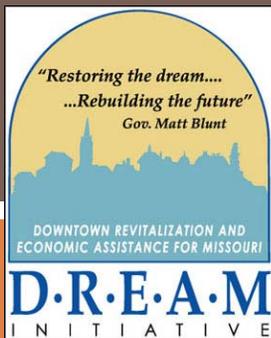


RESIDENTIAL DEMAND ANALYSIS

The Sedalia Downtown Market Area
City of Sedalia
Pettis County, Missouri

Prepared by
Missouri Housing Development Commission

Assistance provided by
Peckham Guyton Albers & Viets



Executive Summary



- ▣ **Market Study Purpose:** Quantify the potential residential demand in the downtown area of Sedalia, MO
 - Complement the overall revitalization efforts of the area
 - Determine the type of residential demand that exists
 - Detail the depth of the market demand

Executive Summary



- Downtown Market Area (DMA) is generally considered to be the area as described in the DREAM application

- The Analysis includes:
 - Demographic and economic analysis of the community
 - Demand analysis of the housing markets
 - Family rental housing
 - Senior rental housing
 - Family affordable housing
 - For sale housing

Downtown Market Area



MO DREAM - City of Sedalia Residential Demand Analysis

City of Sedalia Facts



- ▣ Located in Pettis County
- ▣ Approximately 100 miles east of Kansas City
- ▣ County seat and center of government and related services
- ▣ Home to Missouri State Fair
- ▣ Along Katy Trail

Downtown Market Area Description



Downtown - Sedalia, Missouri

- ▣ Many architecturally significant buildings, many of which are underutilized
- ▣ Employment center of municipal and county governments
- ▣ Walkable area; proximal to Katy Trail
- ▣ Arts initiative underway to establish downtown as a viable live-work center for regional and national artists
- ▣ Currently lacking retail and residential land uses

Demographic Statistics



Population of Sedalia

- ▣ Estimated 2007 population is 20,518 people
- ▣ Population has increased slightly since 1990 and is expected to continue this pattern in the next 5 years
- ▣ Median age of Sedalia population is increasing at a slower pace than that of the population of the State
- ▣ The gender distribution in Sedalia includes slightly more females (52%) than males (48%)
- ▣ Approximately 49% of the adult population of Sedalia is married

Demographic Statistics



Households in Sedalia

- ▣ Estimated number of households in 2007 is 8,629
- ▣ Total number of households is expected to increase over the next five years, creating a greater demand for housing units
- ▣ The average size of households is decreasing, creating a greater demand for smaller housing units
- ▣ The number of households with income of \$50,000+ is projected to increase by about 18% between 2007 & 2012
- ▣ The number of households with income of \$100,000+ is projected to increase by about 46% between 2007 & 2012

Demographic Statistics



Households in Sedalia, continued

- ▣ The percentage of Hispanic Households has increased by 46% between 2000 & 2007 and is projected to increase 29% between 2007 & 2012
- ▣ The percentage of Female Headed Households has increased by 11% between 2000 & 2007 and is projected to increase 8% between 2007 & 2012

Demographic Statistics

Households in Sedalia, continued

- ▣ Tenure patterns of the community have been constant and are expected to continue
 - Large percentage of owner occupied housing units are by 2 person households
 - The majority of renter occupied units are leased to 1 & 2 person households

- ▣ There has been a large increase in renter occupied units for the age group between 45 & 54 between 1990 & 2000

Housing Statistics



Households in Sedalia, continued

- ▣ Majority of housing inventory is owner occupied
 - There is a fair distribution of homeowners above age 25

- ▣ Approximately 13% of all renter households are severely cost burdened compared to the State at 15%
 - Single person households are the largest group at 16%
 - Elderly households are also severely cost burdened at 14%

Housing Statistics

Housing Units

- ▣ Estimated 9,453 units in the 2000 Census
- ▣ Majority of structures were detached single family units
- ▣ Less than 20% of structures are multi-family units
- ▣ Only 6% of structures were built post 1990
- ▣ The average sales price in 2007 for detached single family homes totaled \$103,291
 - This represents a 7% increase in the average sales price since 2005

Gross Rents (2000)

- ▣ Approximately 27% of households spend more than 35% of their income on rent

Employment and Economy

Major Employers

| Major Employers - Sedalia Area | | |
|--------------------------------|------------------|-----------|
| Employers | Type of Business | Employees |
| Tyson Foods, Inc. | Manufacturing | 1,430 |
| Bothwell Regional Health Ctr. | Medical | 700 |
| Waterloo Industries | Manufacturing | 475 |
| Wal-Mart Supercenter | Retail | 460 |
| Sedalia School District | Education | 436 |
| State Fair Community College | Education | 425 |
| Hayes Lemmerz International | Manufacturing | 382 |
| Inter-State Studios | Manufacturing | 350 |
| Gardner Denver Machinery, Inc. | Manufacturing | 300 |
| U.S. Government | Government | 293 |
| State of Missouri Government | Government | 281 |
| Alcan Cable | Manufacturing | 230 |
| Duke Manufacturing | Manufacturing | 240 |
| Four Seasons Living Center | Medical | 220 |
| Sheltered Workshops | Manufacturing | 218 |
| City of Sedalia | Government | 210 |

Source: Sedalia Chamber of Commerce

Employment and Economy



City Employment

- ▣ Manufacturing, Public Administration & Retail Trade comprise over half of the Sedalia economy
- ▣ Average annual earnings for the top three sectors range from \$19,350 to \$37,100
- ▣ Sedalia's manufacturing employment has been stable contrary to national and state trends
- ▣ Health Care & Social Assistance also has a large presence in the Sedalia area

Existing Rental Housing



Market Rate Rental Housing

- ▣ Limited number located in the Downtown area
 - Many have waiting lists creating an underserved demand among seniors & families
 - Stone Creek Apartments
 - New market rate rental development
 - Waiting list for one bedroom households

Existing Senior Affordable Housing

Senior Affordable Renter Housing

- ▣ Strong occupancy & demand
 - Lincoln Hubbard Apartments
 - Thirty-eight (38) 1 & 2 bedroom units
 - Former school converted into residential units
 - Furnell Landmark Building
 - Senior market rate development planned
 - Assisted living facility

Existing Affordable Housing



Family Affordable Renter Housing

- ▣ Approved developments in process but will not completely serve the potential demand
 - Dreamer Estates
 - Six (6) 3 bedroom units
 - Infill development

Existing Housing



Existing Subdivisions in Sedalia

- New units are being developed in the Southern area of city
 - Generally priced from \$150,000 to \$200,000
- Limited number of attached homes available for sale
- Market has slowed dramatically in sales of single family homes
 - Small number of homes for sale in the market

Conclusions



- ❑ **There is a shortage of available housing in the downtown area**
- ❑ **Additional housing in the downtown area would complement downtown revitalization efforts by repopulating the area with permanent consumers that could help to support existing businesses and attract new businesses**
- ❑ **There appears to be available vacant and underutilized land and buildings for development**

Conclusions



- ❑ **There could be demand from young households looking for a unique housing option not available in other parts of the City**
- ❑ **There could be demand from baby boomer households looking to downsize and also seek a unique or nostalgic housing situation**
- ❑ **There could be demand for live/work space from the art community as the art district continues to expand**

Conclusions



- **All of the other housing markets show good occupancy, which means that any housing developed in the downtown area should draw some interest simply based on the shortage of supply**

Market Opportunities



- Primary Market Area (PMA) for residential demand in the city of Sedalia as a whole and the downtown market area
 - ▣ All of Pettis County
 - ▣ Portions of surrounding counties
 - Johnson County – Whiteman Air Force Base

Market Opportunities

(From 2006 Downtown Redevelopment Plan)

- Potential Residential Downtown Housing Demand
 - Currently 209 buildings in downtown area
 - 53 vacant or under-utilized
 - 18 contain residences
 - 63% of second floor space is vacant totaling over 300,000 square feet of vacant developable space
 - Potential for eighty (80) 1,000 square foot units in downtown area
 - Increase 24-hour population to help spur retail development
 - Create an entertainment district that will attract people to spend their time & money in downtown

Market Opportunities

- Assets of Downtown Sedalia
 - ▣ Historic Buildings; Bothwell Hotel, Commerce & Trust Building & renovated Katy Depot
 - ▣ Potential Residential Sites – vacant buildings & land
 - ▣ Employment – Downtown is the government employment center
 - ▣ Culture & Tourism – developing into an art district & community events
 - ▣ Accessible – access to & from in all directions & pedestrian-oriented downtown
 - ▣ Passenger train access to Kansas City and St. Louis via Amtrak

Rental Household Opportunities

- Market Rate Renter Household Demand (2007-2012)
 - 53 households attracted to Downtown Market Area
 - One bedroom – 28
 - Two bedroom – 20
 - Three bedroom – 5
 - Target Market
 - Young professionals
 - Baby Boomers / Empty Nesters
 - Small households without children
 - Create a unique housing experience & opportunities

Affordable Rental Household Opportunities

- Affordable Rental Housing key role in igniting residential interest
 - 93 households attracted to Downtown Market Area
 - Senior rental housing – 41
 - Family rental housing – 52
 - Potential to attract new business & eventually owner occupied residences
 - Any new residential development that is affordable & of good quality should enjoy high market demand

Affordable Opportunities

- Senior Affordable Renter Households (2007 to 2012)
 - 41 households attracted to Downtown Market Area
 - Mostly 2 bedrooms
 - High demand
 - Short supply

- Affordable Family Renter Households (2007 to 2012)
 - 52 households attracted to Downtown Market Area
 - One bedroom- 39
 - Two bedroom- 18

Home Ownership Opportunities

- Home Ownership Households (2007 to 2012)
 - Annual demand from 6 homebuyer households
 - Priced from \$75,000 to \$200,000
 - Target market
 - Young and small households
 - High quality units as downtown housing market matures
 - Initial demand will be slow until unique market is created

Housing Production Considerations

- Financing Options
 - City owned land sold below market rate
 - City can provide parking to lower developer cost
 - Increase flexibility of building & zoning codes & fast track permits
 - Create Private/Public partnerships
 - Tax abatement, TIF's, & Special Taxing Districts
 - Federal & State Affordable Housing Tax Credits, Historic Tax Credits
 - New Market Tax Credits

Contact Information



**The entire Residential Demand Analysis is available
from the City of Sedalia.**

□ Contact:

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