREGATE HOUSING DEMAND</b> <b>STORM LAKE MARKET AREA</b> <b>2017 &amp; 2025</b>				
	<b>2017</b>		<b>2025</b>	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	676	505	796	522
# of Households w/ Incomes of \$25,000 to \$34,999 <sup>1</sup>	+ 110	212	+ 126	162
(times) Homeownership Rate	x 87%	73%	x 87%	73%
(equals) Potential Market	= 96	155	= 110	118
(equals) Total Potential Market Base	= 772	660	= 906	640
(times) Potential Capture Rate <sup>2</sup>	x 1.5%	11.0%	x 1.5%	11.0%
(equals) Demand Potential	= 12	+ 73	= 14	+ 70
<b>Potential Demand from Market Area Residents</b>	= 84		= 84	
(plus) Demand from Outside Market Area (25%)	+ 28		+ 28	
<b>(equals) Total Demand Potential</b>	= 112		= 112	
(minus) Existing and Pending Congregate Units <sup>3</sup>	- 36		- 36	
<b>(equals) Excess Demand for Congregate Units</b>	= 76		= 76	
(times) Percent capturable by a Site in Storm Lake	80%		80%	
<b>(equals) # of units supportable by a Site in Storm Lake</b>	<b>61</b>		<b>61</b>	

<sup>1</sup> 2025 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$30,000 and \$49,999.

<sup>2</sup> The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2007 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for assisted living.).

<sup>3</sup> Existing and pending are deducted at market equilibrium (95% occupancy).

Source: Maxfield Research & Consulting, LLC

# HOUSING DEMAND ANALYSIS

**TABLE HD-6  
MARKET RATE ASSISTED LIVING DEMAND  
STORM LAKE MARKET AREA  
2017 & 2025**

Age group	2017			2025		
	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>
75 - 79	550	25.5%	<b>140</b>	649	25.5%	<b>165</b>
80 - 84	473	33.6%	<b>159</b>	486	33.6%	<b>163</b>
85+	687	51.6%	<b>354</b>	649	51.6%	<b>335</b>
<b>Total</b>	<b>1,710</b>		<b>654</b>	<b>1,784</b>		<b>664</b>
<b>Percent Income-Qualified<sup>2</sup></b>			<b>48%</b>			<b>45%</b>
Total potential market			312			299
(times) Percent living alone			x 52%			52%
(equals) Age/income-qualified singles needing assistance			= 164			156
(plus) Proportion of demand from couples (12%) <sup>3</sup>			+ 22			21
(equals) Total age/income-qualified market needing assistance			= 186			178
(times) Potential penetration rate <sup>4</sup>			x 40%			40%
(equals) Potential demand from PMA residents			= 74			71
(plus) Proportion from outside the PMA (40%)			+ 50			47
(equals) Total potential assisted living demand			= 124			119
(minus) Existing market rate assisted living units <sup>5</sup>			- 39			39
<b>(equals) Total excess market rate assisted living demand</b>			<b>= 85</b>			<b>80</b>
(times) Percent of demand capturable by a Site in Storm Lake			x 80%			80%
<b>(equals) Excess assisted living demand capturable at a Site in Storm Lake</b>			<b>= 68</b>			<b>64</b>

<sup>1</sup> The percentage of seniors unable to perform or having difficulty with ADLs, based on the 2008 Survey of Income and Program Participation (SIPP) files, conducted by the U.S. Census Bureau.

<sup>2</sup> Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).

<sup>3</sup> The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.

<sup>4</sup> We estimate that 60% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.

<sup>5</sup> Existing and pending units at 93% occupancy. We exclude 15% of units to be Home and Community Based Waiver recipients.

Source: Maxfield Research & Consulting, LLC

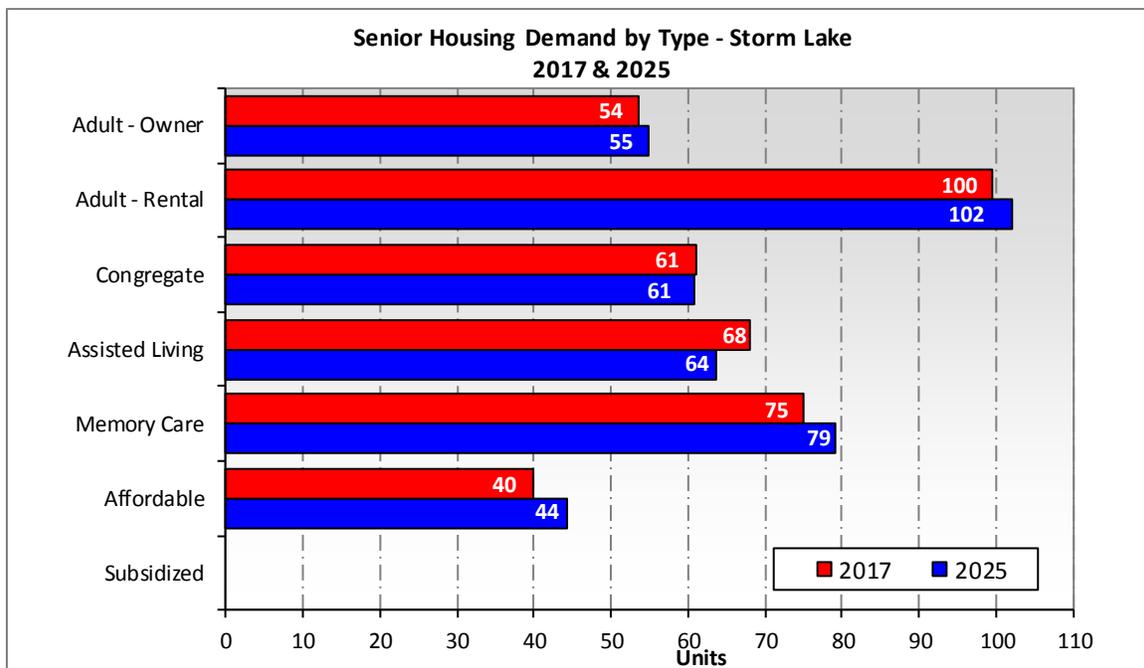
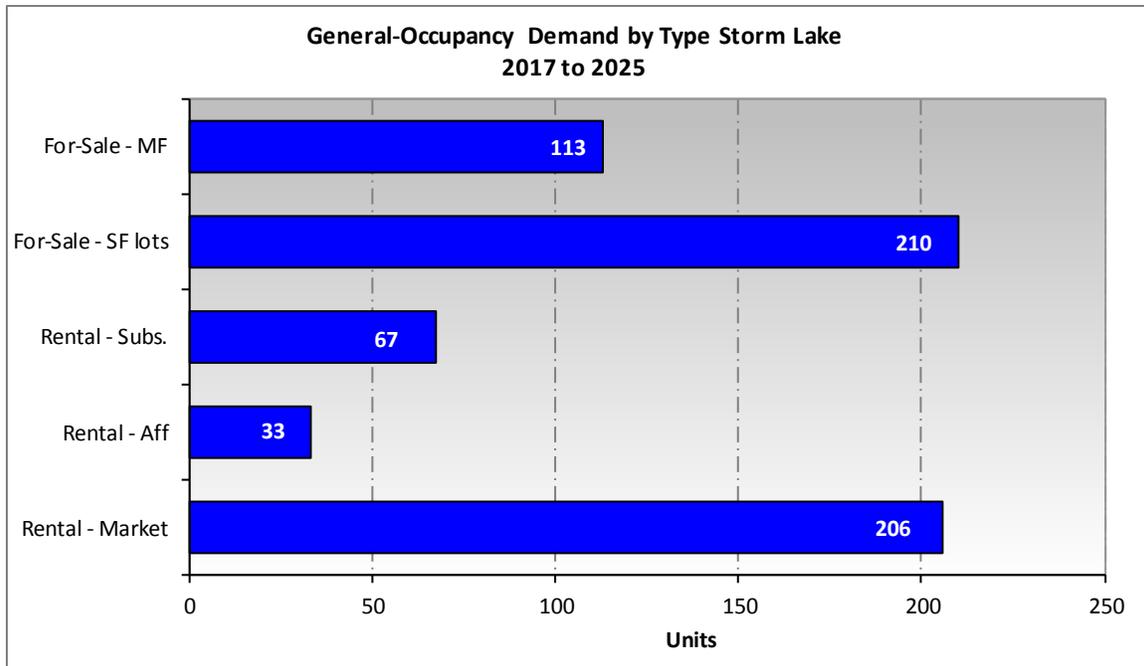
<b>TABLE HD-7 MEMORY CARE DEMAND STORM LAKE MARKET AREA 2017 &amp; 2025</b>		
	<b>2017</b>	<b>2025</b>
65 to 74 Population	1,667	1,682
(times) Dementia Incidence Rate <sup>1</sup>	x 2%	x 2%
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 33	= 34
75 to 84 Population	1,023	1,116
(times) Dementia Incidence Rate <sup>1</sup>	x 19%	x 19%
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 194	= 212
85+ Population	687	669
(times) Dementia Incidence Rate <sup>1</sup>	x 42%	x 42%
(equals) Estimated Age 85+ Pop. with Dementia	= 289	= 281
<b>(equals) Total Senior Population with Dementia</b>	<b>= 516</b>	<b>= 527</b>
(times) Percent Income/Asset-Qualified <sup>2</sup>	x 49%	x 50%
(equals) Total Income-Qualified Market Base	= 250	= 263
(times) Percent Needing Specialized Memory Care Assistance	x 25%	x 25%
(equals) Total Need for Dementia Care	= 63	= 66
(plus) Demand from Outside Market Area (25%)	+ 21	+ 22
Total Demand Potential	= 83	= 88
(minus) Existing and Pending Memory Care Units <sup>3</sup>	- 0	- 0
<b>(equals) Excess Demand for Memory Care Units</b>	<b>= 83</b>	<b>= 88</b>
(times) Percent capturable by a Site in Storm Lake	x 90%	x 90%
<b>(equals) # of units supportable by a Site in Storm Lake</b>	<b>= 75</b>	<b>= 79</b>
<sup>1</sup> Alzheimer's Association: Alzheimer's Disease Facts & Figures (2009) <sup>2</sup> Includes seniors with income at \$60,000 or above plus 30% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing. Households with incomes at \$65,000+ for 2025 calculations due to inflation. <sup>3</sup> Existing memory care units less units occupied by public pay residents and a 7% vacancy rate.		
Source: Maxfield Research & Consulting, LLC		

**Introduction/Overall Housing Recommendations**

This section summarizes demand calculated for specific housing products in Storm Lake and recommends development concepts to meet the housing needs forecast for the City. All recommendations are based on findings of the *Comprehensive Housing Needs Assessment*. The following table and charts illustrate calculated demand by product type. It is important to recognize that housing demand is highly contingent on projected household growth; household growth could be higher should increased job growth ensue and the overall economy continues to improve.

<b>TABLE CR-1 SUMMARY OF HOUSING DEMAND STORM LAKE MARKET AREA 2017 to 2025</b>				
<b>Type of Use</b>	<b>Demand in Market Area</b>		<b>Demand in Storm Lake</b>	
	<b>2017-2025</b>		<b>2017-2025</b>	
<b>General-Occupancy</b>				
Rental Units - Market Rate	274		206	
Rental Units - Affordable	36		33	
Rental Units - Subsidized	75		67	
For-Sale Lots - Single-family	350		210	
For-Sale Units/Lots - Multifamily	133		113	
<b>Total General Occupancy Supportable</b>	<b>868</b>		<b>628</b>	
	<b>Demand in Market Area</b>		<b>Demand in Storm Lake</b>	
	<b>2017</b>	<b>2025</b>	<b>2017</b>	<b>2025</b>
<b>Age-Restricted (Senior)</b>				
<b>Market Rate</b>				
Adult Few Services (Active Adult)	192		196	
<i>Ownership</i>	67		69	
<i>Rental</i>	125		128	
Congregate	76		76	
Assisted Living	85		80	
Memory Care	83		88	
<b>Total Market Rate Senior Supportable</b>	<b>436</b>		<b>440</b>	
<b>Affordable/Subsidized</b>				
Active Adult - Subsidized	0		0	
Active Adult - Affordable	44		49	
<b>Total Affordable Senior Supportable</b>	<b>44</b>		<b>49</b>	
Note: Demand subtracts projects under construction or planned projects. In addition, all vacant single-family lots in newer subdivisions are subtracted.				
Source: Maxfield Research & Consulting, LLC.				

## RECOMMENDATIONS AND CONCLUSIONS



Based on the finding of our analysis and demand calculations, Table CR-2 provides a summary of the recommended development concepts by product type for the City of Storm Lake. It is important to note that these proposed concepts are intended to act as a development guide to most effectively meet the housing needs of existing and future households in Storm Lake. The recommended development types do not directly coincide with total demand as illustrated in Table CR-1.

## RECOMMENDATIONS AND CONCLUSIONS

TABLE CR-2 RECOMMENDED HOUSING DEVELOPMENT STORM LAKE 2017 to 2025					
	Purchase Price/ Monthly Rent Range <sup>1</sup>	No. of Units	Pct. of Total	Development Timing	
<b>Owner-Occupied Housing (General-Occupancy)</b>					
<b>Single-Family<sup>2</sup></b>					
	Entry-Level	<\$200,000	22 - 24	29%	2017+
	Move-up	\$200,000 - \$300,000	36 - 40	48%	2017+
	Executive	\$300,000+	18 - 20	24%	On-going
	<b>Total</b>		<b>76 - 84</b>	<b>100%</b>	
<b>Townhomes/Detached Townhomes/Twin Homes/Condominiums</b>					
	Entry-level	<\$160,000	12 - 14	25%	2017+
	Move-up	\$160,000 to \$250,000	20 - 24	42%	2017+
	Executive	\$250,000+	16 - 20	34%	2017+
	<b>Total</b>		<b>48 - 58</b>	<b>100%</b>	
<b>Total Owner-Occupied</b>			<b>124 - 142</b>		
<b>General Occupancy Rental Housing</b>					
	Affordable Rental Housing/Townhomes	Income guidelines	30 - 32	17%	2020+
	Market Rate Rental Housing	\$675/1BR - \$975/3BR	120 - 130	68%	On-going
	Market Rate Rental Townhomes	\$800/2BR - \$1,050/3BR	24 - 30	15%	2017+
	<b>Total</b>		<b>174 - 192</b>	<b>100%</b>	
<b>Senior Housing</b>					
	Active adult affordable rental <sup>3</sup>	Moderate-income	40 - 44	15%	2017+
	Active adult market rate rental	\$700 - \$1,100	50 - 60	20%	2020+
	Active Adult Senior Coop	\$50,000 to \$125,000	45 - 55	18%	2018+
	Congregate (Independent Living)	\$1,500 - \$2,000	40 - 50	17%	2018+
	Assisted Living	\$2,750/EFF - \$4,000/2BR	50 - 60	20%	2019+
	Memory Care	\$4,200 - \$5,500	20 - 30	9%	2017+
	<b>Total</b>		<b>245 - 299</b>	<b>100%</b>	
<b>Total - All Units</b>			<b>543 - 633</b>		
<sup>1</sup> Pricing in 2017 dollars. Pricing can be adjusted to account for inflation. <sup>2</sup> Recommendations include the absorption of some existing previously platted lots. <sup>3</sup> Affordable project could be combined with market rate active adult into a mixed-income community  <b>Note - Recommended development does not coincide with total demand. Storm Lake may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)</b>					
Source: Maxfield Research & Consulting, LLC					

### Recommended Housing Product Types

#### *For-Sale Housing*

##### *Single-Family Housing*

Table HD-1 identified demand for nearly 500 single-family housing units in the Storm Lake Market Area through 2025. However, after accounting for the existing 48 vacant single-family newer lots in the Storm Lake area (see Table FS-5) and the portion capturable in Storm Lake proper (60%); demand is found for just over 200 single-family homes in Storm Lake through 2020.

The lot supply benchmark for growing communities is a three- to five-year lot supply, which ensures adequate consumer choice without excessively prolonging developer-carrying costs. Given the number of existing platted lots in Storm Lake and the number of homes constructed annually, the current lot supply is able to meet the demand in the short-term. However, we stress that the existing lot supply is limited to mainly two subdivisions and additional lot supply is needed to ensure more choice for buyers. Therefore, we recommend new lots should be platted now to ensure an adequate lot supply to meet demand.

Through our analysis and interviews, we find strong need for new single-family housing product in Storm Lake. Maxfield Research finds demand for all price points of new single-family homes. We recommend that an additional 76 to 84 single-family homes be built in Storm Lake through 2025, of which 22 to 24 would be entry-level (under \$200,000), 36 to 40 would be move-up (\$200,000 to \$300,000), and 18 to 20 would be executive homes (over \$300,000).

Due to the historical resale values in Storm Lake, the existing resale market will appeal to most entry-level buyers as the median sales price was \$119,000 and 35% of resales were priced under \$100,000 in 2016. However, there is strong demand for entry-level new construction priced under \$200,000. Nonetheless, it is very difficult to develop and build new construction for less than \$200,000 due to a variety of factors (i.e. land, infrastructure, materials and labor, etc.). Therefore, a private-public partnership will be needed to deliver new single-family construction priced under \$200,000.

A move-up buyer or step-up buyer is typically one who is selling one house and purchasing another one, usually a larger and more expensive home. Usually the move is desired because of a lifestyle change, such as a new job or a growing family. Move-up new construction homes are generally priced from around \$200,000 to \$300,000 and will be customized. Executive-level homes are loosely defined as those homes priced above \$300,000 and will be built-to-suite and highly customized.

## RECOMMENDATIONS AND CONCLUSIONS

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Through our windshield surveys and discussions with Realtors and builders, there are few available lots for move-up or executive buyers in Storm Lake. Many of the available lots are infill lots or are flat lots and lack tree foliage. There are no available walk-out lots or lots on water that would appeal to a broader base of new construction buyers. In order to accommodate a variety of single-family types and price points, we recommend a balance of standard and premium lots in new subdivisions. Lots that have the necessary slope for a garden level or walkout basement will be lots with premiums. Premiums may also result from other lot types, such as: sites backing up to open space, look-out views, cul-de-sac lots, and oversized lots. We recommend walk-out basements in units wherever topography allows. Typically, a walkout requires a six- to eight-foot drop from the front of the home to its rear. Generally, we find a lack of walk-out lots in Storm Lake.

In addition, the standard lot size in Storm Lake has been larger as buyers have sought out lots with acreages of 0.31 or more and lot frontage of 85 to 100-foot wide. Because of the larger lot frontages and sizes, the final lot costs are higher due to lower-density which drives up the retail price of the home. If entry-level new construction homes are pursued, lot widths will need to be reduced to increase densities to reduce the lot costs to the consumer. Lot sizes of 0.25 units per acre (80-wide) would help bring down new lot development costs. In many real estate markets across the Midwest lot sizes are trending downward to help minimize lot development and infrastructure costs.

### ***For-Sale Multifamily Housing***

A growing number of households desire alternative housing types such as townhouses, twinhomes, detached townhomes, and twinhomes. Typically, the target market for for-sale multifamily housing is empty-nesters and retirees seeking to downsize from their single-family homes. In addition, professionals, particularly singles and couples without children, also will seek townhomes if they prefer not to have the maintenance responsibilities of a single-family home. In some housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes.

Storm Lake is predominantly a single-family housing market with few options for those buyers seeking association-maintained communities. A review of Storm Lake's owner-occupied housing stock finds that 94% of the for-sale housing in Storm Lake is detached single-family housing.

Table HD-1 found demand for over 110 for-sale multifamily units in Storm Lake through 2025. Because of the lack of supply, aging demographics, and desire for association-maintained housing from other age cohorts, Storm Lake would benefit from the development of more alternative housing product types.

These units could be developed as twin homes, duplexes, detached townhomes or villas, townhomes/row homes, or any combination. Because the main target market is usually empty-nesters and young seniors, the majority of townhomes should be one-level, or at least have a

## RECOMMENDATIONS AND CONCLUSIONS

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master suite on the main level if a unit is two-stories. We recommend a variety of for-sale multifamily products across all price points that will appeal to a wide profile of buyers. Because of the diverse population in Storm Lake there may also be demand for multi-generational housing in Storm Lake for extended families.

The following provides greater detail into townhome and twinhome style housing.

- *Twinhomes*– By definition, a twin home is basically two units with a shared wall with each owner owning half of the lot the home is on (a duplex if two units on one individual lot). The swell of support for twinhome and one-level living units is generated by the aging baby boomer generation, which is increasing the numbers of older adults and seniors who desire low-maintenance housing alternatives to their single-family homes but are not ready to move to service-enhanced rental housing (i.e. downsizing or right sizing).

Traditionally most twin home developments have been designed with the garage being the prominent feature of the home; however, today's newer twin homes have much more architectural detail. Many higher-end twin home developments feature designs where one garage faces the street and the other to the side yard. This design helps reduce the prominence of the garage domination with two separate entrances. Housing products designed to meet the needs of these aging Storm Lake residents, many of whom desire to stay in their current community if housing is available to meet their needs, will be needed into the foreseeable future.

Twinhomes are also a preferred for-sale product by many builders across the Midwest as units can be developed as demand warrants. Because twinhomes bring higher density and economies of scale to the construction process, the price point can be lower than stand-alone single-family housing. Move-up twin homes have especially been popular in other markets over the past few years and have commanded price premiums. Twin homes have also been popular in other Iowa communities as infill redevelopment near the Downtown areas of a community.

- *Detached Townhomes/Villas* – An alternative to the twinhome is the one-level villa product and/or rambler. This product also appeals mainly to baby boomers and empty nesters seeking a product similar to a single-family living on a smaller scale while receiving the benefits of maintenance-free living. Many of these units are designed with a walk-out or lookout lower level if the topography warrants. We recommend lot widths ranging from 45 to 55 feet with main-level living areas between 1,600 and 1,800 square feet. The main level living area usually features a master bedroom, great room, dining room, kitchen, and laundry room while offering a “flex room” that could be another bedroom, office, media room, or exercise room. However, owners should also be able to purchase the home with the option to finish the lower level (i.e. additional bedrooms, game room, storage, workshop, den/study, etc.) and some owners may want a slab-on-grade product for affordability reasons. Finally, builders could also provide the option to build a two-story detached product that could be mixed with the villa product.

## RECOMMENDATIONS AND CONCLUSIONS

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Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing for a slab-on-grad villa should start at \$160,000 and will fluctuate based on custom finishes, upgrades, etc.

- *Side-by-Side and Back-to-Back Townhomes* – This housing product is designed with three or four or more separate living units in one building and can be built in a variety of configurations. With the relative affordability of these units and multi-level living, side-by-side and back-to-back townhomes have the greatest appeal among entry-level households without children, young families and singles and/or roommates across the age span. However, two-story townhomes would also be attractive to middle-market, move-up, and empty-nester buyers. Many of these buyers want to downsize from a single-family home into maintenance-free housing, many of which will have equity from the sale of their single-family home. This for-sale product type in Storm Lake could be priced the most economically targeting the \$160,000 to \$200,000 price point.
- *Duplexes* – A duplex is simply one housing unit divided into two separate units with a common wall structure. Duplexes can take many forms; either a side-by-side or a two-story structure. Many buyers and real estate investors seek out duplexes to live in one of the units while renting the other side. Duplexes can also be a popular concept for families who desire to have relatives next door resulting in a multi-generation housing arrangement. Because of the diversity in Storm Lake, duplexes could be a sought-after housing type for those buyers who desire a multi-generational housing concept.
- *Condominiums* – A condominium is a group of housing units where each homeowner owns their individual housing unit; however, all the units have a percentage share of all the common areas. All the land in a condominium project is owned by the condominium association, hence there is no individual ownership of the land. In most cases the exterior features of the building are insured by the condominium association while the interior walls are insured by the homeowner. Historically condominiums have been multi-family complexes, however in some cases single-family subdivisions or townhomes have been designed to be condominiums.

### ***General Occupancy Rental Housing***

Our competitive inventory identified that the vacancy rates for all types of general occupancy rental product is extremely low with an overall vacancy rate of only 0.5%. The vacancy rate was 1.1% for subsidized housing, 0.5% for affordable housing, and 0.0% for market rate housing. The rental market is considered at equilibrium at a 5% vacancy rate which suggests Storm Lake has pent-up demand for all rental products regardless of income.

For the size of community such as Storm Lake, there are few market rate apartment options in the community. Many property managers or owners have no trouble leasing units and they are usually filled instantly once a vacancy becomes available. The clear majority of rental properties do not have an Internet presence and units are filled via word-of-mouth or a vacancy sign on the property. Area Realtors commented they receive several phone calls from rental prospects but have no availabilities to refer potential renters.

Due to the age and positioning of many of the existing market rate rental product (20 years of age or older), a significant portion of the market rate units are priced at or below guidelines for affordable housing, which indirectly satisfies demand from households that income-qualify for financially assisted housing. Several of the market rate properties have rents lower than the affordable tax credit properties in Storm Lake.

However, the growing renter base today is seeking newer market rate rental properties with additional and updated amenities that are not offered in older developments. Although ownership housing in many Storm Lake homes is generally affordable for first-time home buyers, many households desire rental housing as they relocate to Storm Lake.

Maxfield Research and Consulting LLC calculated demand for about 200 market rate, 33 affordable, and 67 subsidized units in Storm Lake through 2025. New general-occupancy rental housing can be developed immediately and will continue to be in demand throughout this decade.

- ***Market Rate Rental*** – Give the size of Storm Lake, the community has a low supply of market rate rental housing units in the community. The majority of rental housing inventoried was either affordable or subsidized rental housing. Therefore, Maxfield Research recommends the development of market rate rental housing immediately. A new rental project will also have a diverse resident profile, including young to mid-age professionals as well as singles and couples across the age span. Seniors and older adults will also be a target market for a new rental project in Storm Lake.

There is demand for roughly 200 units through 2025; however, we believe demand could be even higher given the low vacancy rates and lack of supply in Storm Lake. Even more so, employers have job growth plans that will further increase the demand for rental housing. New market rate product will likely be developed across multiple buildings and develop-

## RECOMMENDATIONS AND CONCLUSIONS

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ments. We recommend new middle-market to upper-middle market rental project(s) that will continue to attract a diverse resident profile; including young to mid-age professionals as well as singles and couples across all ages. To appeal to wide target market, we suggest a market rate apartment project with a unit mix consisting of one-bedroom units, one-bedroom plus den units, two-bedroom units, and a few two-bedroom plus den or three-bedroom units.

Monthly rents (in 2017 dollars) should range from \$675 for a one-bedroom unit to \$975 for a two-bedroom den three-bedroom unit. Average market rate rents in Storm Lake are \$0.75, thus we recommend that monthly rents at a new development should charge on average \$0.95 to \$1.05 per square foot to be financially feasible. Monthly rents can be trended up by 2.0% annually prior to occupancy to account for inflation depending on overall market conditions. However, because they are top rents incentives or a private-public partnership will be needed to bring down the cost of the rental units.

New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full appliance package, central air-conditioning, and garage parking.

- Market Rate General Occupancy Rental Townhomes– In addition to the recommended traditional multi-story apartment projects, we find demand exists for larger townhome units for families - including those who are new to the community and want to rent until they find a home for purchase. An additional 24 to 30 rental townhome units could be supported in Storm Lake in the short-term. We recommend a project with rents starting at approximately \$800 for two-bedroom units to \$1,050 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached two car garage.
- Affordable General Occupancy Rental Apartments or Townhomes– Rental apartments or townhomes affordable to moderate-income households would be in demand in Storm Lake. There are currently seven projects with about 200 affordable units in Storm Lake, however the vacancy rate is only 0.5%. These projects would have income-restrictions established by HUD and would likely target households with incomes between 50% to 80% of area median income; however, some could be workforce units with affordability up to 120% AMI. Most affordable housing projects are affordable at 60% AMI. We recommend a project with approximately 30 units; however, demand could be higher based on the number of employers who plan to add jobs. Units should feature central air conditioning, full appliance package, in-unit washer/dryer, and covered parking. Such developments are popular with families that cannot afford housing options in the for-sale market or market rate rentals.

### *Senior Housing*

As illustrated in Table CR-1, demand exists for nearly all types of senior housing product types in Storm Lake. Over the course of five years, there is demand for about 400 new senior units through 2025. The unmet of additional senior housing is recommended in order to provide housing opportunity to these aging residents in their stages of later life. The development of additional senior housing serves a two-fold purpose in meeting the housing needs in Storm Lake: older adult and senior residents are able to relocate to new age-restricted housing in Storm Lake, and existing homes and rental units that were occupied by seniors become available to other new households. Hence, development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. The types of housing products needed to accommodate the aging population base are discussed individually in the following section.

- *Active Adult Senior Cooperative* –Maxfield Research and Consulting, LLC projected demand for 55 active adult ownership units through 2025. Construction of a new 50 to 60-unit stand-alone cooperative facility would satisfy adult ownership demand through 2025. Maxfield Research & Consulting, LLC recommends a cooperative development with a share costs starting around \$50,000. The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option. Maxfield Research & Consulting, LLC has found the cooperative model to be very well-accepted in rural communities across the Midwest
- *Active Adult Rental (Market Rate)* – Demand was projected for about 100 market rate active adult rental units in Storm Lake through 2025. Currently, there are no market rate active adult rental projects in Storm Lake or the Market Area. There may be seniors who are currently residing in general-occupancy housing that would consider relocating to a newer active adult product.

We recommend a new project of 50 to 60 units later this decade or beyond. The project should offer modest rents with base monthly rents starting at \$700 per month for one-bedroom units to \$1,100 or more for larger two-bedroom units. The project should offer transportation, activities, and optional services for housekeeping, etc.

However, even with significant demand, active adult developments can be difficult to develop in small communities. The projects are not need based and therefore seniors may choose to remain in their homes or downsize to alternative housing options like a twin home rather than choose an active adult community where rents may be higher than other housing alternatives

## RECOMMENDATIONS AND CONCLUSIONS

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- *Affordable Few Services Rental* – Storm Lake demand for affordable senior housing is 44 units by 2025. All the demand for income restricted housing in Storm Lake was for affordable senior housing as the existing subsidized housing units are meeting the current demand. Although this product would be well received by seniors in and near the Storm Lake area; it may be difficult to develop given the economies of scale needed and financing challenges. Affordable senior housing will likely be a low-income tax credit project through the Iowa Finance Agency “IFA”. Alternatively, a mixed-income building combining affordable and market rate senior housing units could also be pursued.
- *Independent Living/Congregate* – There are no designated congregate units (meals and limited support service) in Storm Lake or the Market Area. Demand was calculated for about 60 congregate units through 2025. Based on this demand, we recommend 40 to 50 congregate units with a mix of one-bedroom, one-bedroom plus den, and two-bedroom units. Monthly rents should range from \$1,500 for one-bedroom units to \$2,000 for two-bedroom units. The monthly fees should include all utilities (except telephone and basic cable/satellite television) and the following services:
  - I’m OK program;
  - Daily noon meal;
  - Regularly scheduled van transportation;
  - Social, health, wellness and educational programs;
  - 24-hour emergency call system; and
  - Complimentary use of laundry facilities.

In addition, meals and other support and personal care services will be available to congregate residents on a fee-for-service basis, such as laundry, housekeeping, etc. When their care needs increase, residents also have the option of receiving assisted living packages in their existing units.

New independent housing could be developed adjacent to an existing senior campus or in a stand-alone development.

- *Assisted Living and Memory Care Senior Housing* – Based on our analysis, we find demand for over 60 assisted living units and nearly 80 memory care units in Storm Lake through 2025. There is only one existing assisted living facility in Storm Lake (Methodist Manor – Otsego Place) which is low for a community the size of Storm Lake. We recommend an additional assisted living facility that has rents starting at \$2,750 for studio units to \$4,000 for two-bedroom units. New assisted living units could be developed as a stand-alone facility with a memory care wing or as an addition to the existing assisted living project in Storm Lake.

Memory care housing can be developed as a stand-alone facility or attached to an existing assisted living facility. Memory care unit mix should be mostly studios and one-bedroom

## RECOMMENDATIONS AND CONCLUSIONS

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units with a few two-bedroom units for couples with base monthly rents ranging from \$4,200 to \$5,500. Memory care units should be located in a secured, self-contained wing located on the first floor of a building and should feature its own dining and common area amenities including a secured outdoor patio and wandering area.

The base monthly fees should include all utilities (except telephone and basic cable/satellite television) and the following services:

- Three meals per day;
- Weekly housekeeping and linen service;
- Two loads of laundry per week;
- Weekly health and wellness clinics;
- Meal assistance;
- Regularly scheduled transportation;
- Professional activity programs and scheduled outings;
- Nursing care management;
- I'm OK program;
- 24-hour on site staffing;
- Personal alert pendant with emergency response; and
- Nurse visit every other month.

Additional personal care packages should also be available for an extra monthly charge above the required base care package. A care needs assessment is recommended to be conducted to determine the appropriate level of services for prospective residents.

### Challenges and Opportunities

Table CR-2 identified and recommended housing types that would satisfy the housing needs in Storm Lake through 2025. The following were identified as the greatest challenges and opportunities for developing the recommended housing types (in no particular order - alphabetically).

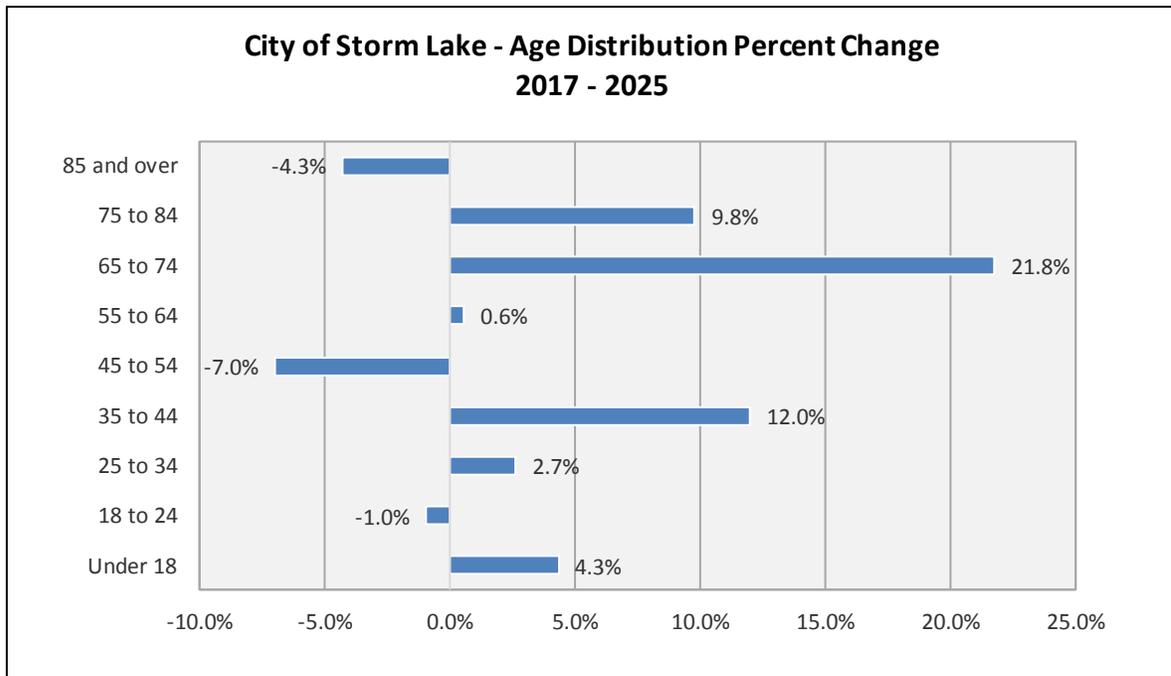
- **Affordability.** Based on current home prices, about 74% of Storm Lake householders could afford to purchase an entry-level home resale home priced at \$100,000 in 2017. Likewise, 84% of householders can also afford the average market rate rent at a one-bedroom rental project in Storm Lake (\$400/month). Because of the relative affordability of homes for purchase, some householders who would not consider purchasing may do so earlier since the cost to own an entry-level home is on-par with rental housing costs. The following chart compares the costs of homeownership to rentals given today's housing costs based on a 30% allocation of income to housing. We do note, however, that not all householders will have the credit scores and down payment that would qualify them to purchase for-sale housing.

Finally, many of the existing market rate rental properties in Storm Lake have lower rents than the established fair market rents. Therefore, the market rate rents are lower than what a new affordable tax credit project may charge, as illustrated by rents at a project like the Reserves at Storm Lake that has higher rents than most market rate projects. Thus, future tax credit developments may face challenges if they charge higher rents than market rate, non-income restricted properties.

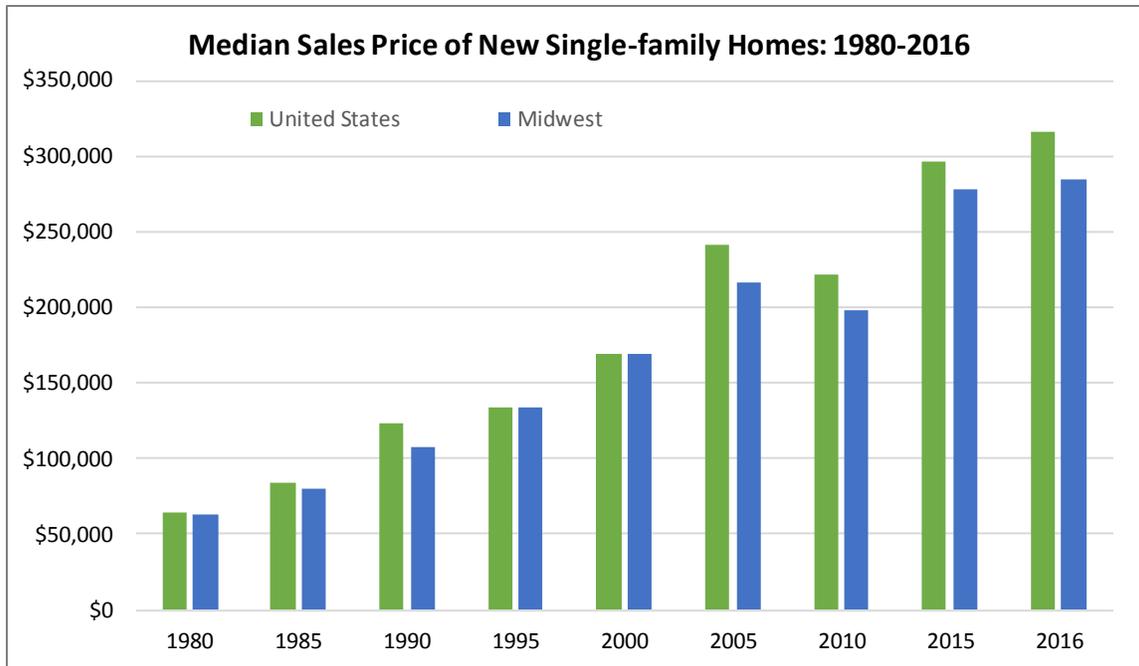
## CHALLENGES AND OPPORTUNITIES

STORM LAKE HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$100,000	\$150,000	\$200,000	\$50,000	\$125,000	\$200,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$10,000	\$15,000	\$20,000	\$5,000	\$12,500	\$20,000
Estimated Closing Costs (rolled into mortgage)	\$3,000	\$4,500	\$6,000	\$1,500	\$3,750	\$6,000
Cost of Loan	\$93,000	\$139,500	\$186,000	\$46,500	\$116,250	\$186,000
Interest Rate	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$444	-\$666	-\$888	-\$222	-\$555	-\$888
(plus) Prop. Tax	-\$145	-\$218	-\$290	-\$73	-\$181	-\$290
(plus) HO Insurance/Assoc. Fee for TH	-\$33	-\$50	-\$67	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$40	-\$60	-\$81	-\$20	-\$50	-\$81
Subtotal monthly costs	-\$663	-\$994	-\$1,325	-\$415	-\$887	-\$1,359
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$26,505	\$39,758	\$53,010	\$16,586	\$35,465	\$54,344
<b>Pct. of ALL Storm Lake HHDS who can afford1</b>	<b>73.6%</b>	<b>58.4%</b>	<b>44.8%</b>	<b>83.7%</b>	<b>63.2%</b>	<b>43.8%</b>
<b>No. of Storm Lake HHDS who can afford1</b>	<b>2,635</b>	<b>2,092</b>	<b>1,603</b>	<b>2,997</b>	<b>2,265</b>	<b>1,569</b>
<b>Pct. of Storm Lake owner HHDS who can afford2</b>	<b>84.1%</b>	<b>72.5%</b>	<b>55.8%</b>	<b>91.8%</b>	<b>78.1%</b>	<b>54.4%</b>
<b>No. of Storm Lake owner HHDS who can afford2</b>	<b>1,757</b>	<b>1,514</b>	<b>1,167</b>	<b>1,918</b>	<b>1,633</b>	<b>1,137</b>
<b>No. of Storm Lake owner HHDS who cannot afford2</b>	<b>333</b>	<b>576</b>	<b>923</b>	<b>172</b>	<b>457</b>	<b>953</b>
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$400	\$600	\$700	\$650	\$775	\$950
Annual Rent	\$4,800	\$7,200	\$8,400	\$7,800	\$9,300	\$11,400
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$16,000	\$24,000	\$28,000	\$26,000	\$31,000	\$38,000
<b>Pct. of ALL Storm Lake HHDS who can afford1</b>	<b>84.1%</b>	<b>76.3%</b>	<b>71.8%</b>	<b>74.1%</b>	<b>68.4%</b>	<b>60.4%</b>
<b>No. of Storm Lake HHDS who can afford1</b>	<b>3,014</b>	<b>2,732</b>	<b>2,573</b>	<b>2,655</b>	<b>2,449</b>	<b>2,164</b>
<b>Pct. of Storm Lake renter HHDS who can afford2</b>	<b>76.8%</b>	<b>63.0%</b>	<b>54.8%</b>	<b>59.1%</b>	<b>48.3%</b>	<b>34.5%</b>
<b>No. of Storm Lake renter HHDS who can afford2</b>	<b>1,146</b>	<b>941</b>	<b>818</b>	<b>883</b>	<b>720</b>	<b>515</b>
<b>No. of Storm Lake renter HHDS who cannot afford2</b>	<b>346</b>	<b>551</b>	<b>675</b>	<b>610</b>	<b>772</b>	<b>977</b>
<sup>1</sup> Based on 2017 household income for ALL households						
<sup>2</sup> Based on 2015 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$47,250 vs. renter incomes = \$30,082)						
Source: Maxfield Research & Consulting, LLC						

- Aging Population.** As illustrated in Table D-4, there is significant growth in the Storm Lake Market Area senior population, especially among ages 65 to 74 (+23% growth through 2025 in the PMA and +22% in Storm Lake). In addition, Table D-6 shows the Storm Lake homeownership rates among seniors 65+ is 72%. Rather high homeownership rates among seniors indicate there could be lack of senior housing options, or simply that many seniors prefer to live in their home and age in place. Aging in place tends to be higher in rural vs. urban settings as many rural seniors do not view senior housing as an alternative retirement destination but a supportive living option only when they can no longer live independently. Rural areas also tend to have healthier seniors and are also more resistant to change. Because of the rising population of older adults, demand for alternative maintenance-free housing products should be rising. In addition, demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes should also increase.

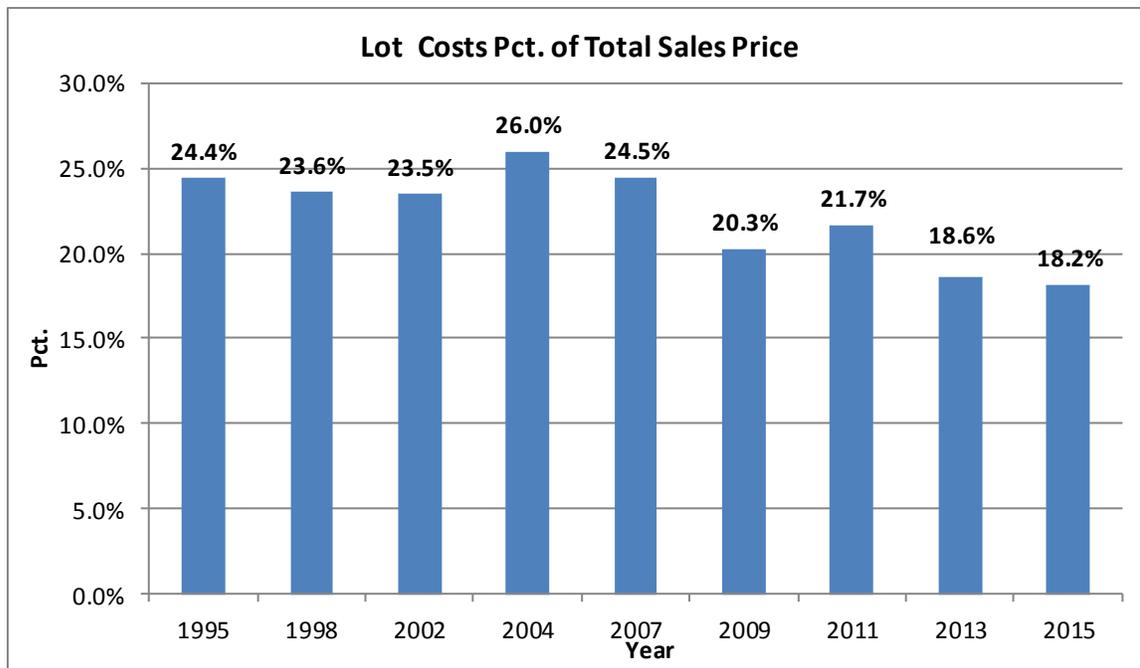


- **Construction & Development Costs.** The cost to build and develop new single-family housing has increased significantly over the past decade and since the Great Recession. New construction pricing peaked last decade between 2005 and 2007 before falling during the recession. Pricing in nearly every market across the United States decreased between 2008 and 2011 before escalating again in 2012. However, since the Great Recession it has become increasingly difficult for builders to construct entry-level new homes due to a number of constraints – rising land costs, rising material and labor costs, lack of construction labor, and increasing regulation and entitlement fees. As a result, affordable new construction homes have become rare as builders are unable to pencil-out modestly priced new construction. However, there is strong demand in Storm Lake for homes priced under \$200,000 should builders provide a product that could be delivered to the market at this price point.



- Developers Lot Carrying Costs.** Land development and entitlement carries a large financial risk for builders and/or investors. Prior the Great Recession developing land was considered a profitable side of the housing business. However, today land development continues to be dominated by larger builders that can absorb the lot inventory more easily than smaller builders or land developers. Even in larger metropolitan areas the private land developers are becoming rarer as larger builders control the lot supply. Due to raw land costs, entitlements, and the cost to develop infrastructure, developers will be cautious given the lot price they could achieve. Prolonged carrying costs due to slow lot absorption are deterrents for builders and developers who must absorb project development costs until the lots are sold.

Our interviews with Storm Lake housing professionals found that historically subdivisions take years to sell out while lot prices are typically held steady during the build-out. During this time, developers continue to pay property taxes and financing costs on the improved lots. Given the historical absorption of lots in Storm Lake; many subdivisions can take up to a decade or longer to complete. Because of the high costs to develop new subdivisions and absorption periods the land development business is not a lucrative business for real estate investors and future lot development may require a private-public partnership to bring down infrastructure costs. The chart below shows the average lot cost percentage across the country compared to the retail sales price of the home.



Maxfield Research has found that the cost to develop a standard lot in rural Iowa typically is over \$40,000/lot plus raw land costs. As a result, the cost to develop the lots is higher than the selling costs of many of the lots marketing today.

- **Job Growth/Employment.** Historically, low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. The unemployment rate in Buena Vista County has been very low for nearly two decades; averaging around 3%. The Great Recession that affected most communities across the U.S. had a little impact in Buena Vista County as the unemployment rate remained around 2.5% during the economic downturn. Although the low unemployment rate is generally considered positive news, a very low unemployment rate can be challenging for employers looking to add additional staff. However, Buena Vista County's labor force continues to grow indicated employers in Buena Vista County are likely attracting workers from outside the county. In fact, the labor force is currently peaking in 2017 and is at its highest since 2000. Additional job creation in Storm Lake and Buena Vista County will result in household growth that could exceed projections outlined in Table D-3.
- **Housing Resources & Programs.** Many communities and local Housing and Redevelopment Authorities (HRAs) offer programs to promote and preserve the existing housing stock. In addition, there are various regional and state organizations that assist local communities enhance their housing stock. The following bullet points outline a variety of resources available:

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### State/National Resources:

*Iowa Finance Authority (“IFA”)* – The Iowa Finance Authority is a housing finance agency designed to assist low-to-moderate income households in the State of Iowa. The organization provides numerous programs for both the single-family and multifamily sectors, financing assistance, energy efficiency programs, fix-up funds, and other research to support the production of affordable housing across Iowa.

<http://www.iowafinanceauthority.gov/>

*USDA Rural Development* – Housing support is available through the “Housing and Community Assistance” program that is part of USDA Rural Development. The program is designed to improve housing options in rural communities and operates a variety of programs including: homeownership assistance, housing rehabilitation and preservation, rental assistance, loan administration, energy efficiency, etc.

[http://www.rurdev.usda.gov/IA\\_Home.html](http://www.rurdev.usda.gov/IA_Home.html)

### Local/Regional Resources:

*Northwest Iowa Planning and Development Commission* – The Northwest Iowa Planning and Development Commission (NWIPDC) services nine counties in northwest Iowa: Buena Vista, Clay, Dickinson, Emmet, Lyon, Palo Alto, O’Brien, Osceola, Sioux. The organization operates several housing services including first time home buyer programs, regional housing trust funds, rehab programs, etc.

<http://www.nwipdc.org/>

*Northwest Iowa Housing Trust Fund* - The Northwest Iowa Housing Trust Fund is an independent, nonprofit organization that was established in October 2009 to promote the creation and preservation of affordable housing for low to moderate income persons residing within Buena Vista (and the City of Storm Lake), Emmet, Lyon, O’Brien, Osceola, and Sioux Counties.

*Home-Building Trades Class* – The Storm Lake School District constructs single-family houses in Storm Lake through the high school building trades class. The school district has sold roughly 7 houses since 2010. The Storm Lake School Board has recently approved the sale of a house built by the high school building trade class for around \$229,000.

*Rental Housing Inspection Program* – This program monitors all rental properties in Storm Lake and requires all rental properties meet minimum standards. The Building Official’s office also hosts landlord training sessions to property owners that provides information about the program, in addition to violations and changes in the rental housing code.

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*Tax Abatement* – The City of Storm Lake initiated a tax abatement program in April 2005 under the urban revitalization plan. Tax abatement is a temporary reduction in property taxes over a specific time period on new construction homes or home remodeling projects. Tax abatement encourages new construction or rehabilitation through property tax incentives.

A number of communities offer tax abatement throughout Iowa; some communities will offer up to 100% of the value (to a certain amount, often \$75,000) over a three to five-year period. Some communities will even go upwards of 10 years. The City of Storm Lake should research other nearby communities to ensure the tax abatement program is on-par with neighboring communities.

In addition to the resources available at the state and regional-level, the City of Storm Lake can explore a toolbox of housing programs that would aid in the enhancement of the city's housing stock. The following is a sampling of potential programs that could be explored.

- Architectural Pro Bono Assistance: Local architects and/or architectural students from college campuses volunteer their time to design site plans for non-profit developers or governmental agencies to provide a baseline for developers and funders.
- Brush Pick-Up: Schedule an annual brush pick-up in the spring months so property owners can properly dispose of any trees, brush, that are removed by the local government and recycled and/or composted.
- Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc.
- Density Bonuses – Since the cost of land can be a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. Communities can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable housing component.
- Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with turn-of-the-century character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where home owners can meet and ask questions to architects, landscapers, building contractors, lenders, building inspectors, Realtors, etc.
- Home Inspection Point of Sale - City ordinance requiring an inspection prior to the sale or transfer of residential real estate. The inspection is intended to prevent adverse conditions and meet minimum building codes. Sellers are responsible for incurring any costs for the inspection. Depending on the community, evaluations are completed by city inspectors or 3rd party licensed inspectors.
- Home Energy Loans – Offer low interest home energy loans to make energy improvements in their homes.

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- Household and Outside Maintenance for the Elderly (H.O.M.E.) Program – Persons 60 and over receive homemaker and maintenance services. Typical services include house cleaning, grocery shopping, yard work/lawn care, and other miscellaneous maintenance requests.
- Land Banking – Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing.
- Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to workforce families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.
- Mobile Home Improvements – Offer low or no-interest loans to mobile home owners for rehabilitation. Establish income-guidelines based on family size and annual gross incomes.
- Realtor Forum - Typically administered by local governments with partnership by local school board. Inform local Realtors about school district news, current development projects, and other marketing factors related to real estate in the community. In addition, Realtors usually receive CE credits.
- Redevelopment Credit – remove a substandard home with new construction
- Remodeling Advisor – Partner with local architects and/or builders to provide ideas and general cost estimates for property owners
- Rental Collaboration – Local government organizes regular meetings with owners, property managers, and other stakeholders operating in the rental housing industry. Collaborative, informational meetings that includes city staff, updates on economic development and real estate development, and updates from the local police, fire department, and building inspection departments.
- Rental License – Licensing rental properties in the communities. Designed to ensure all rental properties meet local building and safety codes. Typically enforced by the fire marshal or building inspection department. Should require annual license renewal. (See below in *Rental Housing*).
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA or other public agency saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Senior Housing Regeneration Program - Partnership between multiple organizations that assists seniors transitioning to alternative housing options such as senior housing, condominiums, townhomes, etc.
- Tax Increment Financing (TIF): Program that offers communities a flexible financing tool to assist housing projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs. TIF funds can be used to provide a direct subsidy to a particular housing project or they can also be used to promote affordable housing by setting aside a portion of TIF proceeds into a dedicated fund from other developments receiving TIF.

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- Waiver or Reduction of Development Fees – There are several fees developers must pay including impact fees, utility and connection fees, park land dedication fees, etc. To help facilitate affordable housing, some fees could be waived or reduced to pass the cost savings onto the housing consumer.
- **Infill Lots.** Infill refers to a parcel(s) of land which is surrounded by land that has already been developed. Infill development is new construction located on underutilized or vacant lots usually located in established neighborhoods of a community. Infill development can be challenging as enough parcels of land that are permissible land uses are typically required to be assembled to allow for a feasible building(s). In many circumstances the challenge is assembling all of the parcel owners to agree to sell and in a time frame that makes economic sense to the buyer.

Storm Lake has a vibrant Downtown area that expands from the intersection of Lake Avenue and 5<sup>th</sup> Street. The downtown commercial district expands about two- to three-blocks in all directions before transitioning into residential land uses. As such, many residential areas are within walking distance to the downtown core area.

Many communities have infill programs that are designed to enhance older neighborhoods or provide affordable homes for low- and moderate-income households. Infill programs are designed to facilitate the development of vacant lots in older neighborhoods that suit the character of the neighborhood. Some cities provide pre-approved floor plans that meet building criteria on smaller lots sizes. Other communities have infill programs that provide incentives to encourage developers to build affordable housing within targeted neighborhoods. Such incentives include free land for qualified builders/developers, deferred or waived impact fees, and funding assistance.

We recommend the City of Storm Lake explore and promote infill development programs in some of the older neighborhoods, especially those neighborhoods south of downtown between the lake that have historic attributes.

- **Lot Supply.** Table FS-5 showed an inventory of 48 vacant lots in Storm Lake, however about one- half of them are newly platted lots in the Storm Lake 3<sup>rd</sup> Addition that are to be finished in 2017. Based on this lot supply and the recent construction activity over the past decade averaging six single-family homes annually, the current finished lot inventory should meet demand in the short-term. However, not all of the lots are actively marketing as some sellers have been passive on selling lots. As a result, the lot supply could be overstated if sellers are not marketing. We also recommend a variety of lot types, especially walk-outs and look-out lots where topography allows. There is also a need for lots targeting the move-up and executive-buyer which are in short supply in Storm Lake.

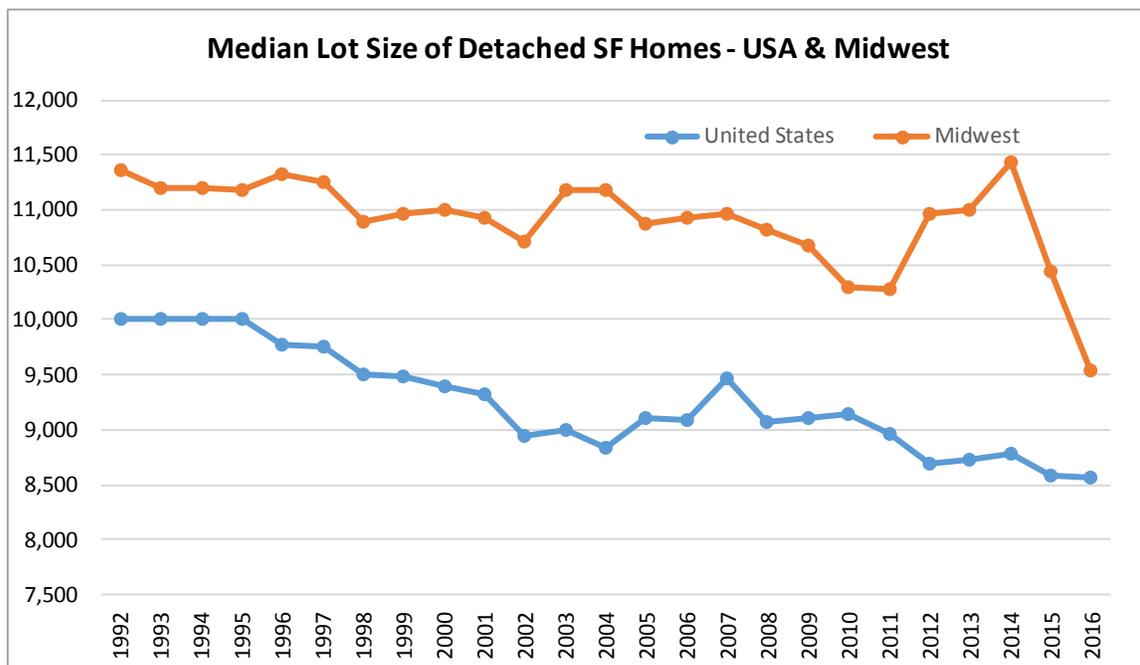
We recommend the city continue to identify and promote future areas in the community that could support new subdivisions. After identifying potential site locations, the city should initiate conversations with property owners to gauge the likelihood the owners would consider selling their property. The City of Storm Lake should promote and market

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these site locations to builders and developers and fast track the process for developing these subdivisions. However, given subdivision costs (i.e. infrastructure, land costs, etc.) it is likely the city may have to incentivize builders/developers. Although new home buyers have historically favored larger lot sizes (85-foot wide or more); the key to reducing development costs is shrinking lot sizes that result in slightly higher densities and lower infrastructure costs that are passed along to the buyer.

- **Lot Size & Home Style Preference.** As illustrated in the chart on the following page, the median lot size of a new single-family detached home in the United States sold in 2015 (most recent statistics) dropped to its smallest size since the Census Bureau has been tracking lot sizes. Median lot sizes have dropped below 8,600 square feet (0.20 acres), down about 10% since 2010. Lot sizes have decreased in part due to increasing lot prices and rising regulatory and infrastructure costs (i.e. curb and gutter, streets, etc.). As a result, builders and developers have reduced lot sizes in an effort to increase density and absorb higher land development costs across more units.

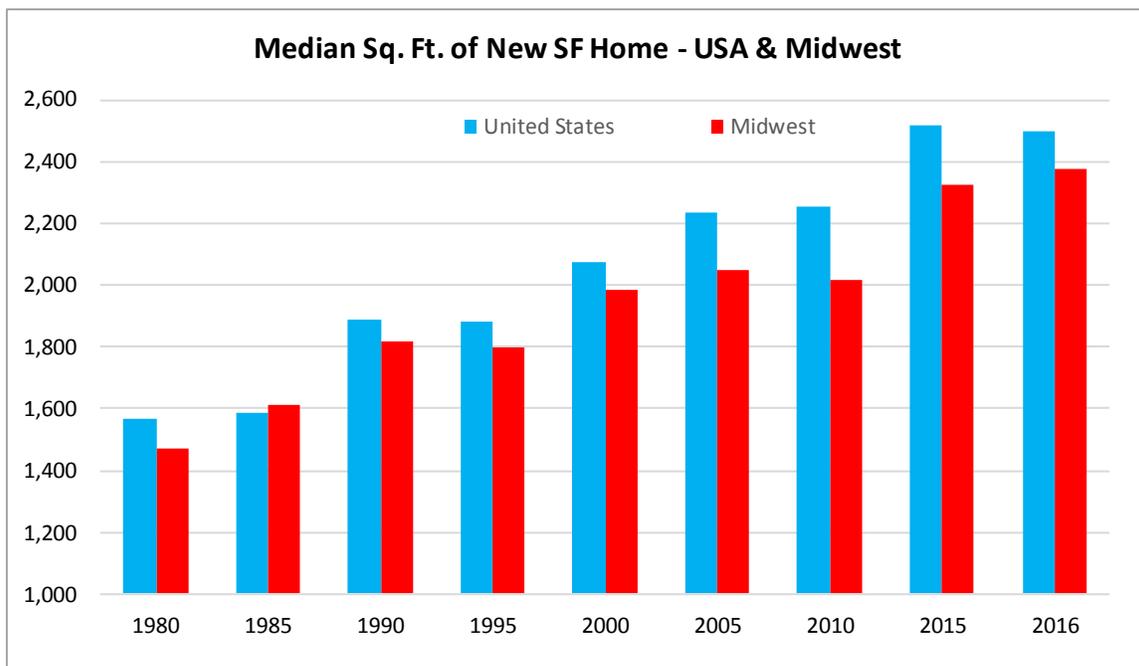
However, local Storm Lake real estate professionals have stressed there is a desire for larger lots sizes in the community; typically, at least 85' to 90' wide as buyers desire side yards. As Table FS-5 illustrates, the average vacant lot size in Storm Lake is 0.31 acres, considerably higher than 0.20 acres that is the national average today. At the same time, larger lot sizes cost more to develop given the increased infrastructure and land costs. Thus, "affordable" new single-family housing in Storm Lake will be increasingly difficult to build unless lot sizes can be diminished and densities can be increased to reduce lot costs. Maxfield Research finds the cost to develop a single-family lot in rural Iowa tends to surpass \$50,000/lot.



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The home style is also a key driver in overall housing costs. Ramblers or ranch style homes are highly desirable as the lack of stairs allows home owners to “age in place” and they have a strong resale value. However, ranch style homes require a larger lot width and have higher construction costs. Two-story homes cost less on a per square foot basis due to foundation and roof costs; as well as more efficient HVAC costs. Maxfield Research estimates that ranch style homes are on average at least +25% higher to construct due to the larger footprint.

A split-level or bi-level home usually has the lowest construction costs on a per square foot basis. The foundations in these homes are minimized as they have partial basements as the foundation size is significantly lower than a traditional two-story home. Although this product type could be developed more affordably in Storm Lake; buyers may not gravitate to this product if they desire the ranch style and one-level living. In many markets in north-west Iowa, homes with stairs are more difficult to sell.

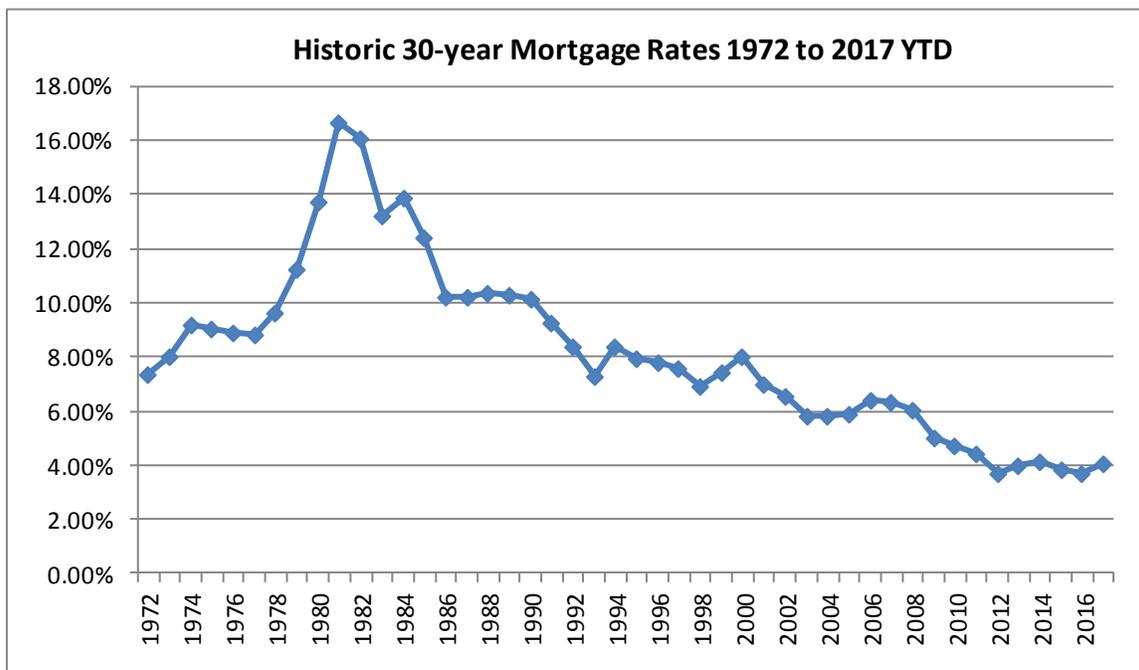


- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have remained at historic lows over the past several years coming out of the Great Recession. The Federal Reserve has raised the short-term interest rate only twice since the recession; however, they have hinted at rates increasing later in 2017. However, at this time it is unknown if the central bank will raise rates to head off inflation. A significant increase in rates (+1% or more; over 5% in

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the short term) would greatly affect the housing market and would slow projected housing demand.

The following chart illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1971 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%. The average mortgage rate for a 30-year fixed loan in 2017 has been approximately 4% through the first half of 2017.



- **Multifamily Development Costs.** It will be challenging to construct new market rate multifamily product in Storm Lake given achievable rents and development costs. Per the *Rental Housing Section* of the report, the average rents in Storm Lake are low and average about \$0.75 per square foot. Maxfield Research finds in most rural communities in Iowa the average rent per square foot can easily exceed \$1.00 to \$1.10 per square foot to cover the market rate development costs. Construction costs for new multifamily housing (3-story stick frame construction) will likely average about \$95 per square foot (gross) for hard costs plus land acquisition and soft costs- or upwards to \$125,000 per unit to develop. Development costs of this scale will likely require rents per square foot significantly higher than the existing product in Storm Lake. Based on these costs, it will be difficult to develop stand-alone multifamily housing structures by the private sector based on achievable rents. As a result, a private-public partnership or other financing programs will likely be required to spur development (i.e. tax abatement, TIF, etc.).

- **Point of Contact/Housing Resources/One Stop Shop.** Several interviews stressed that housing options; both for-sale and rental, are low for both existing residents and new relocations who may choose to relocate to Storm Lake for employment. Because many of the rental properties are smaller and are locally owned and managed, they are not actively marketing on the Internet or social media which is difficult for non-residents to find housing availability. Although many of the homes for-sale are actively marketing on the MLS and buyers can find listings on-line, rental housing is more-so challenging as there is no comprehensive rental housing guide. Although the Storm Lake United has an apartment list, the list is not comprehensive and includes few details on the rental property.

Maxfield Research recommends establishing a housing resource center that offers a streamlined, one-stop approach for housing referrals for tenants, land owners, and home buyers. The center can partner with various organizations and businesses across Storm Lake organizations (i.e. City of Storm Lake, Storm Lake Unites, Realtors Associations, etc.). Maxfield Research recommends a one-stop rental resource guide (i.e. “newcomers resource guide”) that will provide detailed information regarding rental properties in Storm Lake and can be based on the findings from this housing study. The rental resource guide should contain a list of apartments and offer key information on what services and amenities are available to householders seeking a rental property in Storm Lake that meets their needs. The resource guide can be administered from a variety of organizations such as city or county staff, visitor’s center, chamber of commerce, or other economic development related organizations.

- **Rental Housing.** Table R-2 found a vacancy rate of less than 1% across all rental housing units. The table also showed that affordable/subsidized product accounted for 73% of the rental housing inventoried. About 42% of Storm Lake’ housing stock is rental housing; however according to structure type data 25% of the existing rental housing stock in Storm Lake is located within a single-family home. In addition, another 20% of the rental housing stock is located within duplex, triplex, and quad units. Therefore, nearly 50% of the rental housing stock is within projects with four units or less. Overall, we found the quality of market rate rental housing to be low in Storm Lake as there are few options for renters seeking updated, contemporary rental units that today’s tenants desire. The newest rental properties in Storm Lake are tax credit rentals subject to income guidelines. According to our interviews many workers at Tyson or other production plants may earn too much and are turned away as they earn more than the area median income in Buena Vista County (\$30,720 for a 2-person household at 60% AMI). Maxfield Research recommends soliciting market rate apartment developers as there is a need for quality rentals in Storm Lake.

**APPENDIX**

## Definitions

**Absorption Period** – The period of time necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

**Absorption Rate** – The average number of units rented each month during the absorption period.

**Active adult (or independent living without services available)** – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

**Adjusted Gross Income “AGI”** – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (i.e. contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

**Affordable housing** – Housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

**Amenity** – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

**Area Median Income “AMI”** – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

**Assisted Living** – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include

two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

**Building Permit** – Building permits track housing starts and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector’s satisfaction, the jurisdiction will issue a “CO” or “Certificate of Occupancy.” Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

**Capture Rate** – The percentage of age, size, and income-qualified renter households in a given area or “Market Area” that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

**Comparable Property** – A property that is representative of the rental housing choices of the designated area or “Market Area” that is similar in construction, size, amenities, location and/or age.

**Concession** – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

**Congregate (or independent living with services available)** – Congregate properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

**Contract Rent** – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

**Demand** – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and size for a specific proposed development. Components vary and can include, but are not limited to: turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

**Density** – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

- **Gross Density** – The number of dwelling units per acre based on the gross site acreage.  
*Gross Density = Total residential units/total development area*
- **Net Density** - The number of dwelling units per acre located on the site, but excludes public right-of-ways (ROW) such as streets, alleys, easements, open spaces, etc.  
*Net Density = Total residential units/total residential land area (excluding ROWs)*

**Detached housing** – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

**Effective Rents** – Contract rent less applicable concessions.

**Elderly or Senior Housing** – Housing where all the units in the property are restricted for occupancy by persons age 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

**Extremely low-income** – person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

**Fair Market Rent** – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

**Fair Market Rent – Buena Vista County 2017**

	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$461	\$476	\$632	\$893	\$979

**Floor Area Ratio (FAR)** Ratio of the floor area of a building to area of the lot on which the building is located.

**Foreclosure** – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

**Gross Rent** – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants. Maximum Gross Rents for Buena Vista County in 2017 are as follows:

**Gross Rent  
Buena Vista County – 2017**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$336	\$384	\$432	\$479	\$518
50% of median	\$560	\$640	\$720	\$798	\$863
60% of median	\$672	\$768	\$864	\$958	\$1,036
80% of median	\$896	\$1,024	\$1,152	\$1,278	\$1,382
100% of median	\$1,120	\$1,280	\$1,440	\$1,597	\$1,727
120% of median	\$1,344	\$1,536	\$1,728	\$1,917	\$2,073

**Household** – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Household Trends** – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new households formations, changes in average household size, and net migration.

**Housing Choice Voucher Program** – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

**Housing unit** – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

**HUD Project-Based Section 8** – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental units. The owner reserves some or all of the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

**HUD Section 202 Program** – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income.

**HUD Section 811 Program** – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

**HUD Section 236 Program** – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater or market rate or 30% of their adjusted income.

**Income limits** – Maximum households income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program.

	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$13,440	\$15,360	\$17,280	\$19,170	\$20,730	\$22,260	\$23,790	\$25,320
50% of median	\$22,400	\$25,600	\$28,800	\$31,950	\$34,550	\$37,100	\$39,650	\$42,200
60% of median	\$26,880	\$30,720	\$34,560	\$38,340	\$41,460	\$44,520	\$47,580	\$50,640
80% of median	\$35,840	\$40,960	\$46,080	\$51,120	\$55,280	\$59,360	\$63,440	\$67,520
100% of median	\$44,800	\$51,200	\$57,600	\$63,900	\$69,100	\$74,200	\$79,300	\$84,400
120% of median	\$53,760	\$61,440	\$69,120	\$76,680	\$82,920	\$89,040	\$95,160	\$101,280

**Inflow/Outflow** – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

**Low-Income** – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

**Low-Income Housing Tax Credit** – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

**Market analysis** – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

**Market rent** – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or “Market Area” considering its location, features and amenities.

**Market study** – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what house needs, if any, existing within a specific geography.

**Market rate rental housing** – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

**Memory Care** – Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

**Migration** – The movement of households and/or people into or out of an area.

**Mixed-income property** – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

**Mobility** – The ease at which people move from one location to another.

**Moderate Income** – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

**Multifamily** – Properties and structures that contain more than two housing units.

**Naturally Occurring Affordable Housing** – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is

available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

**Net Income** – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

**Net Worth** – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

**Pent-up demand** – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

**Population** – All people living in a geographic area.

**Population Density** – The population of an area divided by the number of square miles of land area.

**Population Trends** – Changes in population levels for a particular geographic area over a specific period of time – a function of the level of births, deaths, and in/out migration.

**Project-Based rent assistance** – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

**Redevelopment** – The redesign, rehabilitation or expansion of existing properties.

**Rent burden** – gross rent divided by adjusted monthly household income.

**Restricted rent** – The rent charged under the restriction of a specific housing program or subsidy.

**Saturation** – The point at which there is no longer demand to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

**Senior Housing** – The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Congregate, Assisted Living and Memory Care.

**Short Sale** – A sale of real estate in which the net proceeds from selling the property do not cover the sellers' mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

**Single-family home** – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

**Stabilized level of occupancy** – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

**Subsidized housing** – Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low income housing.

**Subsidy** – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract/market rate rent and the amount paid by the tenant toward rent.

**Substandard conditions** – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

**Target population** – The market segment or segments of the given population a development would appeal or cater to.

**Tenant** – One who rents real property from another individual or rental company.

**Tenant-paid utilities** – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

**Tenure** – The distinction between owner-occupied and renter-occupied housing units.

**Turnover** – A measure of movement of residents into and out of a geographic location.

**Turnover period** – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

**Unrestricted units** – Units that are not subject to any income or rent restrictions.

**Vacancy period** – The amount of time an apartment remains vacant and is available on the market for rent.

**Workforce housing** – Housing that is income-restricted to households earning between 80% and 120% AMI. Also referred to as moderate-income housing.

**Zoning** – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations