



March 16, 2018

Mr. Gary Matthews
 Tishomingo County Development Foundation
 1001 Battleground Drive
 Iuka, Mississippi 38852

RE: City of Iuka

Dear Mr. Matthews:

The purpose of this letter is to provide a preliminary demand analysis for the City of Iuka. As part of this preliminary market study, I have incorporated the latest demographic data, a complete inventory of all existing housing, and a low-level testing of income bands against affordability. I conducted a preliminary demand analysis using the latest maximum income limits in order to determine if there is a need for additional affordable and/or market-rate housing. Following this analysis is descriptive pages of the comparable properties.

Subject Description

A possible scenario, one for an affordable family development, one for an affordable senior development, one for a family market-rate development, and one for a senior market-rate development were created. The following tables show the family scenario with one-, two- and three-bedroom units at 30 and 60 percent of the area median income, and market-rate units at 100 percent of the area median income; and the senior scenario with one-bedroom units at 30 and 60 percent of the area median income, and market-rate units at 100 percent of the area median income.

MAXIMUM RENTS AND UTILITY ALLOWANCES - AFFORDABLE FAMILY DEVELOPMENT					
Unit Type	% of Median Income	Maximum Rent	Gross Rent	Utility Allowance	Net Rent
1/1	30%	\$310	\$310	\$0	\$310
1/1	60%	\$621	\$621	\$0	\$621
2/1	30%	\$372	\$372	\$0	\$372
2/1	60%	\$745	\$745	\$0	\$745
3/2	30%	\$430	\$430	\$0	\$430
3/2	60%	\$861	\$861	\$0	\$861

MAXIMUM RENTS AND UTILITY ALLOWANCES - MARKET-RATE FAMILY DEVELOPMENT					
Unit Type	% of Median Income	Maximum Rent	Gross Rent	Utility Allowance	Net Rent
1/1	Mkt	\$852	\$852	\$0	\$852
2/1	Mkt	\$957	\$957	\$0	\$957
3/2	Mkt	\$1,065	\$1,065	\$0	\$1,065

MAXIMUM RENTS AND UTILITY ALLOWANCES - AFFORDABLE SENIOR DEVELOPMENT					
Unit Type	% of Median Income	Maximum Rent	Gross Rent	Utility Allowance	Net Rent
1/1	30%	\$310	\$310	\$0	\$310
1/1	60%	\$621	\$621	\$0	\$621

MAXIMUM RENTS AND UTILITY ALLOWANCES - MARKET-RATE SENIOR DEVELOPMENT					
Unit Type	% of Median Income	Maximum Rent	Gross Rent	Utility Allowance	Net Rent
1/1	Mkt	\$852	\$852	\$0	\$852

In the case that the developments will contain affordable units, the 30 and 60 percent of the area median incomes were utilized. For the low end of the range, the lowest rent charged in an income limit (i.e. 30% AMI) for a unit is divided by 35 percent for family units and 40 percent for senior units. The resulting number is then multiplied by 12 to derive an annual income ($\$310 / 35\% = \$885.71 \times 12 = \$10,629$) for family units or ($\$310 / 40\% = \$775.00 \times 12 = \$9,300$) for senior units. This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent in family properties, and that a senior tenant should not pay more than 40 percent of his annual income in a senior property. For the high end of the range, the analyst consults the income limits set by the state housing authority. For example, if the largest unit in an income limit (i.e. 60% AMI) is a two-bedroom unit, the analyst multiplies this number by 1.5, based on the premise that 1.5 persons per bedroom will occupy rental units per typical market industry standards, to find how many people could reside in that unit. The analyst then consults the state income limits to set the high end of the range (2-bedroom x 1.5 = 3 people/unit; therefore, the 60% 3-person maximum income would be used). For senior property, a two-person maximum is utilized.

INCOME ELIGIBLE HOUSEHOLDS - AFFORDABLE FAMILY UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ 30%	\$310	\$10,629	\$13,260	11.4%	62
1/1 @ 60%	\$621	\$21,291	\$26,520	4.5%	25
2/1 @ 30%	\$372	\$12,754	\$14,910	13.7%	74
2/1 @ 60%	\$745	\$25,543	\$29,820	3.7%	20
3/2 @ 30%	\$430	\$14,743	\$17,880	21.3%	116
3/2 @ 60%	\$861	\$29,520	\$35,760	11.0%	60
All Units @ 30%	\$310	\$10,629	\$17,880	29.3%	159
All Units @ 60%	\$621	\$21,291	\$35,760	18.1%	99
Total Units		\$10,629	\$35,760	37.4%	203

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

INCOME ELIGIBLE HOUSEHOLDS - AFFORDABLE SENIOR UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ 30%	\$310	\$9,300	\$13,260	30.8%	83
1/1 @ 60%	\$621	\$18,630	\$26,520	10.3%	28
Total Units		\$9,300	\$26,520	51.2%	137

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

For market rate units, 100 percent of the area median income was utilized. The proposed rents are in line with the maximum rents for 100 percent of the median income rent level. Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e. 30% AMI) for a unit is divided by 35 percent for family units and 40 percent for senior units. The resulting number is then multiplied by 12 to derive an annual income ($\$852 / 35\% = \$2,434.29 \times 12 = \$29,211$) for family units or ($\$852 / 40\% = \$2,130.00 \times 12 = \$25,560$) for senior units. This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent in family properties, and that a senior tenant should not pay more than 40 percent of his annual income in a senior property. While market-rate units are not required to have maximum income limits, for the purpose of this report, the analyst utilized the 100 percent of the area median income maximum income limits.

INCOME ELIGIBLE HOUSEHOLDS - MARKET-RATE FAMILY UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 Market	\$852	\$29,211	\$34,100	8.2%	45
2/1 Market	\$957	\$32,811	\$38,300	10.1%	55
3/2 Market	\$1,065	\$36,514	\$46,000	11.2%	61
Total Units		\$29,211	\$46,000	23.9%	130

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

INCOME ELIGIBLE HOUSEHOLDS - MARKET-RATE SENIOR UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ Market	\$852	\$25,560	\$34,100	8.8%	24
Total Units		\$25,560	\$34,100	8.8%	24

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

The following tables illustrate the renter households by income for 2018 and 2023 for the primary market area.

Renter Households						
Aged 55+ Years						
<i>Year 2018 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	62	0	0	0	0	62
\$10,000-20,000	49	0	1	0	0	50
\$20,000-30,000	29	3	0	0	0	32
\$30,000-40,000	3	17	2	0	1	23
\$40,000-50,000	3	2	21	0	2	28
\$50,000-60,000	3	3	0	0	1	7
\$60,000-75,000	7	0	1	0	0	8
\$75,000-100,000	21	0	0	0	0	21
\$100,000-125,000	19	0	0	1	0	20
\$125,000-150,000	4	0	0	0	2	6
\$150,000-200,000	2	0	0	0	0	2
\$200,000+	<u>7</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>9</u>
Total	209	25	27	1	6	268

Renter Households						
All Age Groups						
<i>Year 2018 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	104	8	14	12	1	139
\$10,000-20,000	61	8	23	13	0	105
\$20,000-30,000	29	7	5	6	0	47
\$30,000-40,000	7	56	5	27	5	100
\$40,000-50,000	4	11	25	0	3	43
\$50,000-60,000	3	8	0	0	5	16
\$60,000-75,000	7	1	1	6	1	16
\$75,000-100,000	21	3	1	0	0	25
\$100,000-125,000	22	0	1	1	4	28
\$125,000-150,000	4	1	0	0	2	7
\$150,000-200,000	3	0	0	1	2	6
\$200,000+	<u>8</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>11</u>
Total	273	104	77	66	23	543

Renter Households						
Aged 55+ Years						
<i>Year 2023 Projections</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	59	0	0	0	0	59
\$10,000-20,000	50	0	1	0	0	51
\$20,000-30,000	29	1	0	0	1	31
\$30,000-40,000	3	14	2	0	1	20
\$40,000-50,000	5	1	30	0	2	38
\$50,000-60,000	4	3	0	0	0	7
\$60,000-75,000	4	0	0	0	0	4
\$75,000-100,000	20	0	0	0	1	21
\$100,000-125,000	19	0	1	0	1	21
\$125,000-150,000	4	0	0	0	0	4
\$150,000-200,000	2	0	0	0	1	3
\$200,000+	<u>10</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	13
Total	209	20	34	0	9	272

Renter Households						
All Age Groups						
<i>Year 2023 Projections</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	102	8	12	10	0	132
\$10,000-20,000	58	8	21	13	1	101
\$20,000-30,000	30	5	5	5	1	46
\$30,000-40,000	7	52	5	25	5	94
\$40,000-50,000	5	15	34	0	2	56
\$50,000-60,000	4	8	0	0	6	18
\$60,000-75,000	4	0	0	7	2	13
\$75,000-100,000	21	4	0	0	1	26
\$100,000-125,000	22	0	1	0	4	27
\$125,000-150,000	4	0	0	1	0	5
\$150,000-200,000	3	0	0	2	2	7
\$200,000+	<u>10</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>3</u>	15
Total	270	102	78	63	27	540

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE		
INCOME	TISHOMINGO COUNTY	IUKA
Less than \$10,000		
Less than 20%	0	0
20-24%	0	0
25-29%	15	8
30-34%	39	34
35%+	301	131
Not Computed	73	11
\$10,000 - \$19,999		
Less than 20%	6	0
20-24%	42	14
25-29%	53	23
30-34%	75	17
35%+	336	83
Not Computed	127	11
\$20,000 - \$34,999		
Less than 20%	78	8
20-24%	70	52
25-29%	10	10
30-34%	32	0
35%+	19	0
Not Computed	47	7
\$35,000 - \$49,999		
Less than 20%	94	35
20-24%	13	0
25-29%	7	7
30-34%	0	0
35%+	0	0
Not Computed	22	0
\$50,000 - \$74,999		
Less than 20%	73	0
20-24%	0	0
25-29%	0	0
30-34%	0	0
35%+	0	0
Not Computed	15	0
\$75,000 or more		
Less than 20%	13	0
20-24%	0	0
25-29%	0	0
30-34%	0	0
35%+	0	0
Not Computed	0	0
TOTAL	1,560	451

Source: U.S. Census Bureau

The following table lists all households by income and age.

HOUSEHOLDS BY INCOME GROUP BY AGE									
INCOME	2010			2018			2023		
	25-44	45-64	65+	25-44	45-64	65+	25-44	45-64	65+
TISHOMINGO COUNTY									
Less than \$15,000	495	486	627	322	362	415	290	299	412
\$15,000 - \$24,999	265	521	521	137	302	659	117	239	648
\$25,000 - \$34,999	418	515	338	274	472	450	250	397	469
\$35,000 - \$49,999	336	317	266	391	509	517	386	468	596
\$50,000 - \$74,999	435	671	254	589	517	313	593	492	363
\$75,000 - \$99,999	141	271	90	206	403	143	217	385	172
\$100,000 - \$149,999	87	236	45	138	289	230	157	307	312
\$150,000 - \$199,999	32	48	0	26	99	1	37	138	7
\$200,000+	7	54	0	12	77	33	16	90	50
TOTAL	7,476			7,886			7,907		
IUKA									
Less than \$15,000	221	52	205	76	81	86	70	72	83
\$15,000 - \$24,999	11	129	92	15	49	119	17	43	111
\$25,000 - \$34,999	8	61	88	39	51	64	31	41	60
\$35,000 - \$49,999	60	30	56	56	110	102	54	106	115
\$50,000 - \$74,999	34	105	32	99	48	35	103	43	39
\$75,000 - \$99,999	22	18	4	15	65	31	17	62	34
\$100,000 - \$149,999	2	59	0	26	36	63	28	29	77
\$150,000 - \$199,999	10	0	0	1	14	1	2	22	3
\$200,000+	0	11	0	0	18	7	0	19	9
TOTAL	1,310			1,307			1,290		

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

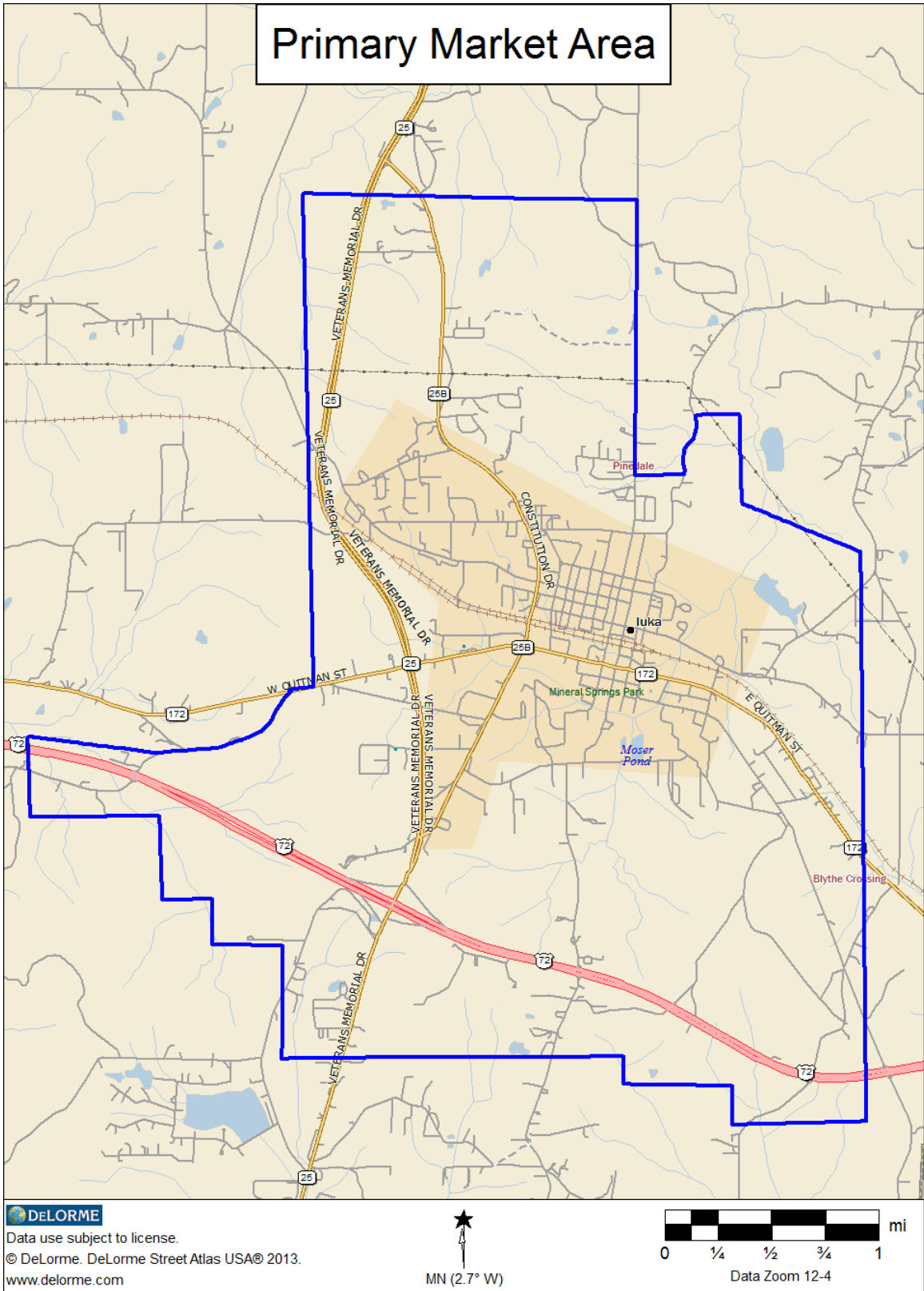
MARKET AREA

Following is a list of considerations used when determining the market area:

- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- **Demand:** Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- **Supply Analysis:** While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- **Competitive Stock:** The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as “comparables”, they should be located in the primary market area, if possible.
- **Attainable Rents:** If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- **Location of Competitive Properties:** A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- **Accessibility:** Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- **Natural Boundaries:** Natural boundaries including rivers and mountains can restrict the mover-ship within a market due to a lack of accessibility.
- **Housing Project Characteristics:** The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- **Market Perceptions:** Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.
- **Commuting Patterns:** The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- **Target Market:** Proposed developments targeting a special needs population such as seniors generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- **Jurisdictional Boundaries:** Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- **Local Agency Service Boundaries:** The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.

- **Non-Geographic Factors:** Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The primary market area consists of the City of Iuka. The primary market area is bound by the city limits.



ECONOMY

EMPLOYMENT AND UNEMPLOYMENT

The economy of the City of Iuka is based on manufacturing; retail trade; and educational, health and social services sectors. The majority of these categories have experienced reasonable growth within the past few years. The chart below shows the number of people employed in different sectors of Tishomingo County and the City of Iuka for 2018.

PLACE OF WORK EMPLOYMENT DATA				
INDUSTRY	TISHOMINGO COUNTY		IUKA	
	TOTAL	%	TOTAL	%
Agriculture, Forestry, Fisheries & Mining	229	2.9%	42	4.2%
Construction	501	6.4%	65	6.6%
Manufacturing	1,977	25.3%	143	14.4%
Wholesale Trade	148	1.9%	9	0.9%
Retail Trade	1,080	13.8%	140	14.1%
Transportation, Communication & Utilities	543	7.0%	77	7.8%
Information	105	1.3%	2	0.2%
Finance, Insurance & Real Estate	220	2.8%	31	3.1%
Professional & Related Services	425	5.4%	96	9.7%
Educational, Health & Social Services	1,477	18.9%	221	22.3%
Entertainment & Recreation Services	329	4.2%	37	3.7%
Other	425	5.4%	56	5.6%
Public Administration	341	4.4%	73	7.4%

Source: Nielsen Claritas and Ribbon Demographics

The following table indicates the major employers serving the TAP region which includes Tishomingo, Alcorn and Prentiss Counties in Mississippi.

MAJOR EMPLOYERS
Name
Caterpillar, Inc.
ACCO Brands - Boonesville
Corinthian, Inc.
Vanleigh RV
Kimberly-Clark Corp.
Plumrose, USA
Tiffan Motorhomes
Comfort Revolution
KeyTronics EMS
Golden Manufacturing
Marathon Cheese Corporation
Mississippi Polymers, Inc.

Labor Force and Employment Trends

Employment in Tishomingo County has been increasing an average of 0.5 percent per year since 2005. Employment in Mississippi has decreased an average of 0.1 percent per year since 2005.

LABOR FORCE AND EMPLOYMENT TRENDS FOR TISHOMINGO COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2005	8,097	7,408	91.5%	689	8.5%
2006	8,107	7,529	92.9%	578	7.1%
2007	7,974	7,342	92.1%	632	7.9%
2008	7,937	7,240	91.2%	697	8.8%
2009	7,548	6,603	87.5%	945	12.5%
2010	7,813	6,817	87.3%	996	12.7%
2011	8,070	7,097	87.9%	973	12.1%
2012	7,890	7,076	89.7%	814	10.3%
2013	7,678	6,965	90.7%	713	9.3%
2014	7,586	7,000	92.3%	586	7.7%
2015	8,050	7,540	93.7%	510	6.3%
2016	8,322	7,866	94.5%	456	5.5%
2017**	8,415	8,051	95.7%	364	4.3%

* Data based on place of residence.

**Preliminary - based on monthly data through December

Source: U.S. Bureau of Labor Statistics Data

Unemployment in Tishomingo County reached a high of 12.7 percent in 2010 and reached a low of 5.5 percent in 2016. The rate of unemployment for December 2017 was 4.3 percent.

LABOR FORCE AND EMPLOYMENT TRENDS FOR MISSISSIPPI					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2005	1,317,406	1,218,830	92.5%	98,576	7.5%
2006	1,290,175	1,205,905	93.5%	84,270	6.5%
2007	1,303,519	1,224,062	93.9%	79,457	6.1%
2008	1,306,773	1,220,991	93.4%	85,782	6.6%
2009	1,269,226	1,148,934	90.5%	120,292	9.5%
2010	1,306,608	1,170,881	89.6%	135,727	10.4%
2011	1,342,814	1,208,749	90.0%	134,065	10.0%
2012	1,316,552	1,198,204	91.0%	118,348	9.0%
2013	1,269,720	1,160,510	91.4%	109,210	8.6%
2014	1,246,853	1,152,789	92.5%	94,064	7.5%
2015	1,269,950	1,188,600	93.6%	81,350	6.4%
2016	1,278,960	1,204,481	94.2%	74,479	5.8%
2017**	1,277,300	1,220,963	95.6%	56,337	4.4%

* Data based on place of residence.

**Preliminary - based on monthly data through December

Source: U.S. Bureau of Labor Statistics Data

Unemployment in the state reached a high of 10.4 percent in 2010 and reached a low of 5.8 percent in 2016. The unemployment rate in December 2017 was 4.4 percent.

CHANGE IN TOTAL EMPLOYMENT FOR TISHOMINGO COUNTY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2005-2010	(591)	(118)	-8.0%	-1.6%
2010-2015	723	145	10.6%	2.1%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2005 by time period are listed in the table above. The data shows that the number of persons employed in Tishomingo County increased an average of 0.3 percent per year between 2005 and 2015.

RECENT CHANGES IN EMPLOYMENT FOR TISHOMINGO COUNTY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2010	6,817	214	12.7%
2011	7,097	280	12.1%
2012	7,076	(21)	10.3%
2013	6,965	(111)	9.3%
2014	7,000	35	7.7%
2015	7,540	540	6.3%
2016	7,866	326	5.5%

Source: U.S. Bureau of Labor Statistics

The preceding table shows the changes in employment and percent unemployed since 2010. The unemployment rate has fluctuated from 5.5 percent to 12.7 percent. These fluctuations are in line with the unemployment rates the State of Mississippi.

Future Employment Trends

According to Tishomingo County Development Foundation, Yellow Creek Port continues to invest in buildings and infrastructure. A rail spur construction contract was recently awarded, and a 100,000-square foot industrial building will be open for bids soon. In addition, the area is offering several different options such as free education programs at Manufacturing Academy to help the area meet the skilled workforce demands. Tishomingo County guarantees tuition to the community college for local high school students and a local educational foundation funds senior college, medical and law school for qualified students. Orbital ATK, recently announced a planned expansion into the City of Iuka, investing \$10.48 million and creating 50 new jobs. In 2016, Skyline Street, a Nucor company announced the company’s planned expansion in Iuka, investing \$15 million and creating 15 new jobs. BMSI also announced plans for expansion in 2016. The company is investing \$6 million to bring a new manufacturing operation to Burnsville, Mississippi, creating 100 new jobs. The industrial contractor is taking over a 20,000-square foot building at the Yellow Creek Port and plans to expand the building by an additional 30,000-square feet. Therefore, it is believed Tishomingo County will continue to grow economically over the next few years.

WAGES BY OCCUPATION

The average annual wage of Tishomingo County employees was \$27,247 in 2016. Wages have been decreasing 5.1 percent per year.

AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2015	2016	ANNUAL
Agriculture, Forestry, and Fisheries	\$35,883	\$40,437	12.7%
Mining	*N/A	*N/A	*N/A
Construction	\$46,580	\$37,688	-19.1%
Manufacturing	\$35,528	\$36,991	4.1%
Transportation and Warehousing	\$26,499	\$26,531	0.1%
Utilities	\$53,364	*N/A	*N/A
Wholesale Trade	\$28,299	*N/A	*N/A
Retail Trade	\$21,624	\$20,727	-4.1%
Leisure and Hospitality	\$13,943	\$14,131	1.3%
Education and Health Services	\$27,947	\$28,286	1.2%
Professional and Business Services	\$23,722	\$28,452	19.9%
Financial Activities	\$38,266	\$38,933	1.7%
Information	\$9,081	\$10,685	17.7%
Other Services	\$21,152	\$23,059	9.0%
Public Administration (Local Government)	\$20,221	\$21,043	4.1%

Source: U.S. Bureau of Labor Statistics

*Data was not available.

COMMUTING PATTERNS

Employment Outside the County

For residents employed in the Tishomingo County, the travel time to work from the site will be less than 25 minutes. For the majority of those employed in other parts of the county, the travel time would be within 35 minutes. According to the chart below, 38.9 percent have a travel time of less than 15 minutes; 31.7 percent have a travel time of 15 to 29 minutes; and 29.5 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers which enhances the marketability of the area.

ESTIMATED TRAVEL TIME TO WORK FOR MARKET AREA RESIDENTS		
TRAVEL TIME IN MINUTES	NUMBER OF COMMUTERS	PERCENT
Less than 15	2,900	38.9%
15-29	2,362	31.7%
30-44	1,243	16.7%
45-59	446	6.0%
60+	509	6.8%
Total Commuters	7,460	

Source: Nielsen Claritas, Ribbon Demographics

DEMOGRAPHICS

POPULATION TRENDS

The housing market area for the complex is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

In 2000, the City of Iuka contained an estimated population of 3,059. By 2010, population in the city had decreased by 0.1 percent to 3,028. By 2018, population in this market area had increased by 0.7 percent to 3,050. It is projected that between 2018 and 2020 population in the market area will decrease by 0.3 percent to 3,040, and between 2020 and 2023 population in the market area will decrease by 0.5 percent to 3,026.

CHANGE IN TOTAL POPULATION						
SUBJECT	YEAR	POPULATION	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
TISHOMINGO COUNTY	2000	19,163				
Estimated	2010	19,593	430	2.2%	43	0.2%
	2018	19,476	(117)	-0.6%	(15)	-0.1%
	2020	19,486	10	0.1%	5	0.0%
Projected	2023	19,501	15	0.1%	5	0.0%
IUKA	2000	3,059				
Estimated	2010	3,028	(31)	-1.0%	(3)	-0.1%
	2018	3,050	22	0.7%	3	0.1%
	2,020	3,040	(10)	-0.3%	(5)	-0.1%
Projected	2023	3,026	(14)	-0.5%	(5)	-0.1%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

CHANGE IN POPULATION BY AGE GROUPS						
TISHOMINGO COUNTY						
AGE	2010	2018	CHANGE	2020	2023	CHANGE
0-4	1,097	1,078	-1.7%	1,079	1,080	0.1%
5-9	1,348	1,149	-14.8%	1,117	1,070	-4.2%
10-14	1,243	1,216	-2.2%	1,187	1,143	-3.7%
15-17	872	748	-14.2%	750	753	0.4%
18-20	704	721	2.4%	723	726	0.4%
21-24	749	958	27.9%	970	987	1.8%
25-34	2,016	2,147	6.5%	2,189	2,252	2.9%
35-44	2,677	2,148	-19.8%	2,108	2,047	-2.9%
45-54	2,815	2,594	-7.9%	2,475	2,296	-7.2%
55-64	2,576	2,644	2.6%	2,635	2,621	-0.5%
65-74	1,904	2,469	29.7%	2,621	2,849	8.7%
75-84	1,200	1,187	-1.1%	1,200	1,219	1.6%
85+	334	417	24.9%	433	458	5.7%
Total Population	19,535	19,476	-0.3%	19,486	19,501	0.1%
Elderly % Population	17.6%	20.9%	3.7%	21.8%	23.2%	1.4%
IUKA						
AGE	2010	2018	CHANGE	2020	2023	CHANGE
0-4	192	184	-4.2%	186	189	1.6%
5-9	231	198	-14.3%	192	183	-4.7%
10-14	106	195	84.0%	195	194	-0.3%
15-17	107	104	-2.8%	110	120	8.7%
18-20	104	97	-6.7%	101	107	5.9%
21-24	176	130	-26.1%	132	136	2.7%
25-34	387	321	-17.1%	313	302	-3.6%
35-44	183	321	75.4%	322	324	0.6%
45-54	461	366	-20.6%	346	316	-8.7%
55-64	294	375	27.6%	374	372	-0.5%
65-74	330	390	18.2%	403	422	4.8%
75-84	306	250	-18.3%	244	236	-3.4%
85+	166	119	-28.3%	121	125	3.0%
Total Population	3,028	3,050	0.7%	3,040	3,026	-0.5%
Elderly % Population	26.5%	24.9%	6.6%	25.3%	25.9%	0.6%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

Household Trends

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. In the case of housing for the elderly, the demand for rental housing is sometimes caused by the inability of the elderly to properly maintain their present ownership housing. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

Some of the demand has been or will be satisfied by units which have been built or will be built by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then, characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which will be demanded.

Tenure

The percentage of renters in Tishomingo County in 2018 was 24.9 percent, and for City of Iuka the percentage was 39.8 percent. According to the U.S. Census Bureau, the national rental percentage is 36.4 percent, showing that the percentage of renters for the city is higher than for the country.

HOUSEHOLDS BY TENURE						
SUBJECT	YEAR	TOTAL HOUSEHOLDS	OWNER		RENTER	
			NO.	%	NO.	%
TISHOMINGO COUNTY	2000	7,959	6,263	78.7%	1,696	21.3%
	2010	8,148	6,100	74.9%	2,048	25.1%
Estimated	2018	8,129	6,108	75.1%	2,021	24.9%
	2020	8,139	6,119	75.2%	2,019	24.8%
Projected	2023	8,153	6,136	75.3%	2,017	24.7%
IUKA	2000	1,396	928	66.5%	468	33.5%
	2010	1,333	763	57.2%	570	42.8%
Estimated	2018	1,363	820	60.2%	543	39.8%
	2020	1,359	817	60.1%	542	39.9%
Projected	2023	1,352	812	60.1%	540	39.9%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

The breakdown of households according to size and type in 2010 is shown in the following table. Renter household size for the market area is shown below. The breakdown of households according to size and type for owners and renters age 60 and older is shown in also shown on the following page.

HOUSEHOLDS BY SIZE AND TYPE		
OWNER-OCCUPIED	TISHOMINGO COUNTY	IUKA
1 person	1,576	270
2 persons	2,369	272
3 persons	972	116
4 persons	735	61
5 persons	307	32
6 persons	94	8
7 or more persons	47	4
RENTER-OCCUPIED		
1 person	828	273
2 persons	479	133
3 persons	332	88
4 persons	234	46
5 persons	114	20
6 persons	36	5
7 or more persons	25	5

Source: U.S. Census Bureau

HOUSEHOLDS BY SIZE/TYPE/AGE OF MEMBERS		
Households With:	TISHOMINGO COUNTY	IUKA
1+ Persons Age 60+		
1 Person Household	1,433	330
2+ Persons (Family)	1,933	252
2+ Persons (Non-Family)	52	4
1+ Persons Age 65+		
1 Person Household	1,141	264
2+ Persons (Family)	1,404	196
2+ Persons (Non-Family)	33	1

Source: U.S. Census Bureau

The following table shows significant characteristics of the market area housing stock in 2010. In 2010 there were 1,055 single-family housing units, 243 multifamily housing units and 92 mobile homes in the market area. Of the 92 mobile homes in the market area, 47 were rental mobile homes. The data in the following table also shows that there were no rental units lacking complete plumbing and 47 rental units that were overcrowded. There were 50 units built prior to 1939. According to the U.S. Census Bureau, there were no rental units built after 2000 and later.

CHARACTERISTICS OF THE MARKET AREA HOUSING STOCK		
	TISHOMINGO COUNTY	IUKA
TOTAL HOUSING UNITS	10,295	1,547
OCCUPANCY AND TENURE		
Occupied Housing Units	8,148	1,333
Owner-Occupied	6,100	763
Percent Owner-Occupied	74.9%	57.2%
Renter-Occupied	2,048	570
VACANT HOUSING UNITS		
For seasonal, recreational, etc.	1033	19
Persons per owner-occupied unit	2.4	2.15
Persons per renter-occupied unit	2.29	2.03
TENURE BY YEAR STRUCTURE BUILT		
RENTER-OCCUPIED		
2005 or later	24	0
2000-2004	32	0
1990-1999	233	55
1980-1989	385	96
1970-1979	388	67
1960-1969	209	104
1950-1959	137	53
1940-1949	36	26
1939 or earlier	116	50
PERSONS PER ROOM: RENTER		
0.50 or less	1,012	273
0.51-1.00	484	131
1.01-1.50	63	47
1.51-2.00	1	0
2.01 or more	0	0
PLUMBING FACILITIES -		
PERSON/ROOM: RENTER-OCCUPIED		
Lacking Complete Plumbing Facilities:		
1.00 or less	11	0
1.01-1.50	0	0
1.51 or more	0	0

Source: U.S. Census Bureau

ADDITIONAL HOUSING STOCK CHARACTERISTICS				
HOUSING UNITS IN STRUCTURE	OWNER-OCCUPIED		RENTER-OCCUPIED	
TISHOMINGO COUNTY	NUMBER	PERCENT	NUMBER	PERCENT
1, Detached	5,136	83.5%	671	43.0%
1, Attached	80	1.3%	12	0.8%
2	10	0.2%	161	10.3%
3 to 4	0	0.0%	242	15.5%
5 to 9	0	0.0%	48	3.1%
10 to 19	0	0.0%	13	0.8%
20 to 49	10	0.2%	34	2.2%
50 or more	0	0.0%	0	0.0%
Mobile Home, Trailer, Other	913	14.8%	379	24.3%
TOTAL	6,149	100.0%	1,560	100.0%
IUKA				
1, Detached	876	93.3%	149	33.0%
1, Attached	18	1.9%	12	2.7%
2	0	0.0%	67	14.9%
3 to 4	0	0.0%	116	25.7%
5 to 9	0	0.0%	42	9.3%
10 to 19	0	0.0%	10	2.2%
20 to 49	0	0.0%	8	1.8%
50 or more	0	0.0%	0	0.0%
Mobile Home, Trailer, Other	45	4.8%	47	10.4%
TOTAL	939	100.0%	451	100.0%

Source: U.S. Census Bureau

COMPARABLE PROPERTIES

Due to lack of comparable properties in the market area, comparables from the county and surrounding area were utilized. Rents for the market-rate comparable properties range from \$480 to \$600 for the one-bedroom units; from \$300 to \$950 for the two-bedroom units; and from \$700 to \$1,100 for the three-bedroom units. The average market rent for each bedroom type is as follows: \$540 for the one-bedroom units; \$568 for the two-bedroom units; and \$900 for the three-bedroom units. Due to several factors being involved in determining rent levels, such as condition, amenities and location, the 100 percent of the area median income rents were utilized for the purpose of this analysis.

There were two affordable properties located in Tishomingo County. Both properties were Section 8 with subsidies for all units. Due to lack of comparables, the maximum allowable rents typically seen for programs such as Housing Tax Credit, Home, etc., were utilized for the purpose of the analysis in order to determine if there was a need for affordable units, regardless of the type of restrictions that the property may have.

The following pages show the market-rate and affordable comparable properties.

Multi-Family Lease No. 1



Property Identification

Record ID 21413
Property Type Garden
Property Name Fair Haven Apartments
Address 1401 North College Street, Booneville, Prentiss County, Mississippi 38829
Market Type Market

	<u>Unit Mix</u>			
<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	24	600	\$480	\$0.80
Occupancy	100%			
Rent Premiums	N			
Total Units	24			
Unit Size Range	600			
Avg. Unit Size	600			
Avg. Rent/Unit	\$480			
Avg. Rent/SF	\$0.80			
SF	14,400			

Multi-Family Lease No. 1 (Cont.)

Physical Data

No. of Buildings	5
Construction Type	Siding
HVAC	Baseboard Elec/Wall Elec
Stories	1
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	1972
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Laundry Facility, On-Site Management

Multi-Family Lease No. 2



Property Identification

Record ID 21414
Property Type Garden
Property Name Magnolia Estates Apartments
Address 606 Jacinto Road, Booneville, Prentiss County, Mississippi 38829
Market Type Market

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
3/2	12	800	\$700	\$0.88
Occupancy	100%			
Rent Premiums	N			
Total Units	12			
Unit Size Range	800			
Avg. Unit Size	800			
Avg. Rent/Unit	\$700			
Avg. Rent/SF	\$0.88			
SF	9,600			

Multi-Family Lease No. 2 (Cont.)

Physical Data

No. of Buildings	3
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1985
Condition	Average
Gas Utilities	Hot Water
Electric Utilities	Heating, Cooling, Cooking, Other Elec

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Patio, Laundry Facility

Multi-Family Lease No. 3



Property Identification

Record ID 21415
Property Type Garden
Property Name Waters Village Apartments
Address 301 Jefferson Street, Booneville, Prentiss County, Mississippi 38829
Market Type Market

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
2/2	16	800	\$640	\$0.80
Occupancy	100%			
Rent Premiums	N			
Total Units	16			
Unit Size Range	800			
Avg. Unit Size	800			
Avg. Rent/Unit	\$640			
Avg. Rent/SF	\$0.80			
SF	12,800			

Multi-Family Lease No. 3 (Cont.)

Physical Data

No. of Buildings	3
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	1
Utilities with Rent	Trash Collection
Parking	L/0
Year Built	1976
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Microwave, Carpet, Ceramic Tile, Blinds, Ceiling Fans, Laundry Facility

Multi-Family Lease No. 4



Property Identification

Record ID 21540
Property Type Garden
Property Name 88 Oak Lane Apartments
Address 88 Oak Lane, Belmont, Tishomingo County, Mississippi 38827
Market Type Market

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	8	Unknown	\$600	Unknown
Total Units	8			

Physical Data

No. of Buildings 1
Construction Type Brick
HVAC None/Wall Elec
Stories 1
Year Built 1979/2014
Condition Average

Amenities

Refrigerator, Range/Oven, Ceramic Tile, Blinds, Laundry Facility, On-Site Management

Multi-Family Lease No. 5



Property Identification

Record ID 21545
Property Type Garden
Property Name The Pinnacle Apartments
Address South Tate Street, Corinth, Alcorn County, Mississippi 38834
Market Type Market

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2	10	1,200	\$950	\$0.79
3/2	10	1,400	\$1,100	\$0.79

Occupancy 100%
Rent Premiums N
Total Units 20
Unit Size Range 1,200 – 1,400
Avg. Unit Size 1,300
Avg. Rent/Unit \$1,025
Avg. Rent/SF \$0.79

SF 26,000

Multi-Family Lease No. 5 (Cont.)

Physical Data

No. of Buildings	10
Construction Type	Brick
HVAC	Central Elec/Central Elec
Utilities with Rent	None
Parking	L/0
Year Built	2015
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Patio, Granite Counter Tops

Multi-Family Lease No. 6



Property Identification

Record ID	21546
Property Type	Walk-Up/Garden
Property Name	Oak Creek Apartments
Address	Foot Street, Corinth, Alcorn County, Mississippi 38834
Market Type	Market

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	19	700	\$550	\$0.79
Occupancy	100%			
Rent Premiums	N			
Total Units	19			
Unit Size Range	700			
Avg. Unit Size	700			
Avg. Rent/Unit	\$550			
Avg. Rent/SF	\$0.79			
SF	13,300			

Multi-Family Lease No. 6 (Cont.)

Physical Data

No. of Buildings	5
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	1,2
Utilities with Rent	None
Parking	L/0
Year Built	1987
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Vinyl, Blinds

Multi-Family Lease No. 7



Property Identification

Record ID 21550
Property Type Garden/Townhouse
Property Name Country Lane Apartments
Address 3200 Proper Street, Corinth, Alcorn County, Mississippi 38834
Market Type Market

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	52	700	\$300	\$0.43
2/2 (TH)	28	900	\$400	\$0.44
2/2 (TH)		1,000	\$400	\$0.40

Occupancy 93%
Rent Premiums N
Total Units 80
Unit Size Range 700 – 1,000
Avg. Unit Size 770
Avg. Rent/Unit \$335
Avg. Rent/SF \$0.44

SF 61,600

Multi-Family Lease No. 7 (Cont.)

Physical Data

Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Stories	1, 2
Utilities with Rent	None
Parking	L/0
Year Built	1971
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds

Multi-Family Lease No. 8



Property Identification

Record ID 21544
Property Type Garden
Property Name Northview Apartments
Address 28 Jefferson Street, Burnsville, Tishomingo County, Mississippi 38833
Market Type Section 8

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	1	518	Unknown	Unknown
1/1	2	750	Unknown	Unknown
2/1	1	666	Unknown	Unknown
2/1	6	1,000	Unknown	Unknown
3/1	6	895	Unknown	Unknown
3/1	1	1,200	Unknown	Unknown
Total Units	17			
SF	15,254			

Multi-Family Lease No. 8 (Cont.)

Physical Data

No. of Buildings	10
Construction Type	Brick
Stories	1
Parking	L/0
Condition	Average

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Laundry Facility, On-Site Management

Multi-Family Lease No. 9



Property Identification

Record ID 21549
Property Type Garden
Property Name Hiatt Circle Apartments
Address 101 Hiatt Circle, Iuka, Tishomingo County, Mississippi 38852
Market Type Section 8

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	Unknown	Unknown	\$272	Unknown
2/1	Unknown	Unknown	\$309	Unknown
3/1	Unknown	Unknown	\$492	Unknown

Occupancy 96%
Rent Premiums N
Total Units 50

Multi-Family Lease No. 9 (Cont.)

Physical Data

No. of Buildings	25
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	1
Utilities with Rent	None
Parking	L/0
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Laundry Facility

DEMAND ANALYSIS

Sources of Demand

The potential tenants for the development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy. The City of Iuka is projected to lose two households between 2018 and 2023.

Required Unit Mix

The LIHTC program is based on the premise that 1.5 persons per bedroom will occupy family rental units and a maximum of two-person will occupy senior units. We expect 25 percent of one person and ten percent of two-person households will occupy one-bedroom units. We expect that 75 percent of one-person households, 50 percent of two-person households and 40 percent of three-person households will occupy two-bedroom units. We expect that 40 percent of two-person households, 60 percent of three-person households, 50 percent of four-person households, and 90 percent of five-person households will occupy three-bedroom units. We expect 50 percent of four-person households, ten percent of five-person households, and 100 percent of households with six-person or more will occupy units with four or more bedrooms.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that studio units should account for zero percent of the renter housing demand; one-bedroom units should account for 12.4 percent; two-bedroom units should account for 48.5 percent; three-bedroom units should account for 29.8 percent, and units with four or more bedrooms should account for 9.2 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	0	68	205	0	0	273
2 Persons	0	13	67	53	0	133
3 Persons	0	0	35	53	0	88
4 Persons	0	0	0	23	23	46
5 Persons	0	0	0	18	2	20
6 Persons	0	0	0	0	5	5
7 or More Persons	0	0	0	0	5	5
TOTAL	0	82	306	147	35	570
PERCENT	0.0%	14.3%	53.8%	25.8%	6.1%	100.0%

Eligible Households

Landlords evaluate a potential tenant’s income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant’s income. They increased the ratio to 35 percent for income-restricted family developments, and 40 percent for income-restricted senior developments.

The following tables show the minimum target income required for each unit and the affordable income limits to determine the upper range of eligibility for each affordable unit. While market-rate units are not required to have maximum income limits, for the purpose of this report, the analyst utilized the 100 percent of the area median income maximum income limits. The following table lists how many households are within the required target income for each unit type.

INCOME ELIGIBLE HOUSEHOLDS - AFFORDABLE FAMILY UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ 30%	\$310	\$10,629	\$13,260	11.4%	62
1/1 @ 60%	\$621	\$21,291	\$26,520	4.5%	25
2/1 @ 30%	\$372	\$12,754	\$14,910	13.7%	74
2/1 @ 60%	\$745	\$25,543	\$29,820	3.7%	20
3/2 @ 30%	\$430	\$14,743	\$17,880	21.3%	116
3/2 @ 60%	\$861	\$29,520	\$35,760	11.0%	60
All Units @ 30%	\$310	\$10,629	\$17,880	29.3%	159
All Units @ 60%	\$621	\$21,291	\$35,760	18.1%	99
Total Units		\$10,629	\$35,760	37.4%	203

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

INCOME ELIGIBLE HOUSEHOLDS - AFFORDABLE SENIOR UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ 30%	\$310	\$9,300	\$13,260	30.8%	83
1/1 @ 60%	\$621	\$18,630	\$26,520	10.3%	28
Total Units		\$9,300	\$26,520	51.2%	137

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

INCOME ELIGIBLE HOUSEHOLDS - MARKET-RATE FAMILY UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 Market	\$852	\$29,211	\$34,100	8.2%	45
2/1 Market	\$957	\$32,811	\$38,300	10.1%	55
3/2 Market	\$1,065	\$36,514	\$46,000	11.2%	61
Total Units		\$29,211	\$46,000	23.9%	130

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

INCOME ELIGIBLE HOUSEHOLDS - MARKET-RATE SENIOR UNITS					
Unit Type	Gross Rent	Lower Range	Upper Range	Percent Renter	Renter Households
1/1 @ Market	\$852	\$25,560	\$34,100	8.8%	24
Total Units		\$25,560	\$34,100	8.8%	24

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

Required Demand – Affordable Family Units

The following table contains the summary demand estimates considering all qualified units at 30 and 60 percent of the area median income.

REQUIRED DEMAND - AFFORDABLE FAMILY UNITS								
	1BR Unit @ 30%	1BR Unit @ 60%	2BR Unit @ 30%	2BR Unit @ 60%	3BR Unit @ 30%	3BR Unit @ 60%	All Units @ 30%	All Units @ 60%
Demand from New Household Growth								
Average Annual Household Growth (2018-2023)	0	0	0	0	0	0	0	0
Percent Income Qualified	11.4%	4.5%	13.7%	3.7%	21.3%	11.0%	29.3%	18.1%
Percent Plan to Rent	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%
Demand from New Household Growth	0	0	0	0	0	0	0	0
Demand from Existing Households								
Total Existing Renter Households (2016)	543	543	543	543	543	543	543	543
Percent Income Qualified	11.4%	4.5%	13.7%	3.7%	21.3%	11.0%	29.3%	18.1%
Percent Appropriate Household Size	14.3%	14.3%	53.8%	53.8%	25.8%	25.8%	93.9%	93.9%
Percent Annual Turnover	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Demand from Existing Households	2	1	8	2	6	3	30	19
Demand from Renter Substandard Housing								
Total Substandard Households	47	47	47	47	47	47	47	47
Percent Income Qualified	11.4%	4.5%	13.7%	3.7%	21.3%	11.0%	29.3%	18.1%
Percent Appropriate Household Size	14.3%	14.3%	53.8%	53.8%	25.8%	25.8%	93.9%	93.9%
Demand from Substandard Housing	1	0	3	1	3	1	13	8
Demand from Rent Overburdened								
Total Rent Overburdened Households	49	0	59	0	91	0	126	0
Percent Appropriate Household Size	14.3%	14.3%	53.8%	53.8%	25.8%	25.8%	93.9%	93.9%
Demand from Rent Overburdened	7	0	32	0	23	0	118	0
Total Demand								
Demand from Household Growth	0	0	0	0	0	0	0	0
Demand from Existing Households	2	1	8	2	6	3	30	19
Demand from Substandard Housing	1	0	3	1	3	1	13	8
Demand from Rent Overburdened	7	0	32	0	23	0	118	0
TOTAL	10	1	43	3	32	4	161	27

Required Demand – Market-Rate Family Units

The following table contains the summary demand estimates considering all qualified units for the market-rate family units.

REQUIRED DEMAND - MARKET-RATE FAMILY UNITS			
	1BR Unit Market	2BR Unit Market	3BR Unit Market
Demand from New Household Growth			
Average Annual Household Growth (2018-2023)	0	0	0
Percent Income Qualified	8.2%	10.1%	11.2%
Percent Plan to Rent	39.8%	39.8%	39.8%
Demand from New Household Growth	0	0	0
Demand from Existing Households			
Total Existing Renter Households (2016)	543	543	543
Percent Income Qualified	8.2%	10.1%	11.2%
Percent Appropriate Household Size	14.3%	53.8%	25.8%
Percent Annual Turnover	20.0%	20.0%	20.0%
Demand from Existing Households	1	6	3
Demand from Renter Substandard Housing			
Total Substandard Households	47	47	47
Percent Income Qualified	8.2%	10.1%	11.2%
Percent Appropriate Household Size	14.3%	53.8%	25.8%
Demand from Substandard Housing	1	3	1
Demand from Rent Overburdened			
Total Rent Overburdened Households	0	0	0
Percent Appropriate Household Size	14.3%	53.8%	25.8%
Demand from Rent Overburdened	0	0	0
Total Demand			
Demand from Household Growth	0	0	0
Demand from Existing Households	1	6	3
Demand from Substandard Housing	1	3	1
Demand from Rent Overburdened	0	0	0
TOTAL	2	8	4

Required Demand – Affordable Senior Units

The following table contains the summary demand estimates considering all qualified units at 30 and 60 percent of the area median income.

REQUIRED DEMAND - AFFORDABLE SENIOR UNITS		
	1BR Unit @ 30%	1BR Unit @ 60%
Demand from New Senior Household Growth		
Average Annual Household Growth (2018-2023)	1	1
Percent Income Qualified	30.8%	10.3%
Percent Plan to Rent	39.8%	39.8%
Demand from New Household Growth	0	0
Demand from Existing Households		
Total Existing Senior Renter Households (2018)	268	268
Percent Income Qualified	30.8%	10.3%
Percent Annual Turnover	10.0%	10.0%
Demand from Existing Households	8	3
Demand from Renter Substandard Housing		
Total Substandard Senior Households	23	23
Percent Income Qualified	30.8%	10.3%
Demand from Substandard Housing	7	2
Demand from Rent Overburdened		
Total Rent Overburdened Senior Households	83	6
Demand from Rent Overburdened	83	6
Total Demand		
Demand from Household Growth	0	0
Demand from Existing Households	8	3
Demand from Substandard Housing	7	2
Demand from Rent Overburdened	83	6
TOTAL	98	11

Required Demand – Market-Rate Senior Units

The following table contains the summary demand estimates considering all qualified units for the market-rate senior units.

REQUIRED DEMAND - MARKET-RATE SENIOR UNITS	
	1BR Unit Market
Demand from New Senior Household Growth	
Average Annual Household Growth (2018-2023)	1
Percent Income Qualified	8.8%
Percent Plan to Rent	39.8%
Demand from New Household Growth	0
Demand from Existing Households	
Total Existing Senior Renter Households (2018)	268
Percent Income Qualified	8.8%
Percent Annual Turnover	10.0%
Demand from Existing Households	2
Demand from Renter Substandard Housing	
Total Substandard Senior Households	23
Percent Income Qualified	8.8%
Demand from Substandard Housing	2
Demand from Rent Overburdened	
Total Rent Overburdened Senior Households	0
Demand from Rent Overburdened	0
Total Demand	
Demand from Household Growth	0
Demand from Existing Households	2
Demand from Substandard Housing	2
Demand from Rent Overburdened	0
TOTAL	4

The population and households projections indicate a slight decrease through 2023. However, due to the incoming new and expanding businesses to city and surrounding area, there is an indication of the need of additional housing for employees. In addition, the unemployment rates for both the county and state have been decreasing, a trend that has been occurring since 2010. The renter household percentage in the city is 39.8, which is higher than for the nation. There were only three rental housing properties in the county, indicating a lack of rental housing for both senior and family units. This is currently insufficient to meet the current and projected rental housing demand. For these reasons, it is recommended for the area to develop more housing.

If you need additional information, please contact me at 1-800-428-3320.

Sincerely,

IN PROGRESS

Samuel T. Gill
Market Analyst