West Union Housing Needs Assessment

2015

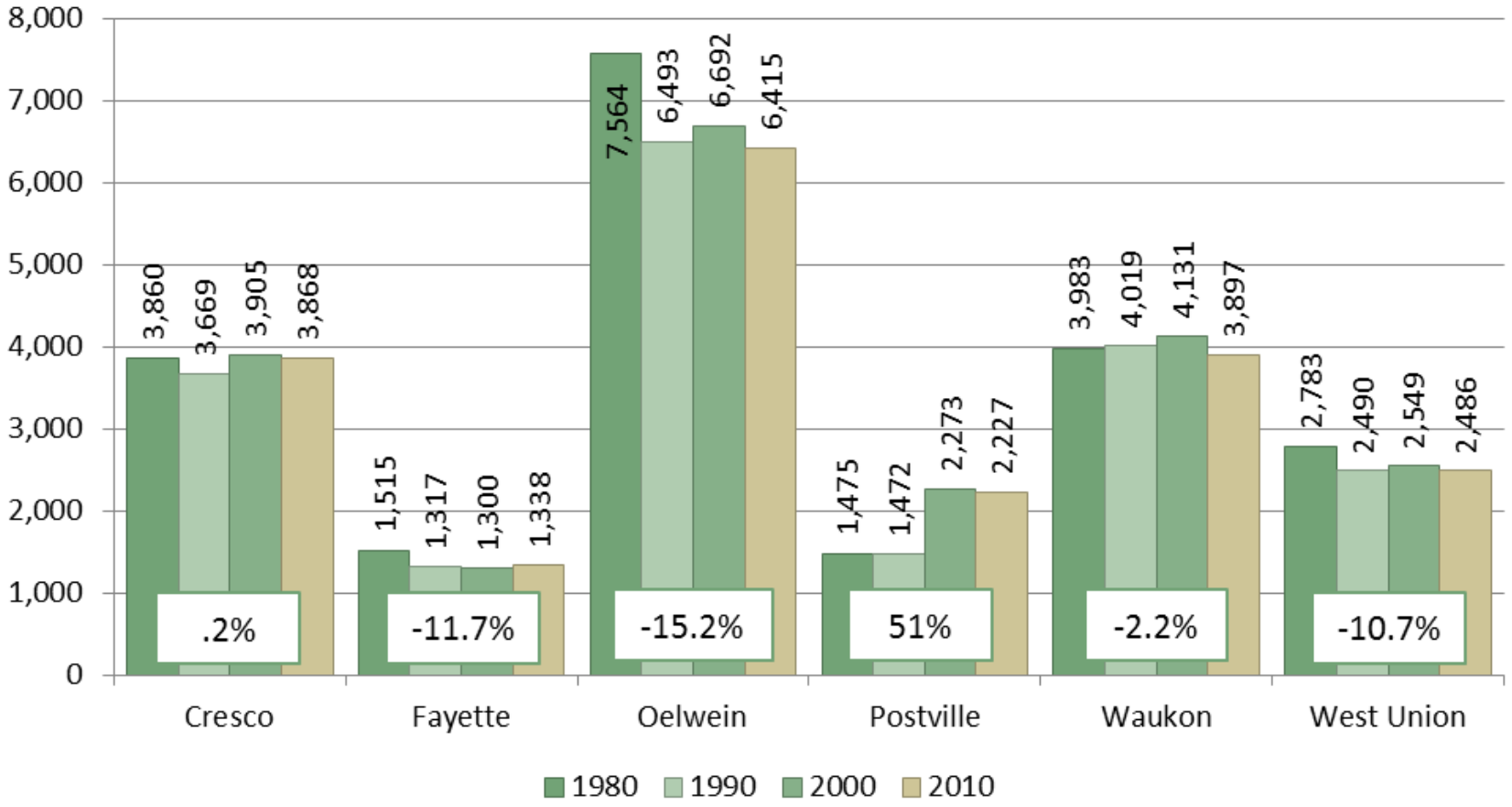
Goals of the Assessment

- Describe the current housing conditions
- Identify new or existing programs that address housing issues
- Develop strategies for improvement
- Inform developers and community leaders of housing potential
- Utilize as a marketing tool
- Other?

Data & Analysis

- Community Demographics:
  - Population trends and projections
  - Age and gender
  - Jobs, income and commuting
- Cost of Living:
  - Average rent or mortgage
  - Taxes
- Housing Statistics:
  - Number and age
  - Condition and value
  - Gaps and projections

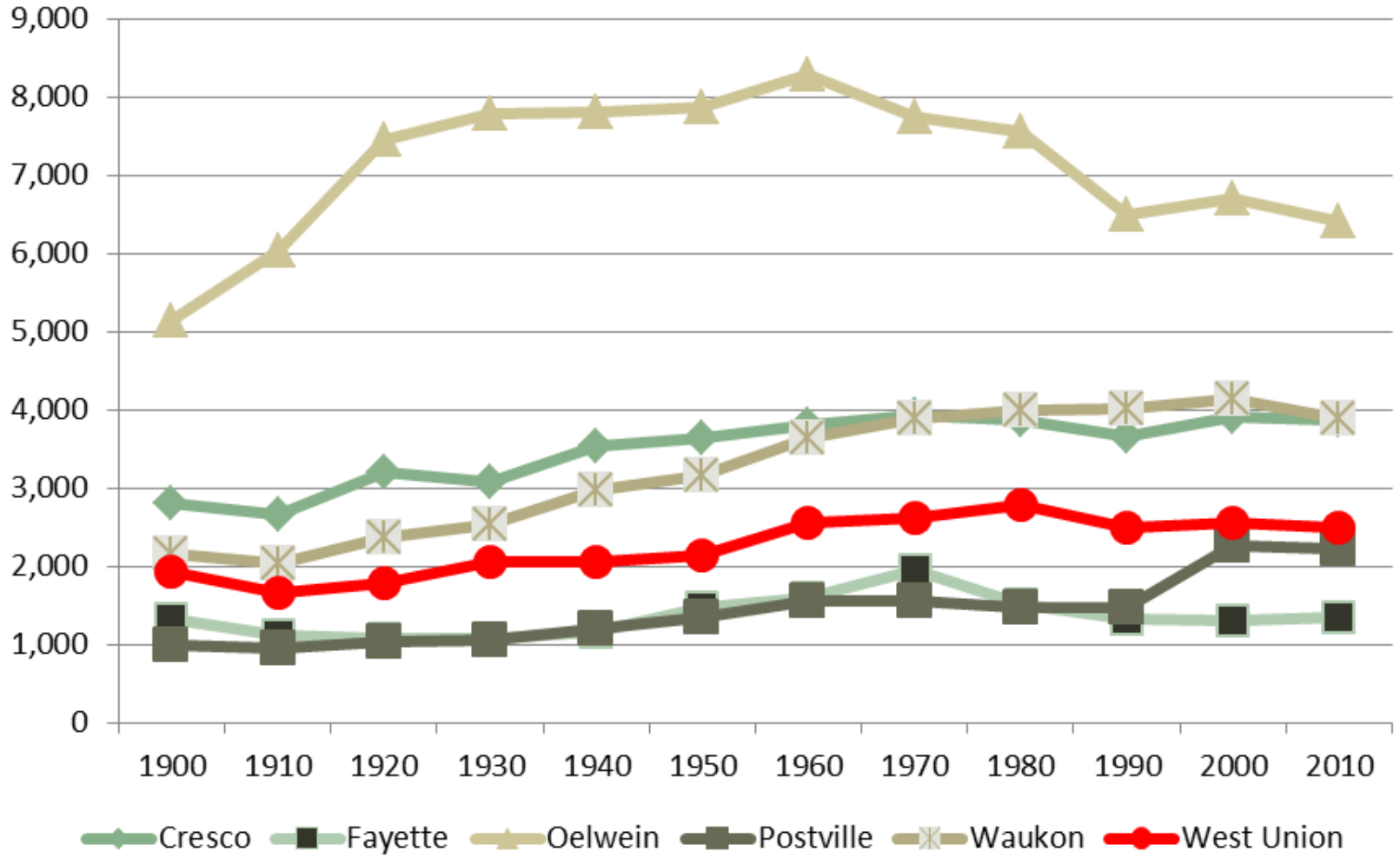
Population, Historical



Note: Fayette County down 18.1% and State of Iowa up 4.5% over the same time frame

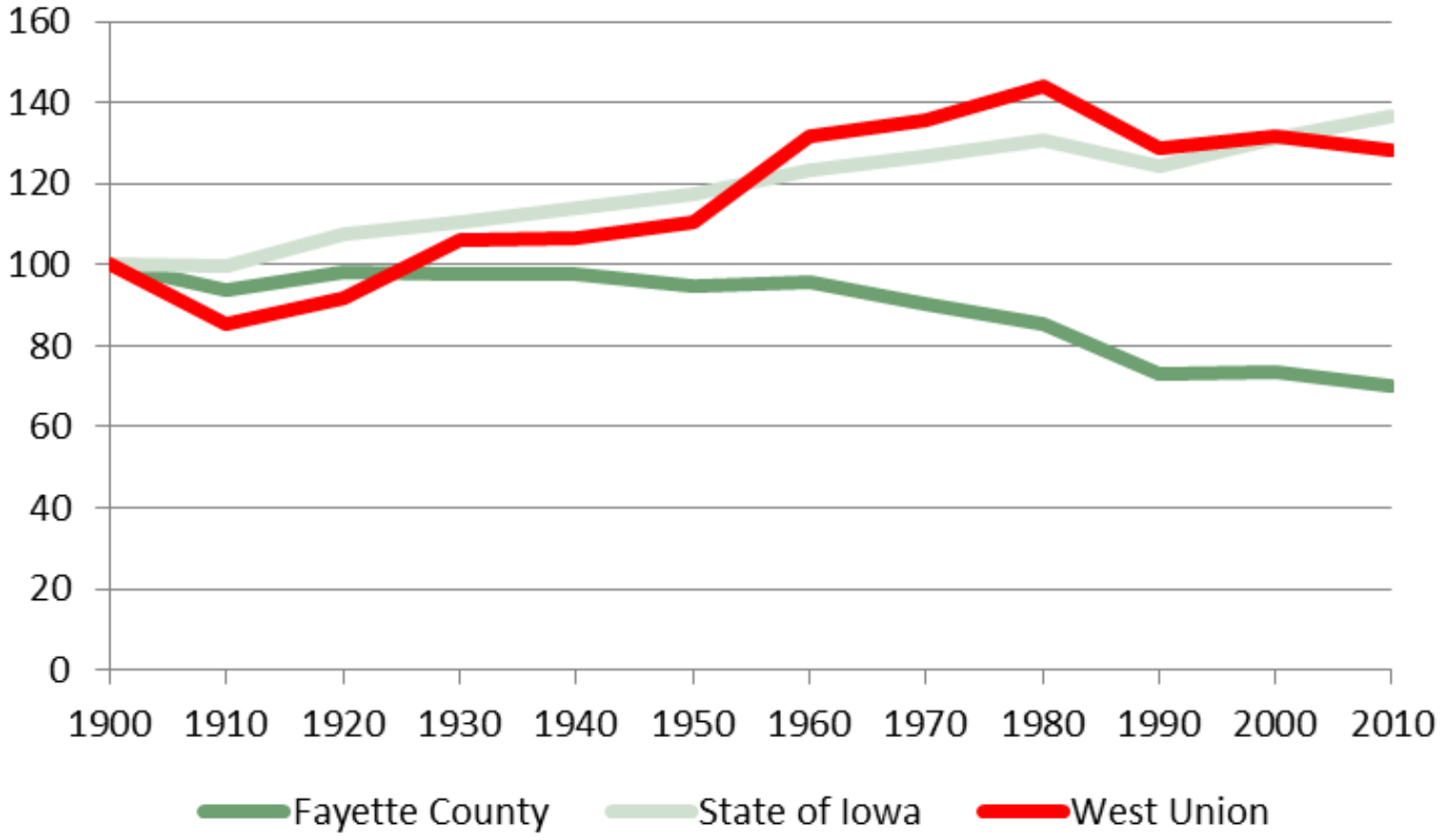
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa

Population, Historical



Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa

Population, Historical



Indexed chart with county and state

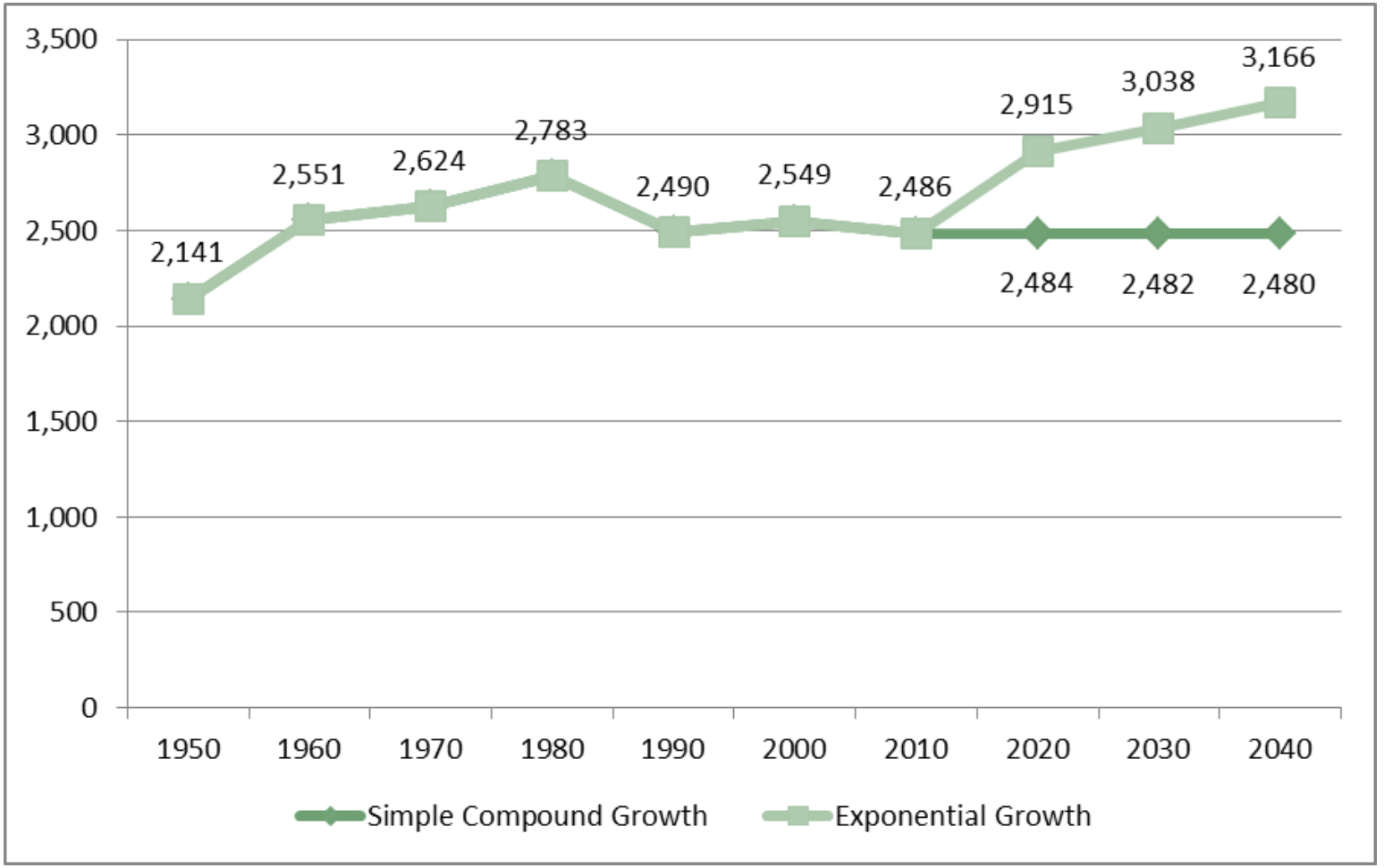
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa; Indexed by UERPC

Projection Calculations

- Simple Compound Growth (SCG) Rate
  - For each jurisdiction, chose growth rate with the least amount of variance over time
  - Future Population = *Current Population* x *Growth Rate*^{y}, where y = number of periods
- Exponential Growth (EG) Rate
  - Plotted the population from 1900 to the present
  - Fit an exponential trend line to the data and used the resulting equation to project future population

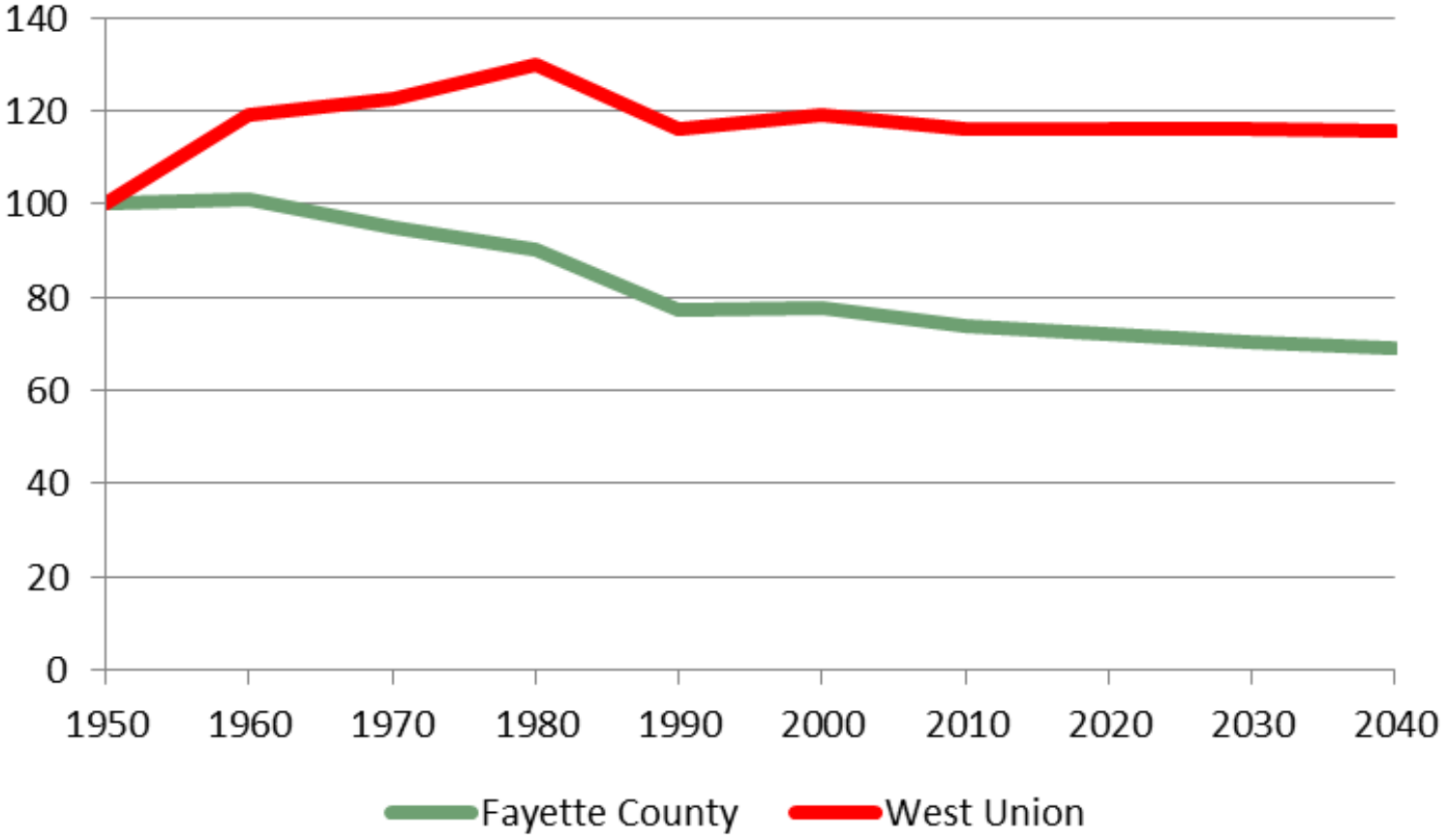
Note: for West Union SCG, used the 20 year growth rate of -.008%

Projections



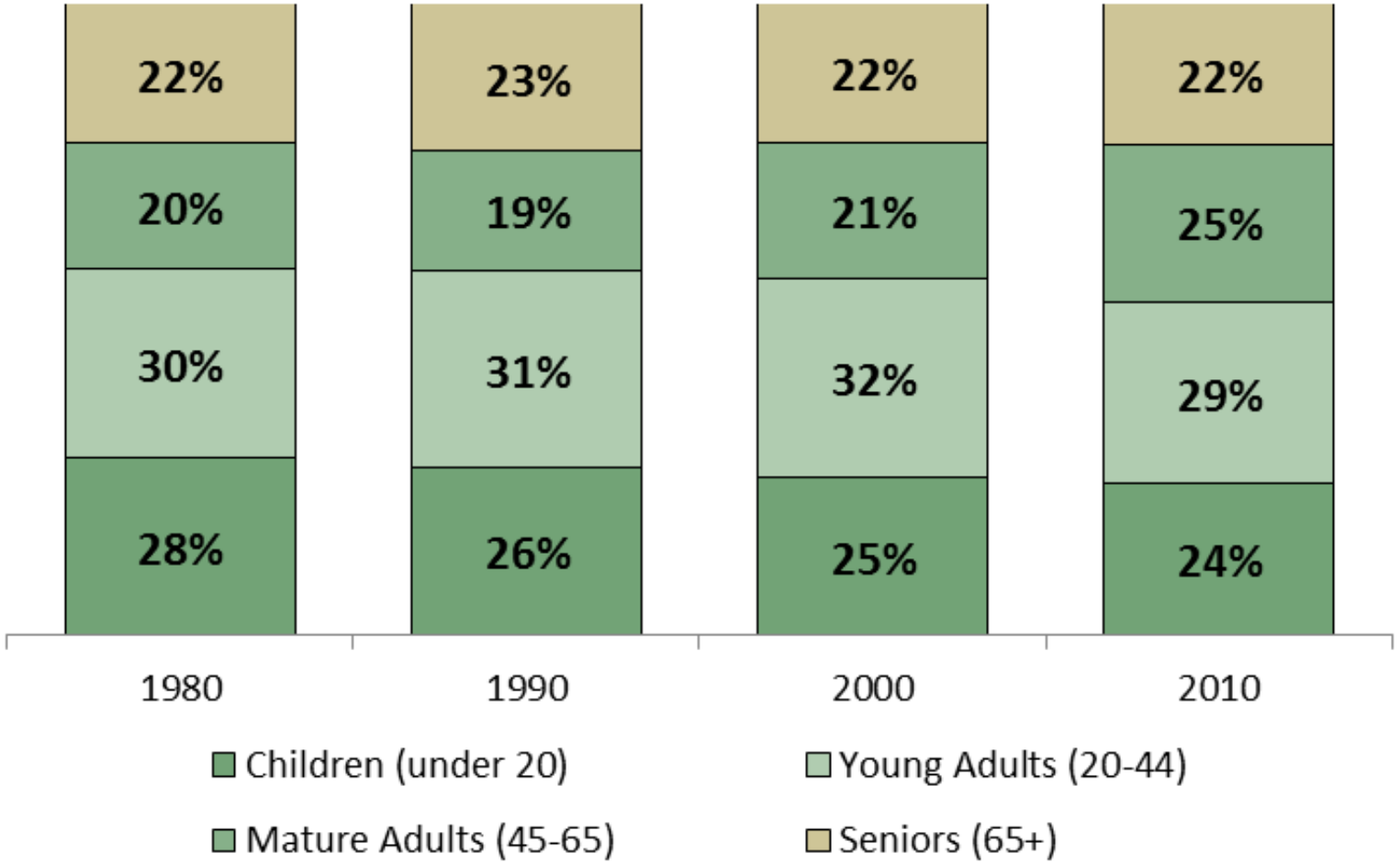
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa; Indexed by UERPC

Population Projections – Indexed Comparison Based on Simple Compound Growth Rate



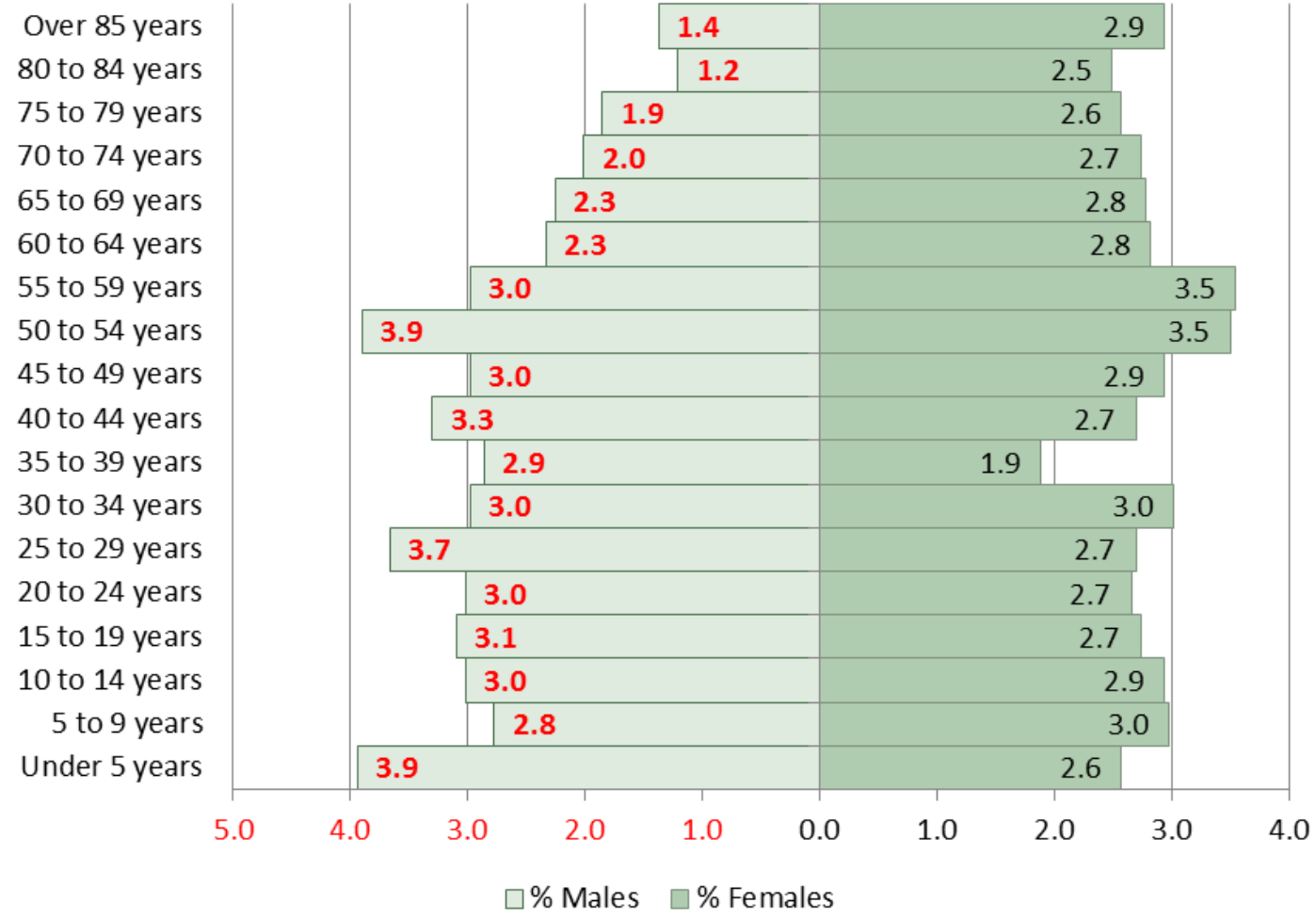
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa; Indexed by UERPC

Population by Age Group – West Union



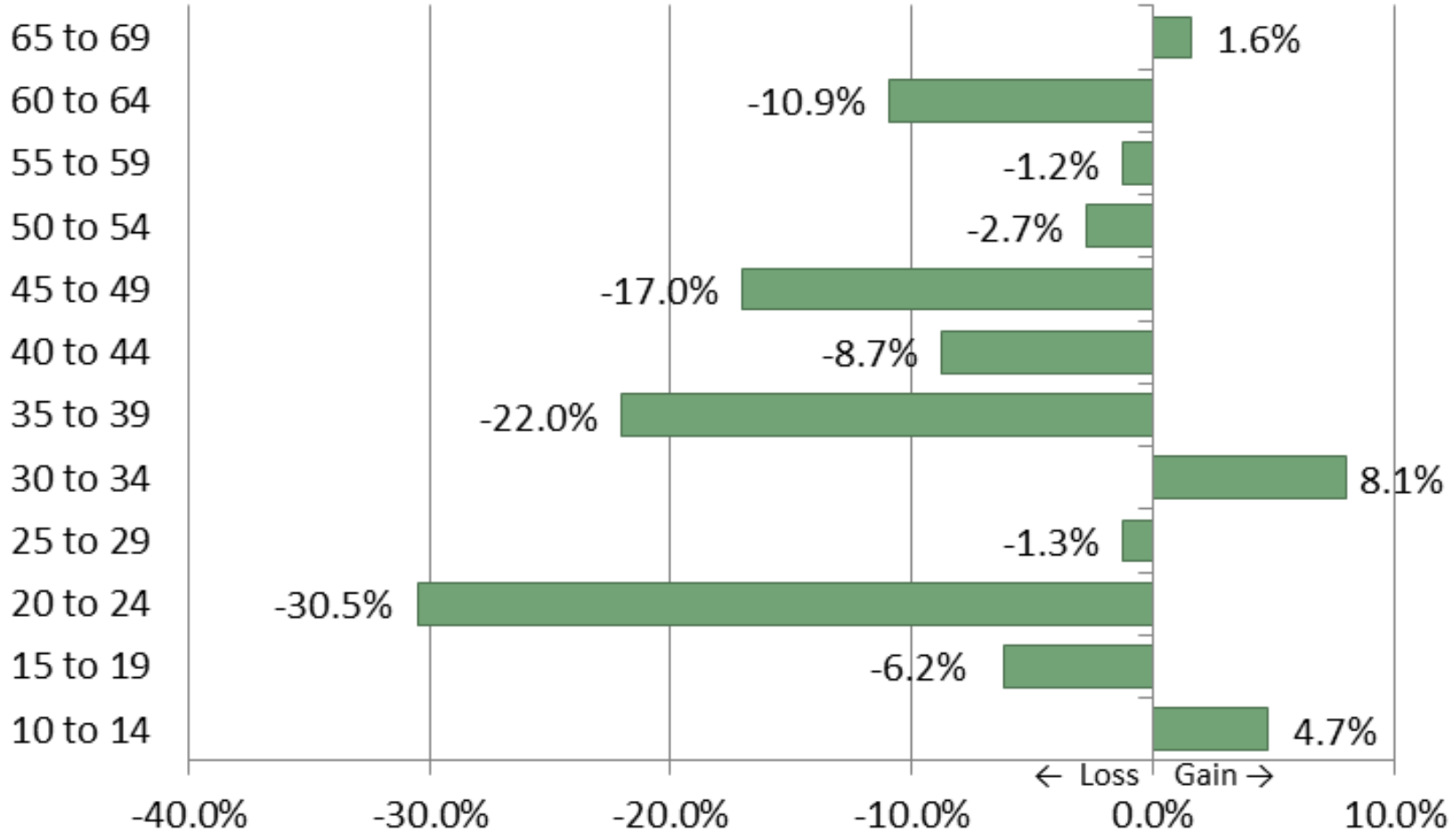
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa

Gender Balance by Age Group – West Union



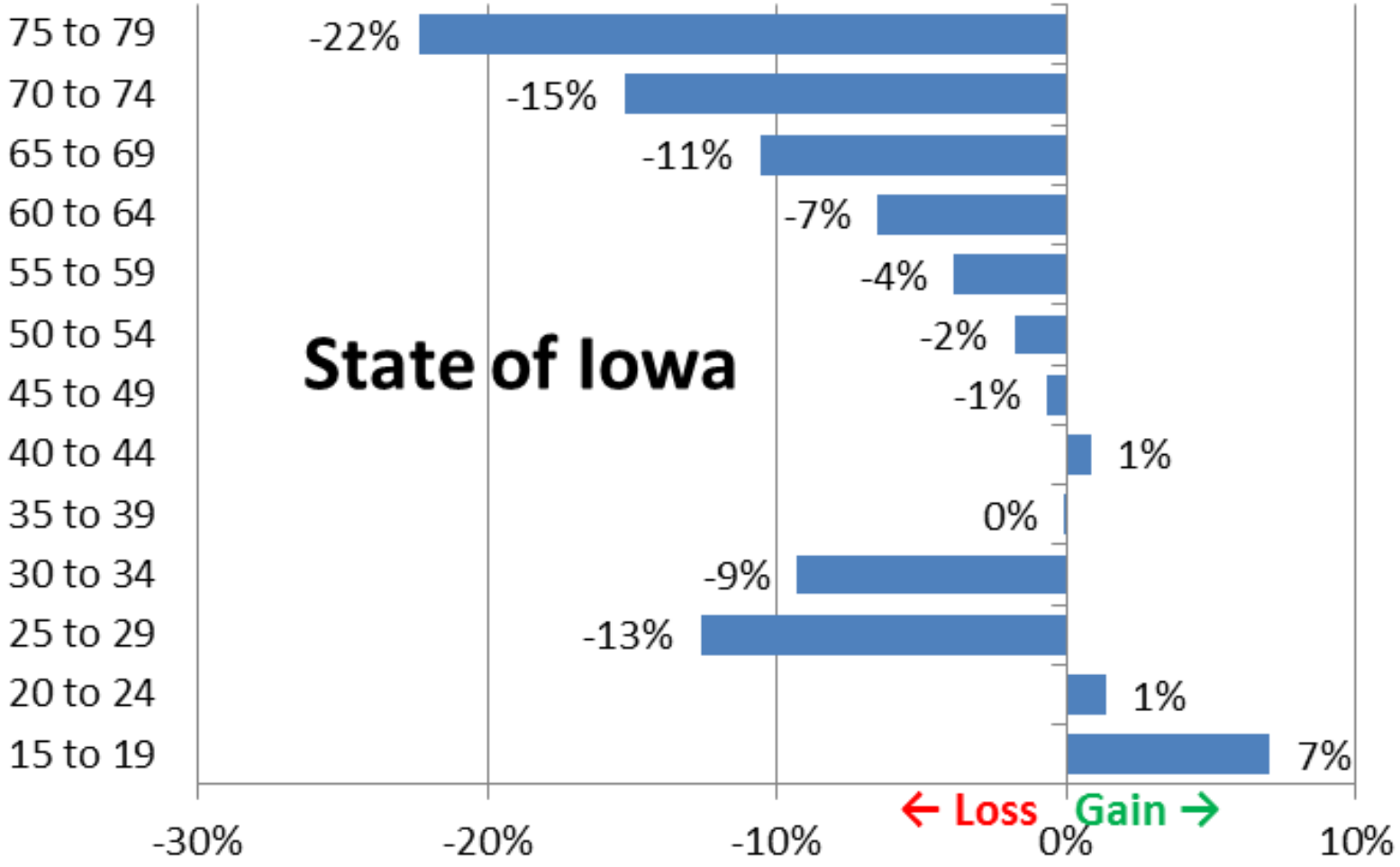
Source: U.S. Census Bureau, 2010 Decennial

Net Loss/Gain Over Past Decade by Age Group



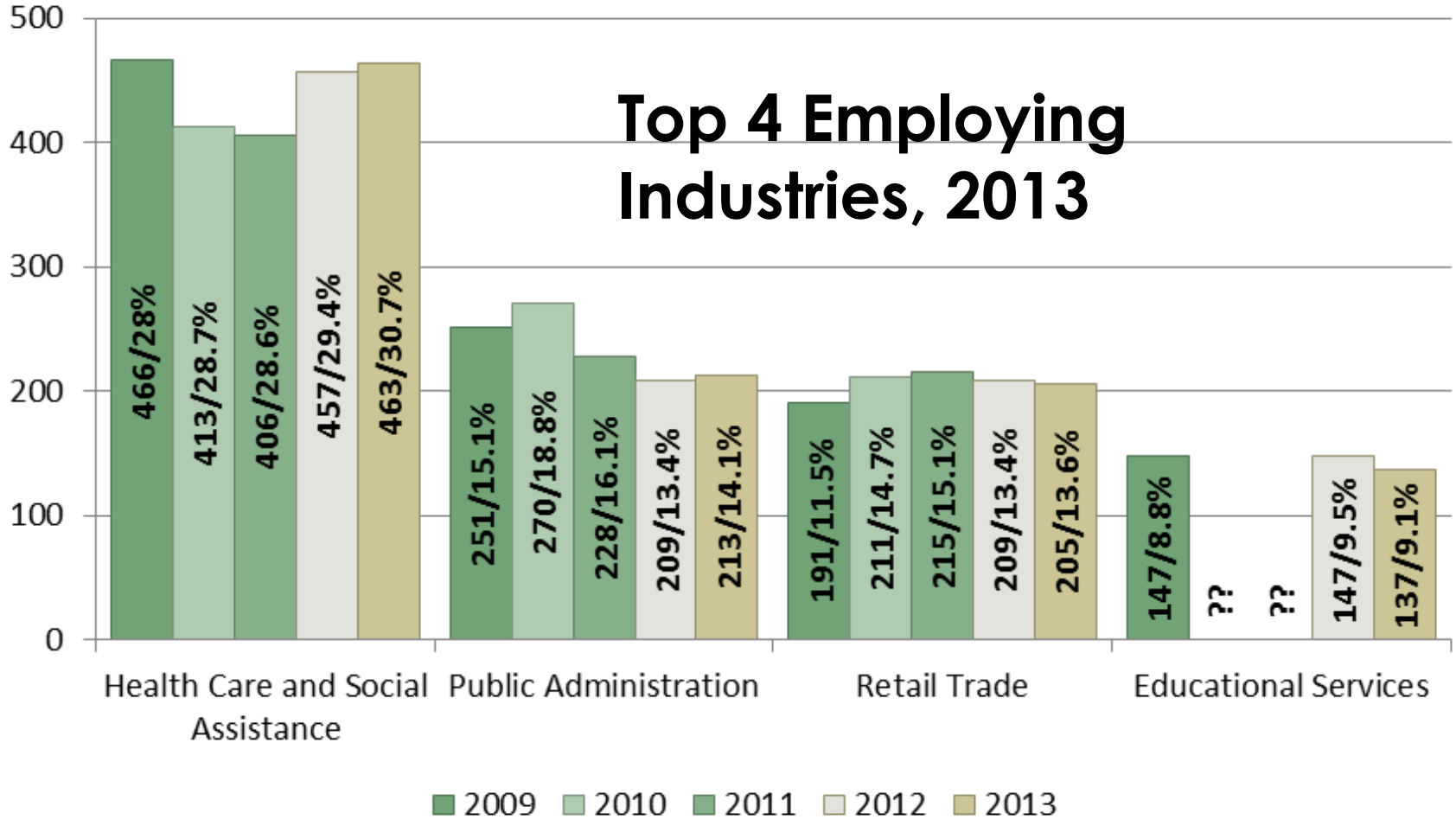
Source: U.S. Census Bureau, 2010 Decennial; U.S. Census Bureau, 2000 Decennial

Comparison to State's Net Loss/Gain Over Past Decade by Age Group



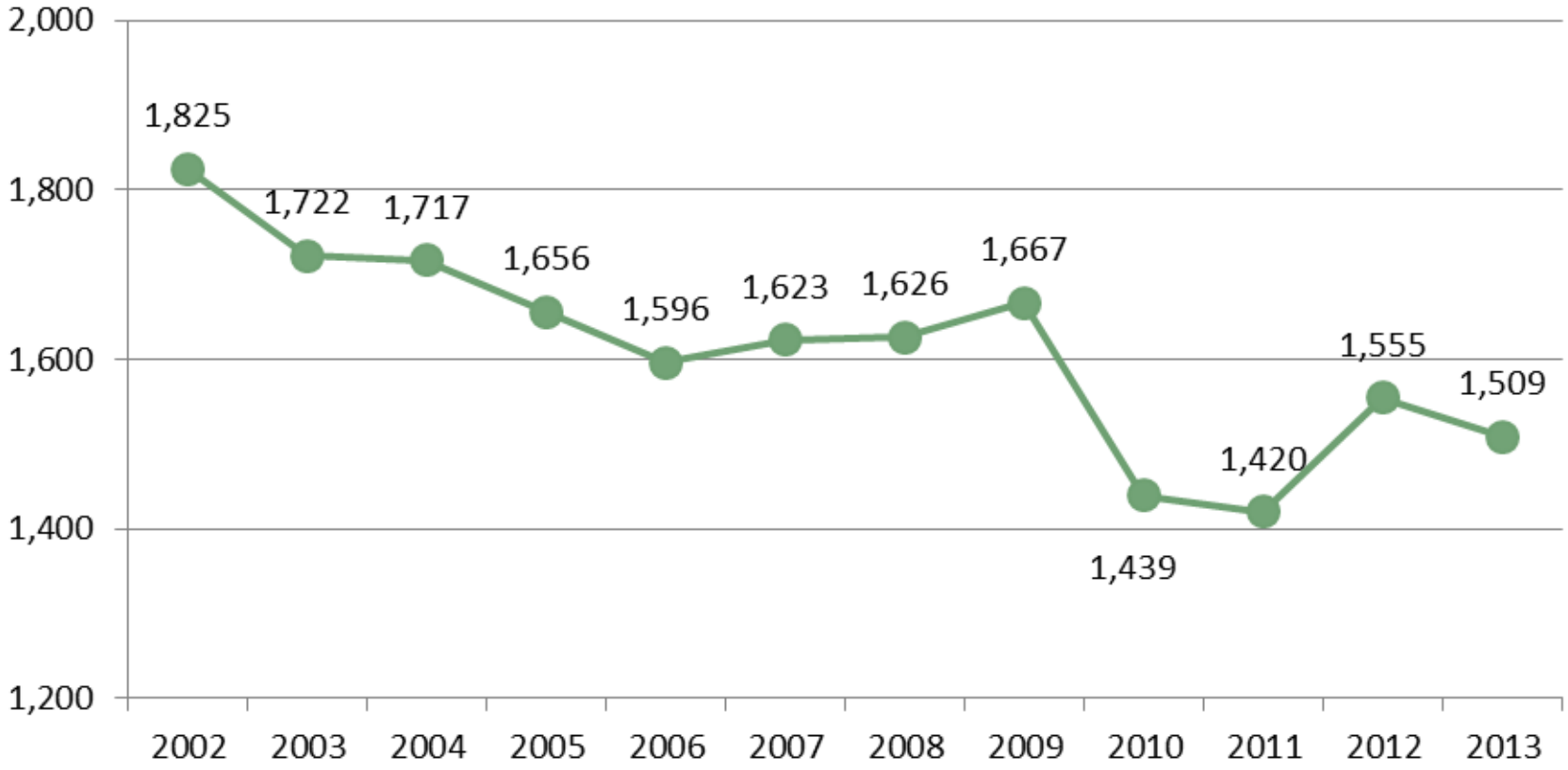
Source: U.S. Census Bureau, 2010 Decennial; U.S. Census Bureau, 2000 Decennial

Jobs – West Union



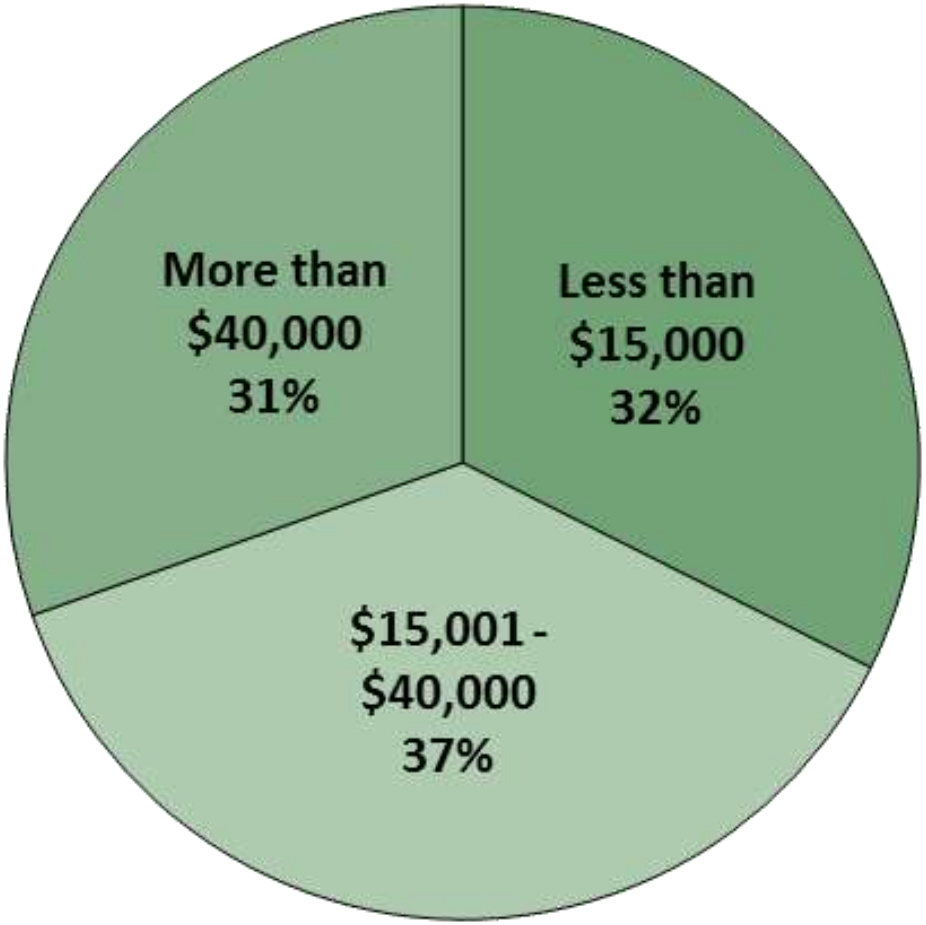
Source: U.S. Census Bureau, Center for Economic Studies, 2013

Jobs – West Union



U.S. Census Bureau, Center for Economic Studies, 2013

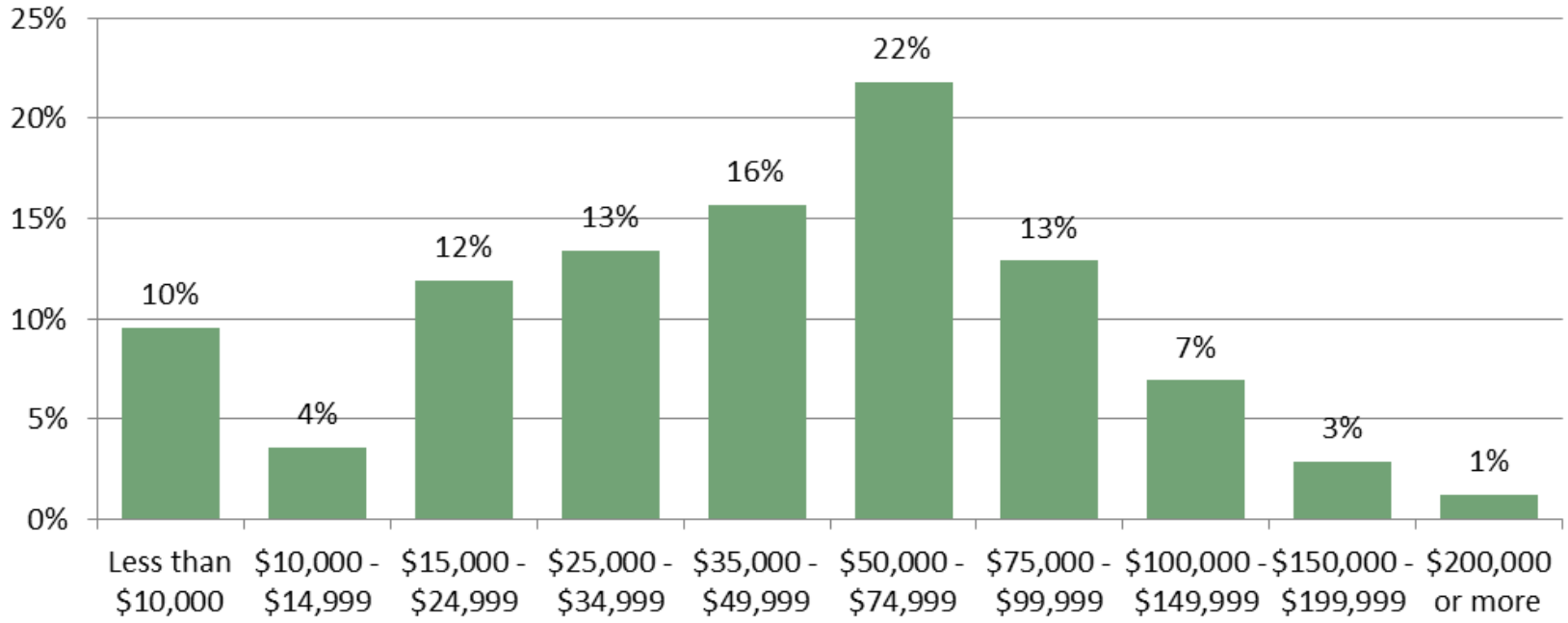
Jobs by Earnings



Source: U.S. Census Bureau, Center for Economic Studies, 2013

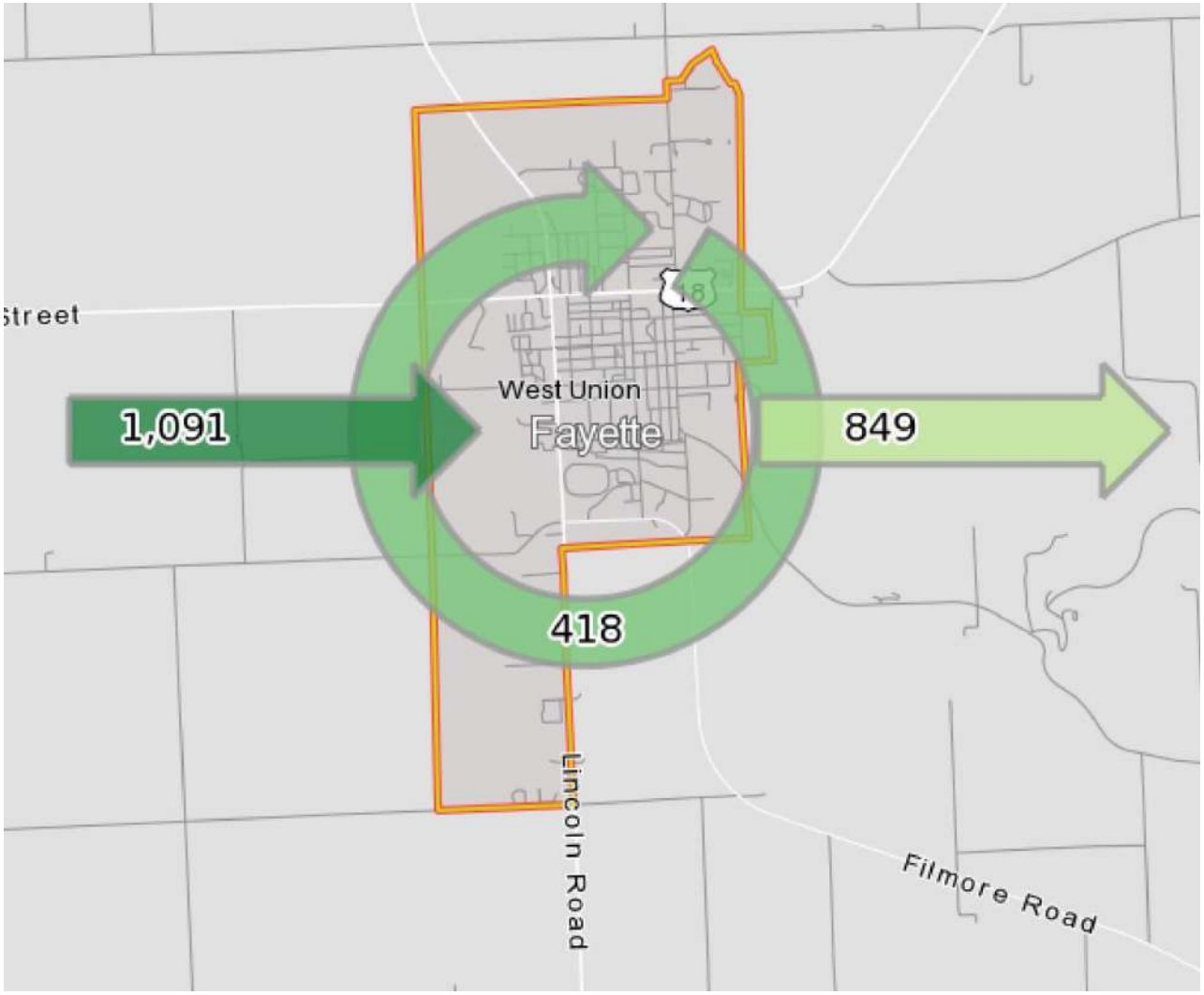
Income - Households

West Union Median - $44,100



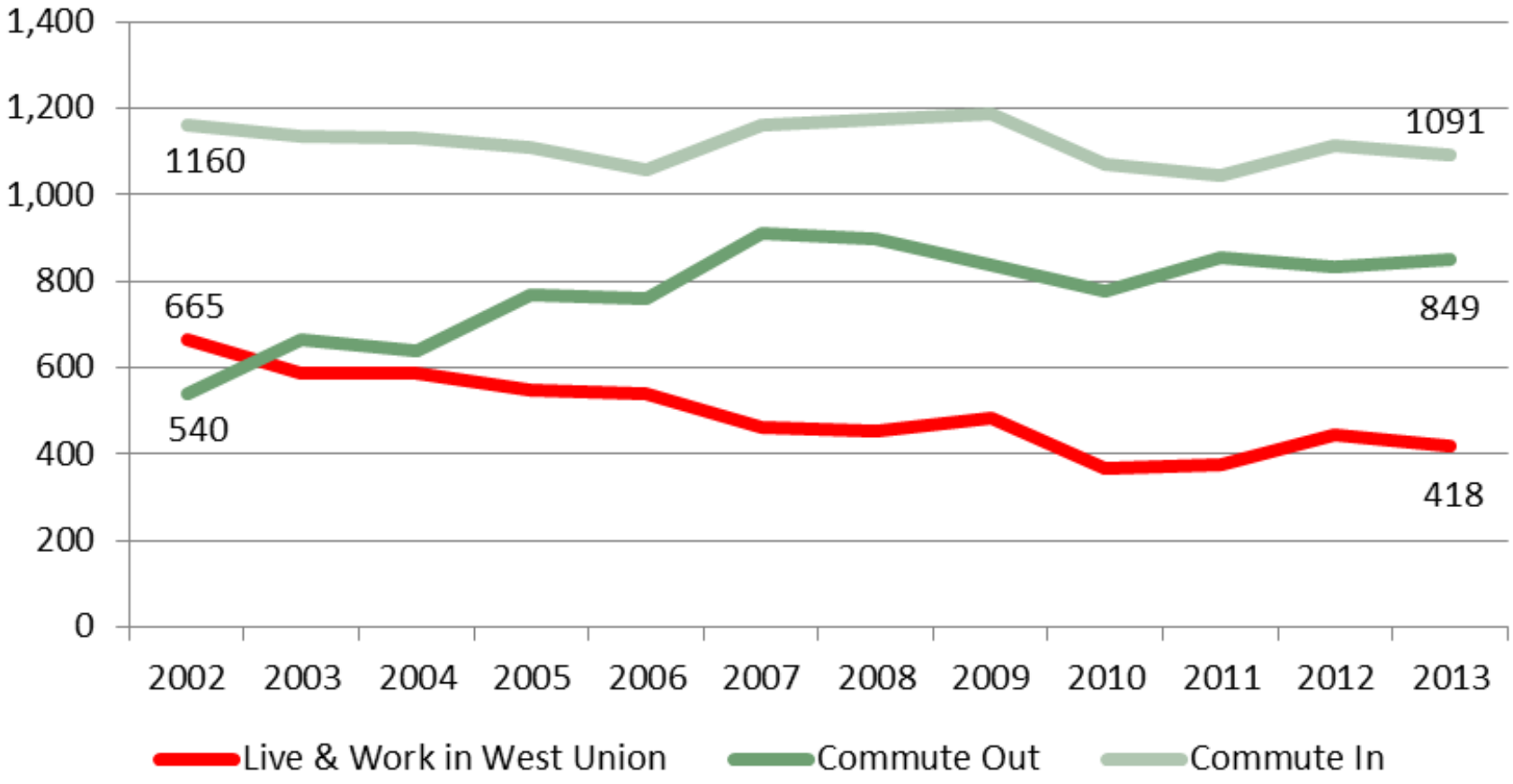
Source: U.S. Census Bureau, ACS 2010-2014

Commuting – West Union



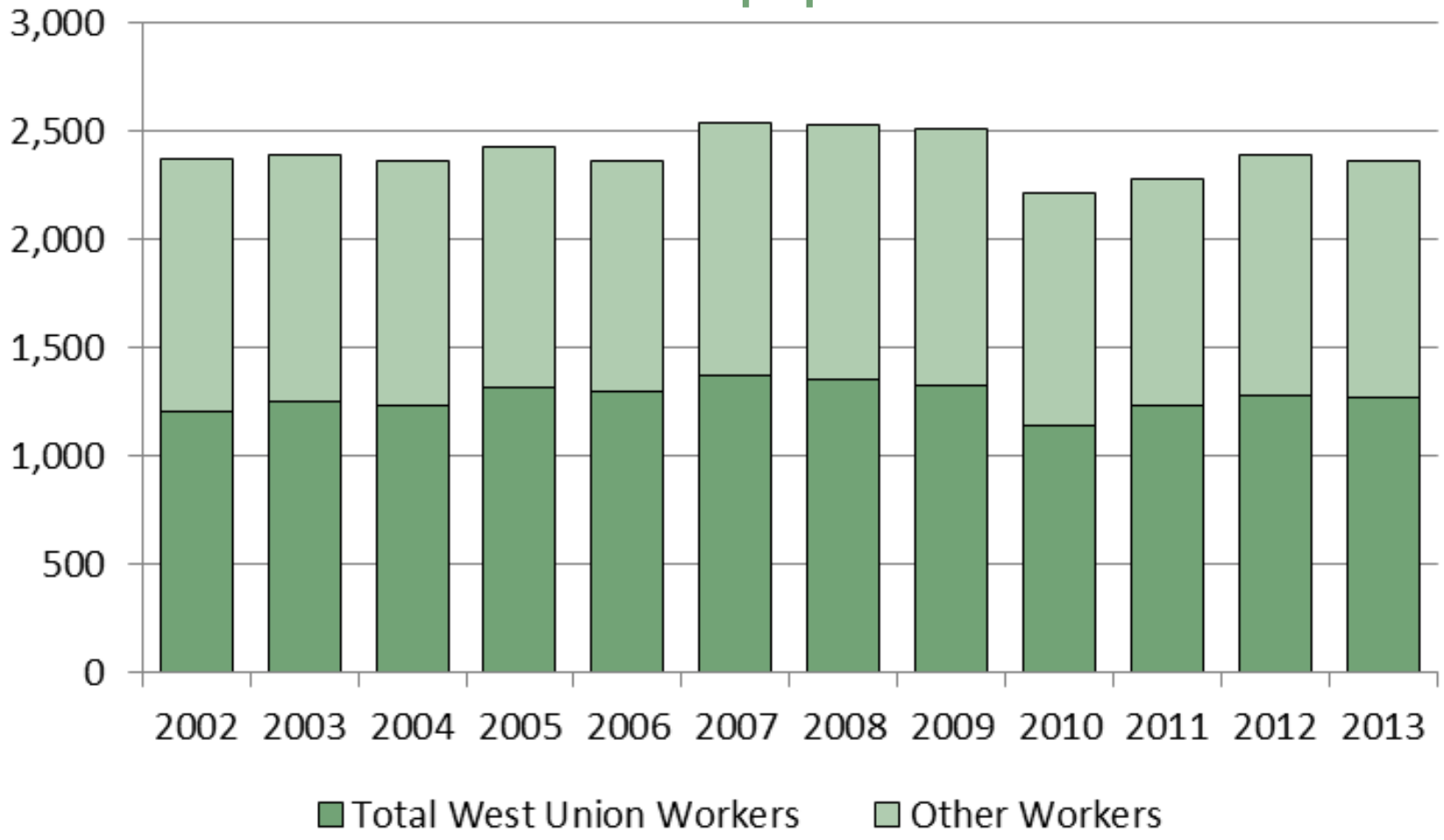
Source: U.S. Census Bureau, Center for Economic Studies, 2013

Commuting – West Union



Source: U.S. Census Bureau, Center for Economic Studies, 2013

West Union Supports…



Note: in 2013, out of 2,358 total people – 1,267 are West Union workers, 1,091 are other workers

Source: U.S. Census Bureau, Center for Economic Studies, 2013

Where are West Union's workers going?	
Stay in West Union	33.0%
Fayette	4.7%
Postville	4.3%
Waterloo	4.1%
Decorah	3.6%
Oelwein	1.7%

Where are workers in West Union coming from?	
Already in West Union	27.7%
Elgin	3.3%
Clermont	3.2%
Fayette	1.9%
Oelwein	1.8%
Hawkeye	1.7%

Source: U.S. Census Bureau, Center for Economic Studies, 2013

Cost of Living - SMOC

- SMOC: Selected Monthly Owner Costs
- Monthly owner costs include:
  - Mortgage
  - Second mortgage and/or home equity loans
  - Real estate taxes
  - Homeowners insurance
  - Condo fee (if applicable)
  - Mobile home cost (if applicable)
  - Utilities – electricity, gas, water/sewer and other utilities
- Monthly gross rent costs include:
  - Contract rent
  - Utilities – electricity, gas, water/sewer and other utilities

Cost of Living

Owner Occupied	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
% with mortgage	**55.4%**	62.8%	46.6%	48.3%	50.4%	44.7%	50.5%
Median SMOC, with mortgage	**$856**	$944	$1,096	$877	$963	$969	$962
Median SMOC, no mortgage	**$360**	$394	$392	$362	$415	$367	$395
% of households, SMOC > 30% of income	**13%**	14%	12%	17%	24%	12%	15%
Renter Occupied	**West Union**	**Cresco**	**Fayette**	**Oelwein**	**Postville**	**Waukon**	**Fayette County**
Median Gross Rent	**$488**	$625	$651	$529	$651	$513	$537
% of households, Gross Rent > 30% of income	**25%**	61%	80%	43%	46%	23%	43%

Source: U.S. Census Bureau, ACS 2010-2014

Cost of Living

Owner Occupied	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
Property Tax Rate	**15.03815**	18.76005	14.38162	18.12416	15.90119	12.25223	6.49341
LOST	**1%**	1%	1%	1%	1%	1%	1%
Sales Tax	**6%**	6%	6%	6%	6%	6%	6%
Hotel/Motel	**6%**	7%	-	7%	-	4%	-

NICC (All)	NF Valley (West Union & Fayette)	Howard-Winn (Cresco)	Oelwein CSD	Postville CSC	Allamakee CSD (Waukon)
.91036	**14.35685**	12.19454	13.32296	13.61474	10.25329

Source: Iowa Department of Revenue; Iowa Department of Management

Housing Quick Stats

	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
# of Units	**1,272**	1,765	400	3,092	1,023	1,839	9,550
Vacancy Rate	**10.4%**	8.8%	14.0%	10.6%	17.0%	6.8%	11.3%
% Single Unit	**78%**	79%	66%	81%	74%	72%	86%
% 2-4 Unit	**7%**	11%	16%	10%	5%	12%	6%
% Multi Unit	**11%**	11%	15%	6%	20%	8%	5%
% Mobile Home	**5%**	4%	5%	3%	1%	9%	4%
% Owner Occ.	**70%**	69%	59%	69%	61%	70%	76%
% Renter Occ.	**30%**	31%	41%	31%	39%	30%	24%
Average HH Size	**2.17**	2.31	2.26	2.23	2.67	2.16	2.34
% Families - Both Parents Work	**77%**	87%	95%	76%	71%	85%	77%

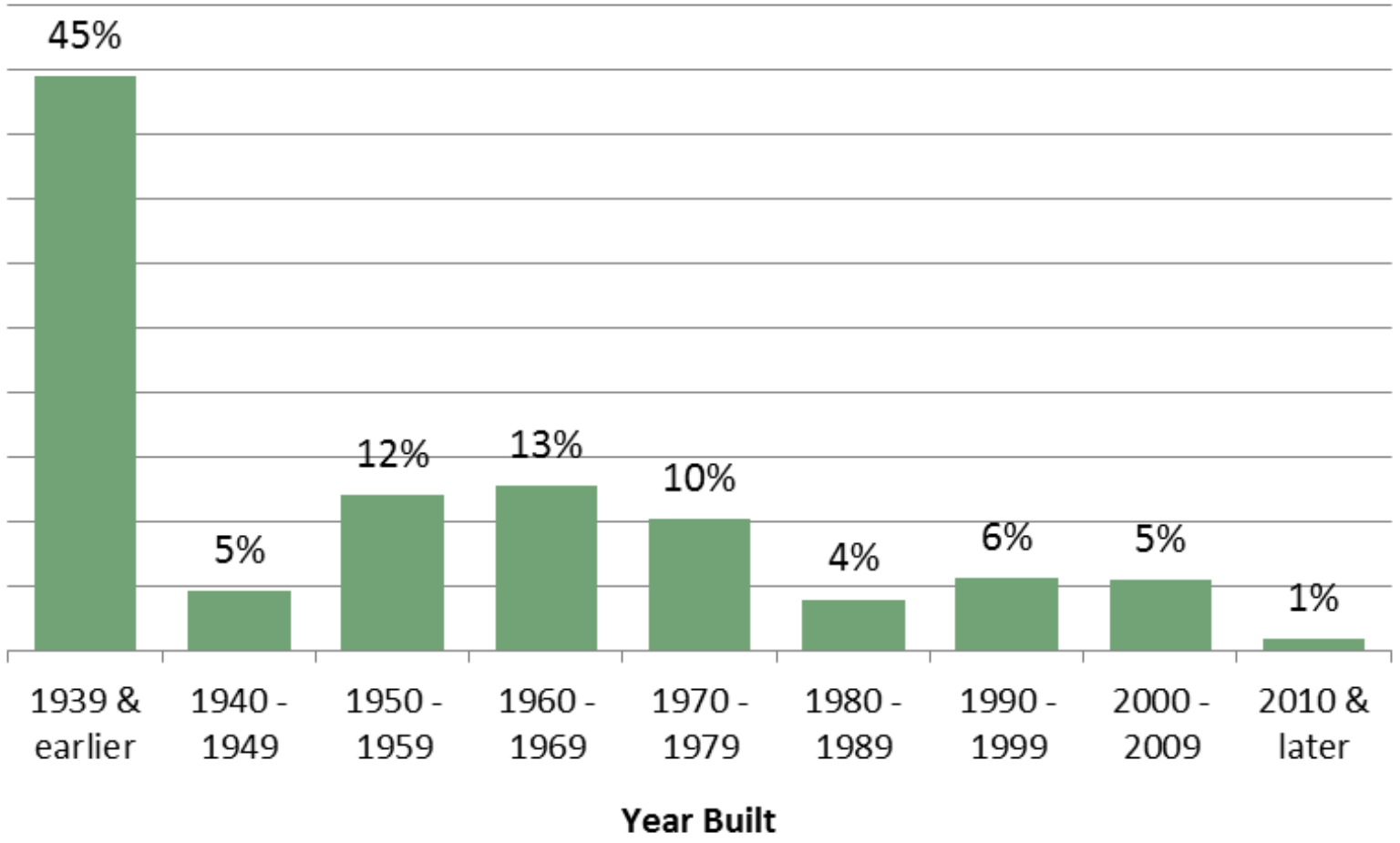
Source: U.S. Census Bureau, ACS 2010-2014

Housing Quick Stats

% Owner Occupied Householder by Age	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
15 - 34 years	**17%**	12%	8%	8%	23%	17%	11%
35 - 54 years	**32%**	36%	32%	36%	28%	19%	33%
55 - 64 years	**17%**	25%	25%	19%	19%	30%	22%
65 years and over	**34%**	27%	35%	37%	31%	35%	34%
% Renter Occupied Householder by Age							
15 - 34 years	**40%**	40%	51%	37%	56%	17%	37%
35 - 64 years	**26%**	21%	17%	39%	27%	35%	35%
55 - 64 years	**9%**	8%	11%	12%	9%	19%	12%
65 years and over	**24%**	31%	21%	12%	9%	28%	15%
Compared to one year ago:							
% In Same House	**85%**	81%	64%	86%	82%	86%	86%
% Same County	**10%**	13%	14%	8%	9%	7%	7%
% From Elsewhere	**5%**	5%	17%	6%	7%	7%	6%

Source: U.S. Census Bureau, ACS 2010-2014

Age of Housing Units



Source: Fayette County Assessor, 2015

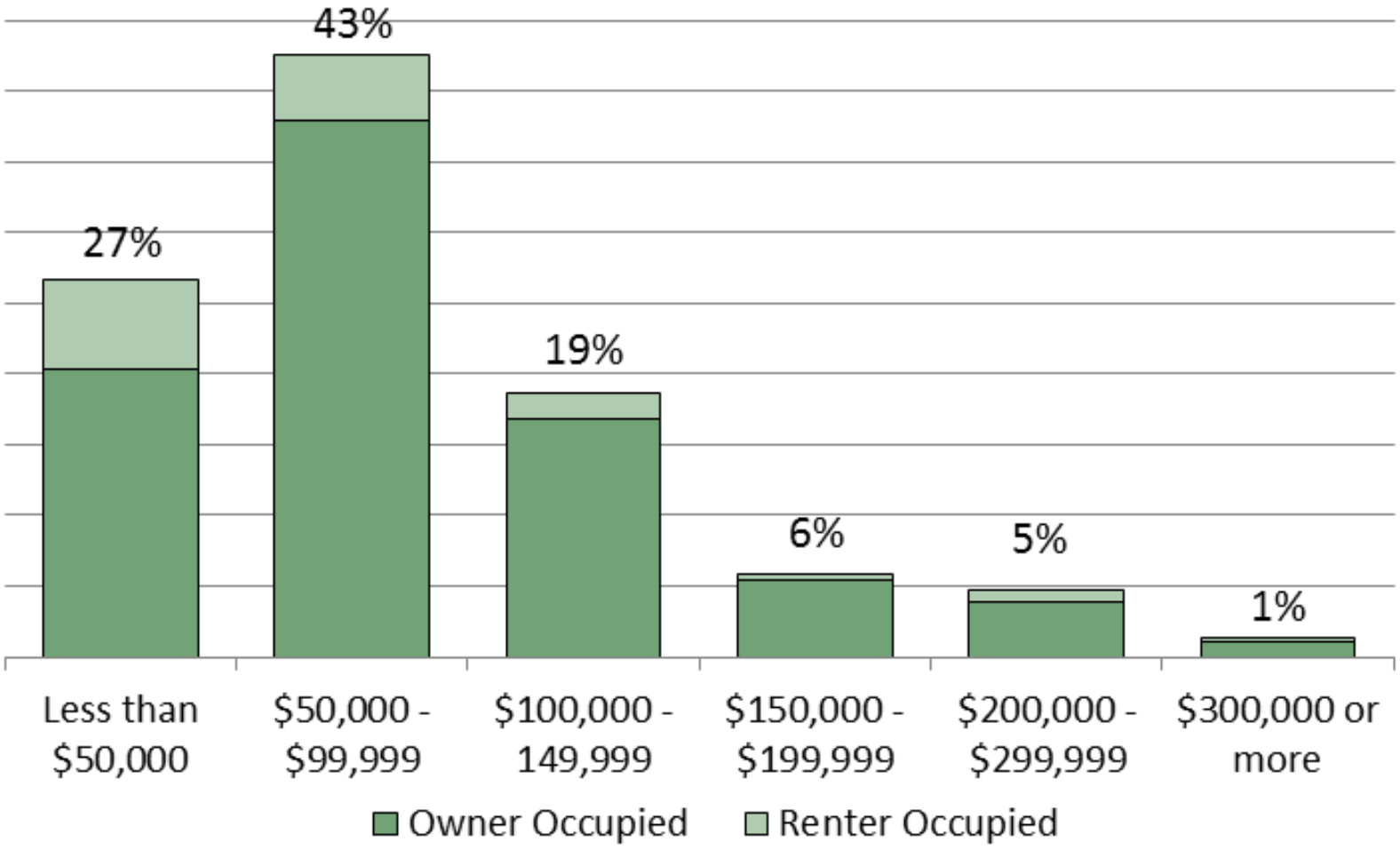
Housing – Built in Last Decade

Bldgs./ Units	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Single Family	8	2	2	3	3	3	2	2	0	1	3	29
Two Family	0	0	0	0	0	0	0	1	0	0	0	0
3 to 4 Family	0	0	0	0	0	0	0	0	0	0	0	0
5 + Family	0	0	1	1	0	0	0	0	0	0	0	2
Total	8	2	38	43	3	3	2	4	0	1	3	107

Note: Assisted Living Facilities in 2006 & 2007

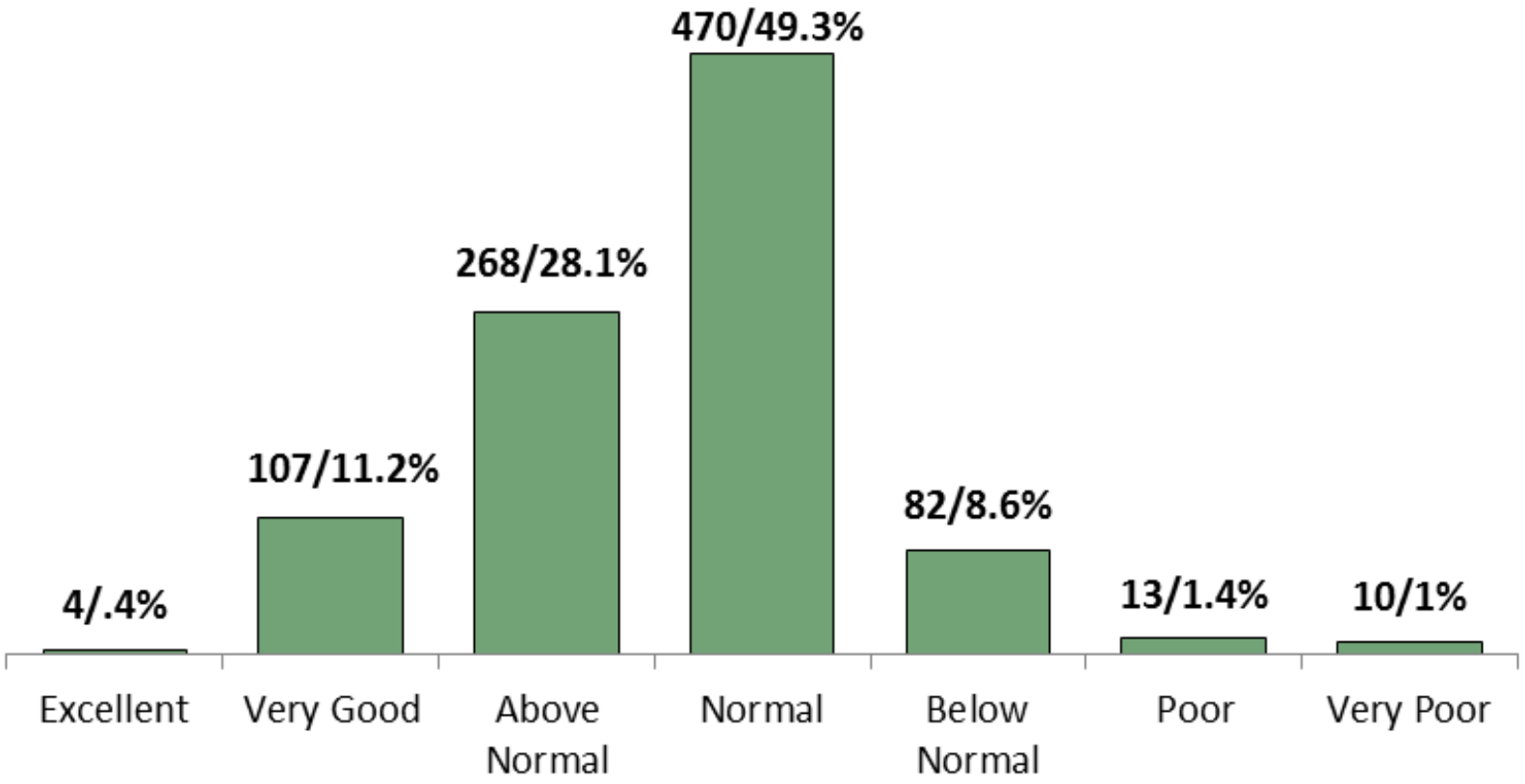
Source: Fayette County Assessor, 2015

Housing – Assessed Values



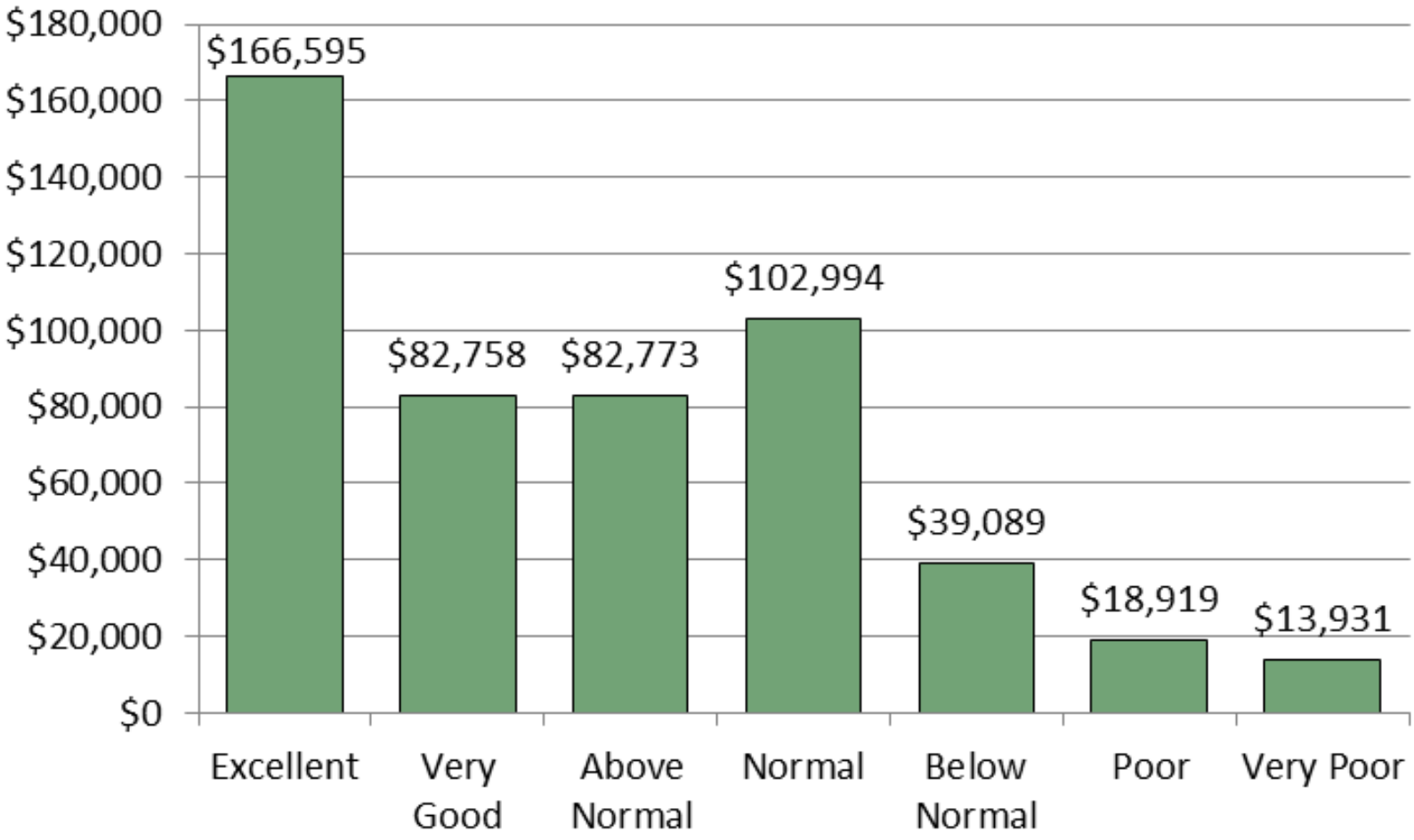
Source: Fayette County Assessor, 2015

Housing – Conditions
(Given age of home)



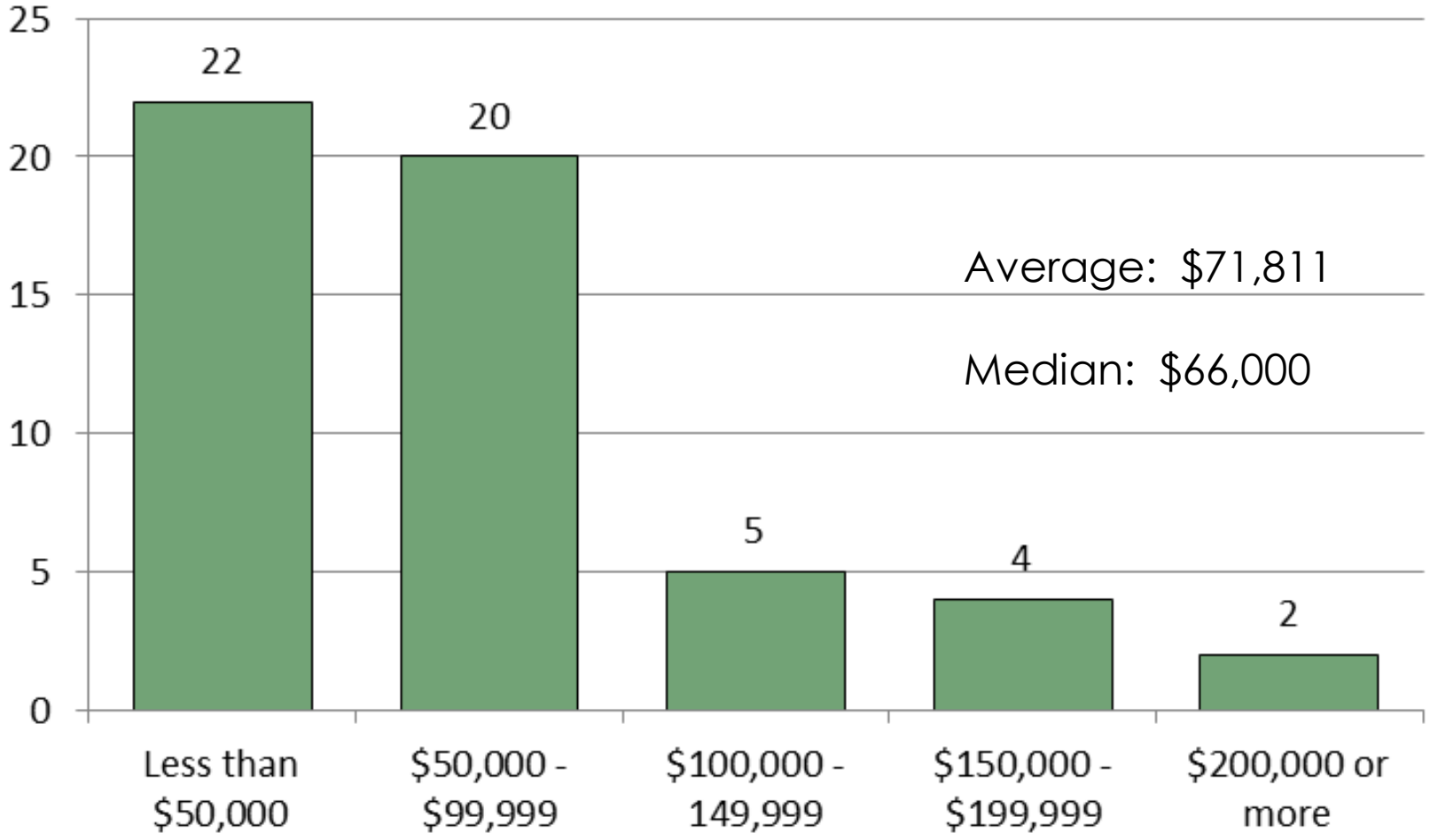
Source: Fayette County Assessor, 2015

Average Value by Condition



Source: Fayette County Assessor, 2015

Housing – Sales Over Past Year



Note: 53 recorded sales

Source: Fayette County Assessor, 2015

Summary of Demographic Data

- Well-distributed age grouping
- Newcomers in the 30 to 34 year age range
- Population projections vary, 2014 Census estimates an increase
- Most jobs in the health care and social assistance industry
- Job counts fluctuated between ‘06 and ‘09 and are rebounding somewhat after a sharp drop in ’10 and ‘11
- Median Household Income = $44,100
- 37% of jobs pay between 15 & 40k, 31% over 40k
- Over 1,000 people commute in to the city for work, over 800 leave for work

Summary of Housing Data

- Majority (45%)of homes were built before 1940
- Average assessed value of these older homes is $55,930
- 85% built prior to 1980
- 107 new units have been added since 2004 (76 in assisted living facilities)
- 89% of homes are rated in Normal or better conditions
- 70% of homes have assessed values less than $100,000
- 34% of homeowners are 65 or older
- We stay put – 85% are in the same home as a year ago
- Had 53 recorded home sales from August 2014 to August 2015, with a median sales price of $66,000
- Prices ranged from $4,000 to $221,000

Housing - Projections

- Assumptions:
  - Household size slowly decreases
  - Population projections based on Simple Compound Growth (most conservative)
  - Year Built data trends from Assessor indicative of future construction – assisted living units were not included
  - Current housing supply in future years assumes half of the previous shortage is built
  - Annual losses due to fire or demolition will occur and by 2025, will be equivalent to the number of units currently rated as in "very poor" condition

Housing - Projections

- Assumptions, continued
  - Vacancy Rate remains the same
  - % of people in group quarters remains the same
  - Housing unit count from the Fayette County Assessor is an accurate figure for current housing supply (less group home units)
- Limitations:
  - Projections can be wrong
  - Local employers' potential workforce expansions or reductions unknown
  - Some data fields from Assessor incomplete

Housing – Projected Need

Housing Supply & Demand				
West Union	2010	2015	2020	2025
Population	2,486	2,484	2,482	2,480
Population in Group Quarters	137	137	137	137
Population to be Housed	2,349	2,347	2,482	2,480
Number of Households	1,108	1,118	1,129	1,140
Preliminary Housing Demand	1,108	1,118	1,129	1,140
Demand with 11% Vacancy Rate	1,230	1,241	1,253	1,265
Replacement Need		3	3	3
Average New Construction		13	13	13
Potential Housing Demand	1,230	1,232	1,244	1,256
Housing Supply	1,175	1,215	1,236	1,252
Shortage	55	17	8	3

Income and Affordability West Union

Income Range	% of House-holds	# of House-holds	Afford-able Range	# of Owner Occ. Units	Affordable Range of Renter Units	# of Renter Units	Total Afford-able Units	Balance
$0 - $25,000	25%	286	$0 - $50,000	117	$0 – $399	95	212	-74
$25,000 - $49,999	29%	332	$50,000 - $99,999	391	$400 – $799	195	586	254
$50,000 - $74,999	22%	249	$100,000 - $149,999	131	$800 – $1,249	10	141	-108
$75,000 - $99,999	13%	147	$150,000 - $199,999	102	$1,250 - $1,499	0	102	-45
$100,000 - $149,999	7%	79	$200,000 - $299,999	43	$1,500 - $1,999	0	43	-36
$150,000 and over	4%	47	$300,000 and over	19	$2,000 and over	0	19	-28

Source: U.S. Census Bureau, ACS 2010-2014

Income & Affordability Summary

Unit (gap)/surplus

Value/Gross Rent per month*	West Union
Less than $50k/ Less than $400	(74)
$50k - $99,999/ $400 - $799	254
$100k - $149,999/ $800 - $1,249	(108)
$150k - $199,999/ $1,250 - $1,499	(45)
$200k - $299,999/ $1,500 - $1,999	(36)
$300k and over/ $2,000 and over	(28)

*Source: U.S. Census Bureau, ACS 2010-2014; *Gross Rent includes utilities, etc.*

Resident survey returns:

- 380 distributed randomly, 121 returned
- 95% confidence in results with a margin of error of ±8
- Surveys represented 259 individuals in the following age groups:
  - Under 20: 19%
  - 20 – 34: 11%
  - 35 – 44: 9%
  - 45 – 54: 9%
  - 55 – 64: 22%
  - 65 and over: 30%
- And the following income levels:
  - Less than $25,000: 17.8%
  - $25,000 - $34,999: 11.9%
  - $35,000 - $49,999: 14.9%
  - $50,000 - $74,999: 27.7%
  - $75,000 - $99,999: 12.9%
  - $100,000 and over: 14.9%

What we learned from the surveys:

- Nearly 50% own property free and clear
- Over 40% have lived in the same home for over 20 years
- Over 30% of respondents have householders who work outside of West Union
- 44% of those seeking housing find limited numbers of affordable homes for sale – and 42% say the available affordable homes are too small or of poor quality
- 42% feel that too much poor dilapidated housing is a major problem

What we learned from the surveys:

When asked to rate the following aspects of living environment, respondents said:

	Excellent	Very Good	Good	Fair	Poor
House structural condition	35%	40%	19%	7%	0%
Exterior appearance of home	32%	42%	19%	5%	2%
Yard/lot size	49%	30%	11%	9%	1%
Adequate heating	57%	29%	10%	2%	2%
Sanitation and safety	50%	38%	9%	3%	1%
Security from crime	34%	36%	22%	4%	4%
Quality of neighborhood	50%	21%	19%	7%	3%
Distance from work	51%	27%	13%	7%	3%
Occupancy costs	28%	38%	23%	9%	2%

What we learned from the surveys:

- 29% indicate a major problem in too much vacant/abandoned housing
- 66% have no desire to move – 44% would like to move (3 to 5 years was the most often given response)
- Only 16% have tried to move in the past year
- 80% want to own their next home
- 95% of respondents said they would be looking for a garage with their new home, 90% want energy efficiency, 77% want a one-story

What we learned from the surveys:

- 92% satisfied or very satisfied with their current housing situation
- 42% have no garage (13%) or just one stall (29%)
- 73% say the size of their home is "just right"
- 45% of respondents receive retirement income
- 39% have investment income
- 57% have income from a salary or wages

What we heard from the real estate agents:

- 50% believe the market is worse, 50% say it is better or the same than one year ago and five years ago
- Most say the demand is less than the supply
- Most agree that prices have remained steady
- A lack of qualified buyers is the factor having the most impact on the market – followed by the manufacturing economy
- Most noted too much inventory in the $50 to $100k price range – and too little in the $100 to $150k price range
- Most felt that the days on the market is somewhat longer than the national average – and indicated it to be about 6 months

What we heard from the real estate agents:

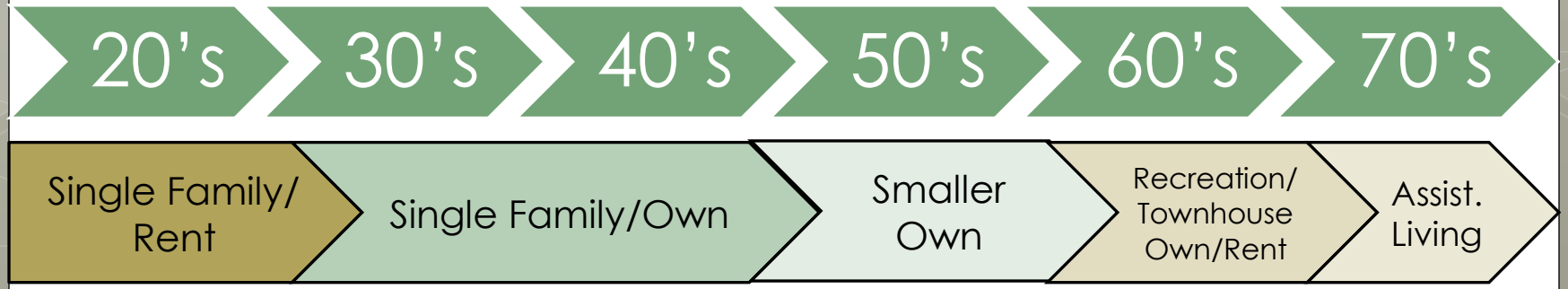
- Out of town buyers look for good schools and the availability of shopping, dining and social opportunities
- Buyers want a two car garage and a roof in good repair
- Buyers also look for newer windows and more open floor plans
- Barriers for buyers include poor credit and an inability to come up with a down payment
- Quality of life makes (or breaks) the sale!
- May have a shortage of decent rental property
- Jobs don't pay enough to support home-buying

What we heard from the housing committee:

- People are fixing up their houses recently – perhaps because the cost of a new home is too high and fixing up an existing home is the only option
- Student loan debt is preventing younger people from saving for a down payment – or having the ability to squeeze another monthly payment out of their budget
- Many potential homebuyers have poor credit histories
- Bank lending regulations will be tightening even more in the coming months

What we heard from the housing committee:

- There is a lack of suitable housing in the $100k to $150k range
- The 34% of homeowners in the "over 65" age range may be an opportunity for newer maintenance-free housing, and allow for movement along the continuum of residential dynamics:



What we heard from the housing committee:

- We need to improve the quality of life in order to attract people – and subsequent housing improvements. Movie theater? More retail options?
- To encourage rehab or construction, develop incentives for homeowners and contractors

What will we do?

- Develop a low-interest revolving loan fund for housing rehabilitation projects
- Apply for a targeted CDBG for Owner Occupied Rehab – select areas based on values, size, age and condition of homes
- Develop an informational brochure to inform citizens of the housing programs available to assist them
- Seek out and take advantage of programs that provide energy efficiency assistance for residents (Alliant Energy, Iowa Green Corps, etc.)

What will we do?

- Keep a list of available infill lots for developers and promote the existence of grayfield tax incentives to potential developers
- Conduct a non-resident employee survey to understand potential interest in relocating
- Promote market "churning" by supporting senior housing projects
- Monitor houses on small lots for potential future change
- Host homebuyer education classes on a regular basis

What will we do?

- Encourage the development of city incentives for new construction, including:
  - Limited Tax Abatement
  - Reduced or waived permit fees
  - Reduced or waived hook-up fees
  - Other rebates as feasible (culvert, sidewalks, landscaping, etc.)
- Develop promotional materials for developers
- Develop promotional materials to attract residents

Fayette County Data Disclaimer

- Some of the data used to compile this report was obtained from the Fayette County GIS Office and the Fayette County Assessor's Office. All data can be publicly viewed on the Fayette County's Beacon Website.

- Disclaimer: Fayette County, the Fayette County Assessor, Fayette County GIS Coordinator and their employees make every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or its interpretation. Fayette County and its employees assume no responsibility for the consequences of inappropriate uses or interpretations of the data. Any person that relies on any information obtained from this site does so at his or her own risk. All critical information should be independently verified.

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