



Hometown Housing, USA

Phase 1 Report

Overview


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**Tri-County
Electric Cooperative**

Your Touchstone Energy® Cooperative 

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Introduction

The purpose of this document is to provide an assessment of housing market conditions for Adair County, Scotland County, and Schuyler County in Missouri. The assessment is based on the principles of the Hometown Housing Rural Relocation Method. Under this process four capacities are assessed, with those being Capacity, Finance, Partnerships, and Construction. Each of these four areas will be discussed in detail with an overall conclusion and future action steps to improve housing conditions defined.

Capacity Assessment

Every journey begins with a first step, and on this journey we all start from different places. The place to start is always where you are now. It's very important to accurately measure where you are at and define your current ability as a community to support housing growth. You do this by measuring area demographics, employment data, educational data, employer needs, geographical advantages, and current available opportunities for growth. Once this initial picture is determined, you must continually assess and monitor the capacity of local and area housing resources to advance growth.

- **Population Trends:**

Adair County, Schuyler County, and Scotland County (which comprise the Tri-County service area) are experiencing some growth, but, like many rural areas that growth is below that of the State of Missouri and the nation as a whole. The area as a whole grew approximately 1.26% over the period from 2010 to 2020, while the State of Missouri grew 3.41% and the nation grew 7.44%. Adair County is by far the largest county, comprising approximately 73% of the area's population. Kirksville is the largest community in Adair County and the area, comprising roughly 50% of the area population. Adair County has a much younger population relative to the nation, state, and area indicating that entry level housing is highly suitable for the area. Adair County has a relatively stable population and experienced modest growth of 0.60% over the ten-year period. Schuyler County experienced the most relative growth in the area with 4.33% and is the only county in the area to outpace growth for the State of Missouri. Paradoxically Schuyler County is also the oldest county in terms of average age. Scotland County grew at a faster rate than Adair County, but less than Schuyler County with 1.90% over the ten-year period. Table 1 provides the underlying data for the population statistics cited above.



Table 1: Population Trends America Community Survey 2010-2020

Survey	United States	Missouri	Adair County	Schuyler County	Scotland County
2020 ACS	326,569,308	6,124,160	25,468	4,550	4,923
2018 ACS	322,903,030	6,090,062	25,325	4,502	4,898
2016 ACS	318,558,162	6,059,651	25,547	4,396	4,893
2014 ACS	314,107,084	6,028,076	25,642	4,388	4,862
2012 ACS	309,138,711	5,982,413	25,542	4,397	4,843
2010 AC	303,965,272	5,922,314	25,315	4,361	4,831
Growth %	7.44%	3.41%	0.60%	4.33%	1.90%
Total Growth	22,604,036	201,846	153	189	92
Median age (years)	38.2	38.7	27.9	39.5	36.3

The area has significant population from which to draw residents and workforce within the surrounding region. Within 50 miles of the area, the estimated population is 104,301 persons. Within 35 miles of the area, the estimated population is 35,181 persons. Within 25 miles of the area the estimated population is 6,295. Regional recruitment strategies should focus on these wider populations based upon data in the Partnership Assessment and the marketing of quality of life and place. Additionally, retention based strategies can be focused on the existing workforce through the promotion of housing opportunities and the under 18 population.

- **Employment Trends:**

Across the nation, labor force participation has been in flux since the economic recession which began in 2008. The most commonly cited reasons for this drop in participation has been the retirement wave of the Baby Boomer generation and the focus on education between 16- to 24-year-old persons. The unemployment rate only reflects those who are actively seeking work. The Tri-County area data suggests that it has lower than expected workforce participation by its residents. Unemployment in the area is lower than the nation as a whole and the State of Missouri, however labor force participation is similarly lower than the nation as a whole and the State of Missouri. Unemployment is slightly higher in Adair County than the rest of the area, but that is likely due to its higher percentage of persons 16 to 24 years old.



Low unemployment and low workforce participation are significantly negative factors for economic development as they indicate the area is unable to support business expansion and start-up needed for growth. The area should make the targeting of working persons needed to support this growth a primary goal of its housing efforts.

Table 2: Employment Statistics

Employment Status	United States	Missouri	Adair County	Schuyler County	Scotland County
Population 16 years and over	261,649,873	4,903,578	21,181	3,522	3,630
In labor force	63.40%	63.00%	53.80%	58.10%	56.50%
Civilian labor force	63.00%	62.60%	53.60%	58.10%	56.50%
Employed	59.60%	59.80%	50.50%	57.20%	55.30%
Unemployed	3.40%	2.80%	3.10%	1.00%	1.30%
Armed Forces	0.40%	0.40%	0.20%	0.00%	0.00%
Not in labor force	36.60%	37.00%	46.20%	41.90%	43.50%

Commuting times and patterns reflect the average travel time and modes of travel in arriving at work. These data for the area are presented in Table 3 below. The area demonstrates some distinct patterns that are noteworthy, and they are the following:

- Roughly 80% of Adair County works have less than 25 minutes travel time to work and the assumption is obviously that Kirksville is the destination for such travel. Additional travel outside of the area for work will also occur but is not able to be quantified from the existing data. Most workers in the area travel alone and that proportion of solo commuters is roughly the same as national and state trends. This is an indication of the local employment opportunities and where workforce is concentrated. This is much higher than the national (55%) and state (61%) average. Schuyler County (55%) and Scotland County (69%) have lower percentages of its population traveling less than 25 minutes to work, but are more in line with national and state averages. These two data points indicate that there is an opportunity for area counties and communities to attract more working population to their area through housing opportunities. Scotland County and Schuyler County need to have a focus of their housing be the recruitment of prospects who will commute into Adair County.



- Commuting patterns in the area indicate that public transportation is more or less non-existent. A lower percentage of persons also work from home in Adair County and Schuyler County than nationally or statewide. In Adair County commuting patterns are largely characterized by a higher percentage of carpooling and driving alone than nationally or statewide. In Scotland County commuting patterns are largely characterized by a larger percentage of people working from home. Housing opportunities geared toward the commuting and work-from-home populations are essential for Schuyler and Scotland County.

Table 3: Commuting Times and Patterns

Commute Patterns	United States	Missouri	Adair County	Schuyler County	Scotland County
Workers 16 years and over	153,665,654	2,897,593	10,640	1,968	1,994
Car, truck, or van -- drove alone	74.90%	80.80%	75.70%	86.70%	72.80%
Car, truck, or van -- carpooled	8.90%	8.40%	13.70%	5.50%	9.20%
Public transportation (excluding taxicab)	4.60%	1.20%	0.30%	0.40%	0.00%
Walked	2.60%	1.90%	4.20%	1.30%	3.00%
Other means	1.80%	1.20%	1.20%	0.30%	1.10%
Worked from home	7.30%	6.60%	4.80%	5.70%	13.90%
Commuting Time	United States	Missouri	Adair County	Schuyler County	Scotland County
Less than 10 minutes	12.20%	14.80%	35.80%	20.20%	39.80%
10 to 14 minutes	13.30%	14.20%	25.50%	7.80%	11.60%
15 to 19 minutes	15.10%	16.30%	9.90%	14.60%	11.00%
20 to 24 minutes	14.30%	15.20%	9.40%	12.80%	6.80%
25 to 29 minutes	6.50%	6.90%	3.60%	5.90%	3.90%
30 to 34 minutes	13.80%	13.60%	5.90%	18.00%	7.20%
35 to 44 minutes	7.10%	6.80%	3.60%	3.40%	6.90%
45 to 59 minutes	8.30%	6.80%	3.00%	8.30%	6.40%
60 or more minutes	9.30%	5.40%	3.40%	9.00%	6.40%



- The breakdown of local employment trends indicates that the following employment areas drive the area economy:
 - Agriculture, forestry, fishing and hunting, and mining, which is very disproportionately high as compared to the nation and state as a whole throughout the area.
 - Manufacturing, which is disproportionately high in Schuyler County and Scotland County as compared to the nation and state as a whole.
 - Educational services, and health care and social assistance which is disproportionately high in Adair County and Schuyler County as compared to the nation and state as a whole.

- A few local employment trends indicate that the certain segments of the area economy under perform as compared to the nation and state as a whole, which are the following:
 - Retail trade, which under performs in Schuyler County and Scotland County. However, this data point does not necessarily indicate a weakness as brick-and-mortar retail trade is expected to decline across the nation as e-commerce becomes the predominant form of trade.
 - Finance and insurance, and real estate and rental and leasing, which under performs across the area. These segments of the economy have been expanding for the past few decades nationally. Lower levels of this employment in the area are likely related to the lower levels of educational attainment explored in a later section.
 - Professional, scientific, and management, and administrative and waste management services, which under performs across the area. These segments of the economy have been expanding for the past few decades nationally. Lower levels of this employment in the area are likely related to the lower levels of educational attainment explored in a later section.



- Area leaders should maintain a focus on growing and emerging segments of the economy nationally and statewide. The Bureau of Labor Statistics indicates that renewable energy, health care, scientific, and information technology are likely to be the fastest expanding segments of the economy.
- The employment breakdown indicates that workforce housing for median income jobs is a highly appropriate target for housing initiatives due to the relatively lower skill levels of the workforce. The exceptions to this are the educational and health care fields.



Table 4: Employment Breakdown

Industry	United States	Missouri	Adair County	Schuyler County	Scotland County
Agriculture, forestry, fishing and hunting, and mining	1.70%	1.70%	3.40%	7.90%	12.40%
Construction	6.70%	6.50%	4.90%	6.90%	7.10%
Manufacturing	10.00%	11.40%	10.30%	16.10%	15.60%
Wholesale trade	2.50%	2.70%	1.70%	4.00%	2.40%
Retail trade	11.00%	11.50%	11.70%	9.60%	6.10%
Transportation and warehousing, and utilities	5.50%	5.60%	3.20%	6.50%	6.60%
Information	2.00%	1.80%	2.20%	0.40%	2.10%
Finance and insurance, and real estate and rental and leasing	6.60%	7.10%	3.00%	1.40%	4.60%
Professional, scientific, and management, and administrative and waste management services	11.70%	9.80%	5.80%	3.30%	5.60%
Educational services, and health care and social assistance	23.30%	24.10%	35.40%	26.20%	21.80%
Arts, entertainment, and recreation, and accommodation and food services	9.40%	8.80%	10.10%	6.00%	3.80%
Other services, except public administration	4.80%	4.70%	4.70%	6.70%	6.10%
Public administration	4.70%	4.30%	3.90%	5.10%	5.70%
Total	99.90%	100.00%	100.30%	100.10%	99.90%



- **Income and Housing Cost Trends:**

Median household income in the area is significantly less than the nation (\$64,994) or state (\$57,290). Median county income for Adair County is the lowest in the area at \$42,301. Schuyler County has a median county income at \$44,420. Scotland County has the highest median county income in the area at \$47,708. Adair County has by far the youngest working age population and the average age in Adair County is much lower than the rest of the area. The trade-off for that younger population is the likely the drive of the lower income levels, along with the higher unemployment in the county and other persons not participating in the workforce. Schuyler County has the second highest median income and has the strongest overall “middle class” which raises the income level for the county. Scotland County has the highest median income in the area, largely driven by its lower proportion of lower income households and higher proportion of households earning more than \$100,000 per year. Table 5 presents these data below.

Table 5: Income Data

Income Range	United States	Missouri	Adair County	Schuyler County	Scotland County
Less than \$5,000	3.10%	2.90%	6.90%	3.70%	2.20%
\$5,000 to \$9,999	2.80%	3.10%	4.50%	4.20%	5.00%
\$10,000 to \$14,999	4.10%	4.50%	9.80%	6.40%	6.40%
\$15,000 to \$19,999	4.10%	4.70%	5.90%	6.90%	5.10%
\$20,000 to \$24,999	4.40%	5.00%	7.10%	7.40%	4.50%
\$25,000 to \$34,999	8.60%	10.00%	9.20%	11.70%	12.70%
\$35,000 to \$49,999	12.00%	13.70%	13.50%	16.90%	14.40%
\$50,000 to \$74,999	17.20%	18.50%	16.70%	23.10%	22.20%
\$75,000 to \$99,999	12.80%	13.00%	10.50%	9.20%	10.80%
\$100,000 to \$149,999	15.60%	14.20%	9.60%	8.60%	7.90%
\$150,000 or more	15.40%	10.40%	6.30%	1.90%	8.70%
Median Household Income	64,994	57,290	42,301	44,420	47,708



Housing costs in the area are generally much lower than the nation or state as a whole. Monthly housing costs refer to typical housing related expenses such as rent or a mortgage. Monthly housing costs for households in the area are significantly lower than the nation and state. Nationally approximately 64.90% of households spend less than \$1,499 on housing costs and that same figure for the State of Missouri is 80.70%. Within the area, 90.8% of households in Adair County, 86.4% of households in Schuyler County, and 89.7% of households in Scotland County spend less than \$1,499 per month on housing costs. These data are presented in Table 6 below.

Table 6: Monthly Housing Costs Breakdown

Monthly Housing Cost Range	United States	Missouri	Adair County	Schuyler County	Scotland County
Less than \$300	5.60%	6.40%	8.00%	19.40%	9.70%
\$300 to \$499	9.80%	13.70%	24.50%	29.00%	25.10%
\$500 to \$799	16.10%	22.70%	30.80%	26.30%	24.40%
\$800 to \$999	11.40%	14.50%	13.50%	6.40%	13.30%
\$1,000 to \$1,499	23.00%	23.40%	14.00%	5.30%	17.20%
\$1,500 to \$1,999	14.10%	9.70%	4.30%	4.20%	6.20%
\$2,000 to \$2,499	7.60%	3.90%	1.10%	1.90%	1.00%
\$2,500 to \$2,999	4.30%	1.60%	0.60%	0.10%	0.00%
\$3,000 or more	6.30%	2.00%	0.20%	0.40%	1.40%
No cash rent	1.80%	2.00%	3.00%	6.90%	1.80%
Median (dollars)	1,120	882	642	481	659

- **Education Trends:**

Educational attainment in the Tri-County area presents a mixed picture as it relates to housing and workforce needs. The average educational attainment for individuals in the area is overrepresented by persons attaining a high school diploma or less. Schuyler County and Scotland County have much higher percentages of persons attaining a either high school diploma or less as compared to the nation and state as a whole. Adair County has a higher percentage of persons attaining a high school diploma, but fewer persons attaining less than a high school diploma. All counties in the area have less persons attaining some college, or an associate’s degree as compared to the nation and state as a whole. Adair County has roughly the expected level of persons having attained a bachelor’s degree or higher as compared to the nation and state as a whole, while Schuyler County and Scotland County have much lower levels of persons attaining a bachelor’s degree or higher. Table 7 below presents these data.



Table 7: Education Trends

Attainment Level	United States	Missouri	Adair County	Schuyler County	Scotland County
Less Than High School	12.0%	10.1%	9.9%	12.4%	20.1%
High School or Equivalency	27.0%	30.6%	34.4%	46.2%	41.5%
Some College/Associates	28.9%	30.1%	24.6%	28.7%	24.2%
Bachelor's degree or Higher	32.1%	29.2%	31.0%	12.6%	14.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Finance Assessment

Using your understanding of your local capacity and prospect base will allow you to analyze the various financial gaps that are barriers to housing growth. Access to funding is the primary barrier to home ownership and housing development. You must ensure the proper mortgage products are available to your prospects. Local incentives, loans, and other tools must be used to attract more buyers and to make prospects loan worthy. Put succinctly, you must understand and do anything available to compensate for your prospect's financial gaps. Finally, it is of utmost importance that your community is reaching out to prospects with these opportunities.

The Capacity Assessment demonstrated a median household income for Adair County of \$42,301, Schuyler County of \$44,420, and Scotland County of \$47,708. Using a blended median household income estimate of \$46,500, which adjusts for differences within the area and some inflationary factors, the average prospective buyer would have a monthly income of approximately \$3,875. This median income estimate would allow for a monthly housing cost of approximately \$1,550, using 40% of income as a maximum housing cost allowance.

Based upon the median income data and existing housing stock profile, new construction for workforce housing should focus on units which can be constructed for \$180,000 to \$240,000. New construction for professionals and other skilled workers should be sized and valued according to the profile of those prospects being recruited. Rental units and other housing alternatives should be constructed to meet the median household income's monthly housing cost allowance.



The capacity to make down payments will be important to obtain mortgages. Although 100% financing will be available, those products will mostly serve those who exceed the median income for the area. Down payment assistance of 5% to 10% of the new construction costs should be considered for affordability issues and to ensure loans can be obtained.

Households within the area typically are less likely to currently have a mortgage as compared to the nation and state as whole. This is an indication of the long-term stability of area residents remaining in their home as a primary investment and contributes greatly to the overall lower level of housing costs for the area presented in the Capacity Assessment. Newly constructed units will vary greatly from the current mortgage status profile for the area and long-term success in housing growth should bring that data more in line with the national and state profiles. These data are presented below in Table 8.

Table 8: Mortgage Status

Mortgage Status	United States	Missouri	Adair County	Schuyler County	Scotland County
Owner-occupied units	78,801,376	1,637,374	5,589	1,000	1,327
With a Mortgage	62.10%	61.20%	51.40%	39.10%	48.50%
Without a Mortgage	37.90%	38.80%	48.60%	60.90%	51.50%

Poverty within the area is not an issue that should affect housing development in the area as poverty rates within the area are largely in line with the nation and state. Low-income housing should not be a major need for the area and focusing on it will draw attention from workforce housing needs of the area. Poverty data is presented in Table 9 below.

Table 9: Poverty Rates

Poverty Level	United States	Missouri	Adair County	Schuyler County	Scotland County
All families	9.10%	8.90%	9.60%	9.70%	9.40%



Construction Assessment

A community must have adequate available housing opportunities for its product base to grow. Put another way, if you don't have products to sell, you can't help prospects relocate. The key is to align housing products offered in the market to local opportunities and demand. This is achieved by using what you have learned to "back in" to the right housing products.

- **Existing Housing Units**

Adair County has 74% of the housing units in the area, while Schuyler County has 12% and Scotland County has 14%. This represents a heavy imbalance in the provision of housing within the area and indicates significant expansion could occur in Schuyler County and Scotland County.

Overall, housing stock within the area is older than the nation and state as a whole. 53.3% of housing units in the United States and 54.7% of housing units in Missouri were built prior to 2000. In the area this percentage is much higher, with 59.8% of housing units in Adair County, 74% of housing units in Schuyler County, and 67.9% of housing units in Scotland County being built before 2000. Growth around the Kirksville area is the likely reason for Adair County having relatively newer housing stock, but overall, these data indicate the area has suffered from a housing market failure related to provision of new housing. Existing housing was likely largely adequate to support normal activity in the housing market, but new housing likely failed to develop due to households with the capacity to build new homes leaving the area through migration or a lack of home builders in the area building speculative developments to capture new housing demand.

Existing housing stock data is presented in Table 10 below.

- **New Housing Units**

Two bedroom and three-bedroom homes make up the majority of homes in the area and both nationally and statewide. Single-bedroom and four-bedroom homes are underrepresented in the area. In order to mitigate risk associated with new housing development, any new units constructed should focus on two-to-three-bedroom units. Schuyler and Scotland County are overrepresented by owner-occupied units. Capacity exists within those counties for another approximately 450 units.

Table 10: Housing Stock

Category	United States	Missouri	Adair County	Schuyler County	Scotland County
Occupied housing units	120,756,048	2,414,521	9,258	1,475	1,768



UNITS IN STRUCTURE	United States	Missouri	Adair County	Schuyler County	Scotland County
1, detached	62.70%	71.90%	68.70%	75.30%	82.40%
1, attached	6.00%	3.60%	2.00%	0.10%	0.00%
2 apartments	3.40%	3.10%	6.00%	0.50%	2.50%
3 or 4 apartments	4.20%	4.40%	8.70%	8.30%	3.10%
5 to 9 apartments	4.60%	3.70%	4.70%	0.30%	0.00%
10 or more apartments	13.30%	7.90%	4.20%	2.70%	2.70%
Mobile home or other type of housing	5.60%	5.40%	5.70%	12.70%	9.40%
YEAR STRUCTURE BUILT	United States	Missouri	Adair County	Schuyler County	Scotland County
2014 or later	2.40%	2.00%	3.30%	0.00%	2.60%
2010 to 2013	2.80%	2.60%	1.60%	0.50%	0.80%
2000 to 2009	14.10%	13.70%	10.30%	9.10%	8.40%
1980 to 1999	27.40%	27.00%	25.00%	16.30%	20.20%
1960 to 1979	25.80%	26.90%	31.90%	29.40%	27.90%
1940 to 1959	15.30%	14.80%	13.40%	16.50%	10.60%
1939 or earlier	12.20%	13.00%	14.50%	28.10%	29.40%
BEDROOMS	United States	Missouri	Adair County	Schuyler County	Scotland County
No bedroom	2.30%	1.50%	1.60%	3.70%	0.60%
1 bedroom	10.30%	8.90%	8.50%	11.70%	5.90%
2 or 3 bedrooms	64.90%	68.40%	71.30%	65.60%	65.30%
4 or more bedrooms	22.50%	21.30%	18.70%	19.10%	28.20%
Housing Data Point	United States	Missouri	Adair County	Schuyler County	Scotland County
Total Units	120,756,048	2,414,521	9,258	1,475	1,768
Total Owner Occupied Units	63.99%	66.76%	60.07%	69.29%	77.55%
Total Rental Units	36.01%	33.24%	39.93%	30.71%	22.45%
Total:	100.00%	100.00%	100.00%	100.00%	100.00%



Owner occupied:	United States	Missouri	Adair County	Schuyler County	Scotland County
Moved in 2017 or later	5.36%	5.49%	4.98%	1.86%	4.01%
Moved in 2015 to 2016	8.95%	8.91%	10.75%	4.21%	5.32%
Moved in 2010 to 2014	18.92%	18.90%	14.98%	13.31%	21.15%
Moved in 2000 to 2009	29.95%	30.57%	32.39%	30.63%	29.54%
Moved in 1990 to 1999	17.72%	17.81%	17.44%	23.58%	18.02%
Moved in 1989 or earlier	19.08%	18.31%	19.46%	26.42%	21.95%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Renter occupied:					
	United States	Missouri	Adair County	Schuyler County	Scotland County
Moved in 2017 or later	19.16%	20.60%	23.67%	6.62%	15.11%
Moved in 2015 to 2016	26.37%	29.30%	37.71%	29.14%	36.02%
Moved in 2010 to 2014	34.24%	34.05%	26.75%	35.76%	25.44%
Moved in 2000 to 2009	13.89%	11.70%	8.82%	23.62%	20.91%
Moved in 1990 to 1999	3.74%	2.65%	2.14%	1.55%	0.00%
Moved in 1989 or earlier	2.61%	1.71%	0.92%	3.31%	2.52%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Partnership Assessment

Lead generation for good prospects is the most important step to generating growth. This is because having solid prospects and an understanding of your prospect base allows you to connect local opportunities to your prospects' needs. Utilize a people-focused and process-driven approach to prospect recruitment. As with capacity, you must continually assess and monitor for changes in your prospect base and other opportunities.

A critical finding reported in surveys for the Partnership Assessment is that 75% of those surveyed did not feel there were any organized effort to solve area housing issues. While this figure may appear to be a negative outcome, it represents that there is a consensus that the current approach to housing within the area is insufficient and provides a firm foundation upon which to build a plan of action.



- **Employer Assessment**

Area employers participated in an assessment process to determine job growth needs and how housing barriers impacted the ability of employers to fill employment positions. A wide cross-section of area employers participated in this process, including the following:

- Schuyler School District
- WireCo WorldGroup Inc
- City of Memphis
- SCHUYLER R1 SCHOOL DISTRICT
- Adair County R-II School
- Complete Family Medicine, a service of Hannibal Regional
- Truman State University
- The Home Depot
- Kirksville R-III School District
- City of Kirksville
- Pepsi-Cola Memphis Bottling Co
- Adair County R-I School
- Scotland County R-1 School District
- KIRKSVILLE MANOR CARE CENTER
- Preferred Family Healthcare
- Oakwood Industries LLC
- Kraft Heinz Company
- Cooperative Response Center
- A.T. Still University of Health Sciences



Participating Employer Facts:

- Over half of the employers participating in the survey had more than 100 employees.
- 85% of the participating employers had been in existence for more than 20 years.
- All participating employers had open, vacant positions. Breakdown of open positions is provided in Chart 1 below.
- Open positions overwhelmingly offer a pay range within the median household income range or higher. Prospective pay rates for open positions are provided in Chart 2.
- Wages, housing, and childcare are reported to be the most pressing problems as it relates to employee recruitment. Additional data related to difficulties with employee recruitment is provided in Chart 3.
- 66% of those surveyed reported that the provision of workforce housing was the most prominent housing type needed by those taking the survey. 44% of those surveyed reported that apartments and multi-family developments were also need. Additional data can be found in Chart 4.
- Employers are trying to recruit from a wider trade area but the area is not capable of providing housing to persons successfully recruited.
- Employers report having approximately 10% of more of employment capacity remaining open or unfilled.



Chart 1: Vacant Position Breakdown

Current number of vacant positions?

19 responses

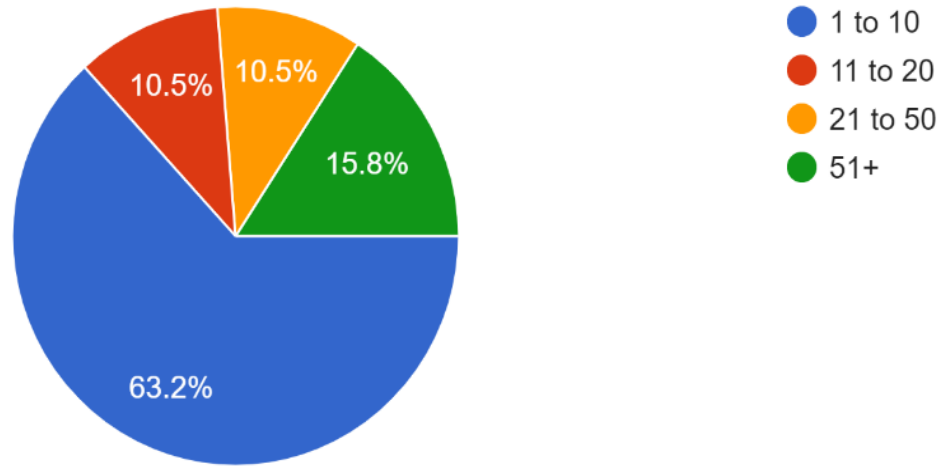


Chart 2: Pay Range for Open Positions

What is your salary range for open positions? (Check all that apply)

19 responses

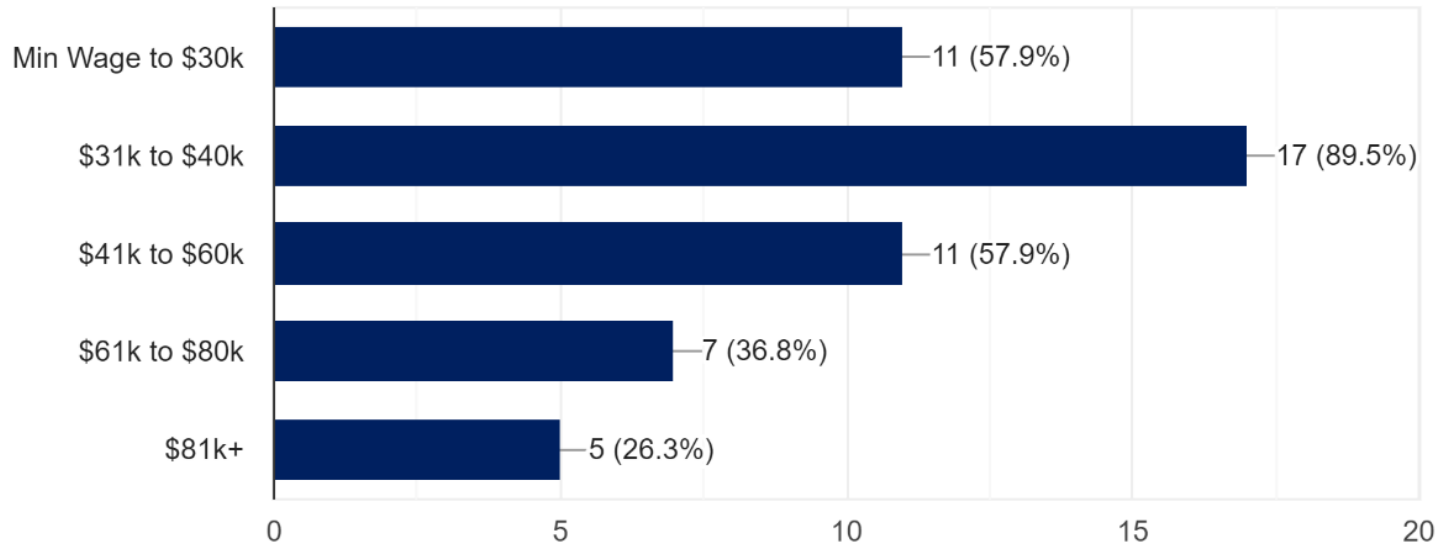


Chart 3: Difficulties in Recruiting Employees

What are your major hurdles that you've experienced in retaining employees? (Check all that apply)

19 responses

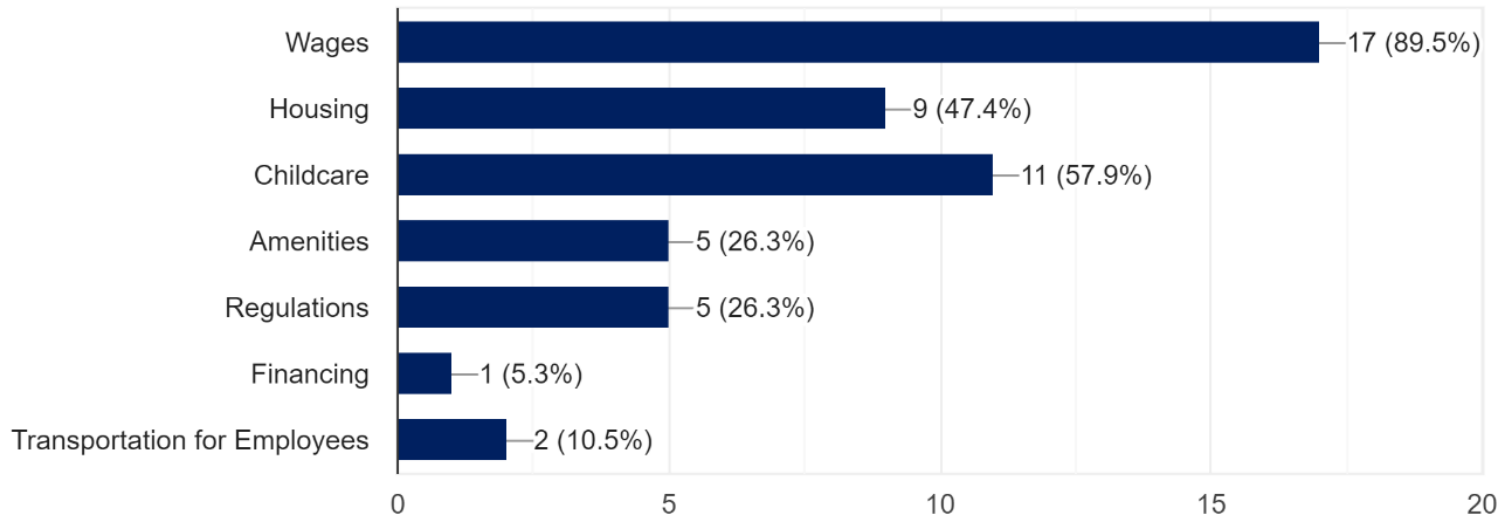
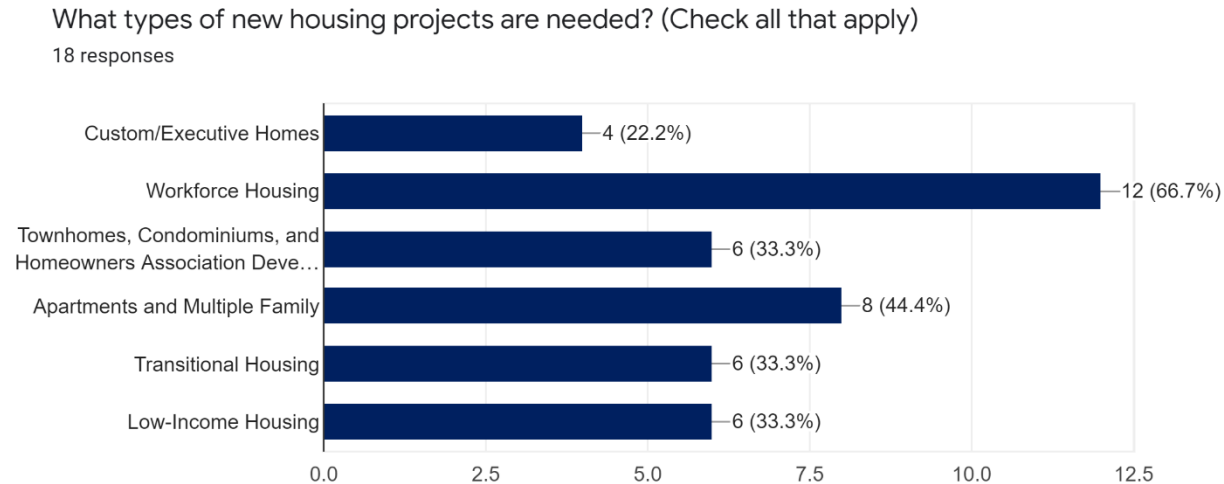


Chart 4: Housing Types Needed



Contractor Assessment

- Contractors in the area reported little to no new construction of homes in the last year.
- No area contractors reported that they provide financing to their customers.
- Contractors report that average new construction costs range from \$200.00 per square foot to \$300.00 square foot.
- Contractors report that available land is a major problem for development. In-fill lots need to be further investigated.

Realtor Assessment

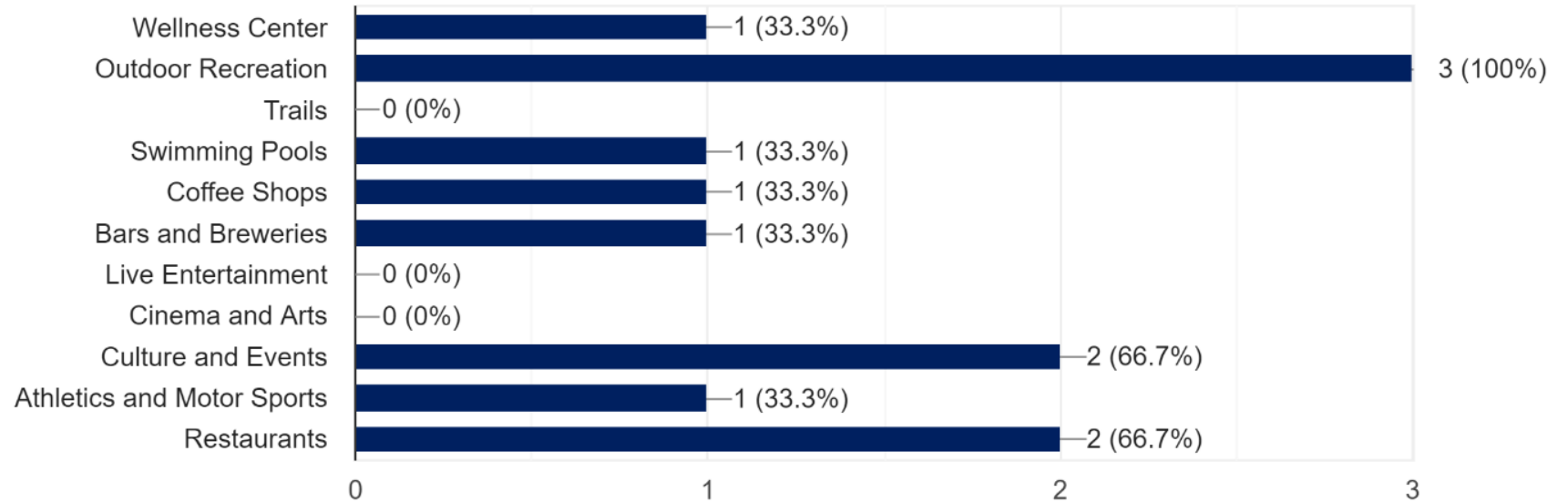
- Area realtors reported that while it is generally a favorable time to buy a home, inventory is low. This data was collected for recent and unexpected interest rate climate.
- Area realtor reported that the most popular type of home for buyers is a 3-bedroom, 2-bath.
- Area realtors report new and existing homes typically sell between \$100,000 to \$300,000.
- Area realtors reported lack of housing as the primary barrier to purchasing homes.
- Area realtors reported word-of-mouth as their primary means of marketing.
- Area realtors also reported that workforce housing was the primary type of housing needed in the area.
- Area realtors reported the amenities as listed in Chart 5 are most desired by prospective buyers.



Table 5: Community Amenities

What community amenities do your clients most value?

3 responses



Prospect Assessment

Approximately 138 persons who live in the area or currently employed in the area participated in a housing survey. The intention of the survey question was to build a profile of potential buyers in the area. A critical finding in this area, and one that confirms the realtor assessment, is that finance issues are not the primary barrier to housing in the area. A lack of housing inventory as the primary barrier was confirmed by the prospect survey. The prospect sample represented a very realistic and desirable group willing to live and work in the area. The sample was predominantly married couples. 75% of survey respondents earned between \$31,000 and \$100,000 annually. Over 73% of those surveyed have never owned a home before. Over 67% prefer a new home over an existing home. One-third have issues obtaining a loan. The most interesting piece of data in this study is that prospects overwhelmingly wish to relocate to a rural area. Over 76% of prospects reported that they preferred to live in a rural community or area versus a metro, suburban, or college community.

Table 11: Prospect Statistics

<u>Marital Status</u>	<u>Percentage</u>	<u>Income Range</u>	<u>Percentage</u>
Married	61.59%	\$31,000 and lower	16.67%
Single	38.41%	\$31,000 to \$60,000	37.68%
Total	100.00%	\$60,000 to \$100,000	36.23%
		100,000 and up	9.42%
		Total	100.00%
<u>Issues Obtaining Mortgage</u>	<u>Percentage</u>	<u>Community Preference</u>	<u>Percentage</u>
Yes	36.27%	Metro/Suburban/College	23.91%
No	63.73%	Rural	76.09%
Total	100.00%	Total	100.00%
<u>Unit Preference</u>	<u>Percentage</u>	<u>Owned a Home Before</u>	<u>Percentage</u>
Existing	32.61%	Yes	26.81%
New	67.39%	No	73.19%
Total	100.00%	Total	100.00%



Findings:

The trade area is not being effectively used for recruitment and the area as a whole needs a coordinated effort to market itself to the wider region to fill vacancies and target specific individual prospects on a national basis. Educational attainment in the area is low and recruitment efforts will likely need to address those shortcomings. Incomes in the area are sufficient to support new housing opportunities, as are those offered by existing employment vacancies in the area. Of those with financial issues, down payment assistance and credit issues are the largest need identified by prospects. Lack of available housing and land is the primary impediment to growth, not necessarily financial issues. Due to the lack of new housing construction, the area should be anticipating appraisal issues associated with new construction when that begins to be successful due to a lack of comparable sales.

The growth the area is experience is not accruing to the area generally, overlaps poorly, and is too heavily concentrated in Adair County. This area is not functioning as a region, Kirksville is pulling residents from the area to it in a concentrated fashion. The surrounding rural area is highly attractive to the identified regional prospects. Demand among existing employees is sufficient for construction of 60 to 75 new homes in the new area today. Inventory for existing homes is insufficient to support opportunities for another 60 households approximately. Schuyler and Scotland County are overrepresented by owner-occupied units. Capacity exists within those counties for another approximately rental 450 units to attain a typical balance between rental and owner-occupied units in those counties.

The area appears to lack construction capacity for significant new home construction and construction resources are likely needed in the area. Based upon the median income data and existing housing stock profile, new construction should focus on units which can be constructed for \$180,000 to \$240,000. Workforce units, multi-family, and alternatives such as townhomes and transitional units are the recommended focus for housing efforts. New units constructed should be roughly the following:

- 600 to 800 sq. ft. units (20%) at a rough cost of \$120,000 to \$160,000.
- 800 to 100 sq. ft. units (40%) at a rough cost of \$160,000 to \$200,000.
- 1,000 to 1,200 sq. ft. units (40%) at a rough cost of \$200,000 to \$240,000.

Down-payment incentives and construction programs should be designed to close the prospect financial gaps in obtaining a mortgage and to make the area more attractive than surrounding options for commuters.



Table 12: Prospect Mortgage Affordability Matric

Income Thresholds Percentage of AMI		30% Monthly Income	40% Monthly Income
Income Limit	Allocation for Housing Cost	Allocation for Housing Cost	
30%	\$13,950.00	\$348.75	\$465.00
50%	\$23,250.00	\$581.25	\$775.00
80%	\$37,200.00	\$930.00	\$1,240.00
100%	\$46,500.00	\$1,162.50	\$1,550.00
120%	\$55,800.00	\$1,395.00	\$1,860.00
140%	\$65,100.00	\$1,627.50	\$2,170.00
160%	\$74,400.00	\$1,860.00	\$2,480.00
180%	\$83,700.00	\$2,092.50	\$2,790.00
200%	\$93,000.00	\$2,325.00	\$3,100.00

Loan Amount 30 yr loans @ 5.5%	Loan Payment	Estimated Taxes and Insurance Cost for Loan Escrow Payment	Total (PITI) Principal/Interest/Taxes/Insurance Payment
\$150,000	\$851.78	\$181.25	\$1,033.03
\$200,000	\$1,135.58	\$208.33	\$1,343.91
\$250,000	\$1,419.47	\$235.42	\$1,654.89
\$300,000	\$1,703.37	\$262.50	\$1,965.87
\$350,000	\$1,987.26	\$289.58	\$2,276.84

*Taxes based on (home value divided by 10)*6.5%

*\$100,000 home pays \$650.00/yr in taxes

*Estimating \$100 for insurance



Next Steps in Phase II:

The area is struggling from a shortage of available housing and no near-term steps will solve that quickly. The techniques area leaders adopt in Phase II of the housing market intervention process will be designed to develop these solutions. The following roadmap can serve as a guide for the development of Phase II strategies:

- Facilitated planning session(s) with the area housing teams and local leaders to review assessment and associated housing growth opportunities, as well as to develop housing intervention strategies. The goal will be to plan interventions for the area and develop a strategy for even growth throughout the area. The successful outcomes need to accrue to both Schuyler and Scotland County as well as Adair County, which has traditionally been the beneficiary of area growth. The likely prospects so far uncovered prefer rural areas and opportunities should be developed to fill that demand and bring even growth to the area.
- The Hometown Housing, Inc. team identified three potential subdivision opportunities in the area and efforts need to be made to work with those land owners on the further development of those opportunities.
- Following the planning process, Hometown Housing will work directly with local housing teams to develop housing opportunities, incentive structures, and other systems needed for success. The area as a whole should have a unified marketing approach to attract prospects from without the area, but each local housing team should also develop specific strategies for their communities and rural areas.

